

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 7, 2023

Company name: The Shibusawa Warehouse Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9304 URL <https://www.shibusawa.co.jp/>
 Representative: PRESIDENT REPRESENTATIVE TAKESHI OSUMI
 DIRECTOR
 GENERAL MANAGER
 Inquiries: FINACING & ACCOUNTING DIV. SATORU IKEDA TEL 03-5646-7235
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	37,094	(5.7)	2,148	(12.4)	2,634	(13.7)	1,752	(27.8)
Six months ended September 30, 2022	39,357	11.6	2,454	7.2	3,051	20.3	2,426	39.7

Note: Comprehensive income Six months ended September 30, 2023 ¥3,487 million [18.6%]
 Six months ended September 30, 2022 ¥2,941 million [18.9%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	115.67		-	
Six months ended September 30, 2022	159.78		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	111,705	60,672	53.5	3,946.83
As of March 31, 2023	115,831	57,872	49.3	3,766.62

Reference: Equity As of September 30, 2023 ¥59,809 million
 As of March 31, 2023 ¥57,072 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	-	40.00	-	45.00	85.00
Year ending March 31, 2024	-	45.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	50.00	95.00

Note: Revisions to the cash dividend forecasts most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	79,000	0.6	4,700	(4.0)	5,300	(9.4)	3,600	(4.2)	237.59

Note: Revisions to the financial results forecasts most recently announced: None

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	15,217,747 shares	As of March 31, 2023	15,217,747 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	63,799 shares	As of March 31, 2023	65,438 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	15,152,791 shares	Six months ended September 30, 2022	15,187,186 shares
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Note: The Company has introduced a share-based remuneration plan (Board Benefit Trust) for Directors (excluding outside Directors) using a trust, and the Company's shares held by the trust account are included in the number of treasury shares that were excluded when calculating the average number of shares during the period. (51,700 shares in the six months ended September 30, 2023 and 17,433 shares in the six months ended September 30, 2022)

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of the forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including financial results forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	22,269	14,584
Notes and accounts receivable	13,151	13,839
Securities	3,000	–
Other	2,953	2,743
Allowance for doubtful accounts	(8)	(6)
Total current assets	41,366	31,160
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,723	28,082
Land	19,161	23,007
Construction in progress	413	1,671
Other, net	1,990	1,868
Total property, plant and equipment	50,289	54,629
Intangible assets	971	947
Investments and other assets		
Investment securities	21,276	23,254
Other	1,941	1,731
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	23,187	24,954
Total non-current assets	74,448	80,531
Deferred assets	16	13
Total assets	115,831	111,705

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Trade notes and accounts payable	5,819	5,743
Short-term borrowings	5,962	5,589
Current portion of bonds payable	7,028	28
Income taxes payable	840	853
Provisions	756	741
Other	2,858	4,126
Total current liabilities	23,264	17,082
Non-current liabilities		
Bonds payable	3,102	3,088
Long-term borrowings	21,302	20,068
Long-term deposits received	5,726	5,854
Retirement benefit liability	2,398	2,310
Other	2,164	2,628
Total non-current liabilities	34,693	33,949
Total liabilities	57,958	51,032
Net assets		
Shareholders' equity		
Share capital	7,847	7,847
Capital surplus	6,444	6,446
Retained earnings	36,847	37,915
Treasury shares	(134)	(131)
Total shareholders' equity	51,004	52,078
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,784	7,006
Foreign currency translation adjustment	280	721
Remeasurements of defined benefit plans	3	3
Total accumulated other comprehensive income	6,068	7,731
Non-controlling interests	799	862
Total net assets	57,872	60,672
Total liabilities and net assets	115,831	111,705

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenue		
Warehousing fee income	4,506	4,542
Stevedoring income	3,682	3,602
Handling income	9,751	7,500
Land Transportation income	16,293	16,241
Godown Rental income	1,082	1,181
Real estate rent	3,004	2,856
Other	1,035	1,168
Total operating revenue	39,357	37,094
Operating costs		
Stevedoring cost	25,483	23,227
Building rent	2,129	2,151
Salaries and allowances	2,027	2,156
Depreciation	1,399	1,344
Other	3,987	4,065
Total operating costs	35,027	32,944
Operating gross profit	4,329	4,149
Selling, general and administrative expenses	1,875	2,000
Operating profit	2,454	2,148
Non-operating income		
Interest income	15	46
Dividend income	343	359
Share of profit of entities accounted for using equity method	249	123
Other	106	61
Total non-operating income	716	591
Non-operating expenses		
Interest expenses	74	66
Other	43	39
Total non-operating expenses	118	105
Ordinary profit	3,051	2,634
Extraordinary income		
Gain on bargain purchase	227	–
Gain on step acquisitions	73	–
Total extraordinary income	301	–
Extraordinary losses		
Loss on disposal of non-current assets	–	32
Total extraordinary losses	–	32
Profit before income taxes	3,352	2,601
Income taxes	907	811
Profit	2,445	1,789
Profit attributable to non-controlling interests	18	36
Profit attributable to owners of parent	2,426	1,752

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,445	1,789
Other comprehensive income		
Valuation difference on available-for-sale securities	(194)	1,250
Foreign currency translation adjustment	494	285
Remeasurements of defined benefit plans, net of tax	1	(0)
Share of other comprehensive income of entities accounted for using equity method	195	162
Total other comprehensive income	496	1,698
Comprehensive income	2,941	3,487
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,925	3,415
Comprehensive income attributable to non-controlling interests	16	71

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,352	2,601
Depreciation	1,470	1,415
Increase (decrease) in allowance for doubtful accounts	(1)	(2)
Increase (decrease) in retirement benefit liability	(23)	(87)
Interest and dividend income	(359)	(406)
Interest expenses	74	66
Share of loss (profit) of entities accounted for using equity method	(249)	(123)
Gain on bargain purchase	(227)	–
Loss (gain) on sale of non-current assets	(4)	(6)
Loss on retirement of non-current assets	1	1
Loss (gain) on step acquisitions	(73)	–
Decrease (increase) in trade receivables	(578)	(637)
Increase (decrease) in trade payables	(402)	(104)
Other, net	(347)	176
Subtotal	2,631	2,893
Interest and dividends received	354	541
Interest paid	(72)	(71)
Income taxes paid	(897)	(802)
Net cash provided by (used in) operating activities	2,016	2,561
Cash flows from investing activities		
Payments into time deposits	(2,717)	(2,309)
Proceeds from withdrawal of time deposits	1,254	2,384
Purchase of property, plant and equipment	(622)	(4,071)
Proceeds from sale of property, plant and equipment	12	22
Purchase of intangible assets	(31)	(43)
Purchase of investment securities	(19)	(22)
Proceeds from collection of loans receivable	64	0
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	27	–
Other, net	4	(0)
Net cash provided by (used in) investing activities	(2,028)	(4,039)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	490	(136)
Proceeds from long-term borrowings	3,710	100
Repayments of long-term borrowings	(2,524)	(1,570)
Redemption of bonds	(14)	(7,014)
Purchase of treasury shares	(110)	(0)
Dividends paid	(607)	(683)
Dividends paid to non-controlling interests	(1)	(3)
Repayments of lease liabilities	(82)	(62)
Other, net	–	(3)
Net cash provided by (used in) financing activities	859	(9,374)
Effect of exchange rate change on cash and cash equivalents	286	27
Net increase (decrease) in cash and cash equivalents	1,133	(10,825)
Cash and cash equivalents at beginning of period	20,146	22,324
Cash and cash equivalents at end of period	21,279	11,499