

**Consolidated Financial Results**  
**for the Third Quarter Ended December 31, 2019 [ Japan GAAP ]**

February 5, 2020

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

Securities code: 9303  
 Stock exchange listings: Tokyo  
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 Quarterly statement filing date (as planned): February 10, 2020  
 Dividend payable date (as planned): —  
 Supplemental material of quarterly results: None  
 Convening briefing of quarterly results: None

(Figures are rounded down to the nearest million yen)

**1. Consolidated financial results for the third quarter ended December 31, 2019** (April 1, 2019- December 31, 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	%
Nine months ended December 31, 2019	143,565	2.9	8,473	29.3	11,082	23.1	6,932	72.3
Nine months ended December 31, 2018	139,474	6.6	6,555	(14.6)	9,004	(9.2)	4,023	(40.1)

Note: Comprehensive income:

Nine months ended December 31, 2019: 6,089 million yen; —%  
 Nine months ended December 31, 2018: (5,765) million yen; —%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2019	81.56	81.31
Nine months ended December 31, 2018	46.25	46.12

\* 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 December 31, 2019	340,869	187,442	53.1
As of March 31, 2019	322,683	187,475	56.2

Note: Owner’s equity

As of December 31, 2019: 180,836 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 December 31, 2019 : 86,386,615 shares

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

Number of treasury stock:

As of December 31, 2019 : 2,246,999 shares

As of March 31, 2019 : 885,392 shares

Average number of shares:

Third quarter ended December 31, 2019 : 85,000,952 shares

Third quarter ended December 31, 2018 : 87,003,835 shares

\*The Company conducted “share consolidation” on October 1, 2018. Accordingly, “the average number of shares” for the third quarter ended December 31, 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 December 31, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	28,176	36,289
Notes and accounts receivable-trade	22,494	22,906
Real estate for sale	52	27
Work in process	14	24
Other	5,732	6,307
Allowance for doubtful accounts	(122)	(123)
<b>Total current assets</b>	<b>56,347</b>	<b>65,432</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	71,841	77,960
Machinery, equipment and vehicles, net	2,915	3,672
Vessels, net	4,641	4,356
Tools, furniture and fixtures, net	910	1,074
Land	62,534	63,850
Construction in progress	5,192	5,902
Other, net	576	2,807
<b>Total property, plant and equipment</b>	<b>148,611</b>	<b>159,624</b>
<b>Intangible assets</b>		
Goodwill	62	49
Leasehold interests in land	5,687	5,125
Software	1,502	1,329
Other	198	225
<b>Total intangible assets</b>	<b>7,451</b>	<b>6,729</b>
<b>Investments and other assets</b>		
Investment securities	102,344	101,521
Long-term loans receivable	492	479
Deferred tax assets	453	410
Other	7,256	6,950
Allowance for doubtful accounts	(275)	(278)
<b>Total investments and other assets</b>	<b>110,272</b>	<b>109,084</b>
<b>Total non-current assets</b>	<b>266,335</b>	<b>275,437</b>
<b>Total assets</b>	<b>322,683</b>	<b>340,869</b>

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	14,030	14,107
Short-term borrowings	15,350	16,003
Income taxes payable	3,805	593
Provision for bonuses	1,741	1,143
Other	7,033	8,002
<b>Total current liabilities</b>	<b>41,961</b>	<b>39,849</b>
<b>Non-current liabilities</b>		
Bonds payable	33,000	48,000
Long-term borrowings	23,963	28,089
Deferred tax liabilities	24,166	24,249
Provision for retirement benefits for directors (and other officers)	52	50
Retirement benefit liability	3,437	3,604
Long-term deposits received	7,862	8,022
Other	764	1,562
<b>Total non-current liabilities</b>	<b>93,246</b>	<b>113,578</b>
<b>Total liabilities</b>	<b>135,208</b>	<b>153,427</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	14,922	14,922
Capital surplus	13,112	13,171
Retained earnings	103,299	106,268
Treasury stock	(1,205)	(3,172)
<b>Total shareholders' equity</b>	<b>130,129</b>	<b>131,190</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	48,328	47,805
Foreign currency translation adjustment	2,171	1,369
Remeasurements of defined benefit plans	568	471
<b>Total accumulated other comprehensive income</b>	<b>51,067</b>	<b>49,646</b>
Share acquisition rights	285	305
Non-controlling interests	5,993	6,300
<b>Total net assets</b>	<b>187,475</b>	<b>187,442</b>
<b>Total liabilities and net assets</b>	<b>322,683</b>	<b>340,869</b>

