

Consolidated Financial Results
for the Year Ended March 31, 2014[Japan GAAP]

May 13, 2014

The Sumitomo Warehouse Co., Ltd.

Securities code: 9303
 Stock exchange listings: Tokyo
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 Date of general shareholders' meeting (as planned): June 25, 2014
 Dividend payable date (as planned): June 26, 2014
 Annual securities report filing date (as planned): June 25, 2014
 Supplemental material of annual results: Yes
 Convening briefing of annual results: Yes

1. Consolidated financial results for the year ended March 31, 2014(April 1, 2013-March 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	%
Year ended March 31, 2014	164,917	5.4	9,693	(5.0)	11,126	(0.2)	6,224	0.0
Year ended March 31, 2013	156,422	11.9	10,201	6.1	11,151	6.5	6,222	(4.4)

Note: Comprehensive income:

Year ended March 31, 2014 : 15,581 million yen ; -29.4%
 Year ended March 31, 2013 : 22,072 million yen ; 177.1%

	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, 2014	34.88	34.86	4.4	4.0	5.9
Year ended March 31, 2013	34.89	34.89	5.0	4.4	6.5

Note: Investment profit (loss) on equity method:

Year ended March 31, 2014 : 179 million yen
 Year ended March 31, 2013 : 11 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, 2014	289,028	154,036	50.9	823.82
As of March 31, 2013	263,931	140,297	50.7	749.60

Note: Owner's equity

As of March 31, 2014: 147,065 million yen
 As of March 31, 2013: 133,743 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2014	9,265	(13,150)	8,905	22,616
Year ended March 31, 2013	14,073	(10,185)	(10,926)	16,492

2. Dividends

	Dividend per share					Total dividend paid	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	Millions of yen	%	%
Year ended March 31, 2013	—	5.50	—	5.50	11.00	1,962	31.5	1.6
Year ended March 31, 2014	—	5.50	—	6.50	12.00	2,142	34.4	1.5
Year ending March 31, 2015 (Forecast)	—	6.00	—	6.00	12.00		30.2	

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
Six months	84,000	5.1	4,700	(4.6)	5,300	(7.3)	3,800	12.5	21.29
Full year	170,000	3.1	9,700	0.1	10,900	(2.0)	7,100	14.1	39.78

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, 2014 : 195,936,231 shares

As of March 31, 2013 : 195,936,231 shares

Number of treasury stock:

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

As of March 31, 2013 : 17,516,981 shares

Average number of shares :

Year ended March 31, 2014 : 178,483,098 shares

Year ended March 31, 2013 : 178,327,572 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, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	23,175	30,582
Notes and accounts receivable-trade	17,692	19,232
Real estate for sale	80	79
Work in process	29	18
Deferred tax assets	1,061	922
Other	3,706	4,456
Allowance for doubtful accounts	(119)	(136)
Total current assets	45,627	55,154
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,659	62,556
Machinery, equipment and vehicles, net	2,906	3,760
Vessels, net	8,795	8,306
Tools, furniture and fixtures, net	977	1,123
Land	46,159	47,655
Construction in progress	2,148	3,466
Other, net	279	475
Total property, plant and equipment	121,926	127,344
Intangible assets		
Goodwill	3,602	3,833
Leasehold right	4,858	5,512
Software	1,717	1,670
Other	599	225
Total intangible assets	10,777	11,242
Investments and other assets		
Investment securities	76,258	86,118
Long-term loans receivable	385	472
Deferred tax assets	2,333	2,458
Other	6,983	6,506
Allowance for doubtful accounts	(360)	(268)
Total investments and other assets	85,600	95,285
Total non-current assets	218,304	233,873
Total assets	263,931	289,028

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,047	12,321
Current portion of bonds	100	100
Short-term loans payable	25,444	10,563
Income taxes payable	1,933	1,528
Provision for bonuses	1,441	1,516
Other	6,037	7,368
Total current liabilities	46,004	33,398
Non-current liabilities		
Bonds payable	400	12,300
Long-term loans payable	42,119	56,290
Deferred tax liabilities	18,971	22,191
Provision for retirement benefits	2,604	—
Net defined benefit liability	—	1,948
Provision for directors' retirement benefits	125	116
Long-term deposits received	12,295	7,669
Other	1,111	1,076
Total non-current liabilities	77,629	101,592
Total liabilities	123,634	134,991
Net assets		
Shareholders' equity		
Capital stock	21,822	21,822
Capital surplus	19,175	19,173
Retained earnings	74,710	78,972
Treasury shares	(9,103)	(9,053)
Total shareholders' equity	106,606	110,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,587	32,738
Foreign currency translation adjustment	(451)	3,181
Remeasurements of defined benefit plans	—	229
Total accumulated other comprehensive income	27,136	36,149
Subscription rights to shares	88	99
Minority interests	6,465	6,871
Total net assets	140,297	154,036
Total liabilities and net assets	263,931	289,028

