

Translation

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

August 11, 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: August 13, 2020
 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, 2020 (from April 1, 2020 to June 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	%
Three months ended June 30, 2020	10,227	(17.8)	(10)	–	(149)	–	(120)	–
Three months ended June 30, 2019	12,447	(2.0)	717	(9.1)	888	12.0	584	(2.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	(4.84)		–	
Three months ended June 30, 2019	23.56		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2020	43,375		33,404		74.6	
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				
Year ended March 31, 2020	–	11.00	–	11.00	22.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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 June 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 June 30, 2020	2,681,291 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)

Three months ended June 30, 2020	24,805,763 shares	Three months ended June 30, 2019	24,805,878 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	9,694,168	9,953,254
Notes and accounts receivable - trade	6,780,427	5,770,173
Other	1,223,984	1,202,906
Allowance for doubtful accounts	(9,575)	(9,049)
Total current assets	17,689,004	16,917,284
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,900,766	6,527,597
Machinery, equipment and vehicles, net	997,268	930,180
Land	13,042,065	12,747,158
Leased assets, net	101,552	90,926
Construction in progress	6,109	9,027
Other, net	562,290	521,155
Total property, plant and equipment	21,610,054	20,826,046
Intangible assets		
Other	52,815	49,539
Total intangible assets	52,815	49,539
Investments and other assets		
Investment securities	2,913,741	3,264,252
Investments in capital	1,660	1,660
Long-term loans receivable	778,550	744,172
Deferred tax assets	1,256,609	1,140,800
Other	521,003	507,255
Allowance for doubtful accounts	(45,332)	(75,947)
Total investments and other assets	5,426,231	5,582,193
Total non-current assets	27,089,100	26,457,779
Total assets	44,778,105	43,375,063

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	3,102,242	2,670,970
Short-term borrowings	63,060	466,584
Current portion of long-term borrowings	581,741	425,300
Lease obligations	141,527	183,944
Income taxes payable	265,518	49,900
Provision for bonuses	871,117	428,152
Other	1,236,488	1,548,910
Total current liabilities	6,261,695	5,773,763
Non-current liabilities		
Long-term borrowings	181,199	164,488
Lease obligations	351,413	262,212
Retirement benefit liability	3,307,180	3,362,122
Asset retirement obligations	223,670	224,974
Other	239,454	183,121
Total non-current liabilities	4,302,917	4,196,919
Total liabilities	10,564,613	9,970,682
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	30,079,728
Treasury shares	(1,218,278)	(1,218,278)
Total shareholders' equity	32,777,771	32,372,450
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	499,697	705,559
Foreign currency translation adjustment	(195,645)	(724,273)
Remeasurements of defined benefit plans	(1,264)	8,567
Total accumulated other comprehensive income	302,787	(10,145)
Non-controlling interests	1,132,932	1,042,075
Total net assets	34,213,491	33,404,381
Total liabilities and net assets	44,778,105	43,375,063

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, 2019	Three months ended June 30, 2020
Net sales	12,447,097	10,227,825
Cost of sales	9,716,085	8,334,819
Gross profit	2,731,012	1,893,005
Selling, general and administrative expenses	2,013,448	1,903,931
Operating profit (loss)	717,563	(10,925)
Non-operating income		
Interest income	11,756	13,335
Dividend income	42,908	34,081
Foreign exchange gains	42,383	-
Share of profit of entities accounted for using equity method	11,590	11,217
Rental income	26,676	26,930
Other	39,569	37,691
Total non-operating income	174,884	123,256
Non-operating expenses		
Interest expenses	2,301	2,982
Foreign exchange losses	-	257,524
Depreciation	1,158	1,021
Other	417	390
Total non-operating expenses	3,877	261,919
Ordinary profit (loss)	888,570	(149,588)
Extraordinary income		
Gain on sales of non-current assets	21	267
Total extraordinary income	21	267
Extraordinary losses		
Loss on retirement of non-current assets	1,292	0
Total extraordinary losses	1,292	0
Profit (loss) before income taxes	887,299	(149,320)
Income taxes - current	48,446	19,401
Income taxes - deferred	203,452	21,544
Total income taxes	251,898	40,946
Profit (loss)	635,400	(190,266)
Profit (loss) attributable to non-controlling interests	51,067	(70,113)
Profit (loss) attributable to owners of parent	584,332	(120,153)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	635,400	(190,266)
Other comprehensive income		
Valuation difference on available-for-sale securities	28,981	201,565
Foreign currency translation adjustment	31,286	(530,691)
Remeasurements of defined benefit plans, net of tax	11,663	9,832
Share of other comprehensive income of entities accounted for using equity method	(600)	4,216
Total other comprehensive income	71,330	(315,076)
Comprehensive income	706,731	(505,343)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	655,843	(433,086)
Comprehensive income attributable to non-controlling interests	50,887	(72,256)