

**Consolidated Financial Results
for the Year Ended March 31, 2018[Japan GAAP]**

May 11, 2018

The Sumitomo Warehouse Co., Ltd.

Securities code:	9303
Stock exchange listings:	Tokyo
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Date of general shareholders' meeting (as planned):	June 27, 2018
Dividend payable date (as planned):	June 28, 2018
Annual securities report filing date (as planned):	June 27, 2018
Supplemental material of annual results:	Yes
Convening briefing of annual results:	Yes

1. Consolidated financial results for the year ended March 31, 2018(April 1, 2017-March 31, 2018)

Figures are rounded down to the nearest million yen, except per share figures.

(1) Consolidated operating results (%: year-on-year change)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	175,756	6.4	10,302	12.1	12,684	12.0	8,358	7.1
Year ended March 31, 2017	165,256	(4.1)	9,189	(14.7)	11,327	(11.4)	7,802	(3.5)

Note: Comprehensive income:

Year ended March 31, 2018 : 20,663 million yen ; 71.1%

Year ended March 31, 2017 : 12,077 million yen ; -%

	Net income per share	Diluted net income per share	Net income to shareholders' equity ratio	Ordinary income to total assets ratio	Operating income to operating revenues ratio
	Yen	Yen	%	%	%
Year ended March 31, 2018	47.42	47.30	4.7	3.9	5.9
Year ended March 31, 2017	43.66	43.59	4.7	3.7	5.6

Note: Investment profit (loss) on equity method:

Year ended March 31, 2018 : 466 million yen

Year ended March 31, 2017 : 384 million yen

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	342,642	193,593	54.1	1,061.54
As of March 31, 2017	305,751	178,836	55.9	957.00

Note: Owner's equity

As of March 31, 2018: 185,247 million yen

As of March 31, 2017: 171,059 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	16,639	(13,268)	3,355	31,299
Year ended March 31, 2017	16,629	(6,303)	(9,234)	24,559

2. Dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	—	7.00	—	8.50	15.50	2,770	35.5	1.7
Year ended March 31, 2018	—	8.00	—	8.50	16.50	2,878	34.8	1.6
Year ending March 31, 2019 (Forecast)	—	8.50	—	17.00	—		34.9	

* The Company plans to conduct a 1-for-2 reverse stock split on its common shares on October 1, 2018. Therefore, Dividend per share for the year ending March 31, 2019 (forecast) reflects such reverse stock split and Total Dividend per share states “—”. Without taking into account such reverse stock split, Dividend per share for the fiscal year end of the year ending March 31, 2019 and Total Dividend per share for the year ending March 31, 2019 (forecast) would be ¥8.50 and ¥17.00, respectively. See “Explanation for the proper use of forecasts and other special instructions” for details.

3. Consolidated forecasts for the year ending March 31, 2019 (April 1, 2018-March 31, 2019)

(%: year-on-year change)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months	89,000	3.1	5,000	0.2	6,300	2.5	4,200	(1.5)	24.07
Full year	181,000	3.0	10,400	1.0	12,800	0.9	8,500	1.7	97.42

* Net income per share in the consolidated forecasts for the year ending March 31, 2019 reflects the effect of a reverse stock split. Without taking into account such effect, Net income per share in the consolidated forecasts for the year ending March 31, 2019 would be ¥48.71. See “Explanation for the proper use of forecasts and other special instructions” for details.

4. Other

(1) Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change in subsidiaries)
: None

(2) Changes in accounting policies, accounting estimates and retrospective restatement

- 1) Changes in accounting policies based on revisions of accounting standard: None
- 2) Changes in accounting policies other than ones based on revisions of accounting standard: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(3) Number of issued and outstanding shares (common stock)

Number of issued and outstanding shares (including treasury stock):

As of March 31, 2018 : 176,373,231 shares

As of March 31, 2017 : 195,936,231 shares

Number of treasury stock:

As of March 31, 2018 : 1,865,588 shares

As of March 31, 2017 : 17,191,197 shares

Average number of shares:

Year ended March 31, 2018 : 176,264,243 shares

Year ended March 31, 2017 : 178,720,443 shares

* Status of auditing processes

This Financial Results is not subject to audits by certified public accountants or auditing firms.

