

Translation

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

November 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: November 11, 2016  
 Scheduled date to commence dividend payments: December 5, 2016  
 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 six months ended September 30, 2016 (from April 1, 2016 to September 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	%
Six months ended September 30, 2016	21,332	(10.5)	714	(40.3)	474	(64.3)	222	(70.6)
Six months ended September 30, 2015	23,825	5.5	1,197	87.5	1,329	69.2	757	70.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2016	8.97		-	
Six months ended September 30, 2015	30.51		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	41,485	29,396	68.9
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	-	11.00	-	-	-
Year ending March 31, 2017 (Forecast)	-	-	-	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
Full year	43,000	(7.2)	1,500	(24.9)	1,250	(39.2)	650	(47.1)	26.22

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2016	2,680,578 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)

Six months ended September 30, 2016	24,789,376 shares	Six months ended September 30, 2015	24,826,588 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	6,557,842	6,369,442
Notes and accounts receivable - trade	6,672,958	6,752,219
Deferred tax assets	409,074	356,182
Other	1,555,351	1,112,426
Allowance for doubtful accounts	(46,941)	(35,337)
Total current assets	15,148,285	14,554,933
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,530,009	8,633,108
Machinery, equipment and vehicles, net	1,032,955	913,319
Land	11,638,181	11,367,167
Leased assets, net	138,156	117,771
Construction in progress	700,509	–
Other, net	279,395	246,746
Total property, plant and equipment	22,319,208	21,278,113
Intangible assets		
Other	51,752	43,858
Total intangible assets	51,752	43,858
Investments and other assets		
Investment securities	2,939,974	2,952,134
Investments in capital	190,051	187,161
Long-term loans receivable	1,040,154	1,122,344
Deferred tax assets	559,624	572,902
Other	852,565	811,380
Allowance for doubtful accounts	(34,424)	(37,081)
Total investments and other assets	5,547,946	5,608,841
Total non-current assets	27,918,906	26,930,813
Total assets	43,067,192	41,485,746

(Thousands of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	3,022,011	2,830,451
Short-term loans payable	61,396	61,396
Current portion of long-term loans payable	687,084	687,084
Lease obligations	45,210	43,922
Income taxes payable	575,396	353,494
Provision for bonuses	809,652	794,226
Other	972,432	1,124,178
<b>Total current liabilities</b>	<b>6,173,183</b>	<b>5,894,753</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,829,767	2,455,132
Lease obligations	112,116	91,477
Net defined benefit liability	3,110,107	3,146,384
Asset retirement obligations	211,198	213,663
Other	307,650	288,172
<b>Total non-current liabilities</b>	<b>6,570,840</b>	<b>6,194,830</b>
<b>Total liabilities</b>	<b>12,744,023</b>	<b>12,089,584</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,046,941	2,046,941
Capital surplus	1,463,448	1,464,060
Retained earnings	26,304,625	26,248,190
Treasury shares	(1,248,761)	(1,217,753)
<b>Total shareholders' equity</b>	<b>28,566,253</b>	<b>28,541,438</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	536,310	524,265
Foreign currency translation adjustment	662,837	(208,096)
Remeasurements of defined benefit plans	(324,170)	(276,207)
<b>Total accumulated other comprehensive income</b>	<b>874,977</b>	<b>39,962</b>
<b>Non-controlling interests</b>	<b>881,937</b>	<b>814,761</b>
<b>Total net assets</b>	<b>30,323,168</b>	<b>29,396,162</b>
<b>Total liabilities and net assets</b>	<b>43,067,192</b>	<b>41,485,746</b>

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	23,825,121	21,332,402
Cost of sales	18,881,030	16,692,683
Gross profit	4,944,091	4,639,718
Selling, general and administrative expenses	3,747,014	3,925,208
Operating income	1,197,076	714,509
Non-operating income		
Interest income	35,257	26,542
Dividend income	31,520	32,368
Share of profit of entities accounted for using equity method	14,626	21,257
Rent income	33,545	51,042
Other	92,467	74,898
Total non-operating income	207,416	206,110
Non-operating expenses		
Interest expenses	10,156	8,344
Foreign exchange losses	59,994	433,361
Depreciation	3,828	3,376
Other	1,070	1,362
Total non-operating expenses	75,049	446,444
Ordinary income	1,329,443	474,175
Extraordinary income		
Gain on sales of non-current assets	5,250	3,270
Gain on sales of investment securities	–	1,184
Total extraordinary income	5,250	4,454
Extraordinary losses		
Loss on sales of non-current assets	184	–
Loss on retirement of non-current assets	650	524
Total extraordinary losses	834	524
Profit before income taxes	1,333,859	478,106
Income taxes - current	534,418	324,255
Income taxes - deferred	19,540	20,075
Total income taxes	553,959	344,331
Profit	779,900	133,774
Profit (loss) attributable to non-controlling interests	22,561	(88,673)
Profit attributable to owners of parent	757,339	222,447

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

(Thousands of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	779,900	133,774
Other comprehensive income		
Valuation difference on available-for-sale securities	(237,357)	(8,427)
Foreign currency translation adjustment	(244,584)	(890,789)
Remeasurements of defined benefit plans, net of tax	25,137	47,962
Share of other comprehensive income of entities accounted for using equity method	(2,236)	(3,443)
Total other comprehensive income	(459,040)	(854,697)
Comprehensive income	320,860	(720,923)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	302,864	(618,656)
Comprehensive income attributable to non-controlling interests	17,996	(102,266)