

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 10, 2023

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: Managing Executive Officer Yoshihiro Shimojo TEL 052-661-5181
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023
 Scheduled date to file Securities Report: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	69,994	34.4	5,855	92.6	6,596	82.5	4,241	90.0
Year ended March 31, 2022	52,074	–	3,040	–	3,614	–	2,232	–

	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, 2023	171.00	–	11.2	12.7	8.4
Year ended March 31, 2022	89.99	–	6.4	7.7	5.8

(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, 2023	54,746	41,443	73.0	1,611.81
As of March 31, 2022	49,137	37,113	73.1	1,448.13

(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, 2023	4,642	(610)	(855)	15,099
Year ended March 31, 2022	2,888	(478)	(823)	11,552

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, 2022	–	11.00	–	11.00	22.00	570	24.4	1.6
Year ended March 31, 2023	–	11.00	–	21.00	32.00	829	18.7	2.1
Year ending March 31, 2024 (Forecast)	–	12.00	–	12.00	24.00		27.1	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	28,500	(17.6)	1,450	(48.7)	1,700	(52.0)	1,150	(50.2)	46.36
Full year	56,000	(20.0)	2,800	(52.2)	3,300	(50.0)	2,200	(48.1)	88.69

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	27,487,054 shares	As of March 31, 2022	27,487,054 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	2,681,796 shares	As of March 31, 2022	2,681,645 shares
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Average number of shares during the period

Year ended March 31, 2023	24,805,312 shares	Year ended March 31, 2022	24,805,496 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	11,682,810	15,358,306
Notes receivable - trade	251,716	197,490
Accounts receivable - trade	7,511,009	9,240,132
Contract assets	242,343	221,259
Other	2,395,918	2,699,044
Allowance for doubtful accounts	(11,484)	(13,363)
Total current assets	22,072,313	27,702,869
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,167,154	20,415,701
Accumulated depreciation	(14,079,886)	(14,592,516)
Buildings and structures, net	6,087,267	5,823,184
Machinery, equipment and vehicles	7,282,356	7,475,516
Accumulated depreciation	(6,411,306)	(6,648,363)
Machinery, equipment and vehicles, net	871,050	827,153
Land	13,028,041	12,849,497
Leased assets	242,216	267,910
Accumulated depreciation	(91,113)	(108,572)
Leased assets, net	151,102	159,337
Construction in progress	–	1,034
Other	2,105,097	2,378,382
Accumulated depreciation	(1,320,124)	(1,557,611)
Other, net	784,973	820,771
Total property, plant and equipment	20,922,435	20,480,977
Intangible assets		
Other	98,295	83,237
Total intangible assets	98,295	83,237
Investments and other assets		
Investment securities	3,901,718	4,510,176
Investments in capital	1,760	1,760
Long-term loans receivable	631,872	340,238
Deferred tax assets	1,091,816	1,038,153
Other	447,626	618,565
Allowance for doubtful accounts	(30,663)	(29,523)
Total investments and other assets	6,044,130	6,479,370
Total non-current assets	27,064,861	27,043,585
Total assets	49,137,174	54,746,455

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	3,821,619	4,374,720
Short-term borrowings	66,396	66,396
Current portion of long-term borrowings	18,543	20,811
Lease liabilities	179,004	230,095
Income taxes payable	985,401	1,254,119
Provision for bonuses	873,951	958,457
Other	1,539,930	1,636,878
Total current liabilities	7,484,848	8,541,478
Non-current liabilities		
Long-term borrowings	159,232	160,833
Lease liabilities	612,579	634,124
Retirement benefit liability	3,460,499	3,630,356
Asset retirement obligations	188,757	193,158
Other	117,954	142,662
Total non-current liabilities	4,539,024	4,761,135
Total liabilities	12,023,872	13,302,614
Net assets		
Shareholders' equity		
Share capital	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	32,381,611	36,053,092
Treasury shares	(1,218,535)	(1,218,638)
Total shareholders' equity	34,674,077	38,345,455
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,106,889	1,422,543
Foreign currency translation adjustment	(30,754)	158,817
Remeasurements of defined benefit plans	171,205	54,490
Total accumulated other comprehensive income	1,247,340	1,635,851
Non-controlling interests	1,191,883	1,462,533
Total net assets	37,113,301	41,443,840
Total liabilities and net assets	49,137,174	54,746,455

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

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	52,074,023	69,994,167
Cost of sales	40,886,422	55,265,074
Gross profit	11,187,600	14,729,093
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	911,509	1,003,602
Salaries and bonuses	3,827,106	4,082,953
Retirement benefit expenses	168,855	122,496
Provision for bonuses	509,800	570,000
Depreciation	262,387	254,882
Other	2,467,416	2,840,080
Total selling, general and administrative expenses	8,147,076	8,874,014
Operating profit	3,040,524	5,855,078
Non-operating income		
Interest income	40,257	52,707
Dividend income	83,552	126,307
Foreign exchange gains	140,620	320,270
Share of profit of entities accounted for using equity method	39,092	29,787
Rental income	104,926	105,441
Subsidies for employment adjustment	27,940	–
Other	155,400	129,579
Total non-operating income	591,789	764,094
Non-operating expenses		
Interest expenses	14,504	18,212
Depreciation	3,604	3,367
Other	42	1,297
Total non-operating expenses	18,151	22,877
Ordinary profit	3,614,162	6,596,295
Extraordinary income		
Gain on sale of non-current assets	4,513	5,216
Gain on sale of investment securities	1,332	11,342
Gain on sale of membership	3,035	–
Total extraordinary income	8,880	16,559
Extraordinary losses		
Loss on sale of non-current assets	16	37
Loss on retirement of non-current assets	37,486	31,556
Impairment losses	24,662	–
Loss on valuation of membership	150	–
Total extraordinary losses	62,315	31,594
Profit before income taxes	3,560,727	6,581,260
Income taxes - current	1,260,954	2,055,424
Income taxes - deferred	(54,525)	(25,338)
Total income taxes	1,206,429	2,030,086
Profit	2,354,298	4,551,173
Profit attributable to non-controlling interests	121,938	309,367
Profit attributable to owners of parent	2,232,359	4,241,806

