

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 2021

Company name: ISEWAN TERMINAL SERVICE CO.,LTD.
 Stock exchange listing: Nagoya
 Stock code: 9359 URL <https://www.isewan.co.jp/>
 Representative: President Masanobu Takami
 Inquiries: Executive Managing Director Akihiko Takahashi TEL 052-661-5181
 Scheduled date of ordinary general meeting of shareholders: June 29, 2021
 Scheduled date to file Securities Report: June 29, 2021
 Scheduled date to commence dividend payments: June 30, 2021
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	41,759	(12.1)	954	(57.7)	1,301	(53.6)	826	(48.8)
Year ended March 31, 2020	47,502	(7.1)	2,257	(34.2)	2,803	(25.1)	1,613	(25.6)

	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, 2021	33.34	—	2.5	2.9	2.3
Year ended March 31, 2020	65.05	—	4.9	6.2	4.8

(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, 2021	44,859	34,984	75.5	1,366.22
As of March 31, 2020	44,778	34,213	73.9	1,333.58

(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, 2021	1,703	(94)	(1,392)	9,709
Year ended March 31, 2020	3,053	(719)	(1,483)	9,569

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, 2020	—	11.00	—	11.00	22.00	570	33.8	1.7
Year ended March 31, 2021	—	11.00	—	12.00	23.00	596	69.0	1.7
Year ending March 31, 2022 (Forecast)	—	11.00	—	11.00	22.00		35.7	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	21,400	4.9	870	428.0	1,120	236.5	730	253.6	29.43
Full year	43,500	4.2	1,870	96.0	2,350	80.5	1,530	85.0	61.68

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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: No

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, 2021	27,487,054 shares	As of March 31, 2020	27,487,054 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2021	2,681,341 shares	As of March 31, 2020	2,681,291 shares
----------------------	------------------	----------------------	------------------

Average number of shares during the period

Year ended March 31, 2021	24,805,728 shares	Year ended March 31, 2020	24,805,817 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	9,694,168	9,794,605
Notes and accounts receivable - trade	6,780,427	6,955,176
Other	1,223,984	1,096,508
Allowance for doubtful accounts	(9,575)	(11,522)
Total current assets	17,689,004	17,834,768
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,434,260	20,292,289
Accumulated depreciation	(13,533,493)	(13,909,666)
Buildings and structures, net	6,900,766	6,382,623
Machinery, equipment and vehicles	7,614,158	7,644,462
Accumulated depreciation	(6,616,889)	(6,783,483)
Machinery, equipment and vehicles, net	997,268	860,978
Land	13,042,065	12,901,649
Leased assets	243,511	229,413
Accumulated depreciation	(141,959)	(103,265)
Leased assets, net	101,552	126,147
Construction in progress	6,109	2,732
Other	1,684,605	1,666,126
Accumulated depreciation	(1,122,314)	(1,222,591)
Other, net	562,290	443,535
Total property, plant and equipment	21,610,054	20,717,666
Intangible assets		
Other	52,815	112,965
Total intangible assets	52,815	112,965
Investments and other assets		
Investment securities	2,913,741	4,031,260
Investments in capital	1,660	1,760
Long-term loans receivable	778,550	723,549
Deferred tax assets	1,256,609	1,039,047
Other	521,003	468,783
Allowance for doubtful accounts	(45,332)	(69,997)
Total investments and other assets	5,426,231	6,194,403
Total non-current assets	27,089,100	27,025,036
Total assets	44,778,105	44,859,805

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	3,102,242	3,170,704
Short-term borrowings	63,060	66,396
Current portion of long-term borrowings	581,741	16,245
Lease obligations	141,527	161,252
Income taxes payable	265,518	221,467
Provision for bonuses	871,117	854,417
Other	1,236,488	1,191,581
Total current liabilities	6,261,695	5,682,064
Non-current liabilities		
Long-term borrowings	181,199	158,036
Lease obligations	351,413	256,633
Retirement benefit liability	3,307,180	3,458,994
Asset retirement obligations	223,670	216,063
Other	239,454	103,281
Total non-current liabilities	4,302,917	4,193,009
Total liabilities	10,564,613	9,875,074
Net assets		
Shareholders' equity		
Share capital	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	30,485,049	30,741,657
Treasury shares	(1,218,278)	(1,218,319)
Total shareholders' equity	32,777,771	33,034,340
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	499,697	1,208,431
Foreign currency translation adjustment	(195,645)	(426,782)
Remeasurements of defined benefit plans	(1,264)	73,967
Total accumulated other comprehensive income	302,787	855,615
Non-controlling interests	1,132,932	1,094,775
Total net assets	34,213,491	34,984,731
Total liabilities and net assets	44,778,105	44,859,805

