

Consolidated Financial Results
for the Third Quarter Ended December 31, 2015 [Japan GAAP]

February 4, 2016

The Sumitomo Warehouse Co., Ltd.

Securities code:	9303
Stock exchange listings:	Tokyo
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Quarterly statement filing date (as planned):	February 9, 2016
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, 2015 (April 1, 2015- December 31, 2015)

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	%
Nine months ended December 31, 2015	130,688	2.1	8,271	18.0	10,286	22.1	6,365	8.8
Nine months ended December 31, 2014	128,002	5.5	7,011	(7.7)	8,423	(6.3)	5,848	12.2

Note: Comprehensive income:

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

Nine months ended December 31, 2014: 12,058 million yen; -45.7%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2015	35.62	35.58
Nine months ended December 31, 2014	32.75	32.74

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	311,858	174,523	53.5
As of March 31, 2015	302,545	171,503	54.2

Note: Owner's equity

As of December 31, 2015: 166,910 million yen

As of March 31, 2015: 164,121 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, 2015	—	6.00	—	7.00	13.00
Year ending March 31, 2016	—	6.00	—		
Year ending March 31, 2016 (Forecast)				6.00	12.00

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

3. Consolidated forecasts for the year ending March 31, 2016 (April 1, 2015-March 31, 2016)

(%: 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
Full year	177,000	1.3	10,500	12.1	11,800	8.7	7,200	0.9	40.29

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, 2015 : 195,936,231 shares

As of March 31, 2015 : 195,936,231 shares

Number of treasury stock:

As of December 31, 2015: 17,221,504 shares

As of March 31, 2015: 17,232,582 shares

Average number of shares:

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

Third quarter ended December 31, 2014 : 178,570,989 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, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	26,861	30,557
Notes and accounts receivable-trade	19,471	19,521
Real estate for sale	76	51
Work in process	30	23
Deferred tax assets	773	590
Other	4,928	5,545
Allowance for doubtful accounts	(110)	(104)
Total current assets	52,031	56,184
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,480	70,202
Machinery, equipment and vehicles, net	3,437	3,985
Vessels, net	7,831	7,473
Tools, furniture and fixtures, net	1,147	1,085
Land	49,265	49,424
Construction in progress	7,135	2,998
Other, net	676	647
Total property, plant and equipment	133,973	135,817
Intangible assets		
Goodwill	3,823	3,135
Leasehold right	5,573	5,546
Software	1,445	1,351
Other	217	209
Total intangible assets	11,060	10,242
Investments and other assets		
Investment securities	96,351	95,833
Long-term loans receivable	445	481
Deferred tax assets	2,353	2,159
Long-term time deposits	—	5,000
Other	6,542	6,389
Allowance for doubtful accounts	(212)	(250)
Total investments and other assets	105,480	109,613
Total non-current assets	250,513	255,673
Total assets	302,545	311,858

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,261	12,111
Current portion of bonds	100	100
Short-term loans payable	16,567	13,461
Income taxes payable	1,522	1,290
Provision for bonuses	1,583	1,106
Other	7,040	5,665
Total current liabilities	39,075	33,735
Non-current liabilities		
Bonds payable	12,200	25,100
Long-term loans payable	43,919	43,160
Deferred tax liabilities	24,203	23,841
Net defined benefit liability	2,693	2,592
Provision for directors' retirement benefits	92	69
Long-term deposits received	7,665	7,753
Other	1,192	1,082
Total non-current liabilities	91,966	103,599
Total liabilities	131,041	137,335
Net assets		
Shareholders' equity		
Capital stock	21,822	21,822
Capital surplus	19,159	19,240
Retained earnings	83,175	87,065
Treasury shares	(8,956)	(8,951)
Total shareholders' equity	115,201	119,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,945	42,649
Deferred gains or losses on hedges	(7)	(21)
Foreign currency translation adjustment	5,719	4,823
Remeasurements of defined benefit plans	261	281
Total accumulated other comprehensive income	48,919	47,733
Subscription rights to shares	101	163
Non-controlling interests	7,280	7,449
Total net assets	171,503	174,523
Total liabilities and net assets	302,545	311,858

