

Consolidated Financial Results
for the Third Quarter Ended December 31, 2014 [Japan GAAP]

February 4, 2015

The Sumitomo Warehouse Co., Ltd.

Securities code: 9303
 Stock exchange listings: Tokyo
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 Quarterly statement filing date (as planned): February 9, 2015
 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, 2014 (April 1, 2014- December 31, 2014)

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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2014	128,002	5.5	7,011	(7.7)	8,423	(6.3)	5,848	12.2
Nine months ended December 31, 2013	121,291	5.2	7,596	(4.5)	8,994	0.5	5,213	(1.5)

Note: Comprehensive income:

Nine months ended December 31, 2014: 12,058 million yen; -45.7%

Nine months ended December 31, 2013: 22,225 million yen; 105.4%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2014	32.75	32.74
Nine months ended December 31, 2013	29.21	29.19

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2014	293,552	163,195	53.1
As of March 31, 2014	289,028	154,036	50.9

Note: Owner's equity

As of December 31, 2014: 155,950 million yen

As of March 31, 2014: 147,065million 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, 2014	—	5.50	—	6.50	12.00
Year ending March 31, 2015	—	6.00	—		
Year ending March 31, 2015 (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, 2015 (April 1, 2014-March 31, 2015)

(%: change from the previous year)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	170,000	3.1	9,700	0.1	10,900	(2.0)	7,100	14.1	39.78

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 December 31, 2014 : 195,936,231 shares

As of March 31, 2014 : 195,936,231 shares

Number of treasury stock:

As of December 31, 2014: 17,277,986 shares

As of March 31, 2014: 17,419,652 shares

Average number of shares:

Third quarter ended December 31, 2014 : 178,570,989 shares

Third quarter ended December 31, 2013 : 178,471,773 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, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	30,582	23,351
Notes and accounts receivable-trade	19,232	19,884
Real estate for sale	79	79
Work in process	18	32
Deferred tax assets	922	519
Other	4,456	5,611
Allowance for doubtful accounts	(136)	(119)
Total current assets	55,154	49,359
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	62,556	64,736
Machinery, equipment and vehicles, net	3,760	3,660
Vessels, net	8,306	7,949
Tools, furniture and fixtures, net	1,123	1,114
Land	47,655	48,834
Construction in progress	3,466	6,036
Other, net	475	671
Total property, plant and equipment	127,344	133,004
Intangible assets		
Goodwill	3,833	3,608
Leasehold right	5,512	5,515
Software	1,670	1,493
Other	225	224
Total intangible assets	11,242	10,842
Investments and other assets		
Investment securities	86,118	91,352
Long-term loans receivable	472	449
Deferred tax assets	2,458	2,207
Other	6,506	6,547
Allowance for doubtful accounts	(268)	(211)
Total investments and other assets	95,285	100,346
Total non-current assets	233,873	244,192
Total assets	289,028	293,552

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,321	12,245
Current portion of bonds	100	100
Short-term loans payable	10,563	15,118
Income taxes payable	1,528	733
Provision for bonuses	1,516	985
Other	7,368	6,166
Total current liabilities	33,398	35,349
Non-current liabilities		
Bonds payable	12,300	12,200
Long-term loans payable	56,290	46,061
Deferred tax liabilities	22,191	24,868
Net defined benefit liability	1,948	2,916
Provision for directors' retirement benefits	116	85
Long-term deposits received	7,669	7,645
Other	1,076	1,230
Total non-current liabilities	101,592	95,007
Total liabilities	134,991	130,356
Net assets		
Shareholders' equity		
Capital stock	21,822	21,822
Capital surplus	19,173	19,163
Retained earnings	78,972	81,891
Treasury shares	(9,053)	(8,979)
Total shareholders' equity	110,915	113,897
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,738	37,813
Foreign currency translation adjustment	3,181	4,024
Remeasurements of defined benefit plans	229	215
Total accumulated other comprehensive income	36,149	42,053
Subscription rights to shares	99	105
Minority interests	6,871	7,139
Total net assets	154,036	163,195
Total liabilities and net assets	289,028	293,552

(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, 2013	Nine months ended December 31, 2014
Operating revenue		
Warehouse income	16,933	17,069
Harbor transportation income	27,129	28,054
International transportation income	23,178	26,587
Land transportation income	20,774	20,479
Shipping income	18,379	21,269
Rent income of warehouse and logistics facilities	3,836	3,980
Rent income of real estate	6,637	6,139
Other	4,421	4,421
Total operating revenue	121,291	128,002
Operating cost		
Cost of sales	74,220	79,043
Personal expenses	13,703	14,516
Rent expenses	6,994	7,482
Taxes and dues	1,384	1,421
Depreciation	4,521	4,997
Other	5,901	6,453
Total operating cost	106,726	113,914
Operating gross profit	14,565	14,087
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	3,745	3,821
Provision for bonuses	163	169
Retirement benefit expenses	162	181
Amortization of goodwill	332	362
Other	2,564	2,541
Total selling, general and administrative expenses	6,968	7,076
Operating income	7,596	7,011
Non-operating income		
Interest and dividend income	1,517	1,642
Share of profit of entities accounted for using equity method	118	239
Other	320	187
Total non-operating income	1,956	2,069
Non-operating expenses		
Interest expenses	445	386
Foreign exchange losses	—	186
Other	112	85
Total non-operating expenses	558	657
Ordinary income	8,994	8,423