* Explanation for the proper use of forecasts and other special instructions

1. The forecasts are based on information currently available and certain assumptions judged to be reasonable. The Company’s actual results may differ materially from the forecasts as a result of numerous factors outside of Company’s control.

2. At the meeting of the Board of Directors held on April 27, 2018, the Company resolved to submit a proposal for the reverse stock split at the 141th General shareholders' meeting scheduled to be held on June 27, 2018, and plans to conduct the 1-for-2 reverse stock split on its common shares on October 1, 2018 if such proposal is approved at the 141th General shareholders' meeting. The Company also plans to change the share trading unit from 1,000 shares to 100 shares on the same date. Without taking into account such reverse stock split, Dividends forecast and consolidated forecasts for the year ending March 31, 2019 would be as follows:

(1) Dividends forecast for the year ending March 31, 2019

Dividend per share for the second quarter	¥8.50
Dividend per share for the fiscal year end	¥8.50

(2) Consolidated forecasts for the year ending March 31, 2019

Net income per share for the six months ending September 30, 2018	¥24.07
Net income per share for the year ending March 31, 2019	¥48.71

Consolidated Financial Results
(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	30,933	45,905
Notes and accounts receivable-trade	19,124	20,824
Real estate for sale	41	35
Work in process	16	77
Deferred tax assets	787	738
Other	5,565	4,844
Allowance for doubtful accounts	(167)	(129)
Total current assets	56,300	72,296
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,838	71,777
Machinery, equipment and vehicles, net	3,814	3,673
Vessels, net	6,878	6,401
Tools, furniture and fixtures, net	856	765
Land	54,230	57,517
Construction in progress	253	390
Other, net	656	692
Total property, plant and equipment	138,527	141,219
Intangible assets		
Goodwill	2,492	2,145
Leasehold right	5,444	7,102
Software	1,012	1,399
Other	1,122	1,470
Total intangible assets	10,071	12,118
Investments and other assets		
Investment securities	92,382	108,463
Long-term loans receivable	113	506
Net defined benefit asset	—	190
Deferred tax assets	1,880	1,226
Other	6,724	6,893
Allowance for doubtful accounts	(248)	(273)
Total investments and other assets	100,852	117,007
Total non-current assets	249,451	270,345
Total assets	305,751	342,642

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,155	12,966
Current portion of bonds	100	7,000
Short-term loans payable	14,081	17,948
Income taxes payable	1,819	1,953
Provision for bonuses	1,580	1,644
Other	5,733	6,880
Total current liabilities	35,470	48,392
Non-current liabilities		
Bonds payable	25,000	33,000
Long-term loans payable	33,179	28,800
Deferred tax liabilities	21,530	27,193
Provision for directors' retirement benefits	41	38
Net defined benefit liability	2,872	2,755
Long-term deposits received	7,894	7,924
Other	925	943
Total non-current liabilities	91,444	100,655
Total liabilities	126,915	149,048
Net assets		
Shareholders' equity		
Capital stock	21,822	14,922
Capital surplus	19,365	15,491
Retained earnings	93,910	99,353
Treasury stock	(8,936)	(1,231)
Total shareholders' equity	126,162	128,537
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,253	52,132
Deferred gains or losses on hedges	(10)	—
Foreign currency translation adjustment	3,231	3,571
Remeasurements of defined benefit plans	421	1,006
Total accumulated other comprehensive income	44,896	56,710
Share acquisition rights	197	248
Non-controlling interests	7,579	8,097
Total net assets	178,836	193,593
Total liabilities and net assets	305,751	342,642

