

**Consolidated Financial Results**  
**for the Third Quarter Ended December 31, 2016 [ Japan GAAP ]**

February 6, 2017

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

Securities code: 9303  
 Stock exchange listings: Tokyo  
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 Quarterly statement filing date (as planned): February 9, 2017  
 Dividend payable date (as planned): —  
 Supplemental material of quarterly results: None  
 Convening briefing of quarterly results: None

**1. Consolidated financial results for the third quarter ended December 31, 2016** (April 1, 2016- December 31, 2016)

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                         | %     |
| Nine months ended December 31, 2016 | 119,738           | (8.4) | 6,995            | (15.4) | 9,072           | (11.8) | 6,038                                   | (5.1) |
| Nine months ended December 31, 2015 | 130,688           | 2.1   | 8,271            | 18.0   | 10,286          | 22.1   | 6,365                                   | 8.8   |

Note: Comprehensive income:

Nine months ended December 31, 2016: 8,191 million yen ; 46.1%

Nine months ended December 31, 2015: 5,605 million yen ; -53.5%

|                                     | Net income per share | Diluted net income per share |
|-------------------------------------|----------------------|------------------------------|
|                                     | Yen                  | Yen                          |
| Nine months ended December 31, 2016 | 33.79                | 33.74                        |
| Nine months ended December 31, 2015 | 35.62                | 35.58                        |

(2) Consolidated financial positions

|                         | Total assets    | Net assets      | Capital adequacy ratio |
|-------------------------|-----------------|-----------------|------------------------|
|                         | Millions of yen | Millions of yen | %                      |
| As of December 31, 2016 | 303,293         | 174,974         | 55.2                   |
| As of March 31, 2016    | 300,558         | 169,451         | 53.8                   |

Note: Owner's equity

As of December 31, 2016: 167,444 million yen

As of March 31, 2016: 161,813 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, 2016                | —                  | 6.00           | —             | 8.00            | 14.00 |
| Year ending March 31, 2017               | —                  | 7.00           | —             |                 |       |
| Year ending March 31, 2017<br>(Forecast) |                    |                |               | 8.00            | 15.00 |

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

### 3. Consolidated forecasts for the year ending March 31, 2017 (April 1, 2016-March 31, 2017)

(%: 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 | 162,000           | (6.0) | 9,300            | (13.6) | 11,300          | (11.6) | 7,400                                   | (8.4) | 41.41                |

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: 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

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

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

As of December 31, 2016 : 195,936,231 shares

As of March 31, 2016 : 195,936,231 shares

Number of treasury stock:

As of December 31, 2016 : 17,199,281 shares

As of March 31, 2016 : 17,222,656 shares

Average number of shares:

Third quarter ended December 31, 2016 : 178,714,241 shares

Third quarter ended December 31, 2015 : 178,718,679 shares

#### \* Status of quarterly reviewing processes

This quarterly financial results are exempt from quarterly reviewing processes based on the Financial Instruments and Exchange Act, and reviewing processes of quarterly financial statements based on the Financial Instruments and Exchange Act has not been completed at the time of disclosure of this quarterly financial results.

#### \* 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, 2016 | As of December 31, 2016 |
|--|----------------------|-------------------------|
| Assets                                 |                      |                         |
| Current assets                         |                      |                         |
| Cash and deposits                      | 36,798               | 32,957                  |
| Notes and accounts receivable-trade    | 18,593               | 18,797                  |
| Real estate for sale                   | 36                   | 41                      |
| Work in process                        | 23                   | 18                      |
| Deferred tax assets                    | 907                  | 491                     |
| Other                                  | 5,152                | 4,862                   |
| Allowance for doubtful accounts        | (102)                | (101)                   |
| Total current assets                   | 61,409               | 57,067                  |
| Non-current assets                     |                      |                         |
| Property, plant and equipment          |                      |                         |
| Buildings and structures, net          | 69,569               | 71,205                  |
| Machinery, equipment and vehicles, net | 4,122                | 3,860                   |
| Vessels, net                           | 7,354                | 6,997                   |
| Tools, furniture and fixtures, net     | 1,019                | 882                     |
| Land                                   | 49,424               | 51,232                  |
| Construction in progress               | 3,156                | 599                     |
| Other, net                             | 711                  | 661                     |
| Total property, plant and equipment    | 135,358              | 135,440                 |
| Intangible assets                      |                      |                         |
| Goodwill                               | 3,030                | 2,260                   |
| Leasehold right                        | 5,519                | 5,388                   |
| Software                               | 1,314                | 1,077                   |
| Other                                  | 212                  | 784                     |
| Total intangible assets                | 10,075               | 9,511                   |
| Investments and other assets           |                      |                         |
| Investment securities                  | 84,957               | 92,849                  |
| Long-term loans receivable             | 476                  | 513                     |
| Deferred tax assets                    | 2,149                | 1,698                   |
| Other                                  | 6,382                | 6,462                   |
| Allowance for doubtful accounts        | (251)                | (248)                   |
| Total investments and other assets     | 93,714               | 101,275                 |
| Total non-current assets               | 239,148              | 246,226                 |
| Total assets                           | 300,558              | 303,293                 |

