

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 10, 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: August 14, 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	11,011	4.8	424	21.3	557	137.0	339	244.2
Three months ended June 30, 2016	10,507	(10.1)	350	(42.6)	235	(67.0)	98	(74.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	13.68		–	
Three months ended June 30, 2016	3.98		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	44,242	30,979	68.0
As of March 31, 2017	43,176	30,860	69.4

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, 2017	–	11.00	–	11.00	22.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		11.00	–	11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2017	21,000	(1.6)	800	12.0	900	89.8	650	192.2	26.21
Full year	44,000	2.4	1,700	4.6	1,900	1.9	1,350	19.2	54.44

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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: No
- 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, 2017	27,487,054 shares	As of March 31, 2017	27,487,054 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	2,680,609 shares	As of March 31, 2017	2,680,609 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, 2017	24,806,445 shares	Three months ended June 30, 2016	24,778,736 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	7,125,841	8,497,216
Notes and accounts receivable - trade	7,206,262	7,093,351
Deferred tax assets	368,682	196,510
Other	1,859,907	1,906,323
Allowance for doubtful accounts	(29,687)	(24,962)
Total current assets	16,531,005	17,668,439
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,548,729	8,432,980
Machinery, equipment and vehicles, net	1,043,525	987,946
Land	11,587,927	11,540,613
Leased assets, net	134,465	130,305
Construction in progress	8,214	8,214
Other, net	238,054	243,182
Total property, plant and equipment	21,560,917	21,343,241
Intangible assets		
Other	44,400	41,248
Total intangible assets	44,400	41,248
Investments and other assets		
Investment securities	3,461,422	3,638,892
Investments in capital	161,881	161,881
Long-term loans receivable	322,464	321,594
Deferred tax assets	499,523	462,827
Other	672,259	681,105
Allowance for doubtful accounts	(77,373)	(76,413)
Total investments and other assets	5,040,176	5,189,887
Total non-current assets	26,645,494	26,574,378
Total assets	43,176,500	44,242,817

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	3,281,295	3,085,201
Short-term loans payable	61,396	1,758,250
Current portion of long-term loans payable	687,084	687,084
Lease obligations	53,472	52,224
Income taxes payable	370,883	109,342
Provision for bonuses	792,248	399,151
Other	1,094,554	1,363,693
Total current liabilities	6,340,934	7,454,946
Non-current liabilities		
Long-term loans payable	2,134,578	1,953,813
Lease obligations	104,998	102,499
Net defined benefit liability	3,229,456	3,249,004
Asset retirement obligations	208,714	209,931
Other	296,841	293,093
Total non-current liabilities	5,974,589	5,808,342
Total liabilities	12,315,523	13,263,289
Net assets		
Shareholders' equity		
Capital stock	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	26,872,962	26,927,165
Treasury shares	(1,217,774)	(1,217,774)
Total shareholders' equity	29,166,189	29,220,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	878,353	992,412
Foreign currency translation adjustment	199,835	131,955
Remeasurements of defined benefit plans	(276,199)	(251,092)
Total accumulated other comprehensive income	801,988	873,275
Non-controlling interests	892,798	885,859
Total net assets	30,860,976	30,979,528
Total liabilities and net assets	43,176,500	44,242,817

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, 2016	Three months ended June 30, 2017
Net sales	10,507,213	11,011,820
Cost of sales	8,205,180	8,633,971
Gross profit	2,302,032	2,377,848
Selling, general and administrative expenses	1,951,729	1,953,078
Operating profit	350,303	424,770
Non-operating income		
Interest income	13,067	14,801
Dividend income	18,671	53,077
Share of profit of entities accounted for using equity method	11,779	13,857
Rent income	25,115	27,755
Other	33,046	31,042
Total non-operating income	101,680	140,534
Non-operating expenses		
Interest expenses	4,332	3,414
Foreign exchange losses	210,393	2,250
Depreciation	1,688	1,488
Other	357	774
Total non-operating expenses	216,771	7,928
Ordinary profit	235,212	557,376
Extraordinary income		
Gain on sales of non-current assets	49	199
Gain on sales of investment securities	981	–
Total extraordinary income	1,031	199
Extraordinary losses		
Loss on sales of non-current assets	–	20
Loss on retirement of non-current assets	320	1,712
Total extraordinary losses	320	1,732
Profit before income taxes	235,924	555,844
Income taxes - current	65,410	58,772
Income taxes - deferred	99,155	146,730
Total income taxes	164,565	205,502
Profit	71,358	350,341
Profit (loss) attributable to non-controlling interests	(27,236)	10,963
Profit attributable to owners of parent	98,595	339,378

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	71,358	350,341
Other comprehensive income		
Valuation difference on available-for-sale securities	(100,793)	108,044
Foreign currency translation adjustment	(308,911)	(67,443)
Remeasurements of defined benefit plans, net of tax	23,921	25,107
Share of other comprehensive income of entities accounted for using equity method	(4,131)	6,275
Total other comprehensive income	(389,915)	71,984
Comprehensive income	(318,556)	422,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(283,733)	410,665
Comprehensive income attributable to non-controlling interests	(34,823)	11,660