(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, 2014	Nine months ended December 31, 2015
Operating revenue		
Warehouse income	17,069	17,012
Harbor transportation income	28,054	27,613
International transportation income	26,587	25,800
Land transportation income	20,479	20,069
Shipping income	21,269	24,675
Rent income of warehouse and logistics facilities	3,980	3,902
Rent income of real estate	6,139	6,970
Other	4,421	4,645
Total operating revenue	128,002	130,688
Operating cost		
Cost of sales	79,043	78,818
Personal expenses	14,516	14,818
Rent expenses	7,482	7,773
Taxes and dues	1,421	1,663
Depreciation	4,997	5,417
Other	6,453	6,376
Total operating cost	113,914	114,868
Operating gross profit	14,087	15,820
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	3,821	4,008
Provision for bonuses	169	259
Retirement benefit expenses	181	210
Amortization of goodwill	362	363
Other	2,541	2,707
Total selling, general and administrative expenses	7,076	7,549
Operating income	7,011	8,271
Non-operating income		
Interest and dividend income	1,642	1,765
Share of profit of entities accounted for using equity method	239	191
Other	187	583
Total non-operating income	2,069	2,540
Non-operating expenses		
Interest expenses	386	333
Foreign exchange losses	186	—
Other	85	191
Total non-operating expenses	657	525
Ordinary income	8,423	10,286

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Extraordinary income		
Gain on sales of non-current assets	21	34
Compensation income	994	—
Gain on reversal of foreign currency translation adjustment	—	32
Total extraordinary income	1,016	67
Extraordinary losses		
Loss on retirement of non-current assets	55	94
Loss on valuation of investment securities	—	64
Business structure improvement expenses	162	30
Total extraordinary losses	218	189
Profit before income taxes	9,221	10,164
Income taxes-current	2,216	3,025
Income taxes-deferred	936	272
Total income taxes	3,153	3,297
Profit	6,068	6,866
Profit attributable to non-controlling interests	220	501
Profit attributable to owners of parent	5,848	6,365

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	6,068	6,866
Other comprehensive income		
Valuation difference on available-for-sale securities	5,108	(312)
Deferred gains or losses on hedges	—	(23)
Foreign currency translation adjustment	762	(889)
Remeasurements of defined benefit plans, net of tax	(10)	22
Share of other comprehensive income of entities accounted for using equity method	130	(58)
Total other comprehensive income	5,990	(1,261)
Comprehensive income	12,058	5,605
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,751	5,315
Comprehensive income attributable to non-controlling interests	307	289

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Cash flows from operating activities		
Profit before income taxes	9,221	10,164
Depreciation	5,387	5,747
Impairment loss	51	—
Compensation income	(994)	—
Amortization of goodwill	362	363
Increase (decrease) in provision	(580)	(465)
Interest and dividend income	(1,642)	(1,765)
Interest expenses	386	333
Share of (profit) loss of entities accounted for using equity method	(239)	(191)
Loss (gain) on sales of non-current assets	(21)	(34)
Loss on retirement of non-current assets	55	94
Loss (gain) on valuation of investment securities	—	64
Decrease (increase) in notes and accounts receivable-trade	(538)	(328)
Increase (decrease) in notes and accounts payable-trade	(206)	(52)
Other, net	295	(1,259)
Subtotal	11,535	12,670
Interest and dividend income received	1,730	1,832
Interest expenses paid	(407)	(345)
Proceeds from compensation	497	—
Income taxes paid	(3,045)	(3,379)
Net cash provided by (used in) operating activities	10,310	10,777
Cash flows from investing activities		
Payments into time deposits	(4,779)	(13,847)
Proceeds from withdrawal of time deposits	6,425	4,560
Purchase of property, plant and equipment	(11,997)	(7,890)
Proceeds from sales of property, plant and equipment	32	170
Purchase of intangible assets	(286)	(354)
Purchase of investment securities	(30)	(29)
Proceeds from sales of investment securities	3,003	0
Payments of loans receivable	(72)	(68)
Collection of loans receivable	29	29
Other, net	(572)	52
Net cash provided by (used in) investing activities	(8,246)	(17,379)
Cash flows from financing activities		
Increase in short-term loans payable	6,282	5,131
Decrease in short-term loans payable	(5,638)	(4,696)
Proceeds from long-term loans payable	200	1,100
Repayments of long-term loans payable	(6,519)	(5,399)
Proceeds from issuance of bonds	—	13,000
Cash dividends paid	(2,124)	(2,220)
Other, net	(204)	(364)
Net cash provided by (used in) financing activities	(8,004)	6,549
Effect of exchange rate change on cash and cash equivalents	339	(528)
Net increase (decrease) in cash and cash equivalents	(5,601)	(580)
Cash and cash equivalents at beginning of period	22,616	21,828
Cash and cash equivalents at end of period	17,015	21,248

(4) Segment information

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

Nine months ended December 31, 2014

(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	100,492	21,269	6,240	128,002	—	128,002
Intersegment transfers	316	112	276	705	(705)	—
Total	100,808	21,381	6,517	128,707	(705)	128,002
Segment income	6,791	715	2,538	10,045	(3,034)	7,011

Notes: 1. Adjustment in segment income of ¥ -3,034 million includes company-wide expenses of ¥ -3,012 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, 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	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.

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