

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 13, 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: Managing Director Akihiko Takahashi TEL 052-661-5181
 Scheduled date to file Quarterly Securities Report: February 14, 2020
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	36,428	(5.1)	1,909	(24.1)	2,323	(16.9)	1,477	(24.3)
Nine months ended December 31, 2018	38,387	11.0	2,514	59.0	2,795	39.3	1,951	60.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	59.55	–
Nine months ended December 31, 2018	78.67	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	45,607	34,311	72.8
As of March 31, 2019	45,237	33,363	71.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	15.00	–	11.00	26.00
Year ending March 31, 2020	–	11.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	50,000	(2.2)	3,190	(7.1)	3,550	(5.2)	2,200	1.4	88.69

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019
(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: Yes
- 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, 2019	27,487,054 shares	As of March 31, 2019	27,487,054 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	2,681,291 shares	As of March 31, 2019	2,681,176 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, 2019	24,805,834 shares	Nine months ended December 31, 2018	24,806,284 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	8,862,896	9,365,816
Notes and accounts receivable - trade	7,904,793	7,232,173
Other	1,014,125	1,189,759
Allowance for doubtful accounts	(26,112)	(9,449)
Total current assets	17,755,703	17,778,301
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,138,860	6,927,432
Machinery, equipment and vehicles, net	833,045	1,029,385
Land	12,693,643	12,961,457
Leased assets, net	100,303	101,443
Construction in progress	200,880	—
Other, net	231,155	608,140
Total property, plant and equipment	21,197,887	21,627,858
Intangible assets		
Other	37,483	53,711
Total intangible assets	37,483	53,711
Investments and other assets		
Investment securities	3,496,309	3,702,376
Investments in capital	1,660	1,660
Long-term loans receivable	1,070,764	1,060,274
Deferred tax assets	1,141,887	883,859
Other	592,070	544,174
Allowance for doubtful accounts	(55,825)	(44,729)
Total investments and other assets	6,246,865	6,147,614
Total non-current assets	27,482,236	27,829,184
Total assets	45,237,940	45,607,486

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	3,587,287	3,388,305
Short-term borrowings	63,060	458,250
Current portion of long-term borrowings	685,198	637,786
Lease obligations	53,038	151,086
Income taxes payable	796,935	61,633
Provision for bonuses	881,909	439,674
Other	1,232,181	1,754,618
Total current liabilities	7,299,611	6,891,354
Non-current liabilities		
Long-term borrowings	752,595	277,799
Lease obligations	73,361	367,091
Retirement benefit liability	3,249,139	3,299,023
Asset retirement obligations	218,569	222,394
Other	281,398	238,576
Total non-current liabilities	4,575,063	4,404,886
Total liabilities	11,874,674	11,296,241
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	30,348,604
Treasury shares	(1,218,184)	(1,218,278)
Total shareholders' equity	31,734,635	32,641,326
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	841,607	954,165
Foreign currency translation adjustment	(176,957)	(343,077)
Remeasurements of defined benefit plans	(77,755)	(42,764)
Total accumulated other comprehensive income	586,893	568,322
Non-controlling interests	1,041,736	1,101,595
Total net assets	33,363,265	34,311,245
Total liabilities and net assets	45,237,940	45,607,486

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, 2018	Nine months ended December 31, 2019
Net sales	38,387,514	36,428,108
Cost of sales	29,968,826	28,522,054
Gross profit	8,418,688	7,906,053
Selling, general and administrative expenses	5,904,211	5,996,879
Operating profit	2,514,476	1,909,174
Non-operating income		
Interest income	33,912	41,487
Dividend income	78,441	82,644
Foreign exchange gains	—	57,723
Share of profit of entities accounted for using equity method	22,525	28,151
Rental income	80,607	80,634
Other	146,088	136,157
Total non-operating income	361,574	426,799
Non-operating expenses		
Interest expenses	8,630	6,378
Foreign exchange losses	66,053	—
Depreciation	3,939	3,474
Other	1,870	3,104
Total non-operating expenses	80,494	12,957
Ordinary profit	2,795,556	2,323,016
Extraordinary income		
Gain on sales of non-current assets	5,810	2,181
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	168,235	2,181
Extraordinary losses		
Loss on sales of non-current assets	7,522	478
Loss on retirement of non-current assets	6,726	29,870
Total extraordinary losses	14,249	30,348
Profit before income taxes	2,949,542	2,294,848
Income taxes - current	759,039	527,000
Income taxes - deferred	129,171	193,933
Total income taxes	888,210	720,933
Profit	2,061,332	1,573,914
Profit attributable to non-controlling interests	109,712	96,791
Profit attributable to owners of parent	1,951,619	1,477,122

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	2,061,332	1,573,914
Other comprehensive income		
Valuation difference on available-for-sale securities	(390,373)	109,842
Foreign currency translation adjustment	(297,032)	(165,103)
Remeasurements of defined benefit plans, net of tax	47,833	34,990
Share of other comprehensive income of entities accounted for using equity method	(8,344)	1,967
Total other comprehensive income	(647,917)	(18,303)
Comprehensive income	1,413,414	1,555,611
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,302,311	1,458,551
Comprehensive income attributable to non-controlling interests	111,102	97,059