

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2020
(Based on Japanese GAAP)**

May 12, 2020

Company name: ISEWAN TERMINAL SERVICE CO.,LTD.
 Stock exchange listing: Nagoya
 Stock code: 9359 URL <https://www.isewan.co.jp/>
 Representative: President Shozo Goto
 Inquiries: Executive Managing Director Akihiko Takahashi TEL 052-661-5181
 Scheduled date of ordinary general meeting of shareholders: June 26, 2020
 Scheduled date to file Securities Report: June 26, 2020
 Scheduled date to commence dividend payments: June 29, 2020
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

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 | % |
| Year ended March 31, 2020 | 47,502 | (7.1) | 2,257 | (34.2) | 2,803 | (25.1) | 1,613 | (25.6) |
| Year ended March 31, 2019 | 51,133 | 9.1 | 3,432 | 53.7 | 3,745 | 35.2 | 2,168 | 31.9 |

| | Earnings per share | Diluted earnings per share | Profit attributable to owners of parent/equity | Ordinary profit/total assets | Operating profit/net sales |
|---------------------------|--------------------|----------------------------|--|------------------------------|----------------------------|
| | Yen | Yen | % | % | % |
| Year ended March 31, 2020 | 65.05 | – | 4.9 | 6.2 | 4.8 |
| Year ended March 31, 2019 | 87.43 | – | 6.8 | 8.3 | 6.7 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2020 | 44,778 | 34,213 | 73.9 | 1,333.58 |
| As of March 31, 2019 | 45,237 | 33,363 | 71.4 | 1,302.98 |

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended March 31, 2020 | 3,053 | (719) | (1,483) | 9,569 |
| Year ended March 31, 2019 | 3,772 | (399) | (1,751) | 8,735 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended March 31, 2019 | – | 15.00 | – | 11.00 | 26.00 | 674 | 29.7 | 2.0 |
| Year ended March 31, 2020 | – | 11.00 | – | 11.00 | 22.00 | 570 | 33.8 | 1.7 |
| Year ending March 31, 2021 (Forecast) | – | – | – | – | – | – | – | – |

3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|----------------------|-------------------|----------------------|-------------------|
| As of March 31, 2020 | 27,487,054 shares | As of March 31, 2019 | 27,487,054 shares |
|----------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|------------------|----------------------|------------------|
| As of March 31, 2020 | 2,681,291 shares | As of March 31, 2019 | 2,681,176 shares |
|----------------------|------------------|----------------------|------------------|

Average number of shares during the period

| | | | |
|---------------------------|-------------------|---------------------------|-------------------|
| Year ended March 31, 2020 | 24,805,817 shares | Year ended March 31, 2019 | 24,806,205 shares |
|---------------------------|-------------------|---------------------------|-------------------|

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2019 | As of March 31, 2020 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,862,896 | 9,694,168 |
| Notes and accounts receivable - trade | 7,904,793 | 6,780,427 |
| Other | 1,014,125 | 1,223,984 |
| Allowance for doubtful accounts | (26,112) | (9,575) |
| Total current assets | 17,755,703 | 17,689,004 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 20,202,866 | 20,434,260 |
| Accumulated depreciation | (13,064,005) | (13,533,493) |
| Buildings and structures, net | 7,138,860 | 6,900,766 |
| Machinery, equipment and vehicles | 7,225,295 | 7,614,158 |
| Accumulated depreciation | (6,392,250) | (6,616,889) |
| Machinery, equipment and vehicles, net | 833,045 | 997,268 |
| Land | 12,693,643 | 13,042,065 |
| Leased assets | 238,223 | 243,511 |
| Accumulated depreciation | (137,920) | (141,959) |
| Leased assets, net | 100,303 | 101,552 |
| Construction in progress | 200,880 | 6,109 |
| Other | 1,192,781 | 1,684,605 |
| Accumulated depreciation | (961,626) | (1,122,314) |
| Other, net | 231,155 | 562,290 |
| Total property, plant and equipment | 21,197,887 | 21,610,054 |
| Intangible assets | | |
| Other | 37,483 | 52,815 |
| Total intangible assets | 37,483 | 52,815 |
| Investments and other assets | | |
| Investment securities | 3,496,309 | 2,913,741 |
| Investments in capital | 1,660 | 1,660 |
| Long-term loans receivable | 1,070,764 | 778,550 |
| Deferred tax assets | 1,141,887 | 1,256,609 |
| Other | 592,070 | 521,003 |
| Allowance for doubtful accounts | (55,825) | (45,332) |
| Total investments and other assets | 6,246,865 | 5,426,231 |
| Total non-current assets | 27,482,236 | 27,089,100 |
| Total assets | 45,237,940 | 44,778,105 |