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

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Operating revenue		
Warehouse income	22,379	22,679
Harbor transportation income	35,424	36,169
International transportation income	27,473	32,720
Land transportation income	27,527	27,906
Shipping income	23,411	26,112
Rent income of warehouse and logistics facilities	5,102	5,148
Rent income of real estate	9,308	8,475
Other	5,796	5,704
Total operating revenue	156,422	164,917
Operating cost		
Cost of sales	95,500	102,003
Personal cost	17,197	18,364
Rent expenses	9,590	9,536
Taxes and dues	1,750	1,920
Depreciation	6,137	6,163
Other	7,263	8,070
Total operating cost	137,440	146,060
Operating gross profit	18,981	18,857
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	4,660	4,919
Provision for bonuses	292	328
Retirement benefit expenses	243	230
Amortization of goodwill	403	469
Other	3,180	3,216
Total selling, general and administrative expenses	8,780	9,164
Operating income	10,201	9,693
Non-operating income		
Interest income	83	54
Dividend income	1,282	1,491
Share of profit of entities accounted for using equity method	11	179
Other	471	499
Total non-operating income	1,847	2,225
Non-operating expenses		
Interest expenses	734	583
Other	164	208
Total non-operating expenses	898	792
Ordinary income	11,151	11,126

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Extraordinary income		
Gain on sales of non-current assets	38	34
Gain on liquidation of subsidiaries and associates	—	37
Compensation income	—	182
Total extraordinary income	38	253
Extraordinary losses		
Loss on retirement of non-current assets	177	666
Business structure improvement expenses	—	224
Office transfer expenses	—	91
Impairment loss	65	—
Loss on valuation of investment securities	67	—
Loss on valuation of golf club membership	9	—
Environmental expenses	623	—
Total extraordinary losses	942	983
Income before income taxes and minority interests	10,246	10,396
Income taxes - current	3,659	3,240
Income taxes - deferred	39	653
Total income taxes	3,698	3,894
Income before minority interests	6,547	6,502
Minority interests in income	325	277
Net income	6,222	6,224

(Consolidated statements of comprehensive income)

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Income before minority interests	6,547	6,502
Other comprehensive income		
Valuation difference on available-for-sale securities	13,622	5,189
Foreign currency translation adjustment	1,819	3,458
Share of other comprehensive income of entities accounted for using equity method	82	431
Total other comprehensive income	15,524	9,078
Comprehensive income	22,072	15,581
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,560	15,008
Comprehensive income attributable to minority interests	511	572

(3) Consolidated statements of changes in net assets

Year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	21,822	19,175	70,539	(9,154)	102,383
Changes of items during period					
Dividends of surplus			(2,050)		(2,050)
Net income			6,222		6,222
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		53	54
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	4,171	51	4,223
Balance at end of current period	21,822	19,175	74,710	(9,103)	106,606

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	13,997	(2,199)	—	11,798	89	6,016	120,287
Changes of items during period							
Dividends of surplus							(2,050)
Net income							6,222
Purchase of treasury shares							(2)
Disposal of treasury shares							54
Net changes of items other than shareholders' equity	13,590	1,747	—	15,338	(0)	449	15,787
Total changes of items during period	13,590	1,747	—	15,338	(0)	449	20,010
Balance at end of current period	27,587	(451)	—	27,136	88	6,465	140,297

Year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	21,822	19,175	74,710	(9,103)	106,606
Changes of items during period					
Dividends of surplus			(1,962)		(1,962)
Net income			6,224		6,224
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		(2)		56	54
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(2)	4,261	49	4,309
Balance at end of current period	21,822	19,173	78,972	(9,053)	110,915

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	27,587	(451)	—	27,136	88	6,465	140,297
Changes of items during period							
Dividends of surplus							(1,962)
Net income							6,224
Purchase of treasury shares							(6)
Disposal of treasury shares							54
Net changes of items other than shareholders' equity	5,150	3,632	229	9,013	11	405	9,429
Total changes of items during period	5,150	3,632	229	9,013	11	405	13,738
Balance at end of current period	32,738	3,181	229	36,149	99	6,871	154,036

