

**Consolidated Financial Results**  
**for the Third Quarter Ended December 31, 2017 [ Japan GAAP ]**

February 6, 2018

**The Sumitomo Warehouse Co., Ltd.**

Securities code:	9303
Stock exchange listings:	Tokyo
URL:	http://www.sumitomo-soko.co.jp/
Representative:	Takanori Ono, President
Inquiries:	Akio Kakutani, Executive Officer, General Manager, Finance & Accounting Department
Tel:	+81 6 6444 1183
Quarterly statement filing date (as planned):	February 9, 2018
Dividend payable date (as planned):	—
Supplemental material of quarterly results:	None
Convening briefing of quarterly results:	None

**1. Consolidated financial results for the third quarter ended December 31, 2017** (April 1, 2017- December 31, 2017)

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	%
Nine months ended December 31, 2017	130,799	9.2	7,673	9.7	9,911	9.2	6,718	11.3
Nine months ended December 31, 2016	119,738	(8.4)	6,995	(15.4)	9,072	(11.8)	6,038	(5.1)

Note: Comprehensive income:

Nine months ended December 31, 2017: 22,505 million yen ; 174.7%  
 Nine months ended December 31, 2016: 8,191 million yen ; 46.1%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2017	37.99	37.89
Nine months ended December 31, 2016	33.79	33.74

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	328,183	195,436	57.0
As of March 31, 2017	305,751	178,836	55.9

Note: Owner's equity

As of December 31, 2017: 187,029 million yen  
 As of March 31, 2017: 171,059 million yen

**2. Dividends**

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	—	7.00	—	8.50	15.50
Year ending March 31, 2018	—	8.00	—		
Year ending March 31, 2018 (Forecast)				8.00	16.00

Note: Correction of dividend forecast from the most recent dividend forecast: None

### 3. Consolidated forecasts for the year ending March 31, 2018 (April 1, 2017-March 31, 2018)

(%: 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
Full year	170,000	2.9	10,600	15.3	12,400	9.5	8,200	5.1	45.88

Note: Correction of financial forecast from the most recent financial forecast: None

### 4. Other

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

(2) Applying of specific accounting of the consolidated quarterly financial statements: Yes

(3) 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

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

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

As of December 31, 2017 : 176,373,231 shares

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

Number of treasury stock:

As of December 31, 2017 : 1,864,768 shares

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

Average number of shares:

Third quarter ended December 31, 2017 : 176,849,688 shares

Third quarter ended December 31, 2016 : 178,714,241 shares

\* Status of quarterly reviewing processes

This Financial Results is not subject to review based on the Japanese Financial Instruments and Exchange Act.

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

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.

Consolidated Financial Results

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	30,933	26,947
Notes and accounts receivable-trade	19,124	20,698
Real estate for sale	41	36
Work in process	16	55
Deferred tax assets	787	505
Other	5,565	5,797
Allowance for doubtful accounts	(167)	(127)
Total current assets	<u>56,300</u>	<u>53,912</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,838	71,091
Machinery, equipment and vehicles, net	3,814	3,557
Vessels, net	6,878	6,521
Tools, furniture and fixtures, net	856	779
Land	54,230	56,545
Construction in progress	253	259
Other, net	656	725
Total property, plant and equipment	<u>138,527</u>	<u>139,479</u>
Intangible assets		
Goodwill	2,492	2,234
Leasehold right	5,444	7,094
Software	1,012	1,022
Other	1,122	1,672
Total intangible assets	<u>10,071</u>	<u>12,024</u>
Investments and other assets		
Investment securities	92,382	114,478
Long-term loans receivable	113	105
Deferred tax assets	1,880	1,797
Other	6,724	6,658
Allowance for doubtful accounts	(248)	(271)
Total investments and other assets	<u>100,852</u>	<u>122,767</u>
Total non-current assets	<u>249,451</u>	<u>274,271</u>
Total assets	<u>305,751</u>	<u>328,183</u>

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	12,155	12,657
Current portion of bonds	100	—
Short-term loans payable	14,081	16,611
Income taxes payable	1,819	814
Provision for bonuses	1,580	1,063
Other	5,733	6,617
<b>Total current liabilities</b>	<b>35,470</b>	<b>37,764</b>
<b>Non-current liabilities</b>		
Bonds payable	25,000	25,000
Long-term loans payable	33,179	29,068
Deferred tax liabilities	21,530	28,853
Net defined benefit liability	2,872	3,160
Provision for directors' retirement benefits	41	34
Long-term deposits received	7,894	7,876
Other	925	987
<b>Total non-current liabilities</b>	<b>91,444</b>	<b>94,981</b>
<b>Total liabilities</b>	<b>126,915</b>	<b>132,746</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	21,822	14,922
Capital surplus	19,365	15,491
Retained earnings	93,910	97,714
Treasury stock	(8,936)	(1,230)
<b>Total shareholders' equity</b>	<b>126,162</b>	<b>126,897</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	41,253	56,331
Deferred gains or losses on hedges	(10)	(1)
Foreign currency translation adjustment	3,231	3,303
Remeasurements of defined benefit plans	421	498
<b>Total accumulated other comprehensive income</b>	<b>44,896</b>	<b>60,131</b>
Subscription rights to shares	197	248
Non-controlling interests	7,579	8,158
<b>Total net assets</b>	<b>178,836</b>	<b>195,436</b>
<b>Total liabilities and net assets</b>	<b>305,751</b>	<b>328,183</b>

