

**Consolidated Financial Results**  
**for the Second Quarter Ended September 30, 2017 [ Japan GAAP ]**

November 7, 2017

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

Securities code: 9303  
 Stock exchange listings: Tokyo  
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 Quarterly statement filing date (as planned): November 10, 2017  
 Dividend payable date (as planned): December 1, 2017  
 Supplemental material of quarterly results: Yes  
 Convening briefing of quarterly results: Yes

**1. Consolidated financial results for the second quarter ended September 30, 2017** (April 1, 2017- September 30, 2017)

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	%
Six months ended September 30, 2017	86,302	8.2	4,987	7.9	6,143	5.1	4,265	11.1
Six months ended September 30, 2016	79,727	(9.4)	4,623	(13.7)	5,847	(11.4)	3,840	(4.5)

Note: Comprehensive income:

Six months ended September 30, 2017: 11,520 million yen; —%

Six months ended September 30, 2016: -4,123 million yen; —%

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2017	23.96	23.89
Six months ended September 30, 2016	21.49	21.46

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	310,172	185,815	57.3
As of March 31, 2017	305,751	178,836	55.9

Note: Owner's equity

As of September 30, 2017: 177,594 million yen

As of March 31, 2017: 171,059 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, 2017	—	7.00	—	8.50	15.50
Year ending March 31, 2018	—	8.00	—	—	—
Year ending March 31, 2018 (Forecast)	—	—	—	8.00	16.00

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

### 3. Consolidated forecasts for the year ending March 31, 2018 (April 1, 2017-March 31, 2018)

(%: 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	170,000	2.9	10,600	15.3	12,400	9.5	8,200	5.1	45.88

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, 2017 : 176,373,231 shares

As of March 31, 2017 : 195,936,231 shares

Number of treasury stock:

As of September 30, 2017 : 1,969,039 shares

As of March 31, 2017 : 17,191,197 shares

Average number of shares:

Second quarter ended September 30, 2017 : 178,035,307 shares

Second quarter ended September 30, 2016 : 178,712,138 shares

\* 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 Company's control.

Consolidated Financial Results  
(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	30,933	25,309
Notes and accounts receivable-trade	19,124	20,040
Real estate for sale	41	36
Work in process	16	16
Deferred tax assets	787	779
Other	5,565	6,080
Allowance for doubtful accounts	(167)	(124)
Total current assets	56,300	52,138
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,838	70,187
Machinery, equipment and vehicles, net	3,814	3,672
Vessels, net	6,878	6,640
Tools, furniture and fixtures, net	856	780
Land	54,230	54,538
Construction in progress	253	181
Other, net	656	650
Total property, plant and equipment	138,527	136,650
Intangible assets		
Goodwill	2,492	2,219
Leasehold right	5,444	5,427
Software	1,012	1,086
Other	1,122	1,464
Total intangible assets	10,071	10,196
Investments and other assets		
Investment securities	92,382	103,187
Long-term loans receivable	113	104
Deferred tax assets	1,880	1,782
Other	6,724	6,362
Allowance for doubtful accounts	(248)	(249)
Total investments and other assets	100,852	111,186
Total non-current assets	249,451	258,033
Total assets	305,751	310,172

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,155	12,249
Current portion of bonds	100	50
Short-term loans payable	14,081	15,791
Income taxes payable	1,819	1,849
Provision for bonuses	1,580	1,887
Other	5,733	6,040
Total current liabilities	35,470	37,870
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term loans payable	33,179	25,058
Deferred tax liabilities	21,530	24,692
Net defined benefit liability	2,872	2,970
Provision for directors' retirement benefits	41	31
Long-term deposits received	7,894	7,875
Other	925	858
Total non-current liabilities	91,444	86,487
Total liabilities	126,915	124,357
Net assets		
Shareholders' equity		
Capital stock	21,822	14,922
Capital surplus	19,365	15,482
Retained earnings	93,910	96,656
Treasury stock	(8,936)	(1,299)
Total shareholders' equity	126,162	125,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,253	48,459
Deferred gains or losses on hedges	(10)	(5)
Foreign currency translation adjustment	3,231	2,905
Remeasurements of defined benefit plans	421	472
Total accumulated other comprehensive income	44,896	51,832
Subscription rights to shares	197	265
Non-controlling interests	7,579	7,954
Total net assets	178,836	185,815
Total liabilities and net assets	305,751	310,172

