



THE SUMITOMO WAREHOUSE Co., LTD.

(Translation)

October 26, 2018

To whom it may concern

Company name : The Sumitomo Warehouse Co.,Ltd.

Representative : Takanori Ono, President

Security ID Code: 9303 (Listed on 1st section of TSE)

Reference: Akio Kakutani,
Executive Officer, General Manager,
Finance & Accounting Department

Notice of Posting of Extraordinary Loss and Revisions to Consolidated Forecasts

The Sumitomo Warehouse Co., Ltd. (“the Company”) announces that it will post an impairment loss as an extraordinary loss for the second quarter ended September 30, 2018, and has also decided to revise the consolidated forecasts for the six months ended September 30, 2018 and the full year ending March 31, 2019 that were announced on August 7, 2018.

1. Posting of extraordinary loss

In addition to “Logistics Business” and “Real estate Business”, the Company Group operates “Shipping Business” consisting mainly of vessel operations along the Pacific Northwest, through its subsidiary Westwood Shipping Lines, Inc., etc.

Although ocean freight is recovering in Shipping Business, it remains below expectations. In addition, fuel costs have skyrocketed due to higher crude oil prices and chartered vessels rates and inland transportation charges in North America have increased. As a result of these factors, earnings are below the business plan. Accordingly, the Company has revised its business plan and reviewed the recoverable amount of the Shipping Business’s non-current assets (goodwill, vessels, and equipment, etc.), and decided to post an approximately ¥5 billion impairment loss on the Shipping Business’s non-current assets as an extraordinary loss for the second quarter ended September 30, 2018.

2. Revision to consolidated forecasts

(1) Revision to consolidated forecasts for the six months ended September 30, 2018

(April 1, 2018 to September 30, 2018)

	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
Previous forecasts (A)	89,000	4,100	5,400	3,400	19.48
Revised forecasts (B)	90,000	3,950	5,300	1,700	9.74
Change (B-A)	1,000	(150)	(100)	(1,700)	—
Rate of Change (%)	1.1%	(3.7%)	(1.9%)	(50.0%)	—
(Reference) Results in the same period in the previous year (six months ended September 30, 2017)	86,302	4,987	6,143	4,265	23.96

(2) Revision to consolidated forecasts for the year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

	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
Previous forecasts (A)	181,000	9,100	11,500	8,500	97.42
Revised forecasts (B)	182,000	8,950	11,400	6,800	77.92
Change (B-A)	1,000	(150)	(100)	(1,700)	—
Rate of Change (%)	0.6%	(1.6%)	(0.9%)	(20.0%)	—
(Reference) Results in the previous year (year ended March 31, 2018)	175,756	10,302	12,684	8,358	94.84

(3) Reason for revisions

For the second quarter ended September 30, 2018, the Company will post an extraordinary loss for about ¥5 billion impairment loss on the Shipping Business's non-current assets. Moreover, we decided to sell some of its cross-shareholdings to improve asset efficiency, and post approximately ¥2.6 billion in gain on sales of investment securities as an extraordinary income. Accordingly, we have revised its consolidated forecasts for the six months ended September 30, 2018 and the full year ending March 31, 2019 as shown above.

In addition, the Company announced revision of Dividend forecast for fiscal Year ending March 2019, which was originally announced on May 11, 2018. For details, please refer to "Notice of revision of Dividend forecast for fiscal year ending March 2019" disclosed today.

Notes:

1. The Company has conducted a 1-for-2 reverse stock split on its common shares (a consolidation of every two shares into one share, “share consolidation”) on October 1, 2018. In line with this, net income per share as noted in “(Reference) Results in the previous year (year ended March 31, 2018)” is calculated on the assumption that “share consolidation” was conducted at the beginning of the previous year. The net income per share in the full year on the assumption that “share consolidation” was not conducted is shown below.

Previous forecast (A): ¥48.71

Revised forecast (B): ¥38.96

(Reference) Results in the previous year (year ended March 31, 2018) ¥47.42

2. 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.

*This document is an English convenience translation of a document that was originally prepared in the Japanese language and is provided for convenience purposes only. In the event that there is a discrepancy between the Japanese and English versions, the Japanese version shall prevail.

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