

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 12, 2019

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: Managing Director Akihiko Takahashi TEL 052-661-5181
 Scheduled date to file Quarterly Securities Report: February 13, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	38,387	11.0	2,514	59.0	2,795	39.3	1,951	60.6
Nine months ended December 31, 2017	34,590	7.8	1,580	26.8	2,007	69.5	1,214	85.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	78.67		–	
Nine months ended December 31, 2017	48.98		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	44,746	33,093	71.6
As of March 31, 2018	45,062	32,391	69.7

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, 2018	–	11.00	–	11.00	22.00
Year ending March 31, 2019	–	15.00	–		
Year ending March 31, 2019 (Forecast)				11.00	26.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	48,500	3.5	2,500	11.9	3,000	8.3	2,100	27.7	84.66

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2018	27,487,054 shares	As of March 31, 2018	27,487,054 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	2,680,988 shares	As of March 31, 2018	2,680,681 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, 2018	24,806,284 shares	Nine months ended December 31, 2017	24,806,427 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	7,315,624	7,824,909
Notes and accounts receivable - trade	7,841,874	7,969,091
Other	1,059,375	1,291,956
Allowance for doubtful accounts	(31,304)	(26,624)
Total current assets	16,185,569	17,059,332
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,114,613	7,750,876
Machinery, equipment and vehicles, net	949,696	868,923
Land	12,830,485	12,699,928
Leased assets, net	125,171	112,243
Construction in progress	55,004	200,880
Other, net	242,656	244,349
Total property, plant and equipment	22,317,628	21,877,200
Intangible assets		
Other	44,493	37,976
Total intangible assets	44,493	37,976
Investments and other assets		
Investment securities	3,880,306	3,351,634
Investments in capital	161,881	1,660
Long-term loans receivable	1,093,194	1,080,674
Deferred tax assets	812,026	833,266
Other	643,213	565,106
Allowance for doubtful accounts	(76,215)	(60,361)
Total investments and other assets	6,514,406	5,771,981
Total non-current assets	28,876,528	27,687,158
Total assets	45,062,097	44,746,491

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	3,565,746	3,426,131
Short-term loans payable	363,060	458,250
Current portion of long-term loans payable	687,084	700,787
Lease obligations	48,353	52,613
Income taxes payable	694,352	211,714
Provision for bonuses	834,638	424,767
Other	1,111,801	1,607,836
Total current liabilities	7,305,036	6,882,101
Non-current liabilities		
Long-term loans payable	1,441,932	912,299
Lease obligations	98,752	78,578
Net defined benefit liability	3,302,718	3,292,644
Asset retirement obligations	213,584	217,323
Other	308,573	270,500
Total non-current liabilities	5,365,562	4,771,345
Total liabilities	12,670,598	11,653,447
Net assets		
Shareholders' equity		
Capital stock	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	27,947,057	29,224,629
Treasury shares	(1,217,822)	(1,218,045)
Total shareholders' equity	30,240,235	31,517,586
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,116,831	717,537
Foreign currency translation adjustment	237,452	(60,395)
Remeasurements of defined benefit plans	(170,207)	(122,374)
Total accumulated other comprehensive income	1,184,075	534,767
Non-controlling interests	967,186	1,040,689
Total net assets	32,391,498	33,093,043
Total liabilities and net assets	45,062,097	44,746,491

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, 2017	Nine months ended December 31, 2018
Net sales	34,590,215	38,387,514
Cost of sales	27,081,058	29,968,826
Gross profit	7,509,156	8,418,688
Selling, general and administrative expenses	5,928,179	5,904,211
Operating profit	1,580,977	2,514,476
Non-operating income		
Interest income	40,441	33,912
Dividend income	82,097	78,441
Foreign exchange gains	91,220	–
Share of profit of entities accounted for using equity method	29,580	22,525
Rent income	84,040	80,607
Other	123,374	146,088
Total non-operating income	450,754	361,574
Non-operating expenses		
Interest expenses	10,587	8,630
Foreign exchange losses	–	66,053
Depreciation	4,466	3,939
Other	9,212	1,870
Total non-operating expenses	24,266	80,494
Ordinary profit	2,007,465	2,795,556
Extraordinary income		
Gain on sales of non-current assets	2,306	5,810
Gain on sales of investment securities	4	–
Gain on liquidation of subsidiaries and associates	–	74,964
Loss on sales of investments in capital of subsidiaries and associates	–	87,460
Total extraordinary income	2,311	168,235
Extraordinary losses		
Loss on sales of non-current assets	2,998	7,522
Loss on retirement of non-current assets	4,602	6,726
Total extraordinary losses	7,600	14,249
Profit before income taxes	2,002,176	2,949,542
Income taxes - current	626,742	759,039
Income taxes - deferred	97,724	129,171
Total income taxes	724,466	888,210
Profit	1,277,709	2,061,332
Profit attributable to non-controlling interests	62,714	109,712
Profit attributable to owners of parent	1,214,995	1,951,619

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	1,277,709	2,061,332
Other comprehensive income		
Valuation difference on available-for-sale securities	448,717	(390,373)
Foreign currency translation adjustment	86,280	(297,032)
Remeasurements of defined benefit plans, net of tax	75,323	47,833
Share of other comprehensive income of entities accounted for using equity method	8,950	(8,344)
Total other comprehensive income	619,270	(647,917)
Comprehensive income	1,896,980	1,413,414
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,829,731	1,302,311
Comprehensive income attributable to non-controlling interests	67,248	111,102