

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 13, 2018

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 14, 2018
 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, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	34,590	7.8	1,580	26.8	2,007	69.5	1,214	85.9
Nine months ended December 31, 2016	32,080	(9.6)	1,246	(29.7)	1,184	(31.6)	653	(33.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	48.98		–	
Nine months ended December 31, 2016	26.36		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	45,091	32,153	69.3
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 nine months ended December 31, 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 December 31, 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 December 31, 2017	2,680,681 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)

Nine months ended December 31, 2017	24,806,427 shares	Nine months ended December 31, 2016	24,794,506 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	7,125,841	7,146,976
Notes and accounts receivable - trade	7,206,262	7,819,119
Deferred tax assets	368,682	209,652
Other	1,859,907	1,070,674
Allowance for doubtful accounts	(29,687)	(26,889)
Total current assets	16,531,005	16,219,533
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,548,729	8,277,149
Machinery, equipment and vehicles, net	1,043,525	982,549
Land	11,587,927	12,816,060
Leased assets, net	134,465	138,768
Construction in progress	8,214	–
Other, net	238,054	248,240
Total property, plant and equipment	21,560,917	22,462,768
Intangible assets		
Other	44,400	41,859
Total intangible assets	44,400	41,859
Investments and other assets		
Investment securities	3,461,422	4,185,319
Investments in capital	161,881	161,881
Long-term loans receivable	322,464	1,103,394
Deferred tax assets	499,523	330,554
Other	672,259	664,312
Allowance for doubtful accounts	(77,373)	(78,161)
Total investments and other assets	5,040,176	6,367,300
Total non-current assets	26,645,494	28,871,928
Total assets	43,176,500	45,091,461

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	3,281,295	3,374,148
Short-term loans payable	61,396	1,058,250
Current portion of long-term loans payable	687,084	687,084
Lease obligations	53,472	51,747
Income taxes payable	370,883	321,227
Provision for bonuses	792,248	416,753
Other	1,094,554	1,494,296
Total current liabilities	6,340,934	7,403,506
Non-current liabilities		
Long-term loans payable	2,134,578	1,612,857
Lease obligations	104,998	110,832
Net defined benefit liability	3,229,456	3,276,878
Asset retirement obligations	208,714	212,367
Other	296,841	321,559
Total non-current liabilities	5,974,589	5,534,495
Total liabilities	12,315,523	12,938,002
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	27,517,607
Treasury shares	(1,217,774)	(1,217,822)
Total shareholders' equity	29,166,189	29,810,786
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	878,353	1,334,520
Foreign currency translation adjustment	199,835	283,081
Remeasurements of defined benefit plans	(276,199)	(200,876)
Total accumulated other comprehensive income	801,988	1,416,724
Non-controlling interests	892,798	925,947
Total net assets	30,860,976	32,153,459
Total liabilities and net assets	43,176,500	45,091,461

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, 2016	Nine months ended December 31, 2017
Net sales	32,080,712	34,590,215
Cost of sales	25,050,775	27,081,058
Gross profit	7,029,936	7,509,156
Selling, general and administrative expenses	5,783,258	5,928,179
Operating profit	1,246,678	1,580,977
Non-operating income		
Interest income	38,196	40,441
Dividend income	48,468	82,097
Foreign exchange gains	–	91,220
Share of profit of entities accounted for using equity method	35,748	29,580
Rent income	77,444	84,040
Other	101,479	123,374
Total non-operating income	301,336	450,754
Non-operating expenses		
Interest expenses	12,227	10,587
Foreign exchange losses	345,463	–
Depreciation	5,064	4,466
Other	679	9,212
Total non-operating expenses	363,434	24,266
Ordinary profit	1,184,580	2,007,465
Extraordinary income		
Gain on sales of non-current assets	3,270	2,306
Gain on sales of investment securities	1,187	4
Total extraordinary income	4,457	2,311
Extraordinary losses		
Loss on sales of non-current assets	–	2,998
Loss on retirement of non-current assets	2,960	4,602
Loss on sales of investments in capital	19,382	–
Total extraordinary losses	22,343	7,600
Profit before income taxes	1,166,694	2,002,176
Income taxes - current	444,995	626,742
Income taxes - deferred	144,494	97,724
Total income taxes	589,489	724,466
Profit	577,205	1,277,709
Profit (loss) attributable to non-controlling interests	(76,300)	62,714
Profit attributable to owners of parent	653,506	1,214,995

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	577,205	1,277,709
Other comprehensive income		
Valuation difference on available-for-sale securities	295,821	448,717
Foreign currency translation adjustment	(1,023,495)	86,280
Remeasurements of defined benefit plans, net of tax	72,003	75,323
Share of other comprehensive income of entities accounted for using equity method	1,562	8,950
Total other comprehensive income	(654,107)	619,270
Comprehensive income	(76,902)	1,896,980
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,763	1,829,731
Comprehensive income attributable to non-controlling interests	(90,665)	67,248