(Millions of yen)

|   | As of March 31, 2016 | As of December 31, 2016 |
|---|----------------------|-------------------------|
| Liabilities   |                      |                         |
| Current liabilities                                   |                      |                         |
| Notes and accounts payable-trade                      | 11,353               | 11,382                  |
| Current portion of bonds                              | 100                  | 100                     |
| Short-term loans payable                              | 12,480               | 16,234                  |
| Income taxes payable                                  | 2,215                | 673                     |
| Provision for bonuses                                 | 1,719                | 974                     |
| Other   | 6,069                | 7,938                   |
| Total current liabilities                             | 33,937               | 37,304                  |
| Non-current liabilities                               |                      |                         |
| Bonds payable   | 25,100               | 25,000                  |
| Long-term loans payable                               | 41,010               | 32,464                  |
| Deferred tax liabilities                              | 19,280               | 21,655                  |
| Net defined benefit liability                         | 2,853                | 3,033                   |
| Provision for directors' retirement benefits          | 64                   | 38                      |
| Long-term deposits received                           | 7,684                | 7,868                   |
| Other   | 1,174                | 955                     |
| Total non-current liabilities                         | 97,169               | 91,015                  |
| Total liabilities                                     | 131,106              | 128,319                 |
| Net assets  |                      |                         |
| Shareholders' equity                                  |                      |                         |
| Capital stock   | 21,822               | 21,822                  |
| Capital surplus                                       | 19,238               | 19,366                  |
| Retained earnings                                     | 88,782               | 92,146                  |
| Treasury stock  | (8,952)              | (8,940)                 |
| Total shareholders' equity                            | 120,891              | 124,394                 |
| Accumulated other comprehensive income                |                      |                         |
| Valuation difference on available-for-sale securities | 36,224               | 41,885                  |
| Deferred gains or losses on hedges                    | (25)                 | (8)                     |
| Foreign currency translation adjustment               | 4,598                | 978                     |
| Remeasurements of defined benefit plans               | 124                  | 193                     |
| Total accumulated other comprehensive income          | 40,921               | 43,049                  |
| Subscription rights to shares                         | 163                  | 231                     |
| Non-controlling interests                             | 7,474                | 7,298                   |
| Total net assets                                      | 169,451              | 174,974                 |
| Total liabilities and net assets                      | 300,558              | 303,293                 |

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

(Millions of yen)

|   | Nine months ended<br>December 31, 2015 | Nine months ended<br>December 31, 2016 |
|---|--|--|
| Operating revenue   |  |  |
| Warehouse income  | 17,012                                 | 17,213                                 |
| Harbor transportation income                                  | 27,613                                 | 26,645                                 |
| International transportation income                           | 25,800                                 | 22,695                                 |
| Land transportation income                                    | 20,069                                 | 20,747                                 |
| Shipping income   | 24,675                                 | 16,326                                 |
| Rent income of warehouse and logistics facilities             | 3,902                                  | 4,216                                  |
| Rent income of real estate                                    | 6,970                                  | 7,270                                  |
| Other   | 4,645                                  | 4,621                                  |
| Total operating revenue                                       | 130,688                                | 119,738                                |
| Operating cost  |  |  |
| Cost of sales   | 78,818                                 | 71,201                                 |
| Personal expenses   | 14,818                                 | 14,452                                 |
| Rent expenses   | 7,773                                  | 7,258                                  |
| Taxes and dues  | 1,663                                  | 1,598                                  |
| Depreciation  | 5,417                                  | 5,422                                  |
| Other   | 6,376                                  | 5,661                                  |
| Total operating cost  | 114,868                                | 105,596                                |
| Operating gross profit  | 15,820                                 | 14,141                                 |
| Selling, general and administrative expenses                  |  |  |
| Salaries and allowances and welfare expenses                  | 4,008                                  | 3,801                                  |
| Provision for bonuses   | 259                                    | 149                                    |
| Retirement benefit expenses                                   | 210                                    | 194                                    |
| Amortization of goodwill                                      | 363                                    | 290                                    |
| Other   | 2,707                                  | 2,710                                  |
| Total selling, general and administrative expenses            | 7,549                                  | 7,146                                  |
| Operating income  | 8,271                                  | 6,995                                  |
| Non-operating income  |  |  |
| Interest and dividend income                                  | 1,765                                  | 1,893                                  |
| Share of profit of entities accounted for using equity method | 191                                    | 287                                    |
| Other   | 583                                    | 321                                    |
| Total non-operating income                                    | 2,540                                  | 2,502                                  |
| Non-operating expenses  |  |  |
| Interest expenses   | 333                                    | 335                                    |
| Other   | 191                                    | 88                                     |
| Total non-operating expenses                                  | 525                                    | 424                                    |
| Ordinary income   | 10,286                                 | 9,072                                  |

