

Consolidated Financial Results
for the First Quarter Ended June 30, 2014 [Japan GAAP]

August 5, 2014

The Sumitomo Warehouse Co., Ltd.

Securities code: 9303
 Stock exchange listings: Tokyo
 URL: <http://www.sumitomo-soko.co.jp/>
 Representative: Shoichi Abbe, President
 Inquiries: Akio Kakutani, General Manager,
 Finance & Accounting Department
 Tel: +81 6 6581 1183
 Quarterly statement filing date (as planned): August 8, 2014
 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, 2014 (April 1, 2014- June 30, 2014)

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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2014	40,937	4.0	2,177	(6.7)	3,002	(3.5)	1,937	(2.8)
Three months ended June 30, 2013	39,367	1.3	2,333	(5.3)	3,111	2.3	1,993	10.2

Note: Comprehensive income:

Three months ended June 30, 2014: 4,850 million yen; -28.1%

Three months ended June 30, 2013: 6,741 million yen; 928.8%

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	10.85	10.85
Three months ended June 30, 2013	11.17	11.16

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2014	288,820	157,035	51.9
As of March 31, 2014	289,028	154,036	50.9

Note: Owner's equity

As of June 30, 2014: 150,031 million yen

As of March 31, 2014: 147,065million 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, 2014	—	5.50	—	6.50	12.00
Year ending March 31, 2015	—				
Year ending March 31, 2015 (Forecast)		6.00	—	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, 2015 (April 1, 2014-March 31, 2015)

(%: change from the previous year)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months	84,000	5.1	4,700	(4.6)	5,300	(7.3)	3,800	12.5	21.29
Full year	170,000	3.1	9,700	0.1	10,900	(2.0)	7,100	14.1	39.78

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, 2014 : 195,936,231 shares

As of March 31, 2014 : 195,936,231 shares

Number of treasury stock:

As of June 30, 2014: 17,401,100 shares

As of March 31, 2014: 17,419,652 shares

Average number of shares:

First quarter ended June 30, 2014 : 178,522,165 shares

First quarter ended June 30, 2013 : 178,453,557 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, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	30,582	23,644
Notes and accounts receivable-trade	19,232	18,315
Real estate for sale	79	79
Work in process	18	32
Deferred tax assets	922	587
Other	4,456	4,992
Allowance for doubtful accounts	(136)	(112)
Total current assets	55,154	47,539
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	62,556	65,539
Machinery, equipment and vehicles, net	3,760	3,683
Vessels, net	8,306	8,187
Tools, furniture and fixtures, net	1,123	1,101
Land	47,655	47,654
Construction in progress	3,466	2,976
Other, net	475	455
Total property, plant and equipment	127,344	129,600
Intangible assets		
Goodwill	3,833	3,634
Leasehold right	5,512	5,479
Software	1,670	1,668
Other	225	243
Total intangible assets	11,242	11,026
Investments and other assets		
Investment securities	86,118	91,478
Long-term loans receivable	472	515
Deferred tax assets	2,458	2,344
Other	6,506	6,584
Allowance for doubtful accounts	(268)	(267)
Total investments and other assets	95,285	100,655
Total non-current assets	233,873	241,281
Total assets	289,028	288,820

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,321	11,748
Current portion of bonds	100	100
Short-term loans payable	10,563	14,726
Income taxes payable	1,528	668
Provision for bonuses	1,516	1,099
Other	7,368	8,721
Total current liabilities	33,398	37,065
Non-current liabilities		
Bonds payable	12,300	12,250
Long-term loans payable	56,290	47,021
Deferred tax liabilities	22,191	23,666
Net defined benefit liability	1,948	3,060
Provision for directors' retirement benefits	116	85
Long-term deposits received	7,669	7,609
Other	1,076	1,025
Total non-current liabilities	101,592	94,719
Total liabilities	134,991	131,785
Net assets		
Shareholders' equity		
Capital stock	21,822	21,822
Capital surplus	19,173	19,173
Retained earnings	78,972	79,052
Treasury shares	(9,053)	(9,043)
Total shareholders' equity	110,915	111,004
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,738	36,194
Foreign currency translation adjustment	3,181	2,607
Remeasurements of defined benefit plans	229	224
Total accumulated other comprehensive income	36,149	39,026
Subscription rights to shares	99	97
Minority interests	6,871	6,906
Total net assets	154,036	157,035
Total liabilities and net assets	289,028	288,820

