(1)Explanation of Results of Operations

Consolidated Income Statement for the three months ended March 31, 2018 (millions of yen)

	1Q of FY2017 (A)	1Q of FY2018 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	2,757	2,957	199	+7.2%
Operating income	504	435	(69)	(13.7%)
Ordinary income	484	418	(65)	(13.5%)
Profit attributable to owners of the parent	342	293	(48)	(14.3%)
No. of Tank containers (as of March 31)	6,753	7,314	561	+8.3%
Utilization rate (over 3 months)	72.4%	78.7%	+6.3%	

During the three months ended March 31, 2018, although the export of general machinery and electric machines bound for China has decreased due to Chun Jie, Chinese New Year, in Chinese community, the exports continued to grow firmly as exports of automobiles to USA and Europe has increased. The Japanese economy also saw the industrial production index rise in a wide range of industries, such as automobiles, machinery for production and electronic devices. In addition, amid significant increases in the number of employees and low unemployment rate, ratio of active job opening remains high and personal consumption rises, backed by increase of remodeling construction and travels both within Japan and overseas.

Looking at the global economy, in the U.S., although the retail sales has decreased by the pullback of consumption due to delay on tax refund and the pause of demand for repurchase of cars due to the hurricanes, number for non-farm payroll is steadily increasing, and the number of houses sold is also growing. In Europe, influence of Euro appreciation became tangible, with the new export order indices declining, PMI in the manufacturing industry in the Eurozone continued to fall for three straight months starting from the beginning of 2018. In China, although the negative effect of the termination of tax reduction on small-engine vehicles at the end of 2017 became tangible, the retail sales is growing steadily supported by good employment and income situations. The export is expanding sharply with recovery of world economy.

The Group assumes exchange rate during this year to be ¥111 for US $1. But the rate continued to remain higher than that assumption since mid-January. After the Lehman shock, with the aim to reduce the impact of exchange market, the Company promoted vigorous sales activities on export/import transactions from/to Japan and third-country trade (which does not transit through Japan) along with enlargement of domestic transaction business. As for the new gas tank container business started last year, although the delay of issuance of the permission on chlorofluorocarbon regeneration and destruction business until the end of March hindered the sales of gas related business, the sales during the three months ended March 31, 2018 were higher at ¥2,957 million, compared to the same period of the previous fiscal year, accomplishing the target set.

In terms of profits, despite increased land-rent and depreciation expenses due to continuous aggressive capital investments for future development mainly for the reinforcement of branches as well as due to the increase in the number of containers held, we secured ¥435 million of operating income and ¥418 million of ordinary income, exceeding the quarterly budget set.

(2)Explanation of Financial Position

Consolidated Balance Sheet as of March 31, 2018 (millions of yen)

ASSET	FY2017 (A)	1Q of FY2018 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	4,164	4,886	722	+17.3%
Total non-current assets	11,493	11,939	446	+3.9%
Deferred assets	-	-	-	-
Total	15,657	16,826	1,168	+7.5%

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2017 (A)	1Q of FY2018 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	3,332	3,220	(111)	(3.4%)
Total non-current liabilities	4,390	4,570	179	+4.1%
Total liabilities	7,723	7,790	67	+0.9%
Shareholders' equity	7,875	9,040	1,165	+14.8%
Total accumulated other comprehensive income	59	(4)	(64)	(108.1%)
Total shareholders' equity	7,934	9,035	1,101	+13.9%
Total	15,657	16,826	1,168	+7.5%

Total assets at the end of the first quarter ended March 31, 2018 increased by ¥1,168 million (7.5% increase) when compared to the end of the previous fiscal year, to ¥16,826 million.

Total current assets rose by ¥722 million (17.3 % increase) as compared to the end of the previous fiscal year, to ¥4,886 million. This was primarily due to increases of ¥599 million in cash and deposits and ¥193 million in other current assets, despite a decline of ¥71 million in accounts receivable-trade.

Total non-current assets increased by ¥446 million (3.9% increase) as compared to the end of the previous fiscal year, to

¥11,939 million. This was primarily due to an increase of ¥397 million in buildings and structures (net), as well as an increase of ¥376 million in tangible assets as a result of the increase in tank container (net) of ¥143 million despite the completion of the Hanshin Branch in January, which caused a decrease of ¥232 million in construction in progress that was included in other non-current assets (net).

Total current liabilities decreased by ¥111 million (3.4% decrease), as compared to the end of the previous fiscal year, to ¥3,220 million. This was primarily due to decreases of ¥75 million in accounts payable-trade and ¥166 million in income taxes payable despite increases of ¥43 million in short-term loans payable, ¥38 million in current portion of long-term loans payable and ¥27 million of other current liabilities.

Total non-current liabilities increased by ¥179 million (4.1% increase), as compared to the end of the previous fiscal year, to ¥4,570 million. This was primarily due to increases of ¥31 million in long-term loans payable, ¥82 million in lease obligations and ¥63 million in other non-current liabilities.

Total shareholders' equity rose by ¥1,101 million (13.9 % increase) as compared to the end of the previous fiscal year, to ¥9,035 million. This was primarily due to increases of ¥534 million in capital stock and capital surplus, respectively, caused by third party allotment and increase of ¥96 million in retained earnings, despite ¥63 million decrease 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, 2018.