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

(Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Operating revenue		
Warehouse income	22,968	24,091
Harbor transportation income	35,335	35,429
International transportation income	32,689	38,026
Land transportation income	27,802	30,213
Shipping income	25,024	26,036
Rent income of warehouse and logistics facilities	5,613	5,433
Rent income of real estate	9,707	9,787
Other	6,114	6,738
Total operating revenue	165,256	175,756
Operating cost		
Cost of sales	99,370	107,315
Personal expenses	19,691	20,925
Rent expenses	10,124	10,268
Taxes and dues	2,108	2,050
Depreciation	7,335	7,092
Other	7,633	8,065
Total operating cost	146,264	155,716
Operating gross profit	18,992	20,039
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	5,022	5,194
Provision for bonuses	323	337
Retirement benefit expenses	271	247
Amortization of goodwill	435	362
Other	3,749	3,595
Total selling, general and administrative expenses	9,802	9,737
Operating income	9,189	10,302
Non-operating income		
Interest income	93	101
Dividend income	1,850	2,098
Share of profit of entities accounted for using equity method	384	466
Other	365	343
Total non-operating income	2,693	3,010
Non-operating expenses		
Interest expenses	439	391
Bond issuance cost	—	83
Other	115	153
Total non-operating expenses	555	628
Ordinary income	11,327	12,684

(Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Extraordinary income		
Gain on sales of non-current assets	33	342
Gain on donation of non-current assets	—	28
Compensation income	401	—
Gain on sales of investment securities	—	299
Gain on reversal of share acquisition rights	32	—
Total extraordinary income	467	669
Extraordinary losses		
Loss on retirement of non-current assets	174	157
Loss on valuation of investment securities	35	—
Compensation expenses	—	170
Total extraordinary losses	209	327
Profit before income taxes	11,586	13,026
Income taxes-current	3,251	3,754
Income taxes-deferred	202	500
Total income taxes	3,454	4,254
Profit	8,131	8,771
Profit attributable to non-controlling interests	329	413
Profit attributable to owners of parent	7,802	8,358

(Consolidated statements of comprehensive income)

(Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Profit	8,131	8,771
Other comprehensive income		
Valuation difference on available-for-sale securities	5,085	10,925
Deferred gains or losses on hedges	25	16
Foreign currency translation adjustment	(1,194)	313
Remeasurements of defined benefit plans, net of tax	301	583
Share of other comprehensive income of entities accounted for using equity method	(273)	53
Total other comprehensive income	3,945	11,892
Comprehensive income	12,077	20,663
(Comprehensive income attributable to)		
Owners of parent	11,777	20,172
Non-controlling interests	300	491

(3) Consolidated statements of changes in net assets

Year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	21,822	19,238	88,782	(8,952)	120,891
Cumulative effects of changes in accounting policies			6		6
Restated balance	21,822	19,238	88,788	(8,952)	120,897
Changes of items during period					
Dividends of surplus			(2,680)		(2,680)
Profit attributable to owners of parent			7,802		7,802
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		(0)		20	20
Changes in parent's ownership interests due to transactions with non-controlling shareholders		126			126
Net changes of items other than shareholders' equity					
Total changes of items during period	—	126	5,121	15	5,264
Balance at end of current period	21,822	19,365	93,910	(8,936)	126,162

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	36,224	(25)	4,598	124	40,921	163	7,474	169,451
Cumulative effects of changes in accounting policies							3	10
Restated balance	36,224	(25)	4,598	124	40,921	163	7,478	169,461
Changes of items during period								
Dividends of surplus								(2,680)
Profit attributable to owners of parent								7,802
Purchase of treasury stock								(4)
Disposal of treasury stock								20
Changes in parent's ownership interests due to transactions with non-controlling shareholders								126
Net changes of items other than shareholders' equity	5,028	15	(1,367)	297	3,974	33	101	4,110
Total changes of items during period	5,028	15	(1,367)	297	3,974	33	101	9,374
Balance at end of current period	41,253	(10)	3,231	421	44,896	197	7,579	178,836

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	21,822	19,365	93,910	(8,936)	126,162
Changes of items during period					
Transfer to other capital surplus from capital stock	(6,900)	6,900			
Dividends of surplus			(2,914)		(2,914)
Profit attributable to owners of parent			8,358		8,358
Purchase of treasury stock				(3,167)	(3,167)
Disposal of treasury stock		15		83	98
Retirement of treasury stock		(10,789)		10,789	
Net changes of items other than shareholders' equity					
Total changes of items during period	(6,900)	(3,874)	5,443	7,705	2,374
Balance at end of current period	14,922	15,491	99,353	(1,231)	128,537