(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, 2013	Three months ended June 30, 2014
Operating revenue		
Warehouse income	5,616	5,575
Harbor transportation income	8,820	9,273
International transportation income	7,337	8,370
Land transportation income	6,740	6,675
Shipping income	5,828	6,230
Rent income of warehouse and logistics facilities	1,296	1,332
Rent income of real estate	2,256	1,991
Other	1,471	1,487
Total operating revenue	39,367	40,937
Operating cost		
Cost of sales	23,999	25,320
Personal expenses	4,557	4,760
Rent expenses	2,324	2,423
Taxes and dues	472	474
Depreciation	1,464	1,559
Other	1,830	1,985
Total operating cost	34,648	36,523
Operating gross profit	4,719	4,413
Selling, general and administrative expenses		
Salaries and allowances and welfare expenses	1,177	1,164
Provision for bonuses	161	174
Retirement benefit expenses	54	59
Amortization of goodwill	107	115
Other	884	721
Total selling, general and administrative expenses	2,385	2,235
Operating income	2,333	2,177
Non-operating income		
Interest and dividend income	775	811
Share of profit of entities accounted for using equity method	38	61
Other	185	101
Total non-operating income	998	974
Non-operating expenses		
Interest expenses	166	130
Other	55	19
Total non-operating expenses	221	150
Ordinary income	3,111	3,002

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Extraordinary losses		
Loss on retirement of non-current assets	13	14
Total extraordinary losses	13	14
Income before income taxes and minority interests	3,098	2,987
Income taxes - current	865	668
Income taxes - deferred	179	327
Total income taxes	1,045	995
Income before minority interests	2,053	1,991
Minority interests in income	59	53
Net income	1,993	1,937

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	2,053	1,991
Other comprehensive income		
Valuation difference on available-for-sale securities	3,062	3,477
Foreign currency translation adjustment	1,517	(511)
Remeasurements of defined benefit plans, net of tax	—	(3)
Share of other comprehensive income of entities accounted for using equity method	108	(103)
Total other comprehensive income	4,688	2,858
Comprehensive income	6,741	4,850
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,555	4,814
Comprehensive income attributable to minority interests	185	35

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	3,098	2,987
Depreciation	1,676	1,678
Amortization of goodwill	107	115
Increase (decrease) in provision	(253)	(470)
Interest and dividend income	(775)	(811)
Interest expenses	166	130
Share of (profit) loss of entities accounted for using equity method	(38)	(61)
Loss on retirement of non-current assets	13	14
Decrease (increase) in notes and accounts receivable - trade	(319)	815
Increase (decrease) in notes and accounts payable - trade	(76)	(469)
Other, net	57	(191)
Subtotal	3,655	3,738
Interest and dividend income received	777	812
Interest expenses paid	(259)	(161)
Income taxes paid	(1,771)	(1,491)
Net cash provided by (used in) operating activities	2,402	2,898
Cash flows from investing activities		
Payments into time deposits	(8,205)	(107)
Proceeds from withdrawal of time deposits	5,165	106
Purchase of property, plant and equipment	(1,931)	(2,755)
Proceeds from sales of property, plant and equipment	7	17
Purchase of intangible assets	(293)	(90)
Purchase of investment securities	(505)	(8)
Payments of loans receivable	(48)	(49)
Collection of loans receivable	11	10
Other, net	(34)	(496)
Net cash provided by (used in) investing activities	(5,834)	(3,374)
Cash flows from financing activities		
Increase in short-term loans payable	4,879	2,330
Decrease in short-term loans payable	(2,621)	(2,168)
Proceeds from long-term loans payable	15,750	200
Repayments of long-term loans payable	(17,518)	(5,467)
Cash dividends paid	(927)	(1,041)
Other, net	(103)	(95)
Net cash provided by (used in) financing activities	(542)	(6,243)
Effect of exchange rate change on cash and cash equivalents	724	(203)
Net increase (decrease) in cash and cash equivalents	(3,250)	(6,922)
Cash and cash equivalents at beginning of period	16,492	22,616
Cash and cash equivalents at end of period	13,242	15,694

(4) Segment information

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

Three months ended June 30, 2013

(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	31,252	5,828	2,286	39,367	—	39,367
Intersegment transfers	111	63	97	272	(272)	—
Total	31,364	5,891	2,384	39,640	(272)	39,367
Segment income	2,033	(10)	1,347	3,370	(1,036)	2,333

Notes: 1. Adjustment in segment income of ¥ -1,036 million includes company-wide expenses of ¥ -1,007 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, 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	32,689	6,230	2,017	40,937	—	40,937
Intersegment transfers	105	48	89	242	(242)	—
Total	32,794	6,278	2,107	41,180	(242)	40,937
Segment income	2,142	40	954	3,138	(960)	2,177

Notes: 1. Adjustment in segment income of ¥ -960 million includes company-wide expenses of ¥ -965 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.