

# 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
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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
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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
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## 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