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	41,253	(10)	3,231	421	44,896	197	7,579	178,836
Changes of items during period								
Transfer to other capital surplus from capital stock								
Dividends of surplus								(2,914)
Profit attributable to owners of parent								8,358
Purchase of treasury stock								(3,167)
Disposal of treasury stock								98
Retirement of treasury stock								
Net changes of items other than shareholders' equity	10,879	10	339	584	11,813	51	518	12,383
Total changes of items during period	10,879	10	339	584	11,813	51	518	14,757
Balance at end of current period	52,132	—	3,571	1,006	56,710	248	8,097	193,593

(4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	11,586	13,026
Depreciation	7,736	7,473
Gain on donation of non-current assets	—	(28)
Compensation income	(401)	—
Gain on reversal of share acquisition rights	(32)	—
Amortization of goodwill	435	362
Increase (decrease) in allowance for doubtful accounts	62	(37)
Increase (decrease) in net defined benefit liability	453	449
Increase (decrease) in provision for directors' retirement benefits	(22)	(3)
Increase (decrease) in provision for bonuses	(130)	58
Interest and dividend income	(1,943)	(2,200)
Interest expenses	439	391
Share of loss (profit) of entities accounted for using equity method	(384)	(466)
Loss (gain) on sales of non-current assets	(33)	(342)
Loss on retirement of non-current assets	174	157
Loss (gain) on sales of investment securities	—	(299)
Loss (gain) on valuation of investment securities	35	—
Decrease (increase) in notes and accounts receivable-trade	(729)	(1,338)
Increase (decrease) in notes and accounts payable-trade	963	594
Increase (decrease) in deposits received	117	110
Other, net	488	44
Subtotal	18,812	17,952
Interest and dividend income received	1,956	2,282
Interest expenses paid	(440)	(397)
Proceeds from compensation	401	—
Income taxes paid	(4,100)	(3,197)
Net cash provided by (used in) operating activities	16,629	16,639
Cash flows from investing activities		
Payments into time deposits	(18,060)	(18,464)
Proceeds from withdrawal of time deposits	24,454	10,388
Purchase of property, plant and equipment	(11,626)	(5,632)
Proceeds from sales of property, plant and equipment	46	1,281
Purchase of intangible assets	(950)	(1,177)
Purchase of investment securities	(65)	(36)
Proceeds from sales of investment securities	43	449
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(143)
Payments of loans receivable	(93)	(17)
Collection of loans receivable	36	34
Other, net	(87)	49
Net cash provided by (used in) investing activities	(6,303)	(13,268)

(Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Cash flows from financing activities		
Increase in short-term loans payable	5,938	2,879
Decrease in short-term loans payable	(5,734)	(7,033)
Proceeds from long-term loans payable	1,925	6,650
Repayments of long-term loans payable	(8,359)	(7,822)
Proceeds from issuance of bonds	—	15,000
Redemption of bonds	(100)	(100)
Proceeds from sales of treasury stock	16	79
Purchase of treasury stock	(4)	(3,167)
Cash dividends paid	(2,680)	(2,913)
Cash dividends paid to non-controlling interests	(69)	(73)
Other, net	(165)	(142)
Net cash provided by (used in) financing activities	(9,234)	3,355
Effect of exchange rate change on cash and cash equivalents	(480)	12
Net increase (decrease) in cash and cash equivalents	611	6,739
Cash and cash equivalents at beginning of period	23,948	24,559
Cash and cash equivalents at end of period	24,559	31,299

(5) Segment Information

[Segment Information]

1. General information about reportable segments

The reportable segments are the components of our Group, for each of which discrete financial information is available, and whose operating results are regularly reviewed by the Company's board of directors to make decisions about resources to be allocated to each segment and assess its performance.

