

**Consolidated Financial Results**  
**for the Second Quarter Ended September 30, 2016 [ Japan GAAP ]**

November 8, 2016

**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): November 11, 2016  
 Dividend payable date (as planned): December 1, 2016  
 Supplemental material of quarterly results: Yes  
 Convening briefing of quarterly results: Yes

**1. Consolidated financial results for the second quarter ended September 30, 2016** (April 1, 2016- September 30, 2016)

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

(1) Consolidated operating results (%: change from the previous year)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	79,727	(9.4)	4,623	(13.7)	5,847	(11.4)	3,840	(4.5)
Six months ended September 30, 2015	88,038	6.1	5,360	19.0	6,598	26.5	4,021	4.6

Note: Comprehensive income:

Six months ended September 30, 2016: -4,123 million yen; -%  
 Six months ended September 30, 2015: 80 million yen; -98.3%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2016	21.49	21.46
Six months ended September 30, 2015	22.50	22.48

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	288,857	163,924	54.2
As of March 31, 2016	300,558	169,451	53.8

Note: Owner's equity

As of September 30, 2016: 156,512 million yen  
 As of March 31, 2016: 161,813 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, 2016	—	6.00	—	8.00	14.00
Year ending March 31, 2017	—	7.00			
Year ending March 31, 2017 (Forecast)			—	7.00	14.00

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

### 3. Consolidated forecasts for the year ending March 31, 2017 (April 1, 2016-March 31, 2017)

(%: change from the previous year)

	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	162,000	(6.0)	9,300	(13.6)	11,300	(11.6)	7,400	(8.4)	41.41

Note: Correction of financial forecast from the most recent financial forecast: Yes

### 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: 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

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

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

As of September 30, 2016 : 195,936,231 shares

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

Number of treasury stock:

As of September 30, 2016 : 17,225,652 shares

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

Average number of shares:

Second quarter ended September 30, 2016 : 178,712,138 shares

Second quarter ended September 30, 2015 : 178,719,748 shares

\* Status of quarterly reviewing processes

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

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	36,798	32,138
Notes and accounts receivable-trade	18,593	18,213
Real estate for sale	36	36
Work in process	23	23
Deferred tax assets	907	839
Other	5,152	4,934
Allowance for doubtful accounts	(102)	(99)
<b>Total current assets</b>	<b>61,409</b>	<b>56,086</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	69,569	71,960
Machinery, equipment and vehicles, net	4,122	4,036
Vessels, net	7,354	7,116
Tools, furniture and fixtures, net	1,019	930
Land	49,424	51,235
Construction in progress	3,156	1,050
Other, net	711	656
<b>Total property, plant and equipment</b>	<b>135,358</b>	<b>136,987</b>
<b>Intangible assets</b>		
Goodwill	3,030	2,398
Leasehold right	5,519	5,403
Software	1,314	1,161
Other	212	234
<b>Total intangible assets</b>	<b>10,075</b>	<b>9,197</b>
<b>Investments and other assets</b>		
Investment securities	84,957	78,011
Long-term loans receivable	476	517
Deferred tax assets	2,149	1,804
Other	6,382	6,500
Allowance for doubtful accounts	(251)	(248)
<b>Total investments and other assets</b>	<b>93,714</b>	<b>86,584</b>
<b>Total non-current assets</b>	<b>239,148</b>	<b>232,770</b>
<b>Total assets</b>	<b>300,558</b>	<b>288,857</b>

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	11,353	11,443
Current portion of bonds	100	100
Short-term loans payable	12,480	18,224
Income taxes payable	2,215	1,804
Provision for bonuses	1,719	1,776
Other	6,069	5,706
<b>Total current liabilities</b>	<b>33,937</b>	<b>39,055</b>
<b>Non-current liabilities</b>		
Bonds payable	25,100	25,050
Long-term loans payable	41,010	31,787
Deferred tax liabilities	19,280	17,206
Net defined benefit liability	2,853	2,925
Provision for directors' retirement benefits	64	34
Long-term deposits received	7,684	7,867
Other	1,174	1,006
<b>Total non-current liabilities</b>	<b>97,169</b>	<b>85,877</b>
<b>Total liabilities</b>	<b>131,106</b>	<b>124,933</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	21,822	21,822
Capital surplus	19,238	19,368
Retained earnings	88,782	91,199
Treasury stock	(8,952)	(8,954)
<b>Total shareholders' equity</b>	<b>120,891</b>	<b>123,436</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	36,224	31,667
Deferred gains or losses on hedges	(25)	(19)
Foreign currency translation adjustment	4,598	1,256
Remeasurements of defined benefit plans	124	170
<b>Total accumulated other comprehensive income</b>	<b>40,921</b>	<b>33,076</b>
Subscription rights to shares	163	233
Non-controlling interests	7,474	7,178
<b>Total net assets</b>	<b>169,451</b>	<b>163,924</b>
<b>Total liabilities and net assets</b>	<b>300,558</b>	<b>288,857</b>

