

**Consolidated Financial Results**  
**for the First Quarter Ended June 30, 2019 [ Japan GAAP ]**

August 7, 2019

**The Sumitomo Warehouse Co., Ltd.**

Securities code: 9303  
 Stock exchange listings: Tokyo  
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 Quarterly statement filing date (as planned): August 13, 2019  
 Dividend payable date (as planned): —  
 Supplemental material of quarterly results: None  
 Convening briefing of quarterly results: None

**1. Consolidated financial results for the first quarter ended June 30, 2019** (April 1, 2019- June 30, 2019)

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

(1) Consolidated operating results (%: year-on-year change)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2019	47,135	6.9	2,631	38.2	3,884	24.7	2,490	12.0
Three months ended June 30, 2018	44,110	3.2	1,903	(26.1)	3,115	(15.3)	2,223	(9.3)

Note: Comprehensive income:

Three months ended June 30, 2019: (898) million yen; —%  
 Three months ended June 30, 2018: 1,874 million yen; (76.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2019	29.13	29.04
Three months ended June 30, 2018	25.48	25.42

\* The Company 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. Therefore, “Net income per share” and “Diluted net income per share” are calculated on the assumption that “share consolidation” was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	322,513	184,097	55.1
As of March 31, 2019	322,683	187,475	56.2

Note: Owner’s equity

As of June 30, 2019: 177,679 million yen  
 As of March 31, 2019: 181,196 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, 2019	—	8.50	—	28.50	—
Year ending March 31, 2020	—				
Year ending March 31, 2020 (Forecast)		18.00	—	28.00	46.00

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

- \* The fiscal year-end dividend per share for the year ended March 31, 2019 consists of ¥13.00 for ordinary dividend and ¥15.50 for special dividend.
- \* The fiscal year-end dividend per share for the year ending March 31, 2020 consists of ¥18.00 for ordinary dividend and ¥10.00 for 120th anniversary commemorative dividend.
- \* The Company conducted “share consolidation” on October 1, 2018. Therefore, the fiscal year-end dividend per share for the year ended March 31, 2019 reflects such “share consolidation” and the total dividend per share for the year states “—”. Taking into account such “share consolidation”, the total dividend per share for the year would be ¥45.50.

## 3. Consolidated forecasts for the year ending March 31, 2020 (April 1, 2019-March 31, 2020)

(%: year-on-year change)

	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
Six months	95,000	5.5	5,200	31.9	6,400	20.4	4,050	137.8	47.37
Full year	192,000	3.1	10,850	23.4	13,100	16.0	8,800	27.3	102.92

Note: Correction of financial forecast from the most recent financial forecast: Yes

## 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: None
- 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 June 30, 2019 : 86,386,615 shares

As of March 31, 2019 : 86,386,615 shares

Number of treasury stock:

As of June 30, 2019 : 885,422 shares

As of March 31, 2019 : 885,392 shares

Average number of shares:

First quarter ended June 30, 2019 : 85,501,193 shares

First quarter ended June 30, 2018 : 87,253,499 shares

\*The Company conducted “share consolidation” on October 1, 2018. Accordingly, “the average number of shares” for the first quarter ended June 30, 2018 and 2017 have been calculated on the assumption that such “share consolidation” was conducted at the beginning of the previous fiscal year.

- \* Status of quarterly reviewing processes

This Financial Results is not subject to review based on the Japanese Financial Instruments and Exchange Act.

\* 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 the Company's control.

Consolidated Financial Results  
(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	28,176	26,189
Notes and accounts receivable-trade	22,494	22,196
Real estate for sale	52	49
Work in process	14	17
Other	5,732	5,636
Allowance for doubtful accounts	(122)	(117)
<b>Total current assets</b>	<b>56,347</b>	<b>53,971</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	71,841	76,021
Machinery, equipment and vehicles, net	2,915	3,124
Vessels, net	4,641	4,546
Tools, furniture and fixtures, net	910	1,021
Land	62,534	63,865
Construction in progress	5,192	5,597
Other, net	576	2,834
<b>Total property, plant and equipment</b>	<b>148,611</b>	<b>157,011</b>
<b>Intangible assets</b>		
Goodwill	62	58
Leasehold interests in land	5,687	5,125
Software	1,502	1,420
Other	198	241
<b>Total intangible assets</b>	<b>7,451</b>	<b>6,845</b>
<b>Investments and other assets</b>		
Investment securities	102,344	96,928
Long-term loans receivable	492	482
Deferred tax assets	453	486
Other	7,256	7,065
Allowance for doubtful accounts	(275)	(277)
<b>Total investments and other assets</b>	<b>110,272</b>	<b>104,685</b>
<b>Total non-current assets</b>	<b>266,335</b>	<b>268,541</b>
<b>Total assets</b>	<b>322,683</b>	<b>322,513</b>

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	14,030	13,968
Short-term borrowings	15,350	17,659
Income taxes payable	3,805	695
Provision for bonuses	1,741	1,275
Other	7,033	8,199
<b>Total current liabilities</b>	<b>41,961</b>	<b>41,798</b>
<b>Non-current liabilities</b>		
Bonds payable	33,000	33,000
Long-term borrowings	23,963	27,816
Deferred tax liabilities	24,166	22,798
Provision for retirement benefits for directors (and other officers)	52	40
Retirement benefit liability	3,437	3,461
Long-term deposits received	7,862	7,937
Other	764	1,563
<b>Total non-current liabilities</b>	<b>93,246</b>	<b>96,618</b>
<b>Total liabilities</b>	<b>135,208</b>	<b>138,416</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	14,922	14,922
Capital surplus	13,112	13,112
Retained earnings	103,299	103,352
Treasury stock	(1,205)	(1,205)
<b>Total shareholders' equity</b>	<b>130,129</b>	<b>130,182</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	48,328	44,506
Foreign currency translation adjustment	2,171	2,454
Remeasurements of defined benefit plans	568	536
<b>Total accumulated other comprehensive income</b>	<b>51,067</b>	<b>47,496</b>
Share acquisition rights	285	285
Non-controlling interests	5,993	6,132
<b>Total net assets</b>	<b>187,475</b>	<b>184,097</b>
<b>Total liabilities and net assets</b>	<b>322,683</b>	<b>322,513</b>

