

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 10, 2016

Company name: ISEWAN TERMINAL SERVICE CO.,LTD.  
 Stock exchange listing: Nagoya  
 Stock code: 9359 URL <http://www.isewan.co.jp>  
 Representative: President Shozo Goto  
 Inquiries: Executive Officer Masayoshi Nakano TEL 052-661-5181  
 Scheduled date to file Quarterly Securities Report: August 12, 2016  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		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	10,507	(10.1)	350	(42.6)	235	(67.0)	98	(74.7)
Three months ended June 30, 2015	11,691	4.6	610	67.4	713	68.8	389	69.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	3.98		–	
Three months ended June 30, 2015	15.69		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	42,731	29,783	67.7
As of March 31, 2016	43,067	30,323	68.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	11.00	–	11.00	22.00
Year ending March 31, 2017	–				
Year ending March 31, 2017 (Forecast)		11.00	–	11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	23,000	(3.5)	900	(24.8)	950	(28.5)	650	(14.2)	26.21
Full year	47,000	1.4	2,050	2.7	2,100	2.1	1,400	13.9	56.45

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2016	27,487,054 shares	As of March 31, 2016	27,487,054 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	2,689,318 shares	As of March 31, 2016	2,727,318 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	24,778,736 shares	Three months ended June 30, 2015	24,835,414 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	6,557,842	7,192,630
Notes and accounts receivable - trade	6,672,958	6,413,858
Deferred tax assets	409,074	297,021
Other	1,555,351	1,412,111
Allowance for doubtful accounts	(46,941)	(39,731)
Total current assets	15,148,285	15,275,890
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,530,009	9,043,919
Machinery, equipment and vehicles, net	1,032,955	969,458
Land	11,638,181	11,544,659
Leased assets, net	138,156	133,828
Construction in progress	700,509	–
Other, net	279,395	264,394
Total property, plant and equipment	22,319,208	21,956,259
Intangible assets		
Other	51,752	50,628
Total intangible assets	51,752	50,628
Investments and other assets		
Investment securities	2,939,974	2,717,991
Investments in capital	190,051	187,608
Long-term loans receivable	1,040,154	1,134,284
Deferred tax assets	559,624	604,347
Other	852,565	838,483
Allowance for doubtful accounts	(34,424)	(33,645)
Total investments and other assets	5,547,946	5,449,070
Total non-current assets	27,918,906	27,455,958
Total assets	43,067,192	42,731,849

(Thousands of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	3,022,011	2,849,471
Short-term loans payable	61,396	1,154,084
Current portion of long-term loans payable	687,084	687,084
Lease obligations	45,210	43,878
Income taxes payable	575,396	90,038
Provision for bonuses	809,652	407,003
Other	972,432	1,322,885
<b>Total current liabilities</b>	<b>6,173,183</b>	<b>6,554,445</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,829,767	2,642,606
Lease obligations	112,116	109,473
Net defined benefit liability	3,110,107	3,123,089
Asset retirement obligations	211,198	212,430
Other	307,650	306,633
<b>Total non-current liabilities</b>	<b>6,570,840</b>	<b>6,394,234</b>
<b>Total liabilities</b>	<b>12,744,023</b>	<b>12,948,679</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,046,941	2,046,941
Capital surplus	1,463,448	1,463,955
Retained earnings	26,304,625	26,124,338
Treasury shares	(1,248,761)	(1,223,550)
<b>Total shareholders' equity</b>	<b>28,566,253</b>	<b>28,411,684</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	536,310	431,382
Foreign currency translation adjustment	662,837	367,603
Remeasurements of defined benefit plans	(324,170)	(300,248)
<b>Total accumulated other comprehensive income</b>	<b>874,977</b>	<b>498,737</b>
<b>Non-controlling interests</b>	<b>881,937</b>	<b>872,747</b>
<b>Total net assets</b>	<b>30,323,168</b>	<b>29,783,169</b>
<b>Total liabilities and net assets</b>	<b>43,067,192</b>	<b>42,731,849</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	11,691,196	10,507,213
Cost of sales	9,225,385	8,205,180
Gross profit	2,465,810	2,302,032
Selling, general and administrative expenses	1,855,534	1,951,729
Operating income	610,275	350,303
Non-operating income		
Interest income	13,598	13,067
Dividend income	24,760	18,671
Share of profit of entities accounted for using equity method	14,370	11,779
Rent income	16,866	25,115
Other	42,798	33,046
Total non-operating income	112,393	101,680
Non-operating expenses		
Interest expenses	4,891	4,332
Foreign exchange losses	1,920	210,393
Depreciation	1,914	1,688
Other	555	357
Total non-operating expenses	9,282	216,771
Ordinary income	713,386	235,212
Extraordinary income		
Gain on sales of non-current assets	122	49
Gain on sales of investment securities	–	981
Total extraordinary income	122	1,031
Extraordinary losses		
Loss on sales of non-current assets	169	–
Loss on retirement of non-current assets	472	320
Total extraordinary losses	641	320
Profit before income taxes	712,867	235,924
Income taxes - current	108,985	65,410
Income taxes - deferred	182,741	99,155
Total income taxes	291,727	164,565
Profit	421,139	71,358
Profit (loss) attributable to non-controlling interests	31,351	(27,236)
Profit attributable to owners of parent	389,787	98,595

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	421,139	71,358
Other comprehensive income		
Valuation difference on available-for-sale securities	160,240	(100,793)
Foreign currency translation adjustment	(275,124)	(308,911)
Remeasurements of defined benefit plans, net of tax	12,568	23,921
Share of other comprehensive income of entities accounted for using equity method	2,358	(4,131)
Total other comprehensive income	(99,957)	(389,915)
Comprehensive income	321,182	(318,556)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	284,978	(283,733)
Comprehensive income attributable to non-controlling interests	36,204	(34,823)