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

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Operating revenue		
Warehouse income	11,252	11,418
Harbor transportation income	18,062	17,602
International transportation income	17,809	15,220
Land transportation income	13,299	13,501
Shipping income	17,255	11,309
Rent income of warehouse and logistics facilities	2,589	2,804
Rent income of real estate	4,644	4,746
Other	3,123	3,122
Total operating revenue	88,038	79,727
Operating cost		
Cost of sales	53,104	47,165
Personal expenses	10,012	9,643
Rent expenses	5,239	4,895
Taxes and dues	1,199	1,120
Depreciation	3,575	3,600
Other	4,415	3,812
Total operating cost	77,547	70,237
Operating gross profit	10,490	9,490
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	2,514	2,371
Provision for bonuses	410	331
Retirement benefit expenses	133	138
Amortization of goodwill	246	196
Other	1,825	1,828
Total selling, general and administrative expenses	5,130	4,866
Operating income	5,360	4,623
Non-operating income		
Interest and dividend income	927	1,009
Share of profit of entities accounted for using equity method	117	168
Other	519	325
Total non-operating income	1,565	1,503
Non-operating expenses		
Interest expenses	224	223
Other	102	55
Total non-operating expenses	326	279
Ordinary income	6,598	5,847

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Extraordinary income		
Gain on sales of non-current assets	34	21
Total extraordinary income	34	21
Extraordinary losses		
Loss on retirement of non-current assets	86	100
Loss on valuation of investment securities	63	—
Business structure improvement expenses	25	—
Total extraordinary losses	175	100
Profit before income taxes	6,458	5,768
Income taxes-current	2,170	1,704
Income taxes-deferred	(70)	53
Total income taxes	2,099	1,757
Profit	4,358	4,010
Profit attributable to non-controlling interests	337	170
Profit attributable to owners of parent	4,021	3,840

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	4,358	4,010
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,314)	(4,562)
Deferred gains or losses on hedges	(13)	11
Foreign currency translation adjustment	(79)	(3,067)
Remeasurements of defined benefit plans, net of tax	15	47
Share of other comprehensive income of entities accounted for using equity method	115	(562)
Total other comprehensive income	<u>(4,278)</u>	<u>(8,134)</u>
Comprehensive income	<u>80</u>	<u>(4,123)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(192)	(4,005)
Comprehensive income attributable to non-controlling interests	272	(118)

## (3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	6,458	5,768
Depreciation	3,794	3,800
Amortization of goodwill	246	196
Increase (decrease) in provision	304	23
Interest and dividend income	(927)	(1,009)
Interest expenses	224	223
Share of (profit) loss of entities accounted for using equity method	(117)	(168)
Loss (gain) on sales of non-current assets	(34)	(21)
Loss on retirement of non-current assets	86	100
Loss (gain) on valuation of investment securities	63	—
Decrease (increase) in notes and accounts receivable-trade	239	(140)
Increase (decrease) in notes and accounts payable-trade	(480)	622
Other, net	(1,722)	446
Subtotal	8,134	9,842
Interest and dividend income received	1,000	1,009
Interest expenses paid	(248)	(223)
Income taxes paid	(1,782)	(2,266)
Net cash provided by (used in) operating activities	7,104	8,361
Cash flows from investing activities		
Payments into time deposits	(850)	(10,602)
Proceeds from withdrawal of time deposits	4,046	7,063
Purchase of property, plant and equipment	(6,934)	(6,165)
Proceeds from sales of property, plant and equipment	172	26
Purchase of intangible assets	(202)	(274)
Purchase of investment securities	(17)	(48)
Payments of loans receivable	(59)	(74)
Collection of loans receivable	20	20
Other, net	78	(50)
Net cash provided by (used in) investing activities	(3,747)	(10,105)
Cash flows from financing activities		
Increase in short-term loans payable	2,899	2,739
Decrease in short-term loans payable	(2,626)	(2,449)
Proceeds from long-term loans payable	100	—
Repayments of long-term loans payable	(4,868)	(3,769)
Cash dividends paid	(1,250)	(1,429)
Other, net	(180)	(191)
Net cash provided by (used in) financing activities	(5,926)	(5,100)
Effect of exchange rate change on cash and cash equivalents	(251)	(1,202)
Net increase (decrease) in cash and cash equivalents	(2,821)	(8,047)
Cash and cash equivalents at beginning of period	21,828	23,948
Cash and cash equivalents at end of period	19,007	15,900

#### (4) Segment information

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

Six months ended September 30, 2015

(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	65,920	17,255	4,862	88,038	—	88,038
Intersegment transfers	214	96	187	498	(498)	—
Total	66,134	17,352	5,049	88,537	(498)	88,038
Segment income	4,256	1,191	2,283	7,731	(2,371)	5,360

Notes: 1. Adjustment in segment income of ¥ -2,371 million includes company-wide expenses of ¥ -2,359 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.

Six months ended September 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	63,549	11,309	4,868	79,727	—	79,727
Intersegment transfers	186	76	180	443	(443)	—
Total	63,735	11,386	5,049	80,171	(443)	79,727
Segment income	4,785	160	2,183	7,129	(2,505)	4,623

Notes: 1. Adjustment in segment income of ¥ -2,505 million includes company-wide expenses of ¥ -2,474 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.

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