

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 12, 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: November 13, 2018
 Scheduled date to commence dividend payments: December 5, 2018
 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, 2018 (from April 1, 2018 to September 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	%
Six months ended September 30, 2018	25,398	12.1	1,508	56.2	1,607	31.2	1,172	58.2
Six months ended September 30, 2017	22,649	6.2	965	35.1	1,225	158.4	741	233.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2018	47.27		-	
Six months ended September 30, 2017	29.88		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	45,354	32,946	70.4
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	-	15.00			
Year ending March 31, 2019 (Forecast)			-	11.00	26.00

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
Full year	48,500	3.5	2,500	11.9	3,000	8.3	2,100	27.7	84.66

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 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 September 30, 2018	2,680,750 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)

Six months ended September 30, 2018	24,806,352 shares	Six months ended September 30, 2017	24,806,441 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	7,315,624	8,062,683
Notes and accounts receivable - trade	7,841,874	7,565,862
Other	1,059,375	1,501,969
Allowance for doubtful accounts	(31,304)	(27,356)
Total current assets	16,185,569	17,103,158
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,114,613	7,787,881
Machinery, equipment and vehicles, net	949,696	903,676
Land	12,830,485	12,673,852
Leased assets, net	125,171	122,882
Construction in progress	55,004	100,440
Other, net	242,656	259,581
Total property, plant and equipment	22,317,628	21,848,313
Intangible assets		
Other	44,493	39,472
Total intangible assets	44,493	39,472
Investments and other assets		
Investment securities	3,880,306	3,905,405
Investments in capital	161,881	1,660
Long-term loans receivable	1,093,194	1,080,964
Deferred tax assets	812,026	856,754
Other	643,213	583,825
Allowance for doubtful accounts	(76,215)	(64,599)
Total investments and other assets	6,514,406	6,364,009
Total non-current assets	28,876,528	28,251,795
Total assets	45,062,097	45,354,954

(Thousands of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	3,565,746	3,553,766
Short-term loans payable	363,060	295,060
Current portion of long-term loans payable	687,084	700,393
Lease obligations	48,353	52,673
Income taxes payable	694,352	608,401
Provision for bonuses	834,638	840,325
Other	1,111,801	1,409,862
Total current liabilities	7,305,036	7,460,481
Non-current liabilities		
Long-term loans payable	1,441,932	1,079,875
Lease obligations	98,752	90,530
Net defined benefit liability	3,302,718	3,293,031
Asset retirement obligations	213,584	216,077
Other	308,573	267,972
Total non-current liabilities	5,365,562	4,947,487
Total liabilities	12,670,598	12,407,969
Net assets		
Shareholders' equity		
Capital stock	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	27,947,057	28,834,363
Treasury shares	(1,217,822)	(1,217,872)
Total shareholders' equity	30,240,235	31,127,493
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,116,831	1,121,283
Foreign currency translation adjustment	237,452	(162,656)
Remeasurements of defined benefit plans	(170,207)	(135,840)
Total accumulated other comprehensive income	1,184,075	822,786
Non-controlling interests	967,186	996,706
Total net assets	32,391,498	32,946,985
Total liabilities and net assets	45,062,097	45,354,954

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, 2017	Six months ended September 30, 2018
Net sales	22,649,172	25,398,166
Cost of sales	17,708,445	19,893,042
Gross profit	4,940,726	5,505,124
Selling, general and administrative expenses	3,975,221	3,997,026
Operating profit	965,505	1,508,097
Non-operating income		
Interest income	27,300	21,847
Dividend income	62,179	52,814
Foreign exchange gains	25,948	–
Share of profit of entities accounted for using equity method	15,549	4,628
Rent income	55,331	53,778
Other	87,469	89,905
Total non-operating income	273,778	222,974
Non-operating expenses		
Interest expenses	7,073	5,689
Foreign exchange losses	–	113,549
Depreciation	2,977	2,626
Other	4,004	1,450
Total non-operating expenses	14,055	123,316
Ordinary profit	1,225,227	1,607,755
Extraordinary income		
Gain on sales of non-current assets	1,510	3,612
Gain on liquidation of subsidiaries and associates	–	74,964
Loss on sales of investments in capital of subsidiaries and associates	–	87,460
Total extraordinary income	1,510	166,036
Extraordinary losses		
Loss on sales of non-current assets	20	7,522
Loss on retirement of non-current assets	2,514	6,371
Total extraordinary losses	2,535	13,893
Profit before income taxes	1,224,203	1,759,898
Income taxes - current	492,010	600,860
Income taxes - deferred	(36,028)	(62,433)
Total income taxes	455,981	538,427
Profit	768,222	1,221,470
Profit attributable to non-controlling interests	27,061	48,990
Profit attributable to owners of parent	741,160	1,172,480

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	768,222	1,221,470
Other comprehensive income		
Valuation difference on available-for-sale securities	279,682	4,357
Foreign currency translation adjustment	22,058	(401,800)
Remeasurements of defined benefit plans, net of tax	50,215	34,367
Share of other comprehensive income of entities accounted for using equity method	8,553	1,314
Total other comprehensive income	360,509	(361,761)
Comprehensive income	1,128,731	859,709
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,099,620	811,190
Comprehensive income attributable to non-controlling interests	29,111	48,518