

**Consolidated Financial Results
for the Year Ended March 31, 2020[Japan GAAP]**

May 12, 2020

The Sumitomo Warehouse Co., Ltd.

Securities code:	9303
Stock exchange listings:	Tokyo
URL:	https://www.sumitomo-soko.co.jp/
Representative:	Takanori Ono, President
Inquiries:	Akihiko Hoshino, General Manager, Finance & Accounting Department
Tel:	+81 6 6444 1183
Date of general shareholders' meeting (as planned):	June 25, 2020
Dividend payable date (as planned):	June 26, 2020
Annual securities report filing date (as planned):	June 25, 2020
Supplemental material of annual results:	Yes
Convening briefing of annual results:	No

(Figures are rounded down to the nearest million yen)

1. Consolidated financial results for the year ended March 31, 2020(April 1, 2019-March 31, 2020)

(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	%
Year ended March 31, 2020	191,721	3.0	11,101	26.2	13,596	20.4	8,951	29.5
Year ended March 31, 2019	186,172	5.9	8,795	(14.6)	11,295	(10.9)	6,912	(17.3)

Note: Comprehensive income:

Year ended March 31, 2020: (8,516) million yen; - %
Year ended March 31, 2019: (236) million yen; - %

	Net income per share	Diluted net income per share	Net income to shareholders' equity ratio	Ordinary income to total assets ratio	Operating income to operating revenues ratio
	Yen	Yen	%	%	%
Year ended March 31, 2020	105.74	105.44	5.2	4.2	5.8
Year ended March 31, 2019	79.80	79.57	3.8	3.4	4.7

Note: Investment profit (loss) on equity method:

Year ended March 31, 2020: 383 million yen
Year ended March 31, 2019: 276 million yen

* 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	318,458	171,976	51.9	1,978.39
As of March 31, 2019	322,683	187,475	56.2	2,119.23

Note: Owner's equity

As of March 31, 2020: 165,291 million yen
As of March 31, 2019: 181,196 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	14,975	(17,211)	12,555	34,549
Year ended March 31, 2019	13,999	(255)	(20,555)	24,161

2. Dividends

	Dividend per share					Total dividend paid Millions of yen	Payout ratio (consolidated) %	Ratio of total amount of dividends to net assets (consolidated) %
	First quarter	Second quarter	Third quarter	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen			
Year ended March 31, 2019	—	8.50	—	28.50	—	3,920	57.0	2.1
Year ended March 31, 2020	—	18.00	—	29.00	47.00	3,949	44.4	2.3
Year ending March 31, 2021 (Forecast)	—	24.00	—	24.00	48.00		61.7	

- * 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 ended March 31, 2020 consists of ¥19.00 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, 2021 (April 1, 2020-March 31, 2021)

(%: 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	85,000	(10.7)	3,700	(33.4)	4,800	(30.0)	2,900	(32.6)	34.71
Full year	178,000	(7.2)	8,500	(23.4)	10,600	(22.0)	6,500	(27.4)	77.80

4. Other

(1) Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change in subsidiaries)
: None

(2) Changes in accounting policies, accounting estimates and retrospective restatement

- 1) Changes in accounting policies based on revisions of accounting standard: Yes
- 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

(3) Number of issued and outstanding shares (common stock)

Number of issued and outstanding shares (including treasury stock):

As of March 31, 2020 : 84,386,615 shares

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

Number of treasury stock:

As of March 31, 2020 : 838,377 shares

As of March 31, 2019 : 885,392 shares

Average number of shares:

Year ended March 31, 2020 : 84,654,632 shares

Year ended March 31, 2019 : 86,628,224 shares

*The Company conducted “share consolidation” on October 1, 2018. Accordingly, “the average number of shares” for the year ended March 31, 2018 is calculated on the assumption that such “share consolidation” was conducted at the beginning of the previous fiscal year.

* Status of auditing processes

This Financial Results is not subject to audits by certified public accountants or auditing firms.

