

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 10, 2018

Company name: ISEWAN TERMINAL SERVICE CO.,LTD.  
 Stock exchange listing: Nagoya  
 Stock code: 9359 URL <http://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 14, 2018  
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	12,695	15.3	789	85.8	793	42.3	600	77.1
Three months ended June 30, 2017	11,011	4.8	424	21.3	557	137.0	339	244.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	24.23		–	
Three months ended June 30, 2017	13.68		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	44,903	32,400	70.0
As of March 31, 2018	45,062	32,391	69.7

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, 2018	–	11.00	–	11.00	22.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	11.00	–	11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	23,000	1.5	1,100	13.9	1,300	6.1	790	6.6	31.85
Full year	47,000	0.3	2,250	0.7	2,770	0.0	1,710	4.0	68.93

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
 (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 June 30, 2018	27,487,054 shares	As of March 31, 2018	27,487,054 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	2,680,700 shares	As of March 31, 2018	2,680,681 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, 2018	24,806,363 shares	Three months ended June 30, 2017	24,806,445 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	7,315,624	7,733,106
Notes and accounts receivable - trade	7,841,874	7,922,864
Other	1,059,375	991,376
Allowance for doubtful accounts	(31,304)	(26,994)
Total current assets	16,185,569	16,620,352
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,114,613	7,997,645
Machinery, equipment and vehicles, net	949,696	964,879
Land	12,830,485	12,710,470
Leased assets, net	125,171	133,661
Construction in progress	55,004	38,664
Other, net	242,656	255,037
Total property, plant and equipment	22,317,628	22,100,359
Intangible assets		
Other	44,493	42,622
Total intangible assets	44,493	42,622
Investments and other assets		
Investment securities	3,880,306	3,725,855
Investments in capital	161,881	1,660
Long-term loans receivable	1,093,194	1,091,454
Deferred tax assets	812,026	749,979
Other	643,213	645,925
Allowance for doubtful accounts	(76,215)	(74,838)
Total investments and other assets	6,514,406	6,140,035
Total non-current assets	28,876,528	28,283,017
Total assets	45,062,097	44,903,370

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	3,565,746	3,591,435
Short-term loans payable	363,060	738,250
Current portion of long-term loans payable	687,084	699,959
Lease obligations	48,353	52,643
Income taxes payable	694,352	169,980
Provision for bonuses	834,638	412,684
Other	1,111,801	1,686,436
<b>Total current liabilities</b>	<b>7,305,036</b>	<b>7,351,390</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,441,932	1,245,574
Lease obligations	98,752	101,221
Net defined benefit liability	3,302,718	3,321,733
Asset retirement obligations	213,584	214,831
Other	308,573	268,105
<b>Total non-current liabilities</b>	<b>5,365,562</b>	<b>5,151,466</b>
<b>Total liabilities</b>	<b>12,670,598</b>	<b>12,502,856</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	27,947,057	28,262,870
Treasury shares	(1,217,822)	(1,217,836)
<b>Total shareholders' equity</b>	<b>30,240,235</b>	<b>30,556,035</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,116,831	1,004,521
Foreign currency translation adjustment	237,452	4,083
Remeasurements of defined benefit plans	(170,207)	(149,306)
<b>Total accumulated other comprehensive income</b>	<b>1,184,075</b>	<b>859,297</b>
<b>Non-controlling interests</b>	<b>967,186</b>	<b>985,179</b>
<b>Total net assets</b>	<b>32,391,498</b>	<b>32,400,513</b>
<b>Total liabilities and net assets</b>	<b>45,062,097</b>	<b>44,903,370</b>

**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, 2017	Three months ended June 30, 2018
Net sales	11,011,820	12,695,384
Cost of sales	8,633,971	9,943,694
Gross profit	2,377,848	2,751,690
Selling, general and administrative expenses	1,953,078	1,962,327
Operating profit	424,770	789,362
Non-operating income		
Interest income	14,801	11,229
Dividend income	53,077	39,815
Share of profit of entities accounted for using equity method	13,857	4,049
Rent income	27,755	26,974
Other	31,042	31,597
Total non-operating income	140,534	113,667
Non-operating expenses		
Interest expenses	3,414	3,043
Foreign exchange losses	2,250	104,571
Depreciation	1,488	1,313
Other	774	703
Total non-operating expenses	7,928	109,632
Ordinary profit	557,376	793,398
Extraordinary income		
Gain on sales of non-current assets	199	2,345
Gain on liquidation of subsidiaries and associates	–	74,964
Total extraordinary income	199	77,309
Extraordinary losses		
Loss on sales of non-current assets	20	7,522
Loss on retirement of non-current assets	1,712	0
Total extraordinary losses	1,732	7,522
Profit before income taxes	555,844	863,184
Income taxes - current	58,772	167,830
Income taxes - deferred	146,730	57,827
Total income taxes	205,502	225,658
Profit	350,341	637,526
Profit attributable to non-controlling interests	10,963	36,539
Profit attributable to owners of parent	339,378	600,987

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	350,341	637,526
Other comprehensive income		
Valuation difference on available-for-sale securities	108,044	(111,357)
Foreign currency translation adjustment	(67,443)	(234,252)
Remeasurements of defined benefit plans, net of tax	25,107	20,900
Share of other comprehensive income of entities accounted for using equity method	6,275	(14)
Total other comprehensive income	71,984	(324,724)
Comprehensive income	422,326	312,802
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	410,665	276,209
Comprehensive income attributable to non-controlling interests	11,660	36,593