

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 11, 2019

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: November 12, 2019
 Scheduled date to commence dividend payments: December 4, 2019
 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 six months ended September 30, 2019 (from April 1, 2019 to September 30, 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	%
Six months ended September 30, 2019	24,913	(1.9)	1,394	(7.5)	1,642	2.2	1,032	(11.9)
Six months ended September 30, 2018	25,398	12.1	1,508	56.2	1,607	31.2	1,172	58.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	41.62	—
Six months ended September 30, 2018	47.27	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	45,781	34,106	72.1
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 six months ended September 30, 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 September 30, 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 September 30, 2019	2,681,241 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)

Six months ended September 30, 2019	24,805,850 shares	Six months ended September 30, 2018	24,806,352 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	8,862,896	9,226,729
Notes and accounts receivable - trade	7,904,793	7,608,491
Other	1,014,125	1,011,435
Allowance for doubtful accounts	(26,112)	(9,178)
Total current assets	17,755,703	17,837,477
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,138,860	7,036,919
Machinery, equipment and vehicles, net	833,045	954,145
Land	12,693,643	12,972,993
Leased assets, net	100,303	94,313
Construction in progress	200,880	—
Other, net	231,155	638,471
Total property, plant and equipment	21,197,887	21,696,842
Intangible assets		
Other	37,483	40,999
Total intangible assets	37,483	40,999
Investments and other assets		
Investment securities	3,496,309	3,507,364
Investments in capital	1,660	1,660
Long-term loans receivable	1,070,764	1,060,564
Deferred tax assets	1,141,887	1,114,034
Other	592,070	569,741
Allowance for doubtful accounts	(55,825)	(47,299)
Total investments and other assets	6,246,865	6,206,064
Total non-current assets	27,482,236	27,943,906
Total assets	45,237,940	45,781,383

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	3,587,287	3,535,566
Short-term borrowings	63,060	63,060
Current portion of long-term borrowings	685,198	657,442
Lease obligations	53,038	170,162
Income taxes payable	796,935	521,748
Provision for bonuses	881,909	859,443
Other	1,232,181	1,320,878
Total current liabilities	7,299,611	7,128,301
Non-current liabilities		
Long-term borrowings	752,595	432,096
Lease obligations	73,361	371,099
Retirement benefit liability	3,249,139	3,284,100
Asset retirement obligations	218,569	221,119
Other	281,398	238,622
Total non-current liabilities	4,575,063	4,547,038
Total liabilities	11,874,674	11,675,339
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	30,189,047
Treasury shares	(1,218,184)	(1,218,237)
Total shareholders' equity	31,734,635	32,481,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	841,607	831,600
Foreign currency translation adjustment	(176,957)	(247,622)
Remeasurements of defined benefit plans	(77,755)	(54,428)
Total accumulated other comprehensive income	586,893	529,548
Non-controlling interests	1,041,736	1,094,683
Total net assets	33,363,265	34,106,043
Total liabilities and net assets	45,237,940	45,781,383

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	25,398,166	24,913,590
Cost of sales	19,893,042	19,470,596
Gross profit	5,505,124	5,442,993
Selling, general and administrative expenses	3,997,026	4,048,233
Operating profit	1,508,097	1,394,760
Non-operating income		
Interest income	21,847	24,756
Dividend income	52,814	58,379
Foreign exchange gains	—	12,310
Share of profit of entities accounted for using equity method	4,628	13,154
Rental income	53,778	53,609
Other	89,905	94,626
Total non-operating income	222,974	256,837
Non-operating expenses		
Interest expenses	5,689	4,807
Foreign exchange losses	113,549	—
Depreciation	2,626	2,316
Other	1,450	2,081
Total non-operating expenses	123,316	9,205
Ordinary profit	1,607,755	1,642,392
Extraordinary income		
Gain on sales of non-current assets	3,612	61
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	166,036	61
Extraordinary losses		
Loss on sales of non-current assets	7,522	392
Loss on retirement of non-current assets	6,371	27,143
Total extraordinary losses	13,893	27,535
Profit before income taxes	1,759,898	1,614,918
Income taxes - current	600,860	489,910
Income taxes - deferred	(62,433)	20,804
Total income taxes	538,427	510,715
Profit	1,221,470	1,104,202
Profit attributable to non-controlling interests	48,990	71,804
Profit attributable to owners of parent	1,172,480	1,032,398

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	1,221,470	1,104,202
Other comprehensive income		
Valuation difference on available-for-sale securities	4,357	(10,499)
Foreign currency translation adjustment	(401,800)	(69,936)
Remeasurements of defined benefit plans, net of tax	34,367	23,327
Share of other comprehensive income of entities accounted for using equity method	1,314	(493)
Total other comprehensive income	(361,761)	(57,602)
Comprehensive income	859,709	1,046,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	811,190	975,053
Comprehensive income attributable to non-controlling interests	48,518	71,546