* 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 March 31, 2020
Assets		
Current assets		
Cash and deposits	28,176	36,367
Notes and accounts receivable-trade	22,494	21,851
Real estate for sale	52	27
Work in process	14	10
Other	5,732	5,774
Allowance for doubtful accounts	(122)	(121)
Total current assets	56,347	63,911
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,841	77,487
Machinery, equipment and vehicles, net	2,915	4,875
Vessels, net	4,641	4,261
Tools, furniture and fixtures, net	910	1,000
Land	62,534	64,048
Construction in progress	5,192	8,239
Other, net	576	3,107
Total property, plant and equipment	148,611	163,020
Intangible assets		
Goodwill	62	44
Leasehold interests in land	5,687	5,125
Software	1,502	1,284
Other	198	233
Total intangible assets	7,451	6,687
Investments and other assets		
Investment securities	102,344	77,232
Long-term loans receivable	492	330
Deferred tax assets	453	535
Other	7,256	6,993
Allowance for doubtful accounts	(275)	(253)
Total investments and other assets	110,272	84,839
Total non-current assets	266,335	254,547
Total assets	322,683	318,458

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,030	12,670
Current portion of bonds payable	—	5,000
Short-term borrowings	15,350	19,747
Income taxes payable	3,805	1,243
Provision for bonuses	1,741	1,823
Other	7,033	7,133
Total current liabilities	41,961	47,619
Non-current liabilities		
Bonds payable	33,000	43,000
Long-term borrowings	23,963	25,070
Deferred tax liabilities	24,166	16,271
Provision for retirement benefits for directors (and other officers)	52	54
Retirement benefit liability	3,437	4,800
Long-term deposits received	7,862	8,076
Other	764	1,588
Total non-current liabilities	93,246	98,862
Total liabilities	135,208	146,482
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	13,112	12,115
Retained earnings	103,299	106,514
Treasury stock	(1,205)	(1,191)
Total shareholders' equity	130,129	132,361
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	48,328	31,030
Foreign currency translation adjustment	2,171	2,196
Remeasurements of defined benefit plans	568	(298)
Total accumulated other comprehensive income	51,067	32,929
Share acquisition rights	285	294
Non-controlling interests	5,993	6,391
Total net assets	187,475	171,976
Total liabilities and net assets	322,683	318,458

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

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Operating revenue		
Warehouse income	25,923	26,321
Harbor transportation income	38,035	37,506
International transportation income	40,075	41,382
Land transportation income	34,451	39,001
Shipping income	25,353	25,137
Rent income of warehouse and logistics facilities	5,546	5,598
Real estate lease revenue	9,942	10,144
Other	6,844	6,628
Total operating revenue	186,172	191,721
Operating costs		
Cost of sales	116,670	118,824
Personal expenses	21,915	22,676
Rent expenses	10,814	10,342
Taxes and dues	2,150	2,221
Depreciation	6,955	7,910
Other	8,709	8,764
Total operating costs	167,217	170,739
Operating gross profit	18,955	20,981
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	5,380	5,425
Provision for bonuses	373	367
Retirement benefit expenses	208	198
Amortization of goodwill	197	17
Other	3,999	3,870
Total selling, general and administrative expenses	10,160	9,880
Operating income	8,795	11,101
Non-operating income		
Interest income	93	112
Dividend income	2,354	2,449
Share of profit of entities accounted for using equity method	276	383
Other	386	421
Total non-operating income	3,111	3,367
Non-operating expenses		
Interest expenses	441	441
Foreign exchange losses	—	122
Donations	17	115
Other	152	192
Total non-operating expenses	611	871
Ordinary income	11,295	13,596

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Extraordinary income		
Gain on sales of non-current assets	86	38
Gain on donation of non-current assets	15	—
Gain on sales of investment securities	3,142	521
Gain on reversal of share acquisition rights	—	19
Settlement received	—	143
Compensation income	2,000	—
Penalty income	165	—
Total extraordinary income	5,409	722
Extraordinary losses		
Loss on retirement of non-current assets	287	258
Impairment loss	5,102	—
Loss on valuation of investment securities	—	34
Loss on disaster	152	70
Total extraordinary losses	5,542	363
Profit before income taxes	11,162	13,955
Income taxes-current	5,688	4,247
Income taxes-deferred	342	47
Total income taxes	6,031	4,295
Profit	5,131	9,659
Profit (loss) attributable to non-controlling interests	(1,781)	708
Profit attributable to owners of parent	6,912	8,951

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Profit	5,131	9,659
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,830)	(17,343)
Foreign currency translation adjustment	(903)	124
Remeasurements of defined benefit plans, net of tax	(440)	(866)
Share of other comprehensive income of entities accounted for using equity method	(192)	(90)
Total other comprehensive income	(5,367)	(18,176)
Comprehensive income	(236)	(8,516)
(Comprehensive income attributable to)		
Owners of parent	1,269	(9,186)
Non-controlling interests	(1,505)	670

