

Consolidated Financial Results
for the First Quarter Ended June 30, 2016 [Japan GAAP]

August 5, 2016

The Sumitomo Warehouse Co., Ltd.

Securities code:	9303
Stock exchange listings:	Tokyo
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Quarterly statement filing date (as planned):	August 10, 2016
Dividend payable date (as planned):	—
Supplemental material of quarterly results:	None
Convening briefing of quarterly results:	None

1. Consolidated financial results for the first quarter ended June 30, 2016 (April 1, 2016- June 30, 2016)

Figures are rounded down to the nearest million yen, except per share figures.

(1) Consolidated operating results (%: change from the previous year)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	41,122	(4.4)	2,509	(1.5)	3,623	4.4	2,372	13.0
Three months ended June 30, 2015	43,029	5.1	2,548	17.0	3,471	15.6	2,099	8.3

Note: Comprehensive income:

Three months ended June 30, 2016: -4,090 million yen; - %
Three months ended June 30, 2015: 7,078 million yen; 45.9%

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2016	13.28	13.26
Three months ended June 30, 2015	11.75	11.74

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	287,214	163,917	54.4
As of March 31, 2016	300,558	169,451	53.8

Note: Owner's equity

As of June 30, 2016: 156,287 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	—				
Year ending March 31, 2017 (Forecast)		7.00	—	7.00	14.00

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

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

(%: change from the previous year)

	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	86,000	(2.3)	5,300	(1.1)	6,200	(6.0)	3,900	(3.0)	21.82
Full year	173,000	0.4	10,800	0.3	12,600	(1.4)	8,100	0.2	45.32

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 June 30, 2016 : 195,936,231 shares

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

Number of treasury stock:

As of June 30, 2016 : 17,223,811 shares

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

Average number of shares:

First quarter ended June 30, 2016 : 178,713,008 shares

First quarter ended June 30, 2015 : 178,720,423 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 June 30, 2016
Assets		
Current assets		
Cash and deposits	36,798	29,797
Notes and accounts receivable-trade	18,593	18,580
Real estate for sale	36	36
Work in process	23	20
Deferred tax assets	907	657
Other	5,152	4,828
Allowance for doubtful accounts	(102)	(96)
Total current assets	61,409	53,824
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	69,569	72,773
Machinery, equipment and vehicles, net	4,122	4,189
Vessels, net	7,354	7,235
Tools, furniture and fixtures, net	1,019	988
Land	49,424	51,253
Construction in progress	3,156	775
Other, net	711	689
Total property, plant and equipment	135,358	137,905
Intangible assets		
Goodwill	3,030	2,729
Leasehold right	5,519	5,479
Software	1,314	1,226
Other	212	221
Total intangible assets	10,075	9,657
Investments and other assets		
Investment securities	84,957	77,184
Long-term loans receivable	476	536
Deferred tax assets	2,149	2,010
Other	6,382	6,360
Allowance for doubtful accounts	(251)	(264)
Total investments and other assets	93,714	85,827
Total non-current assets	239,148	233,390
Total assets	300,558	287,214

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,353	11,333
Current portion of bonds	100	100
Short-term loans payable	12,480	18,479
Income taxes payable	2,215	794
Provision for bonuses	1,719	1,174
Other	6,069	5,377
Total current liabilities	33,937	37,259
Non-current liabilities		
Bonds payable	25,100	25,050
Long-term loans payable	41,010	32,195
Deferred tax liabilities	19,280	16,959
Net defined benefit liability	2,853	2,887
Provision for directors' retirement benefits	64	36
Long-term deposits received	7,684	7,863
Other	1,174	1,046
Total non-current liabilities	97,169	86,038
Total liabilities	131,106	123,297
Net assets		
Shareholders' equity		
Capital stock	21,822	21,822
Capital surplus	19,238	19,238
Retained earnings	88,782	89,731
Treasury stock	(8,952)	(8,953)
Total shareholders' equity	120,891	121,840
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,224	30,971
Deferred gains or losses on hedges	(25)	(19)
Foreign currency translation adjustment	4,598	3,347
Remeasurements of defined benefit plans	124	147
Total accumulated other comprehensive income	40,921	34,447
Subscription rights to shares	163	163
Non-controlling interests	7,474	7,465
Total net assets	169,451	163,917
Total liabilities and net assets	300,558	287,214