(Millions of yen)

|   | Nine months ended<br>December 31, 2015 | Nine months ended<br>December 31, 2016 |
|---|--|--|
| Extraordinary income  |  |  |
| Gain on sales of non-current assets                         | 34                                     | 18                                     |
| Gain on reversal of foreign currency translation adjustment | 32                                     | —                                      |
| Total extraordinary income                                  | 67                                     | 18                                     |
| Extraordinary losses  |  |  |
| Loss on retirement of non-current assets                    | 94                                     | 111                                    |
| Loss on valuation of investment securities                  | 64                                     | —                                      |
| Business structure improvement expenses                     | 30                                     | —                                      |
| Total extraordinary losses                                  | 189                                    | 111                                    |
| Profit before income taxes                                  | 10,164                                 | 8,980                                  |
| Income taxes-current  | 3,025                                  | 2,264                                  |
| Income taxes-deferred                                       | 272                                    | 384                                    |
| Total income taxes  | 3,297                                  | 2,649                                  |
| Profit  | 6,866                                  | 6,330                                  |
| Profit attributable to non-controlling interests            | 501                                    | 292                                    |
| Profit attributable to owners of parent                     | 6,365                                  | 6,038                                  |

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

|  | Nine months ended<br>December 31, 2015 | Nine months ended<br>December 31, 2016 |
|--|--|--|
| Profit   | 6,866                                  | 6,330                                  |
| Other comprehensive income   |  |  |
| Valuation difference on available-for-sale securities                                | (312)                                  | 5,707                                  |
| Deferred gains or losses on hedges   | (23)                                   | 28                                     |
| Foreign currency translation adjustment  | (889)                                  | (3,321)                                |
| Remeasurements of defined benefit plans, net of tax                                  | 22                                     | 70                                     |
| Share of other comprehensive income of entities<br>accounted for using equity method | (58)                                   | (623)                                  |
| Total other comprehensive income   | (1,261)                                | 1,860                                  |
| Comprehensive income   | 5,605                                  | 8,191                                  |
| Comprehensive income attributable to   |  |  |
| Comprehensive income attributable to owners of parent                                | 5,315                                  | 8,166                                  |
| Comprehensive income attributable to non-controlling interests                       | 289                                    | 25                                     |

## (3) Consolidated quarterly statements of cash flows

(Millions of yen)