(Thousands of yen)

| | As of March 31, 2019 | As of March 31, 2020 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 3,587,287 | 3,102,242 |
| Short-term borrowings | 63,060 | 63,060 |
| Current portion of long-term borrowings | 685,198 | 581,741 |
| Lease obligations | 53,038 | 141,527 |
| Income taxes payable | 796,935 | 265,518 |
| Provision for bonuses | 881,909 | 871,117 |
| Other | 1,232,181 | 1,236,488 |
| Total current liabilities | 7,299,611 | 6,261,695 |
| Non-current liabilities | | |
| Long-term borrowings | 752,595 | 181,199 |
| Lease obligations | 73,361 | 351,413 |
| Retirement benefit liability | 3,249,139 | 3,307,180 |
| Asset retirement obligations | 218,569 | 223,670 |
| Other | 281,398 | 239,454 |
| Total non-current liabilities | 4,575,063 | 4,302,917 |
| Total liabilities | 11,874,674 | 10,564,613 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,046,941 | 2,046,941 |
| Capital surplus | 1,464,060 | 1,464,060 |
| Retained earnings | 29,441,818 | 30,485,049 |
| Treasury shares | (1,218,184) | (1,218,278) |
| Total shareholders' equity | 31,734,635 | 32,777,771 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 841,607 | 499,697 |
| Foreign currency translation adjustment | (176,957) | (195,645) |
| Remeasurements of defined benefit plans | (77,755) | (1,264) |
| Total accumulated other comprehensive income | 586,893 | 302,787 |
| Non-controlling interests | 1,041,736 | 1,132,932 |
| Total net assets | 33,363,265 | 34,213,491 |
| Total liabilities and net assets | 45,237,940 | 44,778,105 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 51,133,864 | 47,502,640 |
| Cost of sales | 39,867,882 | 37,225,574 |
| Gross profit | 11,265,982 | 10,277,065 |
| Selling, general and administrative expenses | | |
| Remuneration for directors (and other officers) | 531,350 | 692,100 |
| Salaries and bonuses | 3,878,421 | 3,832,397 |
| Retirement benefit expenses | 213,101 | 215,687 |
| Provision for bonuses | 470,880 | 457,400 |
| Depreciation | 218,806 | 268,239 |
| Other | 2,520,534 | 2,554,008 |
| Total selling, general and administrative expenses | 7,833,092 | 8,019,832 |
| Operating profit | 3,432,889 | 2,257,233 |
| Non-operating income | | |
| Interest income | 46,091 | 58,692 |
| Dividend income | 87,548 | 92,116 |
| Foreign exchange gains | – | 106,683 |
| Share of profit of entities accounted for using equity method | 22,067 | 29,316 |
| Rental income | 107,303 | 107,233 |
| Other | 186,927 | 172,760 |
| Total non-operating income | 449,938 | 566,803 |
| Non-operating expenses | | |
| Interest expenses | 11,206 | 11,834 |
| Foreign exchange losses | 119,817 | – |
| Depreciation | 5,253 | 4,633 |
| Other | 1,514 | 4,401 |
| Total non-operating expenses | 137,791 | 20,869 |
| Ordinary profit | 3,745,036 | 2,803,167 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 6,509 | 8,340 |
| Gain on sales of investment securities | – | 5,243 |
| Gain on liquidation of subsidiaries and associates | 74,964 | – |
| Gain on sales of investments in capital of subsidiaries and associates | 87,460 | – |
| Total extraordinary income | 168,933 | 13,584 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 7,522 | 476 |
| Loss on retirement of non-current assets | 6,969 | 31,792 |
| Impairment loss | 481,581 | – |
| Loss on valuation of investment securities | 39,593 | 92,243 |
| Loss on valuation of shares of subsidiaries and associates | – | 64,932 |
| Total extraordinary losses | 535,666 | 189,444 |
| Profit before income taxes | 3,378,303 | 2,627,307 |
| Income taxes - current | 1,353,716 | 897,270 |
| Income taxes - deferred | (256,251) | (12,288) |
| Total income taxes | 1,097,464 | 884,981 |
| Profit | 2,280,838 | 1,742,325 |
| Profit attributable to non-controlling interests | 112,029 | 128,757 |
| Profit attributable to owners of parent | 2,168,808 | 1,613,567 |

Consolidated statements of comprehensive income

(Thousands of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit | 2,280,838 | 1,742,325 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (267,751) | (337,349) |
| Foreign currency translation adjustment | (415,233) | (16,249) |
| Remeasurements of defined benefit plans, net of tax | 92,452 | 76,490 |
| Share of other comprehensive income of entities accounted for using equity method | (6,530) | (7,358) |
| Total other comprehensive income | (597,063) | (284,467) |
| Comprehensive income | 1,683,775 | 1,457,857 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,571,626 | 1,329,461 |
| Comprehensive income attributable to non-controlling interests | 112,148 | 128,396 |