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

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Operating revenue		
Warehouse income	5,600	5,687
Harbor transportation income	8,931	8,732
International transportation income	8,677	7,992
Land transportation income	6,756	6,721
Shipping income	7,976	6,721
Rent income of warehouse and logistics facilities	1,283	1,399
Rent income of real estate	2,318	2,325
Other	1,484	1,543
Total operating revenue	43,029	41,122
Operating cost		
Cost of sales	25,837	24,255
Personal expenses	4,989	4,897
Rent expenses	2,543	2,584
Taxes and dues	731	639
Depreciation	1,728	1,800
Other	2,132	1,933
Total operating cost	37,962	36,109
Operating gross profit	5,067	5,012
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	1,237	1,200
Provision for bonuses	201	193
Retirement benefit expenses	66	74
Amortization of goodwill	121	105
Other	892	928
Total selling, general and administrative expenses	2,519	2,503
Operating income	2,548	2,509
Non-operating income		
Interest and dividend income	886	975
Share of profit of entities accounted for using equity method	65	52
Other	127	224
Total non-operating income	1,079	1,252
Non-operating expenses		
Interest expenses	113	117
Other	43	21
Total non-operating expenses	156	139
Ordinary income	3,471	3,623

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Extraordinary income		
Gain on sales of non-current assets	28	—
Total extraordinary income	28	—
Extraordinary losses		
Loss on retirement of non-current assets	52	19
Total extraordinary losses	52	19
Profit before income taxes	3,447	3,604
Income taxes-current	886	835
Income taxes-deferred	263	263
Total income taxes	1,150	1,098
Profit	2,296	2,505
Profit attributable to non-controlling interests	197	133
Profit attributable to owners of parent	2,099	2,372

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	2,296	2,505
Other comprehensive income		
Valuation difference on available-for-sale securities	4,873	(5,286)
Deferred gains or losses on hedges	4	10
Foreign currency translation adjustment	(102)	(1,142)
Remeasurements of defined benefit plans, net of tax	7	23
Share of other comprehensive income of entities accounted for using equity method	(0)	(201)
Total other comprehensive income	4,782	(6,596)
Comprehensive income	7,078	(4,090)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,883	(4,101)
Comprehensive income attributable to non-controlling interests	195	11

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Cash flows from operating activities		
Profit before income taxes	3,447	3,604
Depreciation	1,837	1,902
Amortization of goodwill	121	105
Increase (decrease) in provision	(444)	(577)
Interest and dividend income	(886)	(975)
Interest expenses	113	117
Share of (profit) loss of entities accounted for using equity method	(65)	(52)
Loss (gain) on sales of non-current assets	(28)	—
Loss on retirement of non-current assets	52	19
Decrease (increase) in notes and accounts receivable-trade	(235)	(164)
Increase (decrease) in notes and accounts payable-trade	368	193
Other, net	(1,834)	587
Subtotal	2,446	4,759
Interest and dividend income received	890	977
Interest expenses paid	(132)	(145)
Income taxes paid	(1,532)	(2,203)
Net cash provided by (used in) operating activities	1,671	3,387
Cash flows from investing activities		
Payments into time deposits	(465)	(5,241)
Proceeds from withdrawal of time deposits	4,025	6,086
Purchase of property, plant and equipment	(3,218)	(5,402)
Proceeds from sales of property, plant and equipment	171	13
Purchase of intangible assets	(91)	(143)
Purchase of investment securities	(6)	(6)
Payments of loans receivable	(49)	(65)
Collection of loans receivable	10	10
Other, net	(33)	(57)
Net cash provided by (used in) investing activities	342	(4,805)
Cash flows from financing activities		
Increase in short-term loans payable	1,825	1,684
Decrease in short-term loans payable	(1,439)	(1,157)
Proceeds from long-term loans payable	100	—
Repayments of long-term loans payable	(4,438)	(3,343)
Cash dividends paid	(1,128)	(1,312)
Other, net	(112)	(118)
Net cash provided by (used in) financing activities	(5,193)	(4,247)
Effect of exchange rate change on cash and cash equivalents	(122)	(447)
Net increase (decrease) in cash and cash equivalents	(3,302)	(6,113)
Cash and cash equivalents at beginning of period	21,828	23,948
Cash and cash equivalents at end of period	18,526	17,835

(4) Segment information

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

Three months ended June 30, 2015

(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	32,688	7,976	2,364	43,029	—	43,029
Intersegment transfers	124	37	93	255	(255)	—
Total	32,813	8,014	2,457	43,285	(255)	43,029
Segment income	1,948	559	1,102	3,609	(1,061)	2,548

Notes: 1. Adjustment in segment income of ¥ -1,061 million includes company-wide expenses of ¥ -1,094 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.

Three months ended June 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	32,010	6,721	2,390	41,122	—	41,122
Intersegment transfers	109	42	84	236	(236)	—
Total	32,120	6,763	2,474	41,358	(236)	41,122
Segment income	2,355	374	979	3,709	(1,199)	2,509

Notes: 1. Adjustment in segment income of ¥ -1,199 million includes company-wide expenses of ¥ -1,204 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.

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