

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 Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 2023

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: Managing Executive Officer Yoshihiro Shimojo TEL 052-661-5181
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	29,839	(13.7)	1,883	(33.4)	2,414	(31.7)	1,487	(35.6)
Six months ended September 30, 2022	34,582	46.1	2,827	162.5	3,538	165.0	2,308	182.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	59.98		-	
Six months ended September 30, 2022	93.07		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	56,740	43,757	74.3
As of March 31, 2023	54,746	41,443	73.0

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, 2023	-	11.00	-	21.00	32.00
Year ending March 31, 2024	-	12.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	12.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	56,500	(19.3)	3,200	(45.3)	4,000	(39.4)	2,450	(42.2)	98.77

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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 September 30, 2023	27,487,054 shares	As of March 31, 2023	27,487,054 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2023	2,682,186 shares	As of March 31, 2023	2,681,796 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	24,805,073 shares	Six months ended September 30, 2022	24,805,359 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	15,358,306	16,936,678
Notes and accounts receivable - trade, and contract assets	9,658,882	8,297,821
Other	2,699,044	2,448,139
Allowance for doubtful accounts	(13,363)	(13,422)
Total current assets	27,702,869	27,669,217
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,823,184	5,978,431
Machinery, equipment and vehicles, net	827,153	1,084,634
Land	12,849,497	14,066,701
Leased assets, net	159,337	160,866
Construction in progress	1,034	1,034
Other, net	820,771	825,120
Total property, plant and equipment	20,480,977	22,116,788
Intangible assets		
Other	83,237	70,763
Total intangible assets	83,237	70,763
Investments and other assets		
Investment securities	4,510,176	5,100,690
Investments in capital	1,760	1,760
Long-term loans receivable	340,238	333,518
Deferred tax assets	1,038,153	858,770
Other	618,565	617,906
Allowance for doubtful accounts	(29,523)	(28,968)
Total investments and other assets	6,479,370	6,883,677
Total non-current assets	27,043,585	29,071,229
Total assets	54,746,455	56,740,446

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	4,374,720	3,838,460
Short-term borrowings	66,396	466,396
Current portion of long-term borrowings	20,811	18,314
Lease liabilities	230,095	258,691
Income taxes payable	1,254,119	768,568
Provision for bonuses	958,457	1,003,549
Other	1,636,878	1,602,908
Total current liabilities	8,541,478	7,956,890
Non-current liabilities		
Long-term borrowings	160,833	151,272
Lease liabilities	634,124	616,296
Retirement benefit liability	3,630,356	3,720,202
Asset retirement obligations	193,158	195,410
Other	142,662	343,216
Total non-current liabilities	4,761,135	5,026,398
Total liabilities	13,302,614	12,983,289
Net assets		
Shareholders' equity		
Share capital	2,046,941	2,046,941
Capital surplus	1,464,060	1,464,060
Retained earnings	36,053,092	36,996,572
Treasury shares	(1,218,638)	(1,218,913)
Total shareholders' equity	38,345,455	39,288,660
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,422,543	1,801,285
Foreign currency translation adjustment	158,817	1,050,855
Remeasurements of defined benefit plans	54,490	41,131
Total accumulated other comprehensive income	1,635,851	2,893,271
Non-controlling interests	1,462,533	1,575,224
Total net assets	41,443,840	43,757,157
Total liabilities and net assets	54,746,455	56,740,446

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, 2022	Six months ended September 30, 2023
Net sales	34,582,949	29,839,827
Cost of sales	27,433,102	23,034,320
Gross profit	7,149,846	6,805,506
Selling, general and administrative expenses	4,322,119	4,922,320
Operating profit	2,827,726	1,883,185
Non-operating income		
Interest income	22,557	40,956
Dividend income	69,008	77,217
Foreign exchange gains	500,827	267,240
Share of profit of entities accounted for using equity method	15,146	22,466
Rental income	52,707	53,524
Other	63,751	81,365
Total non-operating income	723,999	542,771
Non-operating expenses		
Interest expenses	8,637	8,337
Depreciation	1,683	1,683
Other	3,404	979
Total non-operating expenses	13,725	11,000
Ordinary profit	3,538,000	2,414,956
Extraordinary income		
Gain on sale of non-current assets	1,500	7,659
Gain on sale of investment securities	8,595	2,604
Total extraordinary income	10,095	10,264
Extraordinary losses		
Loss on sale of non-current assets	37	3
Loss on retirement of non-current assets	453	385
Total extraordinary losses	491	388
Profit before income taxes	3,547,605	2,424,832
Income taxes - current	1,017,912	788,349
Income taxes - deferred	18,295	21,976
Total income taxes	1,036,207	810,326
Profit	2,511,397	1,614,505
Profit attributable to non-controlling interests	202,643	126,625
Profit attributable to owners of parent	2,308,753	1,487,880

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,511,397	1,614,505
Other comprehensive income		
Valuation difference on available-for-sale securities	(63,950)	377,042
Foreign currency translation adjustment	809,757	894,755
Remeasurements of defined benefit plans, net of tax	(21,922)	(13,358)
Share of other comprehensive income of entities accounted for using equity method	4,291	3,646
Total other comprehensive income	728,175	1,262,085
Comprehensive income	3,239,572	2,876,591
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,038,218	2,745,300
Comprehensive income attributable to non-controlling interests	201,354	131,291