The Company, in cooperation with its domestic and overseas subsidiaries, operates "Logistics business" including warehousing, harbor transportation, international transportation and land transportation etc., which, constituting respective parts of total logistics business, have a mutual relationship to each other and are deemed to be inseparable in management of the Company, and "Shipping business" consisting mainly of vessel operations on the routes between the northwest coast of North America and East Asia by our subsidiary Westwood Shipping Lines, Inc. In addition to these, the Company promotes "Real estate business" including leasing and sales of real estate etc., with a dedicated department in its head office, mainly in such way as to put its real estate to more effective use.

The Company's business comprises the segments corresponding to each business as mentioned above, and the Company presents "Logistics", "Real estate" and "Shipping" as its three reportable segments.

2. Information related to operating revenue, income (loss), assets, and other items by reportable segment

Year ended March 31, 2017

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
Operating revenue to outside customers	130,426	25,024	9,805	165,256	—	165,256
Intersegment transfers	629	159	366	1,155	(1,155)	—
Total	131,055	25,183	10,172	166,411	(1,155)	165,256
Segment income (loss)	9,772	(347)	4,569	13,993	(4,804)	9,189
Segment assets	136,827	17,399	44,544	198,771	106,979	305,751
Other items						
Depreciation	4,200	518	2,506	7,225	511	7,736
Amortization of goodwill	66	369	—	435	—	435
Investment in associates accounted for by equity method	5,740	25	—	5,766	—	5,766
Additions to property, plant and equipment and intangible assets	5,913	510	5,141	11,565	354	11,919

Notes: 1. (1) Adjustment in segment income (loss) of ¥ -4,804 million includes company-wide expenses of ¥ -4,802 million, which are not allocated to the respective reportable segments. Company-wide expenses consist mainly of the expenses not assignable to neither of the reportable segments for administrative departments of the Company and some of its consolidated subsidiaries.

(2) Adjustment in segment assets of ¥ 106,979 million includes company-wide assets of ¥ 107,037 million, which are not allocated to the respective reportable segments. Company-wide assets consist mainly of working funds (cash and deposits), long-term investments (investment securities) and assets of administrative departments, of the Company and some of its consolidated subsidiaries, which are not assignable to neither of the reportable segments.

(3) Adjustment in additions to property, plant and equipment and intangible assets of ¥ 354 million consist of the capital investments not assignable to neither of the reportable segments for administrative departments of the Company and some of its consolidated subsidiaries.

2. Segment income (loss) is adjusted to coincide with operating income as recorded on the consolidated statements of income.

	Reportable segment				Adjustment (Note 1)	Amount in consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
Operating revenue to outside customers	139,523	26,036	10,196	175,756	—	175,756
Intersegment transfers	591	386	399	1,376	(1,376)	—
Total	140,114	26,422	10,595	177,133	(1,376)	175,756
Segment income (loss)	9,865	(76)	5,250	15,038	(4,736)	10,302
Segment assets	146,246	15,945	44,764	206,956	135,686	342,642
Other items						
Depreciation	4,126	526	2,346	6,999	474	7,473
Amortization of goodwill	4	358	—	362	—	362
Investment in associates accounted for by equity method	6,171	22	—	6,193	—	6,193
Additions to property, plant and equipment and intangible assets	3,697	542	2,706	6,947	768	7,715

Notes: 1. (1) Adjustment in segment income (loss) of ¥ -4,736 million includes company-wide expenses of ¥ -4,795 million, which are not allocated to the respective reportable segments. Company-wide expenses consist mainly of the expenses not assignable to neither of the reportable segments for administrative departments of the Company and some of its consolidated subsidiaries.

(2) Adjustment in segment assets of ¥ 135,686 million includes company-wide assets of ¥ 135,991 million, which are not allocated to the respective reportable segments. Company-wide assets consist mainly of working funds (cash and deposits), long-term investments (investment securities) and assets of administrative departments, of the Company and some of its consolidated subsidiaries, which are not assignable to neither of the reportable segments.

(3) Adjustment in additions to property, plant and equipment and intangible assets of ¥ 768 million consist of the capital investments not assignable to neither of the reportable segments for administrative departments of the Company and some of its consolidated subsidiaries.

2. Segment income (loss) is adjusted to coincide with operating income as recorded on the consolidated statements of income.

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