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 2,046,941 | 1,464,060 | 27,947,057 | (1,217,822) | 30,240,235 |
| Changes during period | | | | | |
| Dividends of surplus | | | (674,047) | | (674,047) |
| Profit attributable to owners of parent | | | 2,168,808 | | 2,168,808 |
| Purchase of treasury shares | | | | (361) | (361) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | – | 1,494,760 | (361) | 1,494,399 |
| Balance at end of period | 2,046,941 | 1,464,060 | 29,441,818 | (1,218,184) | 31,734,635 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 1,116,831 | 237,452 | (170,207) | 1,184,075 | 967,186 | 32,391,498 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (674,047) |
| Profit attributable to owners of parent | | | | | | 2,168,808 |
| Purchase of treasury shares | | | | | | (361) |
| Net changes in items other than shareholders' equity | (275,224) | (414,409) | 92,452 | (597,181) | 74,549 | (522,632) |
| Total changes during period | (275,224) | (414,409) | 92,452 | (597,181) | 74,549 | 971,766 |
| Balance at end of period | 841,607 | (176,957) | (77,755) | 586,893 | 1,041,736 | 33,363,265 |

Fiscal year ended March 31, 2020

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 2,046,941 | 1,464,060 | 29,441,818 | (1,218,184) | 31,734,635 |
| Changes during period | | | | | |
| Dividends of surplus | | | (570,337) | | (570,337) |
| Profit attributable to owners of parent | | | 1,613,567 | | 1,613,567 |
| Purchase of treasury shares | | | | (94) | (94) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 1,043,230 | (94) | 1,043,136 |
| Balance at end of period | 2,046,941 | 1,464,060 | 30,485,049 | (1,218,278) | 32,777,771 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 841,607 | (176,957) | (77,755) | 586,893 | 1,041,736 | 33,363,265 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (570,337) |
| Profit attributable to owners of parent | | | | | | 1,613,567 |
| Purchase of treasury shares | | | | | | (94) |
| Net changes in items other than shareholders' equity | (341,910) | (18,687) | 76,490 | (284,106) | 91,196 | (192,910) |
| Total changes during period | (341,910) | (18,687) | 76,490 | (284,106) | 91,196 | 850,226 |
| Balance at end of period | 499,697 | (195,645) | (1,264) | 302,787 | 1,132,932 | 34,213,491 |

Consolidated statements of cash flows

(Thousands of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 3,378,303 | 2,627,307 |
| Depreciation | 921,490 | 1,055,785 |
| Impairment loss | 481,581 | – |
| Increase (decrease) in allowance for doubtful accounts | (15,687) | (26,921) |
| Increase (decrease) in provision for bonuses | 47,601 | (10,623) |
| Increase (decrease) in retirement benefit liability | 153,160 | 169,487 |
| Interest and dividend income | (133,640) | (150,809) |
| Interest expenses | 11,206 | 11,834 |
| Foreign exchange losses (gains) | 106,611 | (181,258) |
| Share of loss (profit) of entities accounted for using equity method | (22,067) | (29,316) |
| Loss (gain) on sales of property, plant and equipment | 1,013 | (7,864) |
| Loss on retirement of property, plant and equipment | 6,969 | 31,792 |
| Loss (gain) on liquidation of subsidiaries and associates | (74,964) | – |
| Loss (gain) on sales of investments in capital of subsidiaries and affiliates | (87,460) | – |
| Decrease (increase) in trade receivables | (131,099) | 1,111,137 |
| Increase (decrease) in trade payables | 62,983 | (470,520) |
| Other, net | 168,099 | 181,932 |
| Subtotal | 4,874,102 | 4,311,964 |
| Interest and dividends received | 147,020 | 161,034 |
| Interest paid | (10,967) | (9,176) |
| Income taxes paid | (1,237,502) | (1,410,515) |
| Net cash provided by (used in) operating activities | 3,772,653 | 3,053,307 |
| Cash flows from investing activities | | |
| Payments into time deposits | (184,343) | (220,632) |
| Proceeds from withdrawal of time deposits | 152,369 | 223,300 |
| Purchase of property, plant and equipment | (809,490) | (790,072) |
| Proceeds from sales of property, plant and equipment | 33,833 | 10,701 |
| Purchase of investment securities | (34,927) | (54,989) |
| Proceeds from liquidation of subsidiaries and associates | 235,185 | – |
| Proceeds from sales of investments in capital of subsidiaries and associates | 192,786 | 32,580 |
| Loan advances | (200,000) | – |
| Collection of loans receivable | 220,400 | 20,400 |
| Proceeds from refund of guarantee deposits | 26,817 | 56,899 |
| Other, net | (32,454) | 1,846 |
| Net cash provided by (used in) investing activities | (399,823) | (719,966) |

(Thousands of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (300,000) | – |
| Repayments of long-term borrowings | (686,976) | (671,818) |
| Purchase of treasury shares | (361) | (94) |
| Dividends paid | (674,169) | (569,734) |
| Dividends paid to non-controlling interests | (37,200) | (37,200) |
| Repayments of finance lease obligations | (53,109) | (204,581) |
| Net cash provided by (used in) financing activities | (1,751,816) | (1,483,429) |
| Effect of exchange rate change on cash and cash equivalents | (101,941) | (16,233) |
| Net increase (decrease) in cash and cash equivalents | 1,519,072 | 833,677 |
| Cash and cash equivalents at beginning of period | 7,216,455 | 8,735,527 |
| Cash and cash equivalents at end of period | 8,735,527 | 9,569,205 |