

Consolidated Financial Results
for the Third Quarter Ended December 31, 2010 [Japan GAAP]

February 8, 2011

The Sumitomo Warehouse Co., Ltd.

Stock Code:	9303
Stock Exchange Listings:	Tokyo and Osaka
URL:	http://www.sumitomo-soko.co.jp/
Representative :	Shoichi Abbe, President
Contact Responsibility:	Satoru Yonemitsu, General Manager, Finance & Accounting Department
Phone Number:	+81 6 6581 1183
Starting date of dividend payment:	—
Date of the filing of the Quarterly Report:	February 10, 2011
Supplementary Material	None
Financial Results Presentation	None

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2010 (April 1, 2010- December 31, 2010)

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

(1) Consolidated Results of Operations

(%: 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, 2010	98,493	9.6	7,484	32.6	8,438	36.3	4,028	28.6
Nine months ended December 31, 2009	89,893	(13.7)	5,645	(3.2)	6,190	(7.6)	3,131	(11.4)

	Net income per share	Dilutive Net Income per share
	Yen	Yen
Nine months ended December 31, 2010	22.58	22.58
Nine months ended December 31, 2009	17.56	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net asset per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2010	231,498	114,747	47.6	617.60
As of March 31, 2010	235,986	114,377	46.6	616.54

Notes: Equity

Third quarter ended December 31, 2010 : 110,170 million yen

Year ended March 31, 2010 : 109,988 million yen

2. Dividends

	Dividends per share				
	First Quarter ended	Second Quarter ended	Third Quarter ended	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2010	—	5.00	—	5.00	10.00
Year ending March 31, 2011	—	5.00	—		
Year ending March 31, 2011 (Forecast)				5.00	10.00

Notes: Revision of cash dividend forecast for this period : None

3. Forecasts for the Year Ending March 31, 2011 (April 1, 2010-March 31, 2011)

(%: 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	128,000	5.2	9,300	17.6	10,100	19.8	4,600	49.9	25.79

Note: Revision of forecasts for this period: None

4. Other

(1) Changes of significant subsidiaries during the period (change of specified subsidiaries that affected the scope of consolidated reporting): None

(2) Adoption of simplified accounting methods and special accounting methods for quarterly consolidated financial statements: Yes

(3) Changes of accounting policies applied, procedures and disclosures for presenting consolidated financial statement

Changes by revision of accounting standard: Yes

Changes other than the above: None

(4) Number of shares issued (common stock)

Number of shares issued at the end of the period (including treasury stock) :

As of December 31, 2010 : 195,936,231 shares

As of March 31, 2010 : 195,936,231 shares

Number of treasury stocks at the end of the period :

As of December 31, 2010 : 17,550,733 shares

As of March 31, 2010 : 17,540,425 shares

Average number of shares issued at the end of the period :

As of December 31, 2010 : 178,393,201 shares

As of December 31, 2009 : 178,399,948 shares

Note:

These forecasts are based on information currently available and certain assumptions judged to be reasonable. The Company's actual results may differ materially from those discussed in these 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 December 31, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	27,471	23,569
Notes and operating accounts receivable	17,238	16,749
Short-term investment securities	4	4
Real estate for sale	114	185
Work in process	19	27
Deferred tax assets	775	1,093
Other	3,163	3,089
Allowance for doubtful accounts	(104)	(95)
Total current assets	48,681	44,623
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	60,474	63,513
Machinery, equipment and vehicles, net	3,475	3,860
Tools, furniture and fixtures, net	659	760
Land	46,224	46,222
Construction in progress	348	400
Other, net	60	66
Total property, plant and equipment	111,243	114,825
Intangible assets		
Goodwill	612	687
Leasehold right	4,342	6,173
Software	1,915	2,152
Other	351	429
Total intangible assets	7,222	9,443
Investments and other assets		
Investment securities	56,570	58,899
Long-term loans receivable	615	947
Deferred tax assets	504	481
Other	7,098	7,248
Allowance for doubtful accounts	(438)	(483)
Total investments and other assets	64,350	67,093
Total noncurrent assets	182,816	191,362
Total assets	231,498	235,986

