

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 9, 2017

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: February 13, 2017
 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 nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	32,080	(9.6)	1,246	(29.7)	1,184	(31.6)	653	(33.7)
Nine months ended December 31, 2015	35,475	2.9	1,772	49.6	1,730	6.7	985	3.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	26.36		–	
Nine months ended December 31, 2015	39.71		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	42,341	29,739	68.3
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 nine months ended December 31, 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 December 31, 2016	27,487,054 shares	As of March 31, 2016	27,487,054 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2016	2,680,578 shares	As of March 31, 2016	2,727,318 shares
-------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2016	24,794,506 shares	Nine months ended December 31, 2015	24,812,026 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	6,557,842	6,757,765
Notes and accounts receivable - trade	6,672,958	7,258,028
Deferred tax assets	409,074	197,098
Other	1,555,351	1,230,008
Allowance for doubtful accounts	(46,941)	(38,117)
Total current assets	15,148,285	15,404,783
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,530,009	8,446,328
Machinery, equipment and vehicles, net	1,032,955	1,005,331
Land	11,638,181	11,341,916
Leased assets, net	138,156	109,219
Construction in progress	700,509	–
Other, net	279,395	238,838
Total property, plant and equipment	22,319,208	21,141,634
Intangible assets		
Other	51,752	40,289
Total intangible assets	51,752	40,289
Investments and other assets		
Investment securities	2,939,974	3,413,067
Investments in capital	190,051	161,881
Long-term loans receivable	1,040,154	1,122,054
Deferred tax assets	559,624	463,056
Other	852,565	635,056
Allowance for doubtful accounts	(34,424)	(40,584)
Total investments and other assets	5,547,946	5,754,531
Total non-current assets	27,918,906	26,936,455
Total assets	43,067,192	42,341,239

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	3,022,011	3,092,575
Short-term loans payable	61,396	821,418
Current portion of long-term loans payable	687,084	687,084
Lease obligations	45,210	43,413
Income taxes payable	575,396	115,488
Provision for bonuses	809,652	404,693
Other	972,432	1,414,008
Total current liabilities	6,173,183	6,578,681
Non-current liabilities		
Long-term loans payable	2,829,767	2,278,433
Lease obligations	112,116	82,914
Net defined benefit liability	3,110,107	3,148,171
Asset retirement obligations	211,198	214,895
Other	307,650	298,634
Total non-current liabilities	6,570,840	6,023,050
Total liabilities	12,744,023	12,601,731
Net assets		
Shareholders' equity		
Capital stock	2,046,941	2,046,941
Capital surplus	1,463,448	1,464,060
Retained earnings	26,304,625	26,394,073
Treasury shares	(1,248,761)	(1,217,753)
Total shareholders' equity	28,566,253	28,687,321
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	536,310	832,748
Foreign currency translation adjustment	662,837	(339,258)
Remeasurements of defined benefit plans	(324,170)	(252,166)
Total accumulated other comprehensive income	874,977	241,323
Non-controlling interests	881,937	810,862
Total net assets	30,323,168	29,739,507
Total liabilities and net assets	43,067,192	42,341,239

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	35,475,914	32,080,712
Cost of sales	28,094,518	25,050,775
Gross profit	7,381,396	7,029,936
Selling, general and administrative expenses	5,609,001	5,783,258
Operating income	1,772,394	1,246,678
Non-operating income		
Interest income	53,498	38,196
Dividend income	52,851	48,468
Share of profit of entities accounted for using equity method	29,420	35,748
Rent income	50,274	77,444
Other	131,952	101,479
Total non-operating income	317,997	301,336
Non-operating expenses		
Interest expenses	15,609	12,227
Foreign exchange losses	336,656	345,463
Depreciation	5,742	5,064
Other	1,445	679
Total non-operating expenses	359,453	363,434
Ordinary income	1,730,939	1,184,580
Extraordinary income		
Gain on sales of non-current assets	6,100	3,270
Gain on sales of investment securities	-	1,187
Total extraordinary income	6,100	4,457
Extraordinary losses		
Loss on sales of non-current assets	12,131	-
Loss on retirement of non-current assets	808	2,960
Loss on sales of investments in capital	-	19,382
Total extraordinary losses	12,940	22,343
Profit before income taxes	1,724,099	1,166,694
Income taxes - current	632,636	444,995
Income taxes - deferred	159,996	144,494
Total income taxes	792,632	589,489
Profit	931,466	577,205
Loss attributable to non-controlling interests	(53,704)	(76,300)
Profit attributable to owners of parent	985,171	653,506

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	931,466	577,205
Other comprehensive income		
Valuation difference on available-for-sale securities	(147,133)	295,821
Foreign currency translation adjustment	(753,516)	(1,023,495)
Remeasurements of defined benefit plans, net of tax	37,706	72,003
Share of other comprehensive income of entities accounted for using equity method	1,885	1,562
Total other comprehensive income	(861,057)	(654,107)
Comprehensive income	70,408	(76,902)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	152,570	13,763
Comprehensive income attributable to non-controlling interests	(82,161)	(90,665)