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

	(Millions of yen)	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Operating revenue		
Warehouse income	19,264	19,834
Harbor transportation income	28,651	28,843
International transportation income	30,249	30,542
Land transportation income	25,433	29,103
Shipping income	19,170	18,376
Rent income of warehouse and logistics facilities	4,168	4,181
Real estate lease revenue	7,442	7,599
Other	5,093	5,084
Total operating revenue	139,474	143,565
Operating cost		
Cost of sales	87,306	88,952
Personal expenses	16,440	16,891
Rent expenses	8,170	7,741
Taxes and dues	1,606	1,714
Depreciation	5,201	5,756
Other	6,543	6,591
Total operating cost	125,269	127,648
Operating gross profit	14,205	15,916
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	4,168	4,153
Provision for bonuses	176	181
Retirement benefit expenses	158	152
Amortization of goodwill	188	13
Other	2,957	2,942
Total selling, general and administrative expenses	7,649	7,443
Operating income	6,555	8,473
Non-operating income		
Interest and dividend income	2,423	2,515
Share of profit of entities accounted for using equity method	207	228
Other	274	347
Total non-operating income	2,906	3,090
Non-operating expenses		
Interest expenses	330	319
Other	127	161
Total non-operating expenses	457	481
Ordinary income	9,004	11,082

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Extraordinary income		
Gain on sales of non-current assets	69	28
Gain on sales of investment securities	2,616	57
Gain on reversal of share acquisition rights	—	19
Penalty income	165	—
Total extraordinary income	2,851	105
Extraordinary losses		
Loss on retirement of non-current assets	183	162
Impairment loss	5,029	—
Loss on disaster	116	113
Total extraordinary losses	5,329	275
Profit before income taxes	6,526	10,913
Income taxes-current	3,608	3,029
Income taxes-deferred	774	385
Total income taxes	4,383	3,415
Profit	2,142	7,497
Profit (loss) attributable to non-controlling interests	(1,881)	564
Profit attributable to owners of parent	4,023	6,932

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	2,142	7,497
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,288)	(496)
Foreign currency translation adjustment	(431)	(638)
Remeasurements of defined benefit plans, net of tax	(62)	(96)
Share of other comprehensive income of entities accounted for using equity method	(125)	(177)
Total other comprehensive income	(7,908)	(1,408)
Comprehensive income	(5,765)	6,089
(Comprehensive income attributable to)		
Owners of parent	(4,163)	5,511
Non-controlling interests	(1,602)	577



## (3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Cash flows from operating activities		
Profit before income taxes	6,526	10,913
Depreciation	5,528	6,086
Impairment loss	5,029	—
Amortization of goodwill	188	13
Increase (decrease) in provision	(558)	(593)
Interest and dividend income	(2,423)	(2,515)
Interest expenses	330	319
Share of loss (profit) of entities accounted for using equity method	(207)	(228)
Loss (gain) on sales of non-current assets	(69)	(28)
Loss on retirement of non-current assets	183	162
Loss (gain) on sales of investment securities	(2,616)	(57)
Decrease (increase) in trade receivables	(2,014)	(585)
Increase (decrease) in trade payables	1,526	222
Other, net	(369)	961
Subtotal	11,052	14,670
Interest and dividends received	2,645	2,685
Interest paid	(328)	(318)
Income taxes paid	(3,826)	(6,710)
Net cash provided by (used in) operating activities	9,543	10,326
Cash flows from investing activities		
Payments into time deposits	(2,910)	(13,291)
Proceeds from withdrawal of time deposits	5,340	5,167
Purchase of property, plant and equipment	(10,454)	(14,333)
Proceeds from sales of property, plant and equipment	89	32
Purchase of intangible assets	(558)	(373)
Purchase of investment securities	(33)	(36)
Proceeds from sales of investment securities	3,013	68
Collection of loans receivable	29	34
Other, net	(343)	(313)
Net cash provided by (used in) investing activities	(5,827)	(23,047)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,023	4,713
Repayments of short-term borrowings	(1,871)	(3,881)
Proceeds from long-term borrowings	1,580	11,547
Repayments of long-term borrowings	(9,222)	(7,601)
Proceeds from issuance of bonds	—	15,000
Purchase of treasury stock	(2,399)	(2,000)
Cash dividends paid	(2,850)	(3,844)
Other, net	(616)	(824)
Net cash provided by (used in) financing activities	(13,357)	13,108
Effect of exchange rate change on cash and cash equivalents	(47)	(240)
Net increase (decrease) in cash and cash equivalents	(9,689)	147
Cash and cash equivalents at beginning of period	31,299	24,161
Cash and cash equivalents at end of period	21,609	24,308

#### (4) Segment information

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

Nine months ended December 31, 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	112,769	19,170	7,533	139,474	—	139,474
Intersegment transfers	388	406	307	1,103	(1,103)	—
Total	113,158	19,577	7,841	140,577	(1,103)	139,474
Segment income (loss)	7,725	(1,202)	3,750	10,273	(3,717)	6,555

Notes: 1. Adjustment in segment income (loss) of ¥ (3,717) million includes company-wide expenses of ¥ (3,690) 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.

Nine months ended December 31, 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	117,457	18,376	7,730	143,565	—	143,565
Intersegment transfers	384	472	343	1,200	(1,200)	—
Total	117,842	18,849	8,073	144,766	(1,200)	143,565
Segment income (loss)	8,454	(272)	4,104	12,287	(3,813)	8,473

Notes: 1. Adjustment in segment income (loss) of ¥ (3,813) million includes company-wide expenses of ¥ (3,751) 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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