

Consolidated Financial Results
for the First Quarter Ended June 30, 2017 [Japan GAAP]

August 4, 2017

The Sumitomo Warehouse Co., Ltd.

Securities code: 9303
 Stock exchange listings: Tokyo
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 Quarterly statement filing date (as planned): August 9, 2017
 Dividend payable date (as planned): —
 Supplemental material of quarterly results: None
 Convening briefing of quarterly results: None

1. Consolidated financial results for the first quarter ended June 30, 2017 (April 1, 2017- June 30, 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	%
Three months ended June 30, 2017	42,744	3.9	2,575	2.6	3,676	1.4	2,450	3.3
Three months ended June 30, 2016	41,122	(4.4)	2,509	(1.5)	3,623	4.4	2,372	13.0

Note: Comprehensive income:

Three months ended June 30, 2017: 7,863 million yen; — %
 Three months ended June 30, 2016: -4,090 million yen; — %

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2017	13.71	13.68
Three months ended June 30, 2016	13.28	13.26

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	306,944	185,268	57.8
As of March 31, 2017	305,751	178,836	55.9

Note: Owner's equity

As of June 30, 2017: 177,329 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	—				
Year ending March 31, 2018 (Forecast)		8.00	—	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
Six months	84,000	5.4	5,000	8.1	6,000	2.6	4,000	4.2	22.38
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 June 30, 2017 : 180,736,231 shares

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

Number of treasury stock:

As of June 30, 2017 : 1,967,923 shares

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

Average number of shares:

First quarter ended June 30, 2017 : 178,757,372 shares

First quarter ended June 30, 2016 : 178,713,008 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 June 30, 2017
Assets		
Current assets		
Cash and deposits	30,933	25,400
Notes and accounts receivable-trade	19,124	19,247
Real estate for sale	41	36
Work in process	16	15
Deferred tax assets	787	523
Other	5,565	5,731
Allowance for doubtful accounts	(167)	(119)
Total current assets	56,300	50,834
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,838	70,661
Machinery, equipment and vehicles, net	3,814	3,800
Vessels, net	6,878	6,759
Tools, furniture and fixtures, net	856	821
Land	54,230	54,234
Construction in progress	253	293
Other, net	656	659
Total property, plant and equipment	138,527	137,230
Intangible assets		
Goodwill	2,492	2,311
Leasehold right	5,444	5,423
Software	1,012	1,088
Other	1,122	1,156
Total intangible assets	10,071	9,980
Investments and other assets		
Investment securities	92,382	100,721
Long-term loans receivable	113	108
Deferred tax assets	1,880	1,814
Other	6,724	6,502
Allowance for doubtful accounts	(248)	(248)
Total investments and other assets	100,852	108,899
Total non-current assets	249,451	256,110
Total assets	305,751	306,944

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,155	11,889
Current portion of bonds	100	50
Short-term loans payable	14,081	16,171
Income taxes payable	1,819	870
Provision for bonuses	1,580	1,196
Other	5,733	5,842
Total current liabilities	35,470	36,021
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term loans payable	33,179	24,975
Deferred tax liabilities	21,530	24,054
Net defined benefit liability	2,872	2,865
Provision for directors' retirement benefits	41	27
Long-term deposits received	7,894	7,864
Other	925	867
Total non-current liabilities	91,444	85,654
Total liabilities	126,915	121,676
Net assets		
Shareholders' equity		
Capital stock	21,822	14,922
Capital surplus	19,365	18,368
Retained earnings	93,910	94,841
Treasury stock	(8,936)	(1,021)
Total shareholders' equity	126,162	127,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,253	47,061
Deferred gains or losses on hedges	(10)	(9)
Foreign currency translation adjustment	3,231	2,719
Remeasurements of defined benefit plans	421	447
Total accumulated other comprehensive income	44,896	50,218
Subscription rights to shares	197	193
Non-controlling interests	7,579	7,745
Total net assets	178,836	185,268
Total liabilities and net assets	305,751	306,944