(3) Consolidated statements of changes in net assets

Year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	14,922	15,491	99,353	(1,231)	128,537
Changes during period					
Dividends of surplus			(2,967)		(2,967)
Profit attributable to owners of parent			6,912		6,912
Purchase of treasury stock				(2,498)	(2,498)
Disposal of treasury stock		(6)		66	60
Retirement of treasury stock		(2,457)		2,457	—
Change in ownership interest of parent due to transactions with non-controlling interests		85			85
Net changes of items other than shareholders' equity					
Total changes during period	—	(2,378)	3,945	25	1,592
Balance at end of period	14,922	13,112	103,299	(1,205)	130,129

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	52,132	3,571	1,006	56,710	248	8,097	193,593
Changes during period							
Dividends of surplus							(2,967)
Profit attributable to owners of parent							6,912
Purchase of treasury stock							(2,498)
Disposal of treasury stock							60
Retirement of treasury stock							—
Change in ownership interest of parent due to transactions with non-controlling interests							85
Net changes of items other than shareholders' equity	(3,804)	(1,400)	(437)	(5,642)	36	(2,104)	(7,710)
Total changes during period	(3,804)	(1,400)	(437)	(5,642)	36	(2,104)	(6,118)
Balance at end of period	48,328	2,171	568	51,067	285	5,993	187,475

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	14,922	13,112	103,299	(1,205)	130,129
Cumulative effects of changes in accounting policies			25		25
Restated balance	14,922	13,112	103,324	(1,205)	130,154
Changes during period					
Dividends of surplus			(3,963)		(3,963)
Profit attributable to owners of parent			8,951		8,951
Purchase of treasury stock				(2,903)	(2,903)
Disposal of treasury stock		(10)		67	57
Retirement of treasury stock		(1,052)	(1,797)	2,850	—
Change in ownership interest of parent due to transactions with non-controlling interests		66			66
Net changes in items other than shareholders' equity					
Total changes during period	—	(997)	3,189	14	2,206
Balance at end of period	14,922	12,115	106,514	(1,191)	132,361

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	48,328	2,171	568	51,067	285	5,993	187,475
Cumulative effects of changes in accounting policies							25
Restated balance	48,328	2,171	568	51,067	285	5,993	187,500
Changes during period							
Dividends of surplus							(3,963)
Profit attributable to owners of parent							8,951
Purchase of treasury stock							(2,903)
Disposal of treasury stock							57
Retirement of treasury stock							—
Change in ownership interest of parent due to transactions with non-controlling interests							66
Net changes in items other than shareholders' equity	(17,297)	25	(866)	(18,138)	8	398	(17,731)
Total changes during period	(17,297)	25	(866)	(18,138)	8	398	(15,524)
Balance at end of period	31,030	2,196	(298)	32,929	294	6,391	171,976

(4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	11,162	13,955
Depreciation	7,424	8,344
Impairment loss	5,102	—
Gain on donation of non-current assets	(15)	—
Gain on reversal of share acquisition rights	—	(19)
Compensation income	(2,000)	—
Amortization of goodwill	197	17
Increase (decrease) in allowance for doubtful accounts	(4)	(22)
Increase (decrease) in retirement benefit liability	238	112
Increase (decrease) in provision for retirement benefits for directors	13	2
Increase (decrease) in provision for bonuses	98	82
Interest and dividend income	(2,448)	(2,562)
Interest expenses	441	441
Share of loss (profit) of entities accounted for using equity method	(276)	(383)
Loss (gain) on sales of non-current assets	(86)	(38)
Loss on retirement of non-current assets	287	258
Loss (gain) on sales of investment securities	(3,142)	(521)
Loss (gain) on valuation of investment securities	—	34
Decrease (increase) in trade receivables	(1,834)	596
Increase (decrease) in trade payables	1,179	(1,307)
Increase (decrease) in deposits received	292	(106)
Other, net	(920)	364
Subtotal	15,711	19,250
Interest and dividends received	2,687	2,933
Interest paid	(454)	(450)
Income taxes paid	(3,945)	(6,757)
Net cash provided by (used in) operating activities	13,999	14,975
Cash flows from investing activities		
Payments into time deposits	(2,984)	(13,583)
Proceeds from withdrawal of time deposits	13,405	15,741
Purchase of property, plant and equipment	(13,533)	(19,256)
Proceeds from sales of property, plant and equipment	133	43
Purchase of intangible assets	(624)	(438)
Purchase of investment securities	(40)	(42)
Proceeds from sales of investment securities	3,597	584
Loan advances	(26)	(22)
Collection of loans receivable	37	44
Other, net	(218)	(281)
Net cash provided by (used in) investing activities	(255)	(17,211)