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

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	47,502,640	41,759,850
Cost of sales	37,225,574	33,169,170
Gross profit	10,277,065	8,590,679
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	692,100	850,310
Salaries and bonuses	3,832,397	3,690,245
Retirement benefit expenses	215,687	212,438
Provision for bonuses	457,400	444,500
Depreciation	268,239	258,758
Other	2,554,008	2,180,301
Total selling, general and administrative expenses	8,019,832	7,636,555
Operating profit	2,257,233	954,124
Non-operating income		
Interest income	58,692	52,534
Dividend income	92,116	61,875
Foreign exchange gains	106,683	—
Share of profit of entities accounted for using equity method	29,316	31,367
Rental income	107,233	105,733
Subsidies for employment adjustment	—	127,850
Other	172,760	132,416
Total non-operating income	566,803	511,777
Non-operating expenses		
Interest expenses	11,834	12,299
Foreign exchange losses	—	146,419
Depreciation	4,633	4,086
Other	4,401	1,320
Total non-operating expenses	20,869	164,126
Ordinary profit	2,803,167	1,301,775
Extraordinary income		
Gain on sale of non-current assets	8,340	5,105
Gain on sale of investment securities	5,243	5,500
Total extraordinary income	13,584	10,605
Extraordinary losses		
Loss on sale of non-current assets	476	—
Loss on retirement of non-current assets	31,792	9,006
Loss on valuation of investment securities	92,243	3,145
Loss on valuation of shares of subsidiaries and associates	64,932	—
Total extraordinary losses	189,444	12,152
Profit before income taxes	2,627,307	1,300,229
Income taxes - current	897,270	548,579
Income taxes - deferred	(12,288)	(70,737)
Total income taxes	884,981	477,841
Profit	1,742,325	822,387
Profit (loss) attributable to non-controlling interests	128,757	(4,555)
Profit attributable to owners of parent	1,613,567	826,943

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	1,742,325	822,387
Other comprehensive income		
Valuation difference on available-for-sale securities	(337,349)	697,859
Foreign currency translation adjustment	(16,249)	(234,901)
Remeasurements of defined benefit plans, net of tax	76,490	75,231
Share of other comprehensive income of entities accounted for using equity method	(7,358)	12,036
Total other comprehensive income	(284,467)	550,226
Comprehensive income	1,457,857	1,372,613
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,329,461	1,379,771
Comprehensive income attributable to non-controlling interests	128,396	(7,157)

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2021

(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	30,485,049	(1,218,278)	32,777,771
Changes during period					
Dividends of surplus			(570,334)		(570,334)
Profit attributable to owners of parent			826,943		826,943
Purchase of treasury shares				(40)	(40)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	256,608	(40)	256,568
Balance at end of period	2,046,941	1,464,060	30,741,657	(1,218,319)	33,034,340

	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	499,697	(195,645)	(1,264)	302,787	1,132,932	34,213,491
Changes during period						
Dividends of surplus						(570,334)
Profit attributable to owners of parent						826,943
Purchase of treasury shares						(40)
Net changes in items other than shareholders' equity	708,734	(231,137)	75,231	552,828	(38,157)	514,670
Total changes during period	708,734	(231,137)	75,231	552,828	(38,157)	771,239
Balance at end of period	1,208,431	(426,782)	73,967	855,615	1,094,775	34,984,731

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	2,627,307	1,300,229
Depreciation	1,055,785	1,025,745
Increase (decrease) in provision for bonuses	(10,623)	(16,816)
Increase (decrease) in allowance for doubtful accounts	(26,921)	26,362
Increase (decrease) in retirement benefit liability	169,487	269,306
Interest and dividend income	(150,809)	(114,409)
Interest expenses	11,834	12,299
Foreign exchange losses (gains)	(181,258)	150,473
Share of loss (profit) of entities accounted for using equity method	(29,316)	(31,367)
Loss (gain) on sale of property, plant and equipment	(7,864)	(5,105)
Loss on retirement of property, plant and equipment	31,792	9,006
Decrease (increase) in trade receivables	1,111,137	(192,318)
Increase (decrease) in trade payables	(470,520)	86,788
Other, net	181,932	(311,770)
Subtotal	4,311,964	2,208,422
Interest and dividends received	161,034	122,751
Interest paid	(9,176)	(12,860)
Income taxes paid	(1,410,515)	(615,274)
Net cash provided by (used in) operating activities	3,053,307	1,703,038
Cash flows from investing activities		
Payments into time deposits	(220,632)	(153,403)
Proceeds from withdrawal of time deposits	223,300	190,976
Purchase of property, plant and equipment	(790,072)	(315,243)
Proceeds from sale of property, plant and equipment	10,701	6,314
Purchase of investment securities	(54,989)	(63,469)
Purchase of shares of subsidiaries	—	(21,024)
Proceeds from sales of investments in capital of subsidiaries and associates	32,580	—
Proceeds from collection of loans receivable	20,400	292,794
Proceeds from refund of guarantee deposits	56,899	30,344
Other, net	1,846	(61,626)
Net cash provided by (used in) investing activities	(719,966)	(94,336)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	3,336
Proceeds from long-term borrowings	—	2,420
Repayments of long-term borrowings	(671,818)	(581,016)
Purchase of treasury shares	(94)	(40)
Dividends paid	(569,734)	(571,383)
Dividends paid to non-controlling interests	(37,200)	(31,000)
Repayments of lease obligations	(204,581)	(214,751)
Net cash provided by (used in) financing activities	(1,483,429)	(1,392,433)
Effect of exchange rate change on cash and cash equivalents	(16,233)	(76,294)
Net increase (decrease) in cash and cash equivalents	833,677	139,973
Cash and cash equivalents at beginning of period	8,735,527	9,569,205
Cash and cash equivalents at end of period	9,569,205	9,709,179