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

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Operating revenue		
Warehouse income	5,687	5,846
Harbor transportation income	8,732	8,919
International transportation income	7,992	8,905
Land transportation income	6,721	7,418
Shipping income	6,721	6,242
Rent income of warehouse and logistics facilities	1,399	1,348
Rent income of real estate	2,325	2,441
Other	1,543	1,621
Total operating revenue	41,122	42,744
Operating cost		
Cost of sales	24,255	26,096
Personal expenses	4,897	5,115
Rent expenses	2,584	2,432
Taxes and dues	639	502
Depreciation	1,800	1,731
Other	1,933	1,851
Total operating cost	36,109	37,730
Operating gross profit	5,012	5,013
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	1,200	1,195
Provision for bonuses	193	200
Retirement benefit expenses	74	67
Amortization of goodwill	105	88
Other	928	886
Total selling, general and administrative expenses	2,503	2,438
Operating income	2,509	2,575
Non-operating income		
Interest and dividend income	975	1,077
Share of profit of entities accounted for using equity method	52	78
Other	224	119
Total non-operating income	1,252	1,275
Non-operating expenses		
Interest expenses	117	97
Other	21	77
Total non-operating expenses	139	174
Ordinary income	3,623	3,676
Extraordinary losses		
Loss on retirement of non-current assets	19	10
Total extraordinary losses	19	10
Profit before income taxes	3,604	3,665
Income taxes-current	835	891
Income taxes-deferred	263	207
Total income taxes	1,098	1,099
Profit	2,505	2,565
Profit attributable to non-controlling interests	133	115
Profit attributable to owners of parent	2,372	2,450

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	2,505	2,565
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,286)	5,836
Deferred gains or losses on hedges	10	0
Foreign currency translation adjustment	(1,142)	(461)
Remeasurements of defined benefit plans, net of tax	23	25
Share of other comprehensive income of entities accounted for using equity method	(201)	(102)
Total other comprehensive income	(6,596)	5,298
Comprehensive income	(4,090)	7,863
(Comprehensive income attributable to)		
Owners of parent	(4,101)	7,772
Non-controlling interests	11	91

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Cash flows from operating activities		
Profit before income taxes	3,604	3,665
Depreciation	1,902	1,822
Amortization of goodwill	105	88
Increase (decrease) in provision	(577)	(445)
Interest and dividend income	(975)	(1,077)
Interest expenses	117	97
Share of (profit) loss of entities accounted for using equity method	(52)	(78)
Loss on retirement of non-current assets	19	10
Decrease (increase) in notes and accounts receivable-trade	(164)	(217)
Increase (decrease) in notes and accounts payable-trade	193	(131)
Other, net	587	(150)
Subtotal	4,759	3,583
Interest and dividend income received	977	1,116
Interest expenses paid	(145)	(126)
Income taxes paid	(2,203)	(1,612)
Net cash provided by (used in) operating activities	3,387	2,961
Cash flows from investing activities		
Payments into time deposits	(5,241)	(5,965)
Proceeds from withdrawal of time deposits	6,086	2,893
Purchase of property, plant and equipment	(5,402)	(777)
Proceeds from sales of property, plant and equipment	13	3
Purchase of intangible assets	(143)	(167)
Purchase of investment securities	(6)	(6)
Payments of loans receivable	(65)	(0)
Collection of loans receivable	10	10
Other, net	(57)	129
Net cash provided by (used in) investing activities	(4,805)	(3,881)
Cash flows from financing activities		
Increase in short-term loans payable	1,684	1,020
Decrease in short-term loans payable	(1,157)	(1,853)
Repayments of long-term loans payable	(3,343)	(5,280)
Cash dividends paid	(1,312)	(1,395)
Other, net	(118)	1
Net cash provided by (used in) financing activities	(4,247)	(7,507)
Effect of exchange rate change on cash and cash equivalents	(447)	(125)
Net increase (decrease) in cash and cash equivalents	(6,113)	(8,553)
Cash and cash equivalents at beginning of period	23,948	24,559
Cash and cash equivalents at end of period	17,835	16,005

(4) Segment information

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

Three months ended June 30, 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	32,010	6,721	2,390	41,122	—	41,122
Intersegment transfers	109	42	84	236	(236)	—
Total	32,120	6,763	2,474	41,358	(236)	41,122
Segment income	2,355	374	979	3,709	(1,199)	2,509

Notes: 1. Adjustment in segment income of ¥ -1,199 million includes company-wide expenses of ¥ -1,204 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 is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

Three months ended June 30, 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	34,023	6,242	2,478	42,744	—	42,744
Intersegment transfers	165	42	98	306	(306)	—
Total	34,189	6,285	2,576	43,051	(306)	42,744
Segment income (loss)	2,611	(90)	1,262	3,783	(1,208)	2,575

Notes: 1. Adjustment in segment income (loss) of ¥ -1,208 million includes company-wide expenses of ¥ -1,229 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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