

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 Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 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: November 13, 2017  
 Scheduled date to commence dividend payments: December 5, 2017  
 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, 2017 (from April 1, 2017 to September 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	%
Six months ended September 30, 2017	22,649	6.2	965	35.1	1,225	158.4	741	233.2
Six months ended September 30, 2016	21,332	(10.5)	714	(40.3)	474	(64.3)	222	(70.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	29.88		-	
Six months ended September 30, 2016	8.97		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	45,106	31,685	68.2
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	-	11.00	-	-	-
Year ending March 31, 2018 (Forecast)	-	-	-	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
Full year	46,000	7.1	1,950	20.0	2,450	31.4	1,500	32.5	60.47

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2017	27,487,054 shares	As of March 31, 2017	27,487,054 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2017	2,680,619 shares	As of March 31, 2017	2,680,609 shares
--------------------------	------------------	----------------------	------------------

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

Six months ended September 30, 2017	24,806,441 shares	Six months ended September 30, 2016	24,789,376 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	7,125,841	7,318,248
Notes and accounts receivable - trade	7,206,262	7,776,094
Deferred tax assets	368,682	366,331
Other	1,859,907	1,739,649
Allowance for doubtful accounts	(29,687)	(26,188)
Total current assets	16,531,005	17,174,135
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,548,729	8,341,434
Machinery, equipment and vehicles, net	1,043,525	986,559
Land	11,587,927	12,794,054
Leased assets, net	134,465	121,698
Construction in progress	8,214	11,993
Other, net	238,054	250,477
Total property, plant and equipment	21,560,917	22,506,217
Intangible assets		
Other	44,400	36,320
Total intangible assets	44,400	36,320
Investments and other assets		
Investment securities	3,461,422	3,922,436
Investments in capital	161,881	161,881
Long-term loans receivable	322,464	311,394
Deferred tax assets	499,523	389,440
Other	672,259	682,352
Allowance for doubtful accounts	(77,373)	(78,041)
Total investments and other assets	5,040,176	5,389,464
Total non-current assets	26,645,494	27,932,002
Total assets	43,176,500	45,106,137

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	3,281,295	3,486,978
Short-term loans payable	61,396	1,063,060
Current portion of long-term loans payable	687,084	687,084
Lease obligations	53,472	50,091
Income taxes payable	370,883	558,443
Provision for bonuses	792,248	818,307
Other	1,094,554	1,131,141
<b>Total current liabilities</b>	<b>6,340,934</b>	<b>7,795,107</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,134,578	1,782,012
Lease obligations	104,998	95,156
Net defined benefit liability	3,229,456	3,218,457
Asset retirement obligations	208,714	211,149
Other	296,841	318,327
<b>Total non-current liabilities</b>	<b>5,974,589</b>	<b>5,625,103</b>
<b>Total liabilities</b>	<b>12,315,523</b>	<b>13,420,210</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	26,872,962	27,328,947
Treasury shares	(1,217,774)	(1,217,781)
<b>Total shareholders' equity</b>	<b>29,166,189</b>	<b>29,622,168</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	878,353	1,165,577
Foreign currency translation adjustment	199,835	220,856
Remeasurements of defined benefit plans	(276,199)	(225,984)
<b>Total accumulated other comprehensive income</b>	<b>801,988</b>	<b>1,160,449</b>
<b>Non-controlling interests</b>	<b>892,798</b>	<b>903,309</b>
<b>Total net assets</b>	<b>30,860,976</b>	<b>31,685,927</b>
<b>Total liabilities and net assets</b>	<b>43,176,500</b>	<b>45,106,137</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, 2016	Six months ended September 30, 2017
Net sales	21,332,402	22,649,172
Cost of sales	16,692,683	17,708,445
Gross profit	4,639,718	4,940,726
Selling, general and administrative expenses	3,925,208	3,975,221
Operating profit	714,509	965,505
Non-operating income		
Interest income	26,542	27,300
Dividend income	32,368	62,179
Foreign exchange gains	–	25,948
Share of profit of entities accounted for using equity method	21,257	15,549
Rent income	51,042	55,331
Other	74,898	87,469
Total non-operating income	206,110	273,778
Non-operating expenses		
Interest expenses	8,344	7,073
Foreign exchange losses	433,361	–
Depreciation	3,376	2,977
Other	1,362	4,004
Total non-operating expenses	446,444	14,055
Ordinary profit	474,175	1,225,227
Extraordinary income		
Gain on sales of non-current assets	3,270	1,510
Gain on sales of investment securities	1,184	–
Total extraordinary income	4,454	1,510
Extraordinary losses		
Loss on sales of non-current assets	–	20
Loss on retirement of non-current assets	524	2,514
Total extraordinary losses	524	2,535
Profit before income taxes	478,106	1,224,203
Income taxes - current	324,255	492,010
Income taxes - deferred	20,075	(36,028)
Total income taxes	344,331	455,981
Profit	133,774	768,222
Profit (loss) attributable to non-controlling interests	(88,673)	27,061
Profit attributable to owners of parent	222,447	741,160

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

(Thousands of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	133,774	768,222
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,427)	279,682
Foreign currency translation adjustment	(890,789)	22,058
Remeasurements of defined benefit plans, net of tax	47,962	50,215
Share of other comprehensive income of entities accounted for using equity method	(3,443)	8,553
Total other comprehensive income	(854,697)	360,509
Comprehensive income	(720,923)	1,128,731
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(618,656)	1,099,620
Comprehensive income attributable to non-controlling interests	(102,266)	29,111