|  | Nine months ended<br>December 31, 2015 | Nine months ended<br>December 31, 2016 |
|--|--|--|
| Cash flows from operating activities                                 |  |  |
| Profit before income taxes   | 10,164                                 | 8,980                                  |
| Depreciation   | 5,747                                  | 5,721                                  |
| Amortization of goodwill   | 363                                    | 290                                    |
| Increase (decrease) in provision                                     | (465)                                  | (772)                                  |
| Interest and dividend income   | (1,765)                                | (1,893)                                |
| Interest expenses  | 333                                    | 335                                    |
| Share of (profit) loss of entities accounted for using equity method | (191)                                  | (287)                                  |
| Loss (gain) on sales of non-current assets                           | (34)                                   | (18)                                   |
| Loss on retirement of non-current assets                             | 94                                     | 111                                    |
| Loss (gain) on valuation of investment securities                    | 64                                     | —                                      |
| Decrease (increase) in notes and accounts receivable-trade           | (328)                                  | (791)                                  |
| Increase (decrease) in notes and accounts payable-trade              | (52)                                   | 619                                    |
| Other, net   | (1,259)                                | 3,410                                  |
| Subtotal   | 12,670                                 | 15,706                                 |
| Interest and dividend income received                                | 1,832                                  | 1,882                                  |
| Interest expenses paid   | (345)                                  | (359)                                  |
| Income taxes paid  | (3,379)                                | (4,008)                                |
| Net cash provided by (used in) operating activities                  | 10,777                                 | 13,222                                 |
| Cash flows from investing activities                                 |  |  |
| Payments into time deposits  | (13,847)                               | (14,924)                               |
| Proceeds from withdrawal of time deposits                            | 4,560                                  | 13,794                                 |
| Purchase of property, plant and equipment                            | (7,890)                                | (7,275)                                |
| Proceeds from sales of property, plant and equipment                 | 170                                    | 27                                     |
| Purchase of intangible assets  | (354)                                  | (563)                                  |
| Purchase of investment securities                                    | (29)                                   | (59)                                   |
| Payments of loans receivable   | (68)                                   | (83)                                   |
| Collection of loans receivable                                       | 29                                     | 28                                     |
| Other, net   | 52                                     | (59)                                   |
| Net cash provided by (used in) investing activities                  | (17,379)                               | (9,115)                                |
| Cash flows from financing activities                                 |  |  |
| Increase in short-term loans payable                                 | 5,131                                  | 4,773                                  |
| Decrease in short-term loans payable                                 | (4,696)                                | (4,418)                                |
| Proceeds from long-term loans payable                                | 1,100                                  | 860                                    |
| Repayments of long-term loans payable                                | (5,399)                                | (6,007)                                |
| Proceeds from issuance of bonds                                      | 13,000                                 | —                                      |
| Cash dividends paid  | (2,220)                                | (2,578)                                |
| Other, net   | (364)                                  | (292)                                  |
| Net cash provided by (used in) financing activities                  | 6,549                                  | (7,663)                                |
| Effect of exchange rate change on cash and cash equivalents          | (528)                                  | (1,235)                                |
| Net increase (decrease) in cash and cash equivalents                 | (580)                                  | (4,792)                                |
| Cash and cash equivalents at beginning of period                     | 21,828                                 | 23,948                                 |
| Cash and cash equivalents at end of period                           | 21,248                                 | 19,155                                 |

#### (4) Segment information

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

Nine months ended December 31, 2015

(Millions of yen)

|  | Reportable segment |          |             |         | Adjustment<br>(Note 1) | Amount in<br>consolidated<br>quarterly<br>statements of<br>income<br>(Note 2) |
|--|--------------------|----------|-------------|---------|------------------------|---|
|  | Logistics          | Shipping | Real estate | Total   |                        |   |
| Operating revenue                      |                    |          |             |         |                        |   |
| Operating revenue to outside customers | 98,768             | 24,675   | 7,244       | 130,688 | —                      | 130,688   |
| Intersegment transfers                 | 304                | 130      | 280         | 715     | (715)                  | —   |
| Total                                  | 99,073             | 24,806   | 7,525       | 131,404 | (715)                  | 130,688   |
| Segment income                         | 6,654              | 1,599    | 3,428       | 11,682  | (3,410)                | 8,271   |

Notes: 1. Adjustment in segment income of ¥ -3,410 million includes company-wide expenses of ¥ -3,436 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.

Nine months ended December 31, 2016

(Millions of yen)

|  | Reportable segment |          |             |         | Adjustment<br>(Note 1) | Amount in<br>consolidated<br>quarterly<br>statements of<br>income<br>(Note 2) |
|--|--------------------|----------|-------------|---------|------------------------|---|
|  | Logistics          | Shipping | Real estate | Total   |                        |   |
| Operating revenue                      |                    |          |             |         |                        |   |
| Operating revenue to outside customers | 96,065             | 16,326   | 7,345       | 119,738 | —                      | 119,738   |
| Intersegment transfers                 | 301                | 118      | 272         | 692     | (692)                  | —   |
| Total                                  | 96,367             | 16,445   | 7,617       | 120,430 | (692)                  | 119,738   |
| Segment income (loss)                  | 7,261              | (56)     | 3,405       | 10,609  | (3,614)                | 6,995   |

Notes: 1. Adjustment in segment income (loss) of ¥ -3,614 million includes company-wide expenses of ¥ -3,604 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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