

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 11, 2021

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: Executive Managing Director Akihiko Takahashi TEL 052-661-5181
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 Scheduled date to commence dividend payments: December 6, 2021
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	23,664	–	1,077	–	1,335	–	816	–
Six months ended September 30, 2020	20,397	(18.1)	164	(88.2)	332	(79.7)	206	(80.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	32.90		–	
Six months ended September 30, 2020	8.32		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	46,058	35,867	75.4
As of March 31, 2021	44,859	34,984	75.5

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, 2021	–	11.00	–	12.00	23.00
Year ending March 31, 2022	–	11.00			
Year ending March 31, 2022 (Forecast)			–	11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	50,000	19.7	2,500	162.0	2,900	122.8	1,850	123.7	74.58

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: Yes
- 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, 2021	27,487,054 shares	As of March 31, 2021	27,487,054 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	2,681,595 shares	As of March 31, 2021	2,681,341 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, 2021	24,805,549 shares	Six months ended September 30, 2020	24,805,741 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	9,794,605	10,415,793
Notes and accounts receivable - trade	6,955,176	–
Notes and accounts receivable - trade, and contract assets	–	7,174,079
Other	1,096,508	1,482,313
Allowance for doubtful accounts	(11,522)	(10,466)
Total current assets	17,834,768	19,061,720
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,382,623	6,234,956
Machinery, equipment and vehicles, net	860,978	938,869
Land	12,901,649	12,958,093
Leased assets, net	126,147	114,932
Construction in progress	2,732	1,611
Other, net	443,535	397,431
Total property, plant and equipment	20,717,666	20,645,894
Intangible assets		
Other	112,965	101,529
Total intangible assets	112,965	101,529
Investments and other assets		
Investment securities	4,031,260	4,133,674
Investments in capital	1,760	1,760
Long-term loans receivable	723,549	649,306
Deferred tax assets	1,039,047	1,044,321
Other	468,783	451,163
Allowance for doubtful accounts	(69,997)	(30,760)
Total investments and other assets	6,194,403	6,249,465
Total non-current assets	27,025,036	26,996,890
Total assets	44,859,805	46,058,610

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	3,170,704	2,849,609
Short-term borrowings	66,396	66,396
Current portion of long-term borrowings	16,245	17,371
Lease obligations	161,252	128,644
Income taxes payable	221,467	562,903
Provision for bonuses	854,417	853,494
Other	1,191,581	1,491,306
Total current liabilities	5,682,064	5,969,725
Non-current liabilities		
Long-term borrowings	158,036	151,943
Lease obligations	256,633	242,746
Retirement benefit liability	3,458,994	3,538,339
Asset retirement obligations	216,063	186,607
Other	103,281	102,065
Total non-current liabilities	4,193,009	4,221,703
Total liabilities	9,875,074	10,191,428
Net assets		
Shareholders' equity		
Share capital	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	30,741,657	31,250,451
Treasury shares	(1,218,319)	(1,218,501)
Total shareholders' equity	33,034,340	33,542,952
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,208,431	1,291,557
Foreign currency translation adjustment	(426,782)	(168,670)
Remeasurements of defined benefit plans	73,967	67,802
Total accumulated other comprehensive income	855,615	1,190,690
Non-controlling interests	1,094,775	1,133,539
Total net assets	34,984,731	35,867,182
Total liabilities and net assets	44,859,805	46,058,610

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, 2020	Six months ended September 30, 2021
Net sales	20,397,653	23,664,206
Cost of sales	16,399,972	18,530,790
Gross profit	3,997,681	5,133,415
Selling, general and administrative expenses	3,832,894	4,056,136
Operating profit	164,786	1,077,279
Non-operating income		
Interest income	27,021	18,855
Dividend income	39,120	40,372
Foreign exchange gains	–	23,766
Share of profit of entities accounted for using equity method	10,630	18,835
Rental income	53,360	52,349
Other	112,513	113,302
Total non-operating income	242,645	267,481
Non-operating expenses		
Interest expenses	5,902	6,231
Foreign exchange losses	65,645	–
Depreciation	2,043	1,802
Other	978	1,495
Total non-operating expenses	74,569	9,529
Ordinary profit	332,862	1,335,231
Extraordinary income		
Gain on sale of non-current assets	3,115	3,498
Gain on sale of investment securities	5,499	1,331
Total extraordinary income	8,615	4,830
Extraordinary losses		
Loss on sale of non-current assets	–	16
Loss on retirement of non-current assets	1,857	2,678
Loss on valuation of investment securities	3,145	–
Loss on valuation of membership	–	150
Total extraordinary losses	5,002	2,844
Profit before income taxes	336,474	1,337,217
Income taxes - current	179,953	524,080
Income taxes - deferred	(20,719)	(51,215)
Total income taxes	159,234	472,865
Profit	177,240	864,351
Profit (loss) attributable to non-controlling interests	(29,207)	48,316
Profit attributable to owners of parent	206,447	816,035

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	177,240	864,351
Other comprehensive income		
Valuation difference on available-for-sale securities	259,278	79,907
Foreign currency translation adjustment	(342,141)	258,388
Remeasurements of defined benefit plans, net of tax	19,665	(6,164)
Share of other comprehensive income of entities accounted for using equity method	3,831	4,347
Total other comprehensive income	(59,366)	336,478
Comprehensive income	117,873	1,200,830
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	150,281	1,151,109
Comprehensive income attributable to non-controlling interests	(32,407)	49,720