

**Consolidated Financial Results**  
**for the Second Quarter Ended September 30, 2019 [ Japan GAAP ]**

November 7, 2019

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

Securities code:	9303
Stock exchange listings:	Tokyo
URL:	<a href="https://www.sumitomo-soko.co.jp/">https://www.sumitomo-soko.co.jp/</a>
Representative:	Takanori Ono, President
Inquiries:	Akihiko Hoshino, General Manager, Finance & Accounting Department
Tel:	+81 6 6444 1183
Quarterly statement filing date (as planned):	November 12, 2019
Dividend payable date (as planned):	December 2, 2019
Supplemental material of quarterly results:	Yes
Convening briefing of quarterly results:	Yes

(Figures are rounded down to the nearest million yen)

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

(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	%
Six months ended September 30, 2019	95,231	5.8	5,551	40.8	6,853	28.9	4,302	152.6
Six months ended September 30, 2018	90,040	4.3	3,943	(20.9)	5,317	(13.4)	1,703	(60.1)

Note: Comprehensive income:

Six months ended September 30, 2019: 3,096 million yen; -%

Six months ended September 30, 2018: (1,103) million yen; -%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2019	50.45	50.28
Six months ended September 30, 2018	19.52	19.46

\* 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 September 30, 2019	340,897	187,132	53.0
As of March 31, 2019	322,683	187,475	56.2

Note: Owner's equity

As of September 30, 2019: 180,637 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	—	18.00			
Year ending March 31, 2020 (Forecast)			—	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
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: 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: 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 September 30, 2019 : 86,386,615 shares

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

Number of treasury stock:

As of September 30, 2019 : 1,560,989 shares

As of March 31, 2019 : 885,392 shares

Average number of shares:

Second quarter ended September 30, 2019 : 85,283,545 shares

Second quarter ended September 30, 2018 : 87,262,685 shares

\*The Company conducted “share consolidation” on October 1, 2018. Accordingly, “the average number of shares” for the second quarter ended September 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 September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	28,176	39,867
Notes and accounts receivable-trade	22,494	22,077
Real estate for sale	52	32
Work in process	14	9
Other	5,732	5,559
Allowance for doubtful accounts	(122)	(115)
Total current assets	56,347	67,430
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,841	78,981
Machinery, equipment and vehicles, net	2,915	3,741
Vessels, net	4,641	4,451
Tools, furniture and fixtures, net	910	1,078
Land	62,534	63,844
Construction in progress	5,192	3,655
Other, net	576	2,651
Total property, plant and equipment	148,611	158,404
Intangible assets		
Goodwill	62	53
Leasehold interests in land	5,687	5,125
Software	1,502	1,361
Other	198	244
Total intangible assets	7,451	6,785
Investments and other assets		
Investment securities	102,344	100,615
Long-term loans receivable	492	479
Deferred tax assets	453	500
Other	7,256	6,957
Allowance for doubtful accounts	(275)	(277)
Total investments and other assets	110,272	108,275
Total non-current assets	266,335	273,466
Total assets	322,683	340,897

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	14,030	13,300
Short-term borrowings	15,350	15,278
Income taxes payable	3,805	1,872
Provision for bonuses	1,741	2,022
Other	7,033	8,329
Total current liabilities	41,961	40,802
Non-current liabilities		
Bonds payable	33,000	48,000
Long-term borrowings	23,963	28,220
Deferred tax liabilities	24,166	23,756
Provision for retirement benefits for directors (and other officers)	52	45
Retirement benefit liability	3,437	3,499
Long-term deposits received	7,862	7,984
Other	764	1,455
Total non-current liabilities	93,246	112,962
Total liabilities	135,208	153,764
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	13,112	13,177
Retained earnings	103,299	105,164
Treasury stock	(1,205)	(2,145)
Total shareholders' equity	130,129	131,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	48,328	47,211
Foreign currency translation adjustment	2,171	1,802
Remeasurements of defined benefit plans	568	504
Total accumulated other comprehensive income	51,067	49,517
Share acquisition rights	285	342
Non-controlling interests	5,993	6,152
Total net assets	187,475	187,132
Total liabilities and net assets	322,683	340,897

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

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Operating revenue		
Warehouse income	12,729	13,193
Harbor transportation income	18,282	19,065
International transportation income	19,226	20,250
Land transportation income	16,273	18,982
Shipping income	12,407	12,494
Rent income of warehouse and logistics facilities	2,787	2,747
Real estate lease revenue	4,955	5,063
Other	3,377	3,433
Total operating revenue	90,040	95,231
Operating cost		
Cost of sales	55,814	58,725
Personal expenses	10,845	11,305
Rent expenses	5,392	5,244
Taxes and dues	1,102	1,195
Depreciation	3,464	3,744
Other	4,310	4,388
Total operating cost	80,929	84,603
Operating gross profit	9,110	10,627
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	2,559	2,557
Provision for bonuses	385	399
Retirement benefit expenses	109	104
Amortization of goodwill	184	8
Other	1,927	2,005
Total selling, general and administrative expenses	5,166	5,076
Operating income	3,943	5,551
Non-operating income		
Interest and dividend income	1,294	1,303
Share of profit of entities accounted for using equity method	126	150
Other	252	231
Total non-operating income	1,673	1,685
Non-operating expenses		
Interest expenses	221	208
Other	78	174
Total non-operating expenses	299	383
Ordinary income	5,317	6,853

