

Consolidated Financial Results
for the Second Quarter Ended September 30, 2015 [Japan GAAP]

November 5, 2015

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 10, 2015
 Dividend payable date (as planned): December 1, 2015
 Supplemental material of quarterly results: Yes
 Convening briefing of quarterly results: Yes

1. Consolidated financial results for the second quarter ended September 30, 2015 (April 1, 2015- September 30, 2015)

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, 2015	88,038	6.1	5,360	19.0	6,598	26.5	4,021	4.6
Six months ended September 30, 2014	83,013	3.9	4,505	(8.5)	5,218	(8.8)	3,845	13.8

Note: Comprehensive income:

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

Six months ended September 30, 2014: 4,726 million yen; -67.3%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2015	22.50	22.48
Six months ended September 30, 2014	21.54	21.53

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2015	293,862	170,042	55.3
As of March 31, 2015	302,545	171,503	54.2

Note: Owner's equity

As of September 30, 2015: 162,381 million yen

As of March 31, 2015: 164,121 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, 2015	—	6.00	—	7.00	13.00
Year ending March 31, 2016	—	6.00			
Year ending March 31, 2016 (Forecast)			—	6.00	12.00

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

3. Consolidated forecasts for the year ending March 31, 2016 (April 1, 2015-March 31, 2016)

(%: 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	177,000	1.3	10,500	12.1	11,800	8.7	7,200	0.9	40.29

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: 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, 2015 : 195,936,231 shares

As of March 31, 2015 : 195,936,231 shares

Number of treasury stock:

As of September 30, 2015: 17,217,762 shares

As of March 31, 2015: 17,232,582 shares

Average number of shares:

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

Second quarter ended September 30, 2014 : 178,535,673 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, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	26,861	20,849
Notes and accounts receivable-trade	19,471	19,243
Real estate for sale	76	54
Work in process	30	22
Deferred tax assets	773	943
Other	4,928	6,055
Allowance for doubtful accounts	(110)	(141)
Total current assets	52,031	47,027
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,480	71,665
Machinery, equipment and vehicles, net	3,437	4,160
Vessels, net	7,831	7,592
Tools, furniture and fixtures, net	1,147	1,157
Land	49,265	49,436
Construction in progress	7,135	2,721
Other, net	676	662
Total property, plant and equipment	133,973	137,398
Intangible assets		
Goodwill	3,823	3,321
Leasehold right	5,573	5,579
Software	1,445	1,456
Other	217	199
Total intangible assets	11,060	10,557
Investments and other assets		
Investment securities	96,351	90,011
Long-term loans receivable	445	485
Deferred tax assets	2,353	2,261
Other	6,542	6,332
Allowance for doubtful accounts	(212)	(211)
Total investments and other assets	105,480	98,879
Total non-current assets	250,513	246,835
Total assets	302,545	293,862

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,261	11,826
Current portion of bonds	100	100
Short-term loans payable	16,567	12,838
Income taxes payable	1,522	1,990
Provision for bonuses	1,583	1,885
Other	7,040	6,437
Total current liabilities	39,075	35,077
Non-current liabilities		
Bonds payable	12,200	12,150
Long-term loans payable	43,919	43,152
Deferred tax liabilities	24,203	22,041
Net defined benefit liability	2,693	2,504
Provision for directors' retirement benefits	92	64
Long-term deposits received	7,665	7,727
Other	1,192	1,102
Total non-current liabilities	91,966	88,742
Total liabilities	131,041	123,820
Net assets		
Shareholders' equity		
Capital stock	21,822	21,822
Capital surplus	19,159	19,144
Retained earnings	83,175	85,793
Treasury shares	(8,956)	(8,949)
Total shareholders' equity	115,201	117,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,945	38,682
Deferred gains or losses on hedges	(7)	(15)
Foreign currency translation adjustment	5,719	5,627
Remeasurements of defined benefit plans	261	275
Total accumulated other comprehensive income	48,919	44,569
Subscription rights to shares	101	163
Non-controlling interests	7,280	7,497
Total net assets	171,503	170,042
Total liabilities and net assets	302,545	293,862

