

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 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 to file Quarterly Securities Report: November 13, 2020
 Scheduled date to commence dividend payments: December 4, 2020
 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, 2020 (from April 1, 2020 to September 30, 2020)

(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, 2020	20,397	(18.1)	164	(88.2)	332	(79.7)	206	(80.0)
Six months ended September 30, 2019	24,913	(1.9)	1,394	(7.5)	1,642	2.2	1,032	(11.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	8.32	—
Six months ended September 30, 2019	41.62	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	44,036	34,027	74.8
As of March 31, 2020	44,778	34,213	73.9

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, 2020	—	11.00	—	11.00	22.00
Year ending March 31, 2021	—	11.00			
Year ending March 31, 2021 (Forecast)			—	11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	40,800	(14.1)	410	(81.8)	710	(74.7)	500	(69.0)	20.16

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(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: No
- 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, 2020	27,487,054 shares	As of March 31, 2020	27,487,054 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	2,681,341 shares	As of March 31, 2020	2,681,291 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, 2020	24,805,741 shares	Six months ended September 30, 2019	24,805,850 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	9,694,168	9,619,773
Notes and accounts receivable - trade	6,780,427	6,214,879
Other	1,223,984	1,393,772
Allowance for doubtful accounts	(9,575)	(9,203)
Total current assets	17,689,004	17,219,221
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,900,766	6,530,346
Machinery, equipment and vehicles, net	997,268	947,812
Land	13,042,065	12,947,037
Leased assets, net	101,552	90,834
Construction in progress	6,109	—
Other, net	562,290	494,385
Total property, plant and equipment	21,610,054	21,010,416
Intangible assets		
Other	52,815	100,526
Total intangible assets	52,815	100,526
Investments and other assets		
Investment securities	2,913,741	3,384,893
Investments in capital	1,660	1,660
Long-term loans receivable	778,550	744,477
Deferred tax assets	1,256,609	1,155,674
Other	521,003	496,008
Allowance for doubtful accounts	(45,332)	(76,812)
Total investments and other assets	5,426,231	5,705,901
Total non-current assets	27,089,100	26,816,844
Total assets	44,778,105	44,036,066

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	3,102,242	2,861,383
Short-term borrowings	63,060	66,396
Current portion of long-term borrowings	581,741	268,739
Lease obligations	141,527	174,615
Income taxes payable	265,518	221,315
Provision for bonuses	871,117	855,778
Other	1,236,488	1,342,874
Total current liabilities	6,261,695	5,791,103
Non-current liabilities		
Long-term borrowings	181,199	163,042
Lease obligations	351,413	250,203
Retirement benefit liability	3,307,180	3,408,779
Asset retirement obligations	223,670	226,279
Other	239,454	169,099
Total non-current liabilities	4,302,917	4,217,405
Total liabilities	10,564,613	10,008,508
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	30,406,329
Treasury shares	(1,218,278)	(1,218,319)
Total shareholders' equity	32,777,771	32,699,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	499,697	762,875
Foreign currency translation adjustment	(195,645)	(534,655)
Remeasurements of defined benefit plans	(1,264)	18,400
Total accumulated other comprehensive income	302,787	246,620
Non-controlling interests	1,132,932	1,081,925
Total net assets	34,213,491	34,027,557
Total liabilities and net assets	44,778,105	44,036,066

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, 2019	Six months ended September 30, 2020
Net sales	24,913,590	20,397,653
Cost of sales	19,470,596	16,399,972
Gross profit	5,442,993	3,997,681
Selling, general and administrative expenses	4,048,233	3,832,894
Operating profit	1,394,760	164,786
Non-operating income		
Interest income	24,756	27,021
Dividend income	58,379	39,120
Foreign exchange gains	12,310	—
Share of profit of entities accounted for using equity method	13,154	10,630
Rental income	53,609	53,360
Other	94,626	112,513
Total non-operating income	256,837	242,645
Non-operating expenses		
Interest expenses	4,807	5,902
Foreign exchange losses	—	65,645
Depreciation	2,316	2,043
Other	2,081	978
Total non-operating expenses	9,205	74,569
Ordinary profit	1,642,392	332,862
Extraordinary income		
Gain on sales of non-current assets	61	3,115
Gain on sales of investment securities	—	5,499
Total extraordinary income	61	8,615
Extraordinary losses		
Loss on sales of non-current assets	392	—
Loss on retirement of non-current assets	27,143	1,857
Loss on valuation of investment securities	—	3,145
Total extraordinary losses	27,535	5,002
Profit before income taxes	1,614,918	336,474
Income taxes - current	489,910	179,953
Income taxes - deferred	20,804	(20,719)
Total income taxes	510,715	159,234
Profit	1,104,202	177,240
Profit (loss) attributable to non-controlling interests	71,804	(29,207)
Profit attributable to owners of parent	1,032,398	206,447

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	1,104,202	177,240
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,499)	259,278
Foreign currency translation adjustment	(69,936)	(342,141)
Remeasurements of defined benefit plans, net of tax	23,327	19,665
Share of other comprehensive income of entities accounted for using equity method	(493)	3,831
Total other comprehensive income	(57,602)	(59,366)
Comprehensive income	1,046,600	117,873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	975,053	150,281
Comprehensive income attributable to non-controlling interests	71,546	(32,407)