The three months ended March 31, 2017

(1)Explanation of Results of Operations

Consolidated Income Statement for the three months ended March 31, 2017 (millions of yen)

	1Q of FY2016 (A)	1Q of FY2017 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	2,762	2,757	(4)	(0.2%)
Operating income	543	504	(39)	(7.2%)
Ordinary income	488	484	(4)	(0.9%)
Profit attributable to owners of parent	335	342	+7	+2.1%
No. of Tankcontainers (as of March 31)	6,193	6,753	+560	+9.0%
Utilization rate (over 3 months)	73.1%	72.4%	(0.7%)	

During the three months ended March 31, 2017, the Japanese economy saw an improvement in the profitability of chemical, petroleum and coal products due to a rise in resource prices, and production activities continued to pick up in the manufacturing industry. In addition, although the increase in personnel costs weighed down the non-manufacturing industry, increase in sales contributed to boost income.

Looking at the global economy, in the U.S., we saw a decrease in the number of unemployed and percentage of people looking to be employed in the non-labor force population, and the stable employment and income environment and expectations towards fiscal policies supported consumption. In Europe, while PMI in both the manufacturing and service industry improved significantly, real income continues to be sluggish. In China, investments in fixed assets and exports have bottomed out, and the economic slowdown has stabilized.

Under such circumstances, the Group conducted vigorous sales activities, and the volume of export transactions from Japan, import transactions, and domestic transactions handled as well as third-country trade (which does not transit through Japan) increased compared to the same period of the previous fiscal year. Sales for the three months ended March 31, 2017 were at ¥2,757 million which remained largely on budget.

In terms of profits, we secured ¥504 million of operating income, despite the increased depreciation in association with aggressive domestic capital investments for future development, as well as rising procurement costs for tank containers related to the increase in the number of containers held. Ordinary income recorded ¥484 million due to the decrease of interest expenses to ¥16 million benefitting from refinancing arrangements during previous fiscal year, as well as foreign exchange losses that was at ¥8 million. Profit attributable to owners of parent was ¥342 million. All results on the profit side exceeded the budget.

(2)Explanation of Financial position

Consolidated Balance Sheet as of March 31, 2017 (millions of yen)

ASSET	FY2016 (A)	1Q of FY2017 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	3,922	3,832	(89)	(2.3%)
Total non-current assets	10,897	10,801	(96)	(0.9%)
Deferred assets	0	-	(0)	(100.0%)
Total	**14,819**	**14,633**	**(186)**	**(1.3%)**

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2016 (A)	1Q of FY2017 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	2,884	2,917	32	+1.1%
Total non-current liabilities	4,892	4,567	(325)	(6.7%)
Total liabilities	**7,777**	**7,484**	**(292)**	(3.8%)
Shareholders' equity	7,022	7,168	145	+2.1%
Total accumulated other comprehensive income	20	(19)	(39)	-
Total Shareholders' equity	**7,042**	**7,149**	**106**	**+1.5%**
Total	**14,819**	**14,633**	**(186)**	**(1.3%)**

Total assets at the end of the first quarter ended March 31, 2017 decreased by ¥186 million (1.3% decrease) when compared to the end of the previous fiscal year, to ¥14,633 million.

Total current assets fell by ¥89 million yen (2.3% decrease) as compared to the end of the previous fiscal year, to ¥3,832 million. This was primarily due to declines of ¥175 million in cash and deposits and ¥17 million in accounts receivable-trade, despite an increase of ¥103 million in other current assets.

Total non-current assets decreased by ¥96 million (0.9% decrease) when compared to the end of the previous fiscal year, to ¥10,801 million. This was primarily due to decreases of ¥172 million in tank containers (net) and ¥96 million in property, plant and equipment owing to depreciation, despite an increase of ¥253 million in buildings and structures (net), while

construction in progress, which is included in other non-current assets (net), decreased by ¥210 million in association with the completion of the Keiyo Rinkai Branch in February.

Total current liabilities increased by ¥32 million (1.1% increase), as compared to the end of the previous fiscal year, to ¥2,917 million. This was primarily due to an increase of ¥187 million in short-term loans payable, despite decreases of ¥40 million in accounts payable-trade, ¥83 million in current portion of loans payable, ¥4 million in income taxes payable and ¥13 million in other current liabilities.

Total non-current liabilities fell by ¥325 million (6.7% decrease), when compared to the end of the previous fiscal year, to ¥4,567 million. This was primarily due to decreases of ¥253 million in long-term loans payable and ¥67 million in lease obligations.

Total shareholders' equity rose by ¥106 million (1.5% increase) as compared to the end of the previous fiscal year to ¥7,149 million. This was primarily due to an increase of ¥145 million in retained earnings, against a decline of ¥39 million in foreign currency translation adjustment.

(3)Explanation of Consolidated Results Projections and Other Future Forecast Information

The consolidated results projections remain unchanged from the figures announced on February 13, 2017.

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