

**Consolidated Financial Results  
for the Year Ended March 31, 2017[ Japan GAAP ]**

May 12, 2017

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

Securities code: 9303  
 Stock exchange listings: Tokyo  
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 Date of general shareholders' meeting (as planned): June 28, 2017  
 Dividend payable date (as planned): June 29, 2017  
 Annual securities report filing date (as planned): June 28, 2017  
 Supplemental material of annual results: Yes  
 Convening briefing of annual results: Yes

**1. Consolidated financial results for the year ended March 31, 2017(April 1, 2016-March 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	%
Year ended March 31, 2017	165,256	(4.1)	9,189	(14.7)	11,327	(11.4)	7,802	(3.5)
Year ended March 31, 2016	172,257	(1.4)	10,768	14.9	12,784	17.7	8,082	13.3

Note: Comprehensive income:

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

Year ended March 31, 2016 : 601 million yen ; (97.0%)

	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, 2017	43.66	43.59	4.7	3.7	5.6
Year ended March 31, 2016	45.23	45.18	5.0	4.2	6.3

Note: Investment profit (loss) on equity method:

Year ended March 31, 2017 : 384 million yen

Year ended March 31, 2016 : 181 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, 2017	305,751	178,836	55.9	957.00
As of March 31, 2016	300,558	169,451	53.8	905.43

Note: Owner's equity

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

As of March 31, 2016: 161,813 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, 2017	16,629	(6,303)	(9,234)	24,559
Year ended March 31, 2016	15,861	(16,453)	3,254	23,948

## 2. Dividends

	Dividend per share					Total dividend paid Millions of yen	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			
Year ended March 31, 2016	—	6.00	—	8.00	14.00	2,502	31.0	1.5
Year ended March 31, 2017	—	7.00	—	8.50	15.50	2,770	35.5	1.7
Year ending March 31, 2018 (Forecast)	—	8.00	—	8.00	16.00		34.9	

## 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

## 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: Yes
- 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, 2017 : 195,936,231 shares

As of March 31, 2016 : 195,936,231 shares

Number of treasury stock:

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

As of March 31, 2016 : 17,222,656 shares

Average number of shares:

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

Year ended March 31, 2016 : 178,717,463 shares

\* Status of auditing processes

This financial results are exempt from auditing processes based on the Financial Instruments and Exchange Act, and auditing processes of financial statements based on the Financial Instruments and Exchange Act has not been completed at the time of disclosure of this financial results.

\* 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 balance sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	36,798	30,933
Notes and accounts receivable-trade	18,593	19,124
Real estate for sale	36	41
Work in process	23	16
Deferred tax assets	907	787
Other	5,152	5,565
Allowance for doubtful accounts	(102)	(167)
Total current assets	61,409	56,300
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	69,569	71,838
Machinery, equipment and vehicles, net	4,122	3,814
Vessels, net	7,354	6,878
Tools, furniture and fixtures, net	1,019	856
Land	49,424	54,230
Construction in progress	3,156	253
Other, net	711	656
Total property, plant and equipment	135,358	138,527
Intangible assets		
Goodwill	3,030	2,492
Leasehold right	5,519	5,444
Software	1,314	1,012
Other	212	1,122
Total intangible assets	10,075	10,071
Investments and other assets		
Investment securities	84,957	92,382
Long-term loans receivable	476	113
Deferred tax assets	2,149	1,880
Other	6,382	6,724
Allowance for doubtful accounts	(251)	(248)
Total investments and other assets	93,714	100,852
Total non-current assets	239,148	249,451
Total assets	300,558	305,751

