

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

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 of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	52,074	–	3,040	–	3,614	–	2,232	–
Year ended March 31, 2021	41,759	(12.1)	954	(57.7)	1,301	(53.6)	826	(48.8)

	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, 2022	89.99	–	6.4	7.7	5.8
Year ended March 31, 2021	33.34	–	2.5	2.9	2.3

(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, 2022	49,137	37,113	73.1	1,448.13
As of March 31, 2021	44,859	34,984	75.5	1,366.22

(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, 2022	2,888	(478)	(823)	11,552
Year ended March 31, 2021	1,703	(94)	(1,392)	9,709

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, 2021	–	11.00	–	12.00	23.00	596	69.0	1.7
Year ended March 31, 2022	–	11.00	–	11.00	22.00	570	24.4	1.6
Year ending March 31, 2023 (Forecast)	–	11.00	–	11.00	22.00		20.2	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	28,000	18.3	1,900	76.4	2,100	57.3	1,400	71.6	56.44
Full year	56,000	7.5	3,800	25.0	4,200	16.2	2,700	20.9	108.85

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

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, 2022	27,487,054 shares	As of March 31, 2021	27,487,054 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2022	2,681,645 shares	As of March 31, 2021	2,681,341 shares
----------------------	------------------	----------------------	------------------

Average number of shares during the period

Year ended March 31, 2022	24,805,496 shares	Year ended March 31, 2021	24,805,728 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	9,794,605	11,682,810
Notes and accounts receivable - trade	6,955,176	–
Notes receivable - trade	–	251,716
Accounts receivable - trade	–	7,511,009
Contract assets	–	242,343
Other	1,096,508	2,395,918
Allowance for doubtful accounts	(11,522)	(11,484)
Total current assets	17,834,768	22,072,313
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,292,289	20,167,154
Accumulated depreciation	(13,909,666)	(14,079,886)
Buildings and structures, net	6,382,623	6,087,267
Machinery, equipment and vehicles	7,644,462	7,282,356
Accumulated depreciation	(6,783,483)	(6,411,306)
Machinery, equipment and vehicles, net	860,978	871,050
Land	12,901,649	13,028,041
Leased assets	229,413	242,216
Accumulated depreciation	(103,265)	(91,113)
Leased assets, net	126,147	151,102
Construction in progress	2,732	–
Other	1,666,126	2,105,097
Accumulated depreciation	(1,222,591)	(1,320,124)
Other, net	443,535	784,973
Total property, plant and equipment	20,717,666	20,922,435
Intangible assets		
Other	112,965	98,295
Total intangible assets	112,965	98,295
Investments and other assets		
Investment securities	4,031,260	3,901,718
Investments in capital	1,760	1,760
Long-term loans receivable	723,549	631,872
Deferred tax assets	1,039,047	1,091,816
Other	468,783	447,626
Allowance for doubtful accounts	(69,997)	(30,663)
Total investments and other assets	6,194,403	6,044,130
Total non-current assets	27,025,036	27,064,861
Total assets	44,859,805	49,137,174

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	3,170,704	3,821,619
Short-term borrowings	66,396	66,396
Current portion of long-term borrowings	16,245	18,543
Lease liabilities	161,252	179,004
Income taxes payable	221,467	985,401
Provision for bonuses	854,417	873,951
Other	1,191,581	1,539,930
Total current liabilities	5,682,064	7,484,848
Non-current liabilities		
Long-term borrowings	158,036	159,232
Lease liabilities	256,633	612,579
Retirement benefit liability	3,458,994	3,460,499
Asset retirement obligations	216,063	188,757
Other	103,281	117,954
Total non-current liabilities	4,193,009	4,539,024
Total liabilities	9,875,074	12,023,872
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	32,381,611
Treasury shares	(1,218,319)	(1,218,535)
Total shareholders' equity	33,034,340	34,674,077
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,208,431	1,106,889
Foreign currency translation adjustment	(426,782)	(30,754)
Remeasurements of defined benefit plans	73,967	171,205
Total accumulated other comprehensive income	855,615	1,247,340
Non-controlling interests	1,094,775	1,191,883
Total net assets	34,984,731	37,113,301
Total liabilities and net assets	44,859,805	49,137,174

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	41,759,850	52,074,023
Cost of sales	33,169,170	40,886,422
Gross profit	8,590,679	11,187,600
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	850,310	911,509
Salaries and bonuses	3,690,245	3,827,106
Retirement benefit expenses	212,438	168,855
Provision for bonuses	444,500	509,800
Depreciation	258,758	262,387
Other	2,180,301	2,467,416
Total selling, general and administrative expenses	7,636,555	8,147,076
Operating profit	954,124	3,040,524
Non-operating income		
Interest income	52,534	40,257
Dividend income	61,875	83,552
Foreign exchange gains	–	140,620
Share of profit of entities accounted for using equity method	31,367	39,092
Rental income	105,733	104,926
Subsidies for employment adjustment	127,850	27,940
Other	132,416	155,400
Total non-operating income	511,777	591,789
Non-operating expenses		
Interest expenses	12,299	14,504
Foreign exchange losses	146,419	–
Depreciation	4,086	3,604
Other	1,320	42
Total non-operating expenses	164,126	18,151
Ordinary profit	1,301,775	3,614,162
Extraordinary income		
Gain on sale of non-current assets	5,105	4,513
Gain on sale of investment securities	5,500	1,332
Gain on sale of membership	–	3,035
Total extraordinary income	10,605	8,880