(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, 2016	Six months ended September 30, 2017
Operating revenue		
Warehouse income	11,418	11,777
Harbor transportation income	17,602	17,757
International transportation income	15,220	18,131
Land transportation income	13,501	14,783
Shipping income	11,309	13,039
Rent income of warehouse and logistics facilities	2,804	2,707
Rent income of real estate	4,746	4,887
Other	3,122	3,217
Total operating revenue	79,727	86,302
Operating cost		
Cost of sales	47,165	52,601
Personal expenses	9,643	10,262
Rent expenses	4,895	5,001
Taxes and dues	1,120	1,011
Depreciation	3,600	3,486
Other	3,812	3,930
Total operating cost	70,237	76,294
Operating gross profit	9,490	10,008
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	2,371	2,470
Provision for bonuses	331	382
Retirement benefit expenses	138	132
Amortization of goodwill	196	177
Other	1,828	1,857
Total selling, general and administrative expenses	4,866	5,020
Operating income	4,623	4,987
Non-operating income		
Interest and dividend income	1,009	1,110
Share of profit of entities accounted for using equity method	168	185
Other	325	176
Total non-operating income	1,503	1,471
Non-operating expenses		
Interest expenses	223	191
Other	55	124
Total non-operating expenses	279	315
Ordinary income	5,847	6,143

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Extraordinary income		
Gain on sales of non-current assets	21	319
Total extraordinary income	21	319
Extraordinary losses		
Loss on retirement of non-current assets	100	44
Total extraordinary losses	100	44
Profit before income taxes	5,768	6,419
Income taxes-current	1,704	1,881
Income taxes-deferred	53	(25)
Total income taxes	1,757	1,856
Profit	4,010	4,562
Profit attributable to non-controlling interests	170	297
Profit attributable to owners of parent	3,840	4,265

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	4,010	4,562
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,562)	7,260
Deferred gains or losses on hedges	11	8
Foreign currency translation adjustment	(3,067)	(288)
Remeasurements of defined benefit plans, net of tax	47	50
Share of other comprehensive income of entities accounted for using equity method	(562)	(72)
Total other comprehensive income	(8,134)	6,957
Comprehensive income	(4,123)	11,520
(Comprehensive income attributable to)		
Owners of parent	(4,005)	11,201
Non-controlling interests	(118)	319

## (3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	5,768	6,419
Depreciation	3,800	3,672
Amortization of goodwill	196	177
Increase (decrease) in provision	23	255
Interest and dividend income	(1,009)	(1,110)
Interest expenses	223	191
Share of (profit) loss of entities accounted for using equity method	(168)	(185)
Loss (gain) on sales of non-current assets	(21)	(319)
Loss on retirement of non-current assets	100	44
Decrease (increase) in notes and accounts receivable-trade	(140)	(960)
Increase (decrease) in notes and accounts payable-trade	622	211
Other, net	446	(45)
Subtotal	9,842	8,349
Interest and dividend income received	1,009	1,198
Interest expenses paid	(223)	(198)
Income taxes paid	(2,266)	(1,735)
Net cash provided by (used in) operating activities	8,361	7,614
Cash flows from investing activities		
Payments into time deposits	(10,602)	(5,209)
Proceeds from withdrawal of time deposits	7,063	5,567
Purchase of property, plant and equipment	(6,165)	(2,379)
Proceeds from sales of property, plant and equipment	26	1,252
Purchase of intangible assets	(274)	(685)
Purchase of investment securities	(48)	(328)
Payments of loans receivable	(74)	(9)
Collection of loans receivable	20	19
Other, net	(50)	115
Net cash provided by (used in) investing activities	(10,105)	(1,655)
Cash flows from financing activities		
Increase in short-term loans payable	2,739	1,512
Decrease in short-term loans payable	(2,449)	(2,546)
Proceeds from long-term loans payable	—	350
Repayments of long-term loans payable	(3,769)	(5,726)
Purchase of treasury stock	(1)	(3,165)
Cash dividends paid	(1,429)	(1,517)
Other, net	(190)	(53)
Net cash provided by (used in) financing activities	(5,100)	(11,147)
Effect of exchange rate change on cash and cash equivalents	(1,202)	(79)
Net increase (decrease) in cash and cash equivalents	(8,047)	(5,267)
Cash and cash equivalents at beginning of period	23,948	24,559
Cash and cash equivalents at end of period	15,900	19,291



#### (4) Segment information

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

Six months ended September 30, 2016

(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	63,549	11,309	4,868	79,727	—	79,727
Intersegment transfers	186	76	180	443	(443)	—
Total	63,735	11,386	5,049	80,171	(443)	79,727
Segment income	4,785	160	2,183	7,129	(2,505)	4,623

Notes: 1. Adjustment in segment income of ¥ -2,505 million includes company-wide expenses of ¥ -2,474 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.

Six months ended September 30, 2017

(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	68,307	13,039	4,955	86,302	—	86,302
Intersegment transfers	317	111	197	625	(625)	—
Total	68,624	13,150	5,152	86,928	(625)	86,302
Segment income (loss)	5,050	(49)	2,503	7,504	(2,516)	4,987

Notes: 1. Adjustment in segment income (loss) of ¥ -2,516 million includes company-wide expenses of ¥ -2,509 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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