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	9,319	9,330
Short-term loans payable	10,112	10,126
Income taxes payable	1,222	3,098
Provision for bonuses	919	1,438
Other	4,984	5,342
Total current liabilities	26,557	29,337
Noncurrent liabilities		
Long-term loans payable	59,411	60,124
Deferred tax liabilities	14,159	15,162
Provision for retirement benefits	3,319	3,590
Provision for directors' retirement benefits	83	114
Long-term deposits received	12,370	12,440
Other	848	839
Total noncurrent liabilities	90,192	92,271
Total liabilities	116,750	121,609
Net assets		
Shareholders' equity		
Capital stock	21,822	21,822
Capital surplus	19,177	19,177
Retained earnings	65,506	63,261
Treasury stock	(9,129)	(9,124)
Total shareholders' equity	97,377	95,136
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,516	16,098
Deferred gains or losses on hedges	8	2
Foreign currency translation adjustment	(1,730)	(1,250)
Total valuation and translation adjustments	12,793	14,851
Subscription rights to shares	79	64
Minority interests	4,498	4,324
Total net assets	114,747	114,377
Total liabilities and net assets	231,498	235,986

(2) Consolidated quarterly statements of income

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Operating revenue		
Warehouse income	14,009	15,863
Harbor transportation income	24,666	27,700
International transportation income	16,522	19,156
Land transportation income	18,754	19,837
Rent income of warehouse and logistics facilities	4,050	3,831
Rent income of real estate	7,421	7,329
Other	4,468	4,775
Total operating revenue	89,893	98,493
Operating cost		
Cost of sales	50,175	56,703
Personal expenses	12,231	12,404
Rent expenses	5,577	5,746
Taxes and dues	1,501	1,404
Depreciation	4,436	4,189
Other	4,696	5,112
Total operating cost	78,618	85,561
Operating gross profit	11,275	12,932
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	3,047	3,107
Provision for bonuses	175	165
Retirement benefit expenses	201	177
Amortization of goodwill	245	74
Other	1,959	1,923
Total selling, general and administrative expenses	5,629	5,448
Operating income	5,645	7,484
Non-operating income		
Interest and dividends income	906	1,161
Equity in earnings of affiliates	186	358
Other	229	161
Total non-operating income	1,322	1,681
Non-operating expenses		
Interest expenses	660	599
Other	116	128
Total non-operating expenses	776	727
Ordinary income	6,190	8,438

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Extraordinary income		
Gain on sales of noncurrent assets	—	152
Compensation income	—	461
Total extraordinary income	—	614
Extraordinary loss		
Loss on retirement of noncurrent assets	105	66
Loss on valuation of investment securities	234	42
Impairment loss	—	1,431
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	32
Provision of allowance for doubtful accounts	266	—
Special retirement expenses	38	—
Total extraordinary losses	645	1,571
Income before income taxes and minority interests	5,545	7,481
Income taxes-current	2,595	2,853
Income taxes-deferred	(350)	354
Total income taxes	2,244	3,208
Income before minority interests	—	4,273
Minority interests in income	168	244
Net income	3,131	4,028

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,545	7,481
Depreciation and amortization	4,919	4,687
Impairment loss	—	1,431
Amortization of goodwill	245	74
Increase (decrease) in provision	151	(827)
Interest and dividends income	(906)	(1,161)
Interest expenses	660	599
Equity in (earnings) losses of affiliates	(186)	(358)
Loss (gain) on sales of property, plant and equipment	—	(84)
Loss on retirement of property, plant and equipment	105	66
Loss (gain) on valuation of investment securities	234	42
Decrease (increase) in notes and accounts receivable-trade	(1,765)	(575)
Increase (decrease) in notes and accounts payable-trade	533	31
Other, net	1,007	(4)
Subtotal	10,544	11,402
Interest and dividends income received	914	1,175
Interest expenses paid	(814)	(725)
Income taxes paid	(708)	(4,821)
Income taxes refund	1,200	—
Net cash provided by (used in) operating activities	11,136	7,030
Net cash provided by (used in) investing activities		
Payments into time deposits	(13,462)	(17,033)
Proceeds from withdrawal of time deposits	4,340	15,159
Purchase of property, plant and equipment	(976)	(1,109)
Proceeds from sales of property, plant and equipment	37	118
Purchase of intangible assets	(345)	(270)
Proceeds from sales of intangible assets	—	418
Purchase of investment securities	(3,168)	(34)
Payments of loans receivable	(96)	(88)
Collection of loans receivable	112	500
Other, net	(523)	130
Net cash provided by (used in) investing activities	(14,082)	(2,210)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	10,045	7,849
Decrease in short-term loans payable	(9,953)	(7,416)
Proceeds from long-term loans payable	2,288	450
Repayment of long-term loans payable	(1,979)	(1,610)
Cash dividends paid	(1,727)	(1,734)
Other, net	(88)	(75)
Net cash provided by (used in) financing activities	(1,414)	(2,537)
Effect of exchange rate change on cash and cash equivalents	6	(230)
Net increase (decrease) in cash and cash equivalents	(4,354)	2,051
Cash and cash equivalents at beginning of period	14,669	10,484
Cash and cash equivalents at end of period	10,315	12,536

