

Translation

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

August 9, 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: August 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 three months ended June 30, 2019 (from April 1, 2019 to June 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	%
Three months ended June 30, 2019	12,447	(2.0)	717	(9.1)	888	12.0	584	(2.8)
Three months ended June 30, 2018	12,695	15.3	789	85.8	793	42.3	600	77.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	23.56		–	
Three months ended June 30, 2018	24.23		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	45,844	33,766	71.3
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				
Year ended March 31, 2019	–	15.00	–	11.00	26.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	11.00	–	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
Six months ending September 30, 2019	24,500	(3.5)	1,480	(1.9)	1,570	(2.3)	1,050	(10.4)	42.33
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 three months ended June 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 June 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 June 30, 2019	2,681,176 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)

Three months ended June 30, 2019	24,805,878 shares	Three months ended June 30, 2018	24,806,363 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	8,862,896	9,228,021
Notes and accounts receivable - trade	7,904,793	7,790,008
Other	1,014,125	964,110
Allowance for doubtful accounts	(26,112)	(9,634)
Total current assets	17,755,703	17,972,505
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,138,860	7,162,324
Machinery, equipment and vehicles, net	833,045	910,004
Land	12,693,643	12,955,805
Leased assets, net	100,303	88,953
Construction in progress	200,880	—
Other, net	231,155	635,214
Total property, plant and equipment	21,197,887	21,752,302
Intangible assets		
Other	37,483	34,846
Total intangible assets	37,483	34,846
Investments and other assets		
Investment securities	3,496,309	3,549,275
Investments in capital	1,660	1,660
Long-term loans receivable	1,070,764	1,071,054
Deferred tax assets	1,141,887	921,354
Other	592,070	593,733
Allowance for doubtful accounts	(55,825)	(51,820)
Total investments and other assets	6,246,865	6,085,257
Total non-current assets	27,482,236	27,872,406
Total assets	45,237,940	45,844,911

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	3,587,287	3,688,969
Short-term borrowings	63,060	458,250
Current portion of long-term borrowings	685,198	673,129
Lease obligations	53,038	211,626
Income taxes payable	796,935	96,186
Provision for bonuses	881,909	444,238
Other	1,232,181	1,869,130
Total current liabilities	7,299,611	7,441,531
Non-current liabilities		
Long-term borrowings	752,595	592,172
Lease obligations	73,361	302,033
Retirement benefit liability	3,249,139	3,273,657
Asset retirement obligations	218,569	219,844
Other	281,398	249,443
Total non-current liabilities	4,575,063	4,637,151
Total liabilities	11,874,674	12,078,682
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	29,740,982
Treasury shares	(1,218,184)	(1,218,184)
Total shareholders' equity	31,734,635	32,033,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	841,607	870,715
Foreign currency translation adjustment	(176,957)	(146,218)
Remeasurements of defined benefit plans	(77,755)	(66,091)
Total accumulated other comprehensive income	586,893	658,405
Non-controlling interests	1,041,736	1,074,024
Total net assets	33,363,265	33,766,228
Total liabilities and net assets	45,237,940	45,844,911

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	12,695,384	12,447,097
Cost of sales	9,943,694	9,716,085
Gross profit	2,751,690	2,731,012
Selling, general and administrative expenses	1,962,327	2,013,448
Operating profit	789,362	717,563
Non-operating income		
Interest income	11,229	11,756
Dividend income	39,815	42,908
Foreign exchange gains	–	42,383
Share of profit of entities accounted for using equity method	4,049	11,590
Rental income	26,974	26,676
Other	31,597	39,569
Total non-operating income	113,667	174,884
Non-operating expenses		
Interest expenses	3,043	2,301
Foreign exchange losses	104,571	–
Depreciation	1,313	1,158
Other	703	417
Total non-operating expenses	109,632	3,877
Ordinary profit	793,398	888,570
Extraordinary income		
Gain on sales of non-current assets	2,345	21
Gain on liquidation of subsidiaries and associates	74,964	–
Total extraordinary income	77,309	21
Extraordinary losses		
Loss on sales of non-current assets	7,522	–
Loss on retirement of non-current assets	0	1,292
Total extraordinary losses	7,522	1,292
Profit before income taxes	863,184	887,299
Income taxes - current	167,830	48,446
Income taxes - deferred	57,827	203,452
Total income taxes	225,658	251,898
Profit	637,526	635,400
Profit attributable to non-controlling interests	36,539	51,067
Profit attributable to owners of parent	600,987	584,332

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	637,526	635,400
Other comprehensive income		
Valuation difference on available-for-sale securities	(111,357)	28,981
Foreign currency translation adjustment	(234,252)	31,286
Remeasurements of defined benefit plans, net of tax	20,900	11,663
Share of other comprehensive income of entities accounted for using equity method	(14)	(600)
Total other comprehensive income	(324,724)	71,330
Comprehensive income	312,802	706,731
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	276,209	655,843
Comprehensive income attributable to non-controlling interests	36,593	50,887