(4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	10,246	10,396
Depreciation	6,973	6,960
Impairment loss	65	—
Compensation income	—	(182)
Amortization of goodwill	403	469
Increase (decrease) in allowance for doubtful accounts	(37)	65
Increase (decrease) in provision for retirement benefits	(420)	—
Increase (decrease) in net defined benefit liability	—	(314)
Increase (decrease) in provision for directors' retirement benefits	17	(8)
Increase (decrease) in provision for bonuses	(0)	71
Loss on valuation of golf club memberships	9	—
Interest and dividend income	(1,365)	(1,546)
Interest expenses	734	583
Share of (profit) loss of entities accounted for using equity method	(11)	(179)
Loss (gain) on sales of non-current assets	(38)	(34)
Loss on retirement of non-current assets	177	666
Loss (gain) on liquidation of subsidiaries and associates	—	(37)
Loss (gain) on valuation of investment securities	67	143
Decrease (increase) in notes and accounts receivable - trade	683	(854)
Increase (decrease) in notes and accounts payable - trade	(696)	543
Increase (decrease) in deposits received	289	(4,185)
Other, net	253	(1,331)
Subtotal	17,350	11,226
Interest and dividend income received	1,382	1,663
Interest expenses paid	(762)	(640)
Proceeds from compensation	—	679
Income taxes paid	(3,897)	(3,663)
Net cash provided by (used in) operating activities	14,073	9,265
Cash flows from investing activities		
Payments into time deposits	(13,355)	(15,463)
Proceeds from withdrawal of time deposits	16,294	14,332
Purchase of property, plant and equipment	(10,568)	(9,663)
Proceeds from sales of property, plant and equipment	119	129
Purchase of intangible assets	(1,119)	(1,111)
Purchase of investment securities	(1,039)	(1,420)
Purchase of shares of subsidiaries	—	(87)
Payments of loans receivable	(68)	(126)
Collection of loans receivable	325	39
Other, net	(772)	220
Net cash provided by (used in) investing activities	(10,185)	(13,150)

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Cash flows from financing activities		
Increase in short-term loans payable	8,841	10,468
Decrease in short-term loans payable	(8,872)	(9,490)
Proceeds from long-term loans payable	13,170	21,690
Repayments of long-term loans payable	(21,923)	(23,378)
Proceeds from issuance of bonds	—	12,000
Redemption of bonds	—	(100)
Proceeds from sales of treasury shares	54	54
Purchase of treasury shares	(2)	(6)
Cash dividends paid	(2,050)	(1,963)
Cash dividends paid to minority shareholders	(66)	(158)
Other, net	(76)	(209)
Net cash provided by (used in) financing activities	(10,926)	8,905
Effect of exchange rate change on cash and cash equivalents	827	1,103
Net increase (decrease) in cash and cash equivalents	(6,211)	6,123
Cash and cash equivalents at beginning of period	22,703	16,492
Cash and cash equivalents at end of period	16,492	22,616

(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, 2013

(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	123,622	23,411	9,388	156,422	—	156,422
Intersegment transfers	462	176	390	1,029	(1,029)	—
Total	124,084	23,588	9,778	157,451	(1,029)	156,422
Segment income	8,290	254	5,467	14,011	(3,809)	10,201
Segment assets	124,379	17,475	35,479	177,333	86,597	263,931
Other items						
Depreciation	3,823	442	1,833	6,099	873	6,973
Amortization of goodwill	104	298	—	403	—	403
Investment in associates accounted for by equity method	3,311	—	—	3,311	—	3,311
Additions to property, plant and equipment and intangible assets	3,636	4,599	3,359	11,595	838	12,434

Notes: 1. (1) Adjustment in segment income of ¥ -3,809 million includes company-wide expenses of ¥ -3,990 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 ¥ 86,597 million includes company-wide assets of ¥ 88,446 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 ¥ 838 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	130,206	26,112	8,598	164,917	—	164,917
Intersegment transfers	422	211	378	1,012	(1,012)	—
Total	130,628	26,323	8,977	165,929	(1,012)	164,917
Segment income	8,405	560	4,647	13,612	(3,919)	9,693
Segment assets	128,104	18,920	39,268	186,293	102,734	289,028
Other items						
Depreciation	3,801	497	1,816	6,116	843	6,960
Amortization of goodwill	104	364	—	469	—	469
Investment in associates accounted for by equity method	5,157	—	—	5,157	—	5,157
Additions to property, plant and equipment and intangible assets	5,772	71	5,744	11,588	437	12,025

Notes: 1. (1) Adjustment in segment income of ¥ -3,919 million includes company-wide expenses of ¥ -3,849 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 ¥ 102,734 million includes company-wide assets of ¥ 105,075 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 ¥ 437 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.