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	11,353	12,155
Current portion of bonds	100	100
Short-term loans payable	12,480	14,081
Income taxes payable	2,215	1,819
Provision for bonuses	1,719	1,580
Other	6,069	5,733
<b>Total current liabilities</b>	<b>33,937</b>	<b>35,470</b>
<b>Non-current liabilities</b>		
Bonds payable	25,100	25,000
Long-term loans payable	41,010	33,179
Deferred tax liabilities	19,280	21,530
Net defined benefit liability	2,853	2,872
Provision for directors' retirement benefits	64	41
Long-term deposits received	7,684	7,894
Other	1,174	925
<b>Total non-current liabilities</b>	<b>97,169</b>	<b>91,444</b>
<b>Total liabilities</b>	<b>131,106</b>	<b>126,915</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	21,822	21,822
Capital surplus	19,238	19,365
Retained earnings	88,782	93,910
Treasury stock	(8,952)	(8,936)
<b>Total shareholders' equity</b>	<b>120,891</b>	<b>126,162</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	36,224	41,253
Deferred gains or losses on hedges	(25)	(10)
Foreign currency translation adjustment	4,598	3,231
Remeasurements of defined benefit plans	124	421
<b>Total accumulated other comprehensive income</b>	<b>40,921</b>	<b>44,896</b>
Subscription rights to shares	163	197
Non-controlling interests	7,474	7,579
<b>Total net assets</b>	<b>169,451</b>	<b>178,836</b>
<b>Total liabilities and net assets</b>	<b>300,558</b>	<b>305,751</b>

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

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Operating revenue		
Warehouse income	22,616	22,968
Harbor transportation income	36,519	35,335
International transportation income	34,135	32,689
Land transportation income	26,616	27,802
Shipping income	31,634	25,024
Rent income of warehouse and logistics facilities	5,270	5,613
Rent income of real estate	9,309	9,707
Other	6,154	6,114
Total operating revenue	172,257	165,256
Operating cost		
Cost of sales	103,728	99,370
Personal expenses	19,486	19,691
Rent expenses	10,458	10,124
Taxes and dues	2,042	2,108
Depreciation	7,288	7,335
Other	8,501	7,633
Total operating cost	151,506	146,264
Operating gross profit	20,751	18,992
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	5,158	5,022
Provision for bonuses	484	323
Retirement benefit expenses	271	271
Amortization of goodwill	486	435
Other	3,581	3,749
Total selling, general and administrative expenses	9,982	9,802
Operating income	10,768	9,189
Non-operating income		
Interest income	53	93
Dividend income	1,757	1,850
Share of profit of entities accounted for using equity method	181	384
Other	731	365
Total non-operating income	2,724	2,693
Non-operating expenses		
Interest expenses	456	439
Other	251	115
Total non-operating expenses	707	555
Ordinary income	12,784	11,327

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Extraordinary income		
Gain on sales of non-current assets	61	33
Compensation income	—	401
Gain on reversal of foreign currency translation adjustment	32	—
Gain on reversal of subscription rights to shares	—	32
Total extraordinary income	93	467
Extraordinary losses		
Loss on retirement of non-current assets	156	174
Impairment loss	11	—
Loss on valuation of investment securities	30	35
Business structure improvement expenses	120	—
Total extraordinary losses	319	209
Profit before income taxes	12,559	11,586
Income taxes-current	4,101	3,251
Income taxes-deferred	(167)	202
Total income taxes	3,934	3,454
Profit	8,624	8,131
Profit attributable to non-controlling interests	541	329
Profit attributable to owners of parent	8,082	7,802

(Consolidated statements of comprehensive income)

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Profit	8,624	8,131
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,767)	5,085
Deferred gains or losses on hedges	(30)	25
Foreign currency translation adjustment	(941)	(1,194)
Remeasurements of defined benefit plans, net of tax	(133)	301
Share of other comprehensive income of entities accounted for using equity method	(150)	(273)
Total other comprehensive income	(8,022)	3,945
Comprehensive income	601	12,077
(Comprehensive income attributable to)		
Owners of parent	221	11,777
Non-controlling interests	380	300

## (3) Consolidated statements of changes in net assets

Year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	21,822	19,159	83,175	(8,956)	115,201
Cumulative effects of changes in accounting policies		(19)	(152)		(172)
Restated balance	21,822	19,140	83,023	(8,956)	115,029
Changes of items during period					
Dividends of surplus			(2,323)		(2,323)
Profit attributable to owners of parent			8,082		8,082
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		4		9	14
Changes in parent's ownership interests due to transactions with non-controlling shareholders		93			93
Net changes of items other than shareholders' equity					
Total changes of items during period	—	98	5,759	4	5,862
Balance at end of current period	21,822	19,238	88,782	(8,952)	120,891