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from financing activities		
Proceeds from short-term borrowings	2,386	5,176
Repayments of short-term borrowings	(2,438)	(3,932)
Proceeds from long-term borrowings	3,607	12,707
Repayments of long-term borrowings	(10,990)	(8,444)
Proceeds from issuance of bonds	—	15,000
Redemption of bonds	(7,000)	—
Proceeds from sales of treasury stock	38	28
Purchase of treasury stock	(2,498)	(2,903)
Dividends paid	(2,966)	(3,962)
Dividends paid to non-controlling interests	(510)	(137)
Other, net	(183)	(976)
Net cash provided by (used in) financing activities	(20,555)	12,555
Effect of exchange rate change on cash and cash equivalents	(326)	69
Net increase (decrease) in cash and cash equivalents	(7,138)	10,388
Cash and cash equivalents at beginning of period	31,299	24,161
Cash and cash equivalents at end of period	24,161	34,549

(5) Segment Information

[Segment Information]

1. General information about reportable segments

The reportable segments are the components of our Group, for each of which discrete financial information is available, and whose operating results are regularly reviewed by the Company's board of directors to make decisions about resources to be allocated to each 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 "Shipping business" consisting mainly of vessel operations on the routes between the northwest coast of North America and East Asia by our subsidiary Westwood Shipping Lines, Inc. In addition to these, the Company promotes "Real estate business" including leasing and sales of real estate etc., with a dedicated department in its head office, mainly in such way as to put its real estate to more effective use.

The Company's business comprises the segments corresponding to each business as mentioned above, and the Company presents "Logistics", "Real estate" and "Shipping" as its three reportable segments.

2. Information related to operating revenue, income (loss), assets, and other items by reportable segment

Year ended March 31, 2019

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	150,763	25,353	10,055	186,172	—	186,172
Inter-segment revenue	531	519	416	1,467	(1,467)	—
Total	151,294	25,873	10,472	187,640	(1,467)	186,172
Segment income (loss)	10,328	(1,671)	5,058	13,715	(4,920)	8,795
Segment assets	154,566	10,053	45,243	209,863	112,820	322,683
Other items						
Depreciation	4,210	431	2,277	6,918	506	7,424
Amortization of goodwill	22	175	—	197	—	197
Investment in associates accounted for by the equity method	6,006	—	—	6,006	—	6,006
Additions to property, plant and equipment and intangible assets	12,329	303	2,904	15,537	397	15,935

Notes: 1. (1) The adjustment of ¥ (4,920) million in segment income (loss) includes company-wide expenses of ¥ (4,865) 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) The adjustment of ¥ 112,820 million in segment assets includes company-wide assets of ¥ 113,250 million which are not allocated to the respective reportable segments. Company-wide assets consist mainly of working funds (cash and deposits), long-term investments (investment securities) and assets of administrative departments, of the Company and some of its consolidated subsidiaries, which are not assignable to neither of the reportable segments.

(3) The adjustment of ¥ 397 million in additions to property, plant and equipment and intangible assets consists of the capital investments 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 statements of income.

	Reportable segment				Adjustment (Note 1)	Amount in consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	156,302	25,137	10,281	191,721	—	191,721
Inter-segment revenue	513	653	486	1,653	(1,653)	—
Total	156,816	25,790	10,767	193,374	(1,653)	191,721
Segment income (loss)	10,945	(321)	5,475	16,099	(4,998)	11,101
Segment assets	166,168	9,946	46,541	222,656	95,802	318,458
Other items						
Depreciation	5,161	347	2,210	7,719	625	8,344
Amortization of goodwill	17	—	—	17	—	17
Investment in associates accounted for by the equity method	5,937	—	—	5,937	—	5,937
Additions to property, plant and equipment and intangible assets	15,994	251	3,479	19,725	423	20,149

Notes: 1. (1) The adjustment of ¥(4,998) million in segment income (loss) includes company-wide expenses of ¥(4,919) 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) The adjustment of ¥95,802 million in segment assets includes company-wide assets of ¥96,299 million which are not allocated to the respective reportable segments. Company-wide assets consist mainly of working funds (cash and deposits), long-term investments (investment securities) and assets of administrative departments, of the Company and some of its consolidated subsidiaries, which are not assignable to neither of the reportable segments.

(3) The adjustment of ¥423 million in additions to property, plant and equipment and intangible assets consists of the capital investments 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 statements of income.

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