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary losses		
Loss on sale of non-current assets	–	16
Loss on retirement of non-current assets	9,006	37,486
Impairment losses	–	24,662
Loss on valuation of investment securities	3,145	–
Loss on valuation of membership	–	150
Total extraordinary losses	12,152	62,315
Profit before income taxes	1,300,229	3,560,727
Income taxes - current	548,579	1,260,954
Income taxes - deferred	(70,737)	(54,525)
Total income taxes	477,841	1,206,429
Profit	822,387	2,354,298
Profit (loss) attributable to non-controlling interests	(4,555)	121,938
Profit attributable to owners of parent	826,943	2,232,359

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	822,387	2,354,298
Other comprehensive income		
Valuation difference on available-for-sale securities	697,859	(97,847)
Foreign currency translation adjustment	(234,901)	396,082
Remeasurements of defined benefit plans, net of tax	75,231	97,238
Share of other comprehensive income of entities accounted for using equity method	12,036	(2,122)
Total other comprehensive income	550,226	393,350
Comprehensive income	1,372,613	2,747,649
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,379,771	2,624,084
Comprehensive income attributable to non-controlling interests	(7,157)	123,564

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(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	30,485,049	(1,218,278)	32,777,771
Cumulative effects of changes in accounting policies					–
Restated balance	2,046,941	1,464,060	30,485,049	(1,218,278)	32,777,771
Changes during period					
Dividends of surplus			(570,334)		(570,334)
Profit attributable to owners of parent			826,943		826,943
Change in scope of consolidation					–
Purchase of treasury shares				(40)	(40)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	256,608	(40)	256,568
Balance at end of period	2,046,941	1,464,060	30,741,657	(1,218,319)	33,034,340

	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	499,697	(195,645)	(1,264)	302,787	1,132,932	34,213,491
Cumulative effects of changes in accounting policies						–
Restated balance	499,697	(195,645)	(1,264)	302,787	1,132,932	34,213,491
Changes during period						
Dividends of surplus						(570,334)
Profit attributable to owners of parent						826,943
Change in scope of consolidation						–
Purchase of treasury shares						(40)
Net changes in items other than shareholders' equity	708,734	(231,137)	75,231	552,828	(38,157)	514,670
Total changes during period	708,734	(231,137)	75,231	552,828	(38,157)	771,239
Balance at end of period	1,208,431	(426,782)	73,967	855,615	1,094,775	34,984,731

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

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,300,229	3,560,727
Depreciation	1,025,745	1,067,378
Impairment losses	–	24,662
Increase (decrease) in provision for bonuses	(16,816)	18,852
Increase (decrease) in allowance for doubtful accounts	26,362	(4,209)
Increase (decrease) in retirement benefit liability	269,306	154,260
Interest and dividend income	(114,409)	(123,809)
Interest expenses	12,299	14,504
Foreign exchange losses (gains)	150,473	(69,680)
Share of loss (profit) of entities accounted for using equity method	(31,367)	(39,092)
Loss (gain) on sale of property, plant and equipment	(5,105)	(4,496)
Loss on retirement of property, plant and equipment	9,006	37,486
Decrease (increase) in trade receivables	(192,318)	–
Decrease (increase) in trade receivables and contract assets	–	(813,023)
Increase (decrease) in trade payables	86,788	468,273
Other, net	(311,770)	(1,021,899)
Subtotal	2,208,422	3,269,935
Interest and dividends received	122,751	132,260
Interest paid	(12,860)	(14,771)
Income taxes paid	(615,274)	(498,980)
Net cash provided by (used in) operating activities	1,703,038	2,888,442
Cash flows from investing activities		
Payments into time deposits	(153,403)	(180,534)
Proceeds from withdrawal of time deposits	190,976	147,904
Purchase of property, plant and equipment	(315,243)	(440,431)
Proceeds from sale of property, plant and equipment	6,314	12,937
Purchase of investment securities	(63,469)	(35,959)
Purchase of shares of subsidiaries	(21,024)	–
Proceeds from collection of loans receivable	292,794	28,794
Proceeds from refund of guarantee deposits	30,344	36,098
Other, net	(61,626)	(47,651)
Net cash provided by (used in) investing activities	(94,336)	(478,842)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,336	–
Proceeds from long-term borrowings	2,420	2,608
Repayments of long-term borrowings	(581,016)	(17,346)
Purchase of treasury shares	(40)	(216)
Dividends paid	(571,383)	(596,418)
Dividends paid to non-controlling interests	(31,000)	(27,900)
Repayments of lease liabilities	(214,751)	(183,958)
Net cash provided by (used in) financing activities	(1,392,433)	(823,231)
Effect of exchange rate change on cash and cash equivalents	(76,294)	239,899
Net increase (decrease) in cash and cash equivalents	139,973	1,826,268
Cash and cash equivalents at beginning of period	9,569,205	9,709,179
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	16,985
Cash and cash equivalents at end of period	9,709,179	11,552,433