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Extraordinary income		
Gain on sales of non-current assets	16	21
Compensation income	182	994
Total extraordinary income	198	1,016
Extraordinary losses		
Loss on retirement of non-current assets	327	55
Business structure improvement expenses	73	162
Office transfer expenses	91	-
Total extraordinary losses	493	218
Income before income taxes and minority interests	8,699	9,221
Income taxes - current	2,752	2,216
Income taxes - deferred	421	936
Total income taxes	3,173	3,153
Income before minority interests	5,525	6,068
Minority interests in income	312	220
Net income	5,213	5,848

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	5,525	6,068
Other comprehensive income		
Valuation difference on available-for-sale securities	14,182	5,108
Foreign currency translation adjustment	2,263	762
Remeasurements of defined benefit plans, net of tax	-	(10)
Share of other comprehensive income of entities accounted for using equity method	253	130
Total other comprehensive income	16,699	5,990
Comprehensive income	22,225	12,058
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,704	11,751
Comprehensive income attributable to minority interests	520	307

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	8,699	9,221
Depreciation	5,174	5,387
Impairment loss	-	51
Compensation income	(182)	(994)
Amortization of goodwill	332	362
Increase (decrease) in provision	(541)	(580)
Interest and dividend income	(1,517)	(1,642)
Interest expenses	445	386
Share of (profit) loss of entities accounted for using equity method	(118)	(239)
Loss (gain) on sales of non-current assets	(16)	(21)
Loss on retirement of non-current assets	327	55
Loss (gain) on valuation of investment securities	54	-
Decrease (increase) in notes and accounts receivable - trade	(1,209)	(538)
Increase (decrease) in notes and accounts payable - trade	205	(206)
Increase (decrease) in deposits received	(3,960)	375
Other, net	(173)	(79)
Subtotal	7,519	11,535
Interest and dividend income received	1,625	1,730
Interest expenses paid	(534)	(407)
Proceeds from compensation	679	497
Income taxes paid	(3,558)	(3,045)
Net cash provided by (used in) operating activities	5,731	10,310
Cash flows from investing activities		
Payments into time deposits	(8,679)	(4,779)
Proceeds from withdrawal of time deposits	14,063	6,425
Purchase of property, plant and equipment	(7,200)	(11,997)
Proceeds from sales of property, plant and equipment	86	32
Purchase of intangible assets	(500)	(286)
Purchase of investment securities	(528)	(30)
Proceeds from sales of investment securities	3	3,003
Payments of loans receivable	(86)	(72)
Collection of loans receivable	31	29
Other, net	173	(572)
Net cash provided by (used in) investing activities	(2,636)	(8,246)
Cash flows from financing activities		
Increase in short-term loans payable	8,973	6,282
Decrease in short-term loans payable	(7,309)	(5,638)
Proceeds from long-term loans payable	16,710	200
Repayments of long-term loans payable	(18,637)	(6,519)
Cash dividends paid	(1,909)	(2,124)
Other, net	(315)	(204)
Net cash provided by (used in) financing activities	(2,489)	(8,004)
Effect of exchange rate change on cash and cash equivalents	824	339
Net increase (decrease) in cash and cash equivalents	1,430	(5,601)
Cash and cash equivalents at beginning of period	16,492	22,616
Cash and cash equivalents at end of period	17,923	17,015

(4) Segment information

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

Nine months ended December 31, 2013

(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	96,170	18,379	6,741	121,291	—	121,291
Intersegment transfers	320	165	277	763	(763)	—
Total	96,490	18,545	7,019	122,054	(763)	121,291
Segment income	6,289	521	3,848	10,659	(3,062)	7,596

Notes: 1. Adjustment in segment income of ¥ -3,062 million includes company-wide expenses of ¥ -2,991 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.

Nine months ended December 31, 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	100,492	21,269	6,240	128,002	—	128,002
Intersegment transfers	316	112	276	705	(705)	—
Total	100,808	21,381	6,517	128,707	(705)	128,002
Segment income	6,791	715	2,538	10,045	(3,034)	7,011

Notes: 1. Adjustment in segment income of ¥ -3,034 million includes company-wide expenses of ¥ -3,012 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.