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Extraordinary income		
Gain on sales of non-current assets	11	14
Gain on sales of investment securities	2,616	57
Penalty income	165	—
Total extraordinary income	2,793	71
Extraordinary losses		
Loss on retirement of non-current assets	159	136
Impairment loss	5,029	—
Loss on disaster	66	40
Total extraordinary losses	5,255	177
Profit before income taxes	2,855	6,747
Income taxes-current	2,750	2,033
Income taxes-deferred	464	59
Total income taxes	3,215	2,092
Profit (loss)	(359)	4,655
Profit (loss) attributable to non-controlling interests	(2,062)	352
Profit attributable to owners of parent	1,703	4,302

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit (loss)	(359)	4,655
Other comprehensive income		
Valuation difference on available-for-sale securities	255	(1,116)
Foreign currency translation adjustment	(841)	(279)
Remeasurements of defined benefit plans, net of tax	(41)	(64)
Share of other comprehensive income of entities accounted for using equity method	(116)	(98)
Total other comprehensive income	(744)	(1,558)
Comprehensive income	(1,103)	3,096
(Comprehensive income attributable to)		
Owners of parent	600	2,752
Non-controlling interests	(1,703)	343



## (3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	2,855	6,747
Depreciation	3,680	3,963
Impairment loss	5,029	—
Amortization of goodwill	184	8
Increase (decrease) in provision	271	271
Interest and dividend income	(1,294)	(1,303)
Interest expenses	221	208
Share of loss (profit) of entities accounted for using equity method	(126)	(150)
Loss (gain) on sales of non-current assets	(11)	(14)
Loss on retirement of non-current assets	159	136
Loss (gain) on sales of investment securities	(2,616)	(57)
Decrease (increase) in trade receivables	(693)	293
Increase (decrease) in trade payables	118	(605)
Other, net	(466)	609
Subtotal	7,310	10,110
Interest and dividends received	1,546	1,481
Interest paid	(231)	(218)
Income taxes paid	(2,034)	(3,941)
Net cash provided by (used in) operating activities	6,591	7,432
Cash flows from investing activities		
Payments into time deposits	(1,083)	(15,142)
Proceeds from withdrawal of time deposits	3,987	3,645
Purchase of property, plant and equipment	(6,956)	(10,357)
Proceeds from sales of property, plant and equipment	16	16
Purchase of intangible assets	(478)	(289)
Purchase of investment securities	(21)	(90)
Proceeds from sales of investment securities	3,013	68
Collection of loans receivable	20	20
Other, net	(226)	(234)
Net cash provided by (used in) investing activities	(1,728)	(22,363)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,252	3,274
Repayments of short-term borrowings	(1,322)	(3,170)
Proceeds from long-term borrowings	1,000	11,547
Repayments of long-term borrowings	(8,432)	(7,463)
Proceeds from issuance of bonds	—	15,000
Purchase of treasury stock	(1)	(939)
Cash dividends paid	(1,482)	(2,435)
Other, net	(142)	(489)
Net cash provided by (used in) financing activities	(9,130)	15,322
Effect of exchange rate change on cash and cash equivalents	(240)	(117)
Net increase (decrease) in cash and cash equivalents	(4,507)	274
Cash and cash equivalents at beginning of period	31,299	24,161
Cash and cash equivalents at end of period	26,792	24,435

#### (4) Segment information

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

Six months ended September 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	72,615	12,407	5,017	90,040	—	90,040
Intersegment transfers	263	278	202	743	(743)	—
Total	72,879	12,685	5,219	90,784	(743)	90,040
Segment income (loss)	4,896	(802)	2,432	6,526	(2,582)	3,943

Notes: 1. Adjustment in segment income (loss) of ¥ (2,582) million includes company-wide expenses of ¥ (2,543) 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.

Six months ended September 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	77,570	12,494	5,166	95,231	—	95,231
Intersegment transfers	261	296	225	783	(783)	—
Total	77,832	12,791	5,391	96,015	(783)	95,231
Segment income	5,476	2	2,731	8,210	(2,658)	5,551

Notes: 1. Adjustment in segment income of ¥ (2,658) million includes company-wide expenses of ¥ (2,603) 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.

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.