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

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Operating revenue		
Warehouse income	17,213	17,800
Harbor transportation income	26,645	26,814
International transportation income	22,695	28,087
Land transportation income	20,747	22,519
Shipping income	16,326	19,368
Rent income of warehouse and logistics facilities	4,216	4,061
Rent income of real estate	7,270	7,328
Other	4,621	4,817
Total operating revenue	119,738	130,799
Operating cost		
Cost of sales	71,201	79,946
Personal expenses	14,452	15,513
Rent expenses	7,258	7,614
Taxes and dues	1,598	1,505
Depreciation	5,422	5,260
Other	5,661	5,906
Total operating cost	105,596	115,746
Operating gross profit	14,141	15,052
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	3,801	3,986
Provision for bonuses	149	192
Retirement benefit expenses	194	194
Amortization of goodwill	290	268
Other	2,710	2,736
Total selling, general and administrative expenses	7,146	7,378
Operating income	6,995	7,673
Non-operating income		
Interest and dividend income	1,893	2,143
Share of profit of entities accounted for using equity method	287	290
Other	321	253
Total non-operating income	2,502	2,687
Non-operating expenses		
Interest expenses	335	283
Other	88	166
Total non-operating expenses	424	449
Ordinary income	9,072	9,911

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Extraordinary income		
Gain on sales of non-current assets	18	326
Total extraordinary income	18	326
Extraordinary losses		
Loss on retirement of non-current assets	111	52
Compensation expenses	—	170
Total extraordinary losses	111	222
Profit before income taxes	8,980	10,016
Income taxes-current	2,264	2,648
Income taxes-deferred	384	177
Total income taxes	2,649	2,825
Profit	6,330	7,190
Profit attributable to non-controlling interests	292	472
Profit attributable to owners of parent	6,038	6,718

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	6,330	7,190
Other comprehensive income		
Valuation difference on available-for-sale securities	5,707	15,159
Deferred gains or losses on hedges	28	13
Foreign currency translation adjustment	(3,321)	66
Remeasurements of defined benefit plans, net of tax	70	75
Share of other comprehensive income of entities accounted for using equity method	(623)	0
Total other comprehensive income	1,860	15,315
Comprehensive income	8,191	22,505
(Comprehensive income attributable to)		
Owners of parent	8,166	21,953
Non-controlling interests	25	552

## (3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from operating activities		
Profit before income taxes	8,980	10,016
Depreciation	5,721	5,544
Amortization of goodwill	290	268
Increase (decrease) in provision	(772)	(569)
Interest and dividend income	(1,893)	(2,143)
Interest expenses	335	283
Share of (profit) loss of entities accounted for using equity method	(287)	(290)
Loss (gain) on sales of non-current assets	(18)	(326)
Loss on retirement of non-current assets	111	52
Decrease (increase) in notes and accounts receivable-trade	(791)	(1,261)
Increase (decrease) in notes and accounts payable-trade	619	313
Other, net	3,410	951
Subtotal	15,706	12,837
Interest and dividend income received	1,882	2,219
Interest expenses paid	(359)	(313)
Income taxes paid	(4,008)	(3,425)
Net cash provided by (used in) operating activities	13,222	11,318
Cash flows from investing activities		
Payments into time deposits	(14,924)	(9,123)
Proceeds from withdrawal of time deposits	13,794	7,854
Purchase of property, plant and equipment	(7,275)	(3,129)
Proceeds from sales of property, plant and equipment	27	1,261
Purchase of intangible assets	(563)	(939)
Purchase of investment securities	(59)	(29)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(143)
Payments of loans receivable	(83)	(17)
Collection of loans receivable	28	28
Other, net	(59)	78
Net cash provided by (used in) investing activities	(9,115)	(4,162)
Cash flows from financing activities		
Increase in short-term loans payable	4,773	2,542
Decrease in short-term loans payable	(4,418)	(6,494)
Proceeds from long-term loans payable	860	5,150
Repayments of long-term loans payable	(6,007)	(7,592)
Purchase of treasury stock	(2)	(3,167)
Cash dividends paid	(2,578)	(2,803)
Other, net	(289)	(110)
Net cash provided by (used in) financing activities	(7,663)	(12,477)
Effect of exchange rate change on cash and cash equivalents	(1,235)	(4)
Net increase (decrease) in cash and cash equivalents	(4,792)	(5,326)
Cash and cash equivalents at beginning of period	23,948	24,559
Cash and cash equivalents at end of period	19,155	19,233



#### (4) Segment information

Information related to operating revenue and income (loss) by reportable segment

Nine months ended December 31, 2016

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in consolidated quarterly statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
Operating revenue to outside customers	96,065	16,326	7,345	119,738	—	119,738
Intersegment transfers	301	118	272	692	(692)	—
Total	96,367	16,445	7,617	120,430	(692)	119,738
Segment income (loss)	7,261	(56)	3,405	10,609	(3,614)	6,995

Notes: 1. Adjustment in segment income (loss) of ¥ -3,614 million includes company-wide expenses of ¥ -3,604 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. Segment income (loss) is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

Nine months ended December 31, 2017

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in consolidated quarterly statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
Operating revenue to outside customers	104,011	19,368	7,419	130,799	—	130,799
Intersegment transfers	453	220	297	971	(971)	—
Total	104,464	19,589	7,716	131,770	(971)	130,799
Segment income (loss)	7,610	(69)	3,743	11,284	(3,610)	7,673

Notes: 1. Adjustment in segment income (loss) of ¥ -3,610 million includes company-wide expenses of ¥ -3,667 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. Segment income (loss) is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

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