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	2,354,298	4,551,173
Other comprehensive income		
Valuation difference on available-for-sale securities	(97,847)	311,860
Foreign currency translation adjustment	396,082	185,114
Remeasurements of defined benefit plans, net of tax	97,238	(116,715)
Share of other comprehensive income of entities accounted for using equity method	(2,122)	6,734
Total other comprehensive income	393,350	386,993
Comprehensive income	2,747,649	4,938,167
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,624,084	4,630,317
Comprehensive income attributable to non-controlling interests	123,564	307,849

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(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	30,741,657	(1,218,319)	33,034,340
Cumulative effects of changes in accounting policies			30,091		30,091
Restated balance	2,046,941	1,464,060	30,771,749	(1,218,319)	33,064,431
Changes during period					
Dividends of surplus			(596,255)		(596,255)
Profit attributable to owners of parent			2,232,359		2,232,359
Change in scope of consolidation			(26,241)		(26,241)
Purchase of treasury shares				(216)	(216)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,609,862	(216)	1,609,645
Balance at end of period	2,046,941	1,464,060	32,381,611	(1,218,535)	34,674,077

	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	1,208,431	(426,782)	73,967	855,615	1,094,775	34,984,731
Cumulative effects of changes in accounting policies					1,443	31,535
Restated balance	1,208,431	(426,782)	73,967	855,615	1,096,218	35,016,266
Changes during period						
Dividends of surplus						(596,255)
Profit attributable to owners of parent						2,232,359
Change in scope of consolidation						(26,241)
Purchase of treasury shares						(216)
Net changes in items other than shareholders' equity	(101,541)	396,027	97,238	391,724	95,664	487,389
Total changes during period	(101,541)	396,027	97,238	391,724	95,664	2,097,035
Balance at end of period	1,106,889	(30,754)	171,205	1,247,340	1,191,883	37,113,301

Fiscal year ended March 31, 2023

(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	32,381,611	(1,218,535)	34,674,077
Changes during period					
Dividends of surplus			(570,325)		(570,325)
Profit attributable to owners of parent			4,241,806		4,241,806
Purchase of treasury shares				(103)	(103)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,671,480	(103)	3,671,377
Balance at end of period	2,046,941	1,464,060	36,053,092	(1,218,638)	38,345,455

	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	1,106,889	(30,754)	171,205	1,247,340	1,191,883	37,113,301
Changes during period						
Dividends of surplus						(570,325)
Profit attributable to owners of parent						4,241,806
Purchase of treasury shares						(103)
Net changes in items other than shareholders' equity	315,654	189,572	(116,715)	388,511	270,649	659,161
Total changes during period	315,654	189,572	(116,715)	388,511	270,649	4,330,538
Balance at end of period	1,422,543	158,817	54,490	1,635,851	1,462,533	41,443,840

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,560,727	6,581,260
Depreciation	1,067,378	996,244
Impairment losses	24,662	–
Increase (decrease) in provision for bonuses	18,852	84,491
Increase (decrease) in allowance for doubtful accounts	(4,209)	(191)
Increase (decrease) in retirement benefit liability	154,260	19,033
Interest and dividend income	(123,809)	(179,015)
Interest expenses	14,504	18,212
Foreign exchange losses (gains)	(69,680)	(245,344)
Share of loss (profit) of entities accounted for using equity method	(39,092)	(29,787)
Loss (gain) on sale of property, plant and equipment	(4,496)	(5,178)
Loss on retirement of property, plant and equipment	37,486	31,556
Decrease (increase) in trade receivables and contract assets	(813,023)	(1,519,281)
Increase (decrease) in trade payables	468,273	476,773
Other, net	(1,021,899)	32,980
Subtotal	3,269,935	6,261,753
Interest and dividends received	132,260	189,085
Interest paid	(14,771)	(18,239)
Income taxes paid	(498,980)	(1,790,231)
Net cash provided by (used in) operating activities	2,888,442	4,642,367
Cash flows from investing activities		
Payments into time deposits	(180,534)	(427,909)
Proceeds from withdrawal of time deposits	147,904	309,724
Purchase of property, plant and equipment	(440,431)	(198,598)
Proceeds from sale of property, plant and equipment	12,937	7,494
Purchase of investment securities	(35,959)	(141,024)
Proceeds from collection of loans receivable	28,794	28,794
Proceeds from refund of guarantee deposits	36,098	39,585
Other, net	(47,651)	(228,341)
Net cash provided by (used in) investing activities	(478,842)	(610,274)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,608	–
Repayments of long-term borrowings	(17,346)	(22,984)
Purchase of treasury shares	(216)	(103)
Dividends paid	(596,418)	(570,037)
Dividends paid to non-controlling interests	(27,900)	(37,200)
Repayments of lease liabilities	(183,958)	(225,189)
Net cash provided by (used in) financing activities	(823,231)	(855,515)
Effect of exchange rate change on cash and cash equivalents	239,899	370,727
Net increase (decrease) in cash and cash equivalents	1,826,268	3,547,304
Cash and cash equivalents at beginning of period	9,709,179	11,552,433
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	16,985	–
Cash and cash equivalents at end of period	11,552,433	15,099,738