(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, 2014	Six months ended September 30, 2015
Operating revenue		
Warehouse income	11,280	11,252
Harbor transportation income	18,587	18,062
International transportation income	16,738	17,809
Land transportation income	13,458	13,299
Shipping income	13,285	17,255
Rent income of warehouse and logistics facilities	2,661	2,589
Rent income of real estate	4,051	4,644
Other	2,948	3,123
Total operating revenue	83,013	88,038
Operating cost		
Cost of sales	50,983	53,104
Personal expenses	9,503	10,012
Rent expenses	4,841	5,239
Taxes and dues	964	1,199
Depreciation	3,241	3,575
Other	4,267	4,415
Total operating cost	73,801	77,547
Operating gross profit	9,211	10,490
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	2,326	2,514
Provision for bonuses	335	410
Retirement benefit expenses	120	133
Amortization of goodwill	227	246
Other	1,695	1,825
Total selling, general and administrative expenses	4,705	5,130
Operating income	4,505	5,360
Non-operating income		
Interest and dividend income	838	927
Share of profit of entities accounted for using equity method	190	117
Foreign exchange gains	—	342
Other	119	177
Total non-operating income	1,148	1,565
Non-operating expenses		
Interest expenses	258	224
Other	177	102
Total non-operating expenses	435	326
Ordinary income	5,218	6,598

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Extraordinary income		
Gain on sales of non-current assets	18	34
Compensation income	994	—
Total extraordinary income	1,013	34
Extraordinary losses		
Loss on retirement of non-current assets	42	86
Loss on valuation of investment securities	—	63
Business structure improvement expenses	26	25
Total extraordinary losses	69	175
Profit before income taxes	6,161	6,458
Income taxes-current	1,542	2,170
Income taxes-deferred	592	(70)
Total income taxes	2,134	2,099
Profit	4,026	4,358
Profit attributable to non-controlling interests	181	337
Profit attributable to owners of parent	3,845	4,021

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	4,026	4,358
Other comprehensive income		
Valuation difference on available-for-sale securities	1,495	(4,314)
Deferred gains or losses on hedges	—	(13)
Foreign currency translation adjustment	(630)	(79)
Remeasurements of defined benefit plans, net of tax	(6)	15
Share of other comprehensive income of entities accounted for using equity method	(158)	115
Total other comprehensive income	699	(4,278)
Comprehensive income	4,726	80
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,584	(192)
Comprehensive income attributable to non-controlling interests	142	272

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Profit before income taxes	6,161	6,458
Depreciation	3,492	3,794
Compensation income	(994)	—
Amortization of goodwill	227	246
Increase (decrease) in provision	145	304
Interest and dividend income	(838)	(927)
Interest expenses	258	224
Share of (profit) loss of entities accounted for using equity method	(190)	(117)
Loss (gain) on sales of non-current assets	(18)	(34)
Loss on retirement of non-current assets	42	86
Loss (gain) on valuation of investment securities	—	63
Decrease (increase) in notes and accounts receivable-trade	305	239
Increase (decrease) in notes and accounts payable-trade	(103)	(480)
Other, net	(750)	(1,722)
Subtotal	7,737	8,134
Interest and dividend income received	853	1,000
Interest expenses paid	(264)	(248)
Proceeds from compensation	497	—
Income taxes paid	(1,544)	(1,782)
Net cash provided by (used in) operating activities	7,278	7,104
Cash flows from investing activities		
Payments into time deposits	(107)	(850)
Proceeds from withdrawal of time deposits	6,304	4,046
Purchase of property, plant and equipment	(8,079)	(6,934)
Proceeds from sales of property, plant and equipment	28	172
Purchase of intangible assets	(220)	(202)
Purchase of investment securities	(19)	(17)
Payments of loans receivable	(62)	(59)
Collection of loans receivable	20	20
Other, net	(550)	78
Net cash provided by (used in) investing activities	(2,686)	(3,747)
Cash flows from financing activities		
Increase in short-term loans payable	3,364	2,899
Decrease in short-term loans payable	(3,163)	(2,626)
Proceeds from long-term loans payable	200	100
Repayments of long-term loans payable	(6,081)	(4,868)
Cash dividends paid	(1,160)	(1,250)
Other, net	(116)	(180)
Net cash provided by (used in) financing activities	(6,957)	(5,926)
Effect of exchange rate change on cash and cash equivalents	(56)	(251)
Net increase (decrease) in cash and cash equivalents	(2,421)	(2,821)
Cash and cash equivalents at beginning of period	22,616	21,828
Cash and cash equivalents at end of period	20,195	19,007

(4) Segment information

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

Six months ended September 30, 2014

(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	65,607	13,285	4,120	83,013	—	83,013
Intersegment transfers	202	77	181	461	(461)	—
Total	65,810	13,363	4,301	83,475	(461)	83,013
Segment income	4,349	537	1,700	6,587	(2,081)	4,505

Notes: 1. Adjustment in segment income of ¥ -2,081 million includes company-wide expenses of ¥ -2,045 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, 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.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.