	Accumulated other comprehensive income					Subscription rights to shares	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	42,945	(7)	5,719	261	48,919	101	7,280	171,503
Cumulative effects of changes in accounting policies			(136)		(136)			(308)
Restated balance	42,945	(7)	5,582	261	48,783	101	7,280	171,194
Changes of items during period								
Dividends of surplus								(2,323)
Profit attributable to owners of parent								8,082
Purchase of treasury stock								(5)
Disposal of treasury stock								14
Changes in parent's ownership interests due to transactions with non-controlling shareholders								93
Net changes of items other than shareholders' equity	(6,721)	(18)	(983)	(137)	(7,861)	61	194	(7,605)
Total changes of items during period	(6,721)	(18)	(983)	(137)	(7,861)	61	194	(1,743)
Balance at end of current period	36,224	(25)	4,598	124	40,921	163	7,474	169,451



	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					Subscription rights to shares	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

## (4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	12,559	11,586
Depreciation	7,730	7,736
Impairment loss	11	—
Compensation income	—	(401)
Gain on reversal of subscription rights to shares	—	(32)
Amortization of goodwill	486	435
Increase (decrease) in allowance for doubtful accounts	32	62
Increase (decrease) in net defined benefit liability	(41)	453
Increase (decrease) in provision for directors' retirement benefits	(27)	(22)
Increase (decrease) in provision for bonuses	137	(130)
Interest and dividend income	(1,811)	(1,943)
Interest expenses	456	439
Share of (profit) loss of entities accounted for using equity method	(181)	(384)
Loss (gain) on sales of non-current assets	(61)	(33)
Loss on retirement of non-current assets	156	174
Loss (gain) on valuation of investment securities	30	35
Gain on reversal of foreign currency translation adjustment	(32)	—
Decrease (increase) in notes and accounts receivable-trade	594	(729)
Increase (decrease) in notes and accounts payable-trade	(818)	963
Increase (decrease) in deposits received	(796)	117
Other, net	(423)	488
Subtotal	18,002	18,812
Interest and dividend income received	1,886	1,956
Interest expenses paid	(460)	(440)
Proceeds from compensation	—	401
Income taxes paid	(3,566)	(4,100)
Net cash provided by (used in) operating activities	15,861	16,629
Cash flows from investing activities		
Payments into time deposits	(14,337)	(18,060)
Proceeds from withdrawal of time deposits	6,499	24,454
Purchase of property, plant and equipment	(8,349)	(11,626)
Proceeds from sales of property, plant and equipment	205	46
Purchase of intangible assets	(413)	(950)
Purchase of investment securities	(67)	(65)
Proceeds from sales of investment securities	2	43
Payments of loans receivable	(69)	(93)
Collection of loans receivable	37	36
Other, net	38	(87)
Net cash provided by (used in) investing activities	(16,453)	(6,303)

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Cash flows from financing activities		
Increase in short-term loans payable	5,921	5,938
Decrease in short-term loans payable	(6,326)	(5,734)
Proceeds from long-term loans payable	2,050	1,925
Repayments of long-term loans payable	(8,639)	(8,359)
Proceeds from issuance of bonds	13,000	—
Redemption of bonds	(100)	(100)
Proceeds from sales of treasury stock	11	16
Purchase of treasury stock	(5)	(4)
Cash dividends paid	(2,324)	(2,680)
Cash dividends paid to non-controlling interests	(89)	(69)
Other, net	(242)	(165)
Net cash provided by (used in) financing activities	3,254	(9,234)
Effect of exchange rate change on cash and cash equivalents	(543)	(480)
Net increase (decrease) in cash and cash equivalents	2,119	611
Cash and cash equivalents at beginning of period	21,828	23,948
Cash and cash equivalents at end of period	23,948	24,559

## (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, 2016

(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	130,981	31,634	9,641	172,257	—	172,257
Intersegment transfers	408	166	376	951	(951)	—
Total	131,390	31,801	10,017	173,209	(951)	172,257
Segment income	9,044	1,685	4,542	15,273	(4,504)	10,768
Segment assets	136,477	19,007	43,096	198,581	101,976	300,558
Other items						
Depreciation	4,209	507	2,460	7,177	553	7,730
Amortization of goodwill	104	382	—	486	—	486
Investment in associates accounted for by equity method	5,662	24	—	5,686	—	5,686
Additions to property, plant and equipment and intangible assets	6,714	417	2,273	9,405	66	9,471

Notes: 1. (1) Adjustment in segment income of ¥ -4,504 million includes company-wide expenses of ¥ -4,477 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 ¥ 101,976 million includes company-wide assets of ¥ 103,891 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 ¥ 66 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 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	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.

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