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

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Operating revenue		
Warehouse income	6,373	6,521
Harbor transportation income	9,054	9,270
International transportation income	9,433	10,296
Land transportation income	8,056	9,327
Shipping income	5,624	6,162
Rent income of warehouse and logistics facilities	1,378	1,374
Real estate lease revenue	2,462	2,529
Other	1,726	1,654
Total operating revenue	44,110	47,135
Operating cost		
Cost of sales	27,258	29,156
Personal expenses	5,423	5,631
Rent expenses	2,630	2,663
Taxes and dues	538	647
Depreciation	1,721	1,827
Other	2,038	2,085
Total operating cost	39,611	42,012
Operating gross profit	4,499	5,122
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	1,283	1,273
Provision for bonuses	193	194
Retirement benefit expenses	60	51
Amortization of goodwill	88	4
Other	969	966
Total selling, general and administrative expenses	2,595	2,490
Operating income	1,903	2,631
Non-operating income		
Interest and dividend income	1,255	1,253
Share of profit of entities accounted for using equity method	70	78
Other	84	93
Total non-operating income	1,410	1,426
Non-operating expenses		
Interest expenses	108	104
Foreign exchange losses	64	45
Other	25	23
Total non-operating expenses	198	173
Ordinary income	3,115	3,884

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Extraordinary income		
Penalty income	165	—
Total extraordinary income	165	—
Extraordinary losses		
Loss on retirement of non-current assets	23	24
Total extraordinary losses	23	24
Profit before income taxes	3,257	3,859
Income taxes-current	881	891
Income taxes-deferred	105	298
Total income taxes	986	1,189
Profit	2,270	2,670
Profit attributable to non-controlling interests	46	179
Profit attributable to owners of parent	2,223	2,490

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	2,270	2,670
Other comprehensive income		
Valuation difference on available-for-sale securities	614	(3,831)
Foreign currency translation adjustment	(873)	250
Remeasurements of defined benefit plans, net of tax	(20)	(32)
Share of other comprehensive income of entities accounted for using equity method	(115)	45
Total other comprehensive income	(395)	(3,568)
Comprehensive income	1,874	(898)
(Comprehensive income attributable to)		
Owners of parent	1,886	(1,080)
Non-controlling interests	(12)	182



## (3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from operating activities		
Profit before income taxes	3,257	3,859
Depreciation	1,824	1,937
Amortization of goodwill	88	4
Increase (decrease) in provision	(443)	(480)
Interest and dividend income	(1,255)	(1,253)
Interest expenses	108	104
Share of loss (profit) of entities accounted for using equity method	(70)	(78)
Loss on retirement of non-current assets	23	24
Decrease (increase) in trade receivables	56	316
Increase (decrease) in trade payables	(107)	(72)
Other, net	(58)	460
Subtotal	3,424	4,823
Interest and dividends received	1,495	1,273
Interest paid	(106)	(100)
Income taxes paid	(1,951)	(3,849)
Net cash provided by (used in) operating activities	2,861	2,146
Cash flows from investing activities		
Payments into time deposits	(773)	(1,305)
Proceeds from withdrawal of time deposits	2,620	826
Purchase of property, plant and equipment	(4,719)	(7,541)
Proceeds from sales of property, plant and equipment	6	5
Purchase of intangible assets	(319)	(177)
Purchase of investment securities	(6)	(6)
Collection of loans receivable	11	10
Other, net	(178)	(186)
Net cash provided by (used in) investing activities	(3,359)	(8,375)
Cash flows from financing activities		
Proceeds from short-term borrowings	860	2,992
Repayments of short-term borrowings	(786)	(648)
Proceeds from long-term borrowings	1,000	11,000
Repayments of long-term borrowings	(8,223)	(7,181)
Cash dividends paid	(1,368)	(2,247)
Other, net	(76)	(220)
Net cash provided by (used in) financing activities	(8,593)	3,693
Effect of exchange rate change on cash and cash equivalents	(172)	65
Net increase (decrease) in cash and cash equivalents	(9,263)	(2,469)
Cash and cash equivalents at beginning of period	31,299	24,161
Cash and cash equivalents at end of period	22,035	21,691

#### (4) Segment information

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

Three months ended June 30, 2018

(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	35,997	5,624	2,488	44,110	—	44,110
Intersegment transfers	125	103	101	330	(330)	—
Total	36,122	5,728	2,590	44,441	(330)	44,110
Segment income (loss)	2,460	(479)	1,171	3,152	(1,248)	1,903

Notes: 1. Adjustment in segment income (loss) of ¥ (1,248) million includes company-wide expenses of ¥ (1,225) 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 (loss) is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

Three months ended June 30, 2019

(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	38,404	6,162	2,568	47,135	—	47,135
Intersegment transfers	127	164	126	419	(419)	—
Total	38,532	6,327	2,695	47,554	(419)	47,135
Segment income (loss)	2,649	(144)	1,370	3,874	(1,242)	2,631

Notes: 1. Adjustment in segment income (loss) of ¥ (1,242) million includes company-wide expenses of ¥ (1,266) 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 (loss) is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

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