(4) Segment Information

[Information by operational segment]

Nine months ended December 31, 2009

(Millions of yen)

	Logistics	Real Estate	Total	Corporate & Elimination	Consolidated
Operating revenue					
① Operating revenue to outside customers	82,343	7,549	89,893	—	89,893
② Intersegment transfers	6	163	170	(170)	—
Total operating revenue	82,350	7,713	90,063	(170)	89,893
Operating income	4,449	4,596	9,045	(3,400)	5,645

Notes:

Segment	Main operations
Logistics	Warehousing (stock operations, bonded cargo handling) Harbor transportation, Customs clearance International multimodal transportation, Air cargo agent Land transportation
Real Estate	Office space and land leasing

[Information by geographic segment]

Nine months ended December 31, 2009

(Millions of yen)

	Japan	Others	Total	Corporate & Elimination	Consolidated
Operating revenue					
① Operating revenue to outside customers	83,617	6,276	89,893	—	89,893
② Intersegment transfers	469	2,829	3,299	(3,299)	—
Total operating revenue	84,087	9,105	93,192	(3,299)	89,893
Operating income	8,680	364	9,045	(3,400)	5,645

Notes: "Others" consists of Asia, Europe and North America.

[Overseas operating revenue]

The Companies' overseas operating revenue, which represents operating revenue to customers outside Japan, was immaterial. Accordingly, overseas operating revenue was not disclosed.

[Segment Information]

1. General information about reportable segment

The reportable segment is the component of our Group, for which discrete financial information is available, and whose operating results are regularly reviewed by the Company's chief operating decision maker including Board of Directors to make decisions about resources to be allocated to the 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 promotes "Real Estate business" including leasing and sales of real estate etc., with a dedicated department in head office, mainly in such way as to put the real estate the Company owns to more effective use. Therefore, the Company, according to such business formation, comprises the segments corresponding to each service and presents "Logistics" and "Real Estate" as two reportable segments.

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

Nine months ended December 31, 2010

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Consolidated Statements of Income (Note 2)
	Logistics	Real Estate	Total		
Operating revenue					
Operating revenue to outside customers	90,981	7,511	98,493	—	98,493
Intersegment transfers	6	310	317	(317)	—
Total	90,988	7,822	98,810	(317)	98,493
Segment income	5,738	4,463	10,201	(2,717)	7,484

Notes: 1. Segment income adjustment of ¥ -2,717 million includes company-wide expenses of ¥ -2,797 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 show operating income as recorded on the Consolidated Statements of Income.

3. Information concerning impairment loss from noncurrent assets, goodwill and other items by reportable segment

(Material impairment loss of noncurrent assets)

The impairment loss of the leasehold rights, which amounted to ¥1,431 million for the nine months ended December 31, 2010, was recognized in the segment of "Real Estate".

Additional Information

Effective from the first quarter ended June 30, 2010, the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Statement No. 17, March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Guidance No. 20, March 21, 2008) are applied.

(5) Changes in Accounting Policies

Application of accounting standard for asset retirement obligations

Effective from the first quarter ended June 30, 2010, the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) are applied.

As a result of this application, income before income taxes and minority interests for nine months ended December 31, 2010 decreased by ¥32 million. The change in the asset retirement obligation amount resulting from the application of these accounting standards is ¥32 million.