The nine months ended September 30, 2018

(1)Explanation of Results of Operations

Consolidated Income Statement for the nine months ended September 30, 2018 (millions of yen)

	3Q of FY2017 (A)	3Q of FY2018 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	8,619	9,014	395	+4.6%
Operating income	1,470	1,411	(58)	(4.0%)
Ordinary income	1,404	1,406	1	+0.1%
Profit attributable to owners of the parent	978	977	(0)	(0.1%)
No. of Tank containers (as of September 30)	7,198	7,537	339	+4.7%
Utilization rate (over 9 months)	74.4%	78.4%	+4.0%	
				(yen)
USD/JPY	112.23	109.56	(2.67)	-

During the nine months ended September 30, 2018, although the exports and production have weakened due to the impact of a succession of natural disasters and other factors, capital investments and consumer spending maintained a recovery trend, backed by improvements in corporate earnings as well as employment and income situations. With regard to Japanese trade, mainly in imports, it has been on the increase compared to the previous fiscal year, and its exports and imports particularly with China and Asian countries maintained a favorable trend.

Looking at the global economy, although it remained solid as a whole mainly driven by the U.S., the future outlook remained unclear due to the various inherent risks of economic slowdown, such as uncertainty caused by the trade friction issue between the U.S. and China, the political situation in Europe, and growing geopolitical risk in the Middle East region.

Despite this situation, we succeeded in increasing traffic volume and improving tank containers operational efficiency (utilization rate) by aggressively increasing the number of tank containers and leveraging our overseas network. The amount of cargo accepted by the Company (mainly for exports) was affected by the temporary disruption of domestic distribution in the Hanshin area caused by damages to the Rokko Island Container Terminal in the Port of Kobe due to Typhoon Jebi in September. However, during the period under review, export/import transactions especially between

Japan and Asian countries have accomplished great achievements, significantly exceeding the results in the previous fiscal year. Sales of operations utilizing our domestic logistic facilities, such as transportation and storage, have considerably increased as well. Moreover, sales of new gas tank containers business have steadily increased to ¥159 million (compared to ¥7 million for the same period of the previous fiscal year). Owing to these factors, net sales for the nine months ended September 30, 2018 were ¥9,014 million, exceeding the results in the same period of the previous fiscal year. In terms of profits, despite posting of initial investment costs relating to the gas tank containers business in the first half of this fiscal year and consequent downturn in operating income, we secured ¥1,411 million of operating income. As a result, we secured ¥1,406 million of ordinary income, and posted ¥977 million of profit attributable to owners of the parent.

With regard to the gas tank containers business, we have recognized greater needs from customers, and thus are proactively working on business development to meet our customers' expectations. We are confident that this new business will achieve further development in the future as the second earnings driver, following the chemical tank containers business.

(2)Explanation of Financial Position

Consolidated Balance Sheet as of September 30, 2018 (millions of yen)

ASSET	FY2017 (A)	3Q of FY2018 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	4,164	5,773	1,609	+38.7%
Total non-current assets	11,493	11,947	454	+4.0%
Total	15,657	17,721	2,064	+13.2%

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2017 (A)	3Q of FY2018 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	3,332	3,308	(23)	(0.7%)
Total non-current liabilities	4,390	4,842	451	+10.3%
Total liabilities	7,723	8,151	427	+5.5%
Shareholders' equity	7,875	9,517	1,642	+20.9%
Total accumulated other comprehensive income	59	53	(5)	(10.0%)
Total shareholders' equity	7,934	9,570	1,636	+20.6%
Total	15,657	17,721	2,064	+13.2%

(a) Assets

Total assets at the end of the third quarter ended September 30, 2018 increased by ¥2,064 million (13.2% increase) when compared to the end of the previous fiscal year, to ¥17,721 million.

Total current assets increased by ¥1,609 million (38.7% increase) as compared to the end of the previous fiscal year, to ¥5,773 million. This was primarily due to increases of ¥1,413 million in cash and deposits, ¥54 million in accounts receivable-trade and ¥140 million in other current assets.

Total non-current assets increased by ¥454 million (4.0% increase) as compared to the end of the previous fiscal year, to ¥11,947 million. This was primarily due to an increase of ¥333 million in buildings and structures (net), as well as increases of ¥270 million in tank container (net), ¥66 million in intangible assets and ¥12 million in investments and other assets, despite a decrease of ¥228 million in other non-current assets (net) due to a decrease of ¥232 million in construction in progress resulting from the completion of the Hanshin Branch in January and other factors.

(b) Liabilities

Total current liabilities decreased by ¥23 million (0.7% decrease), as compared to the end of the previous fiscal year, to ¥3,308 million. This was primarily due to decreases of ¥83 million in accounts payable-trade, ¥7 million in lease obligations and ¥136 million in income taxes payable despite increases of ¥90 million in short-term loans payable, ¥39 million in current portion of long-term loans payable, ¥42 million in provision for bonuses and ¥38 million in other current liabilities. Total non-current liabilities increased by ¥451 million (10.3% increase), as compared to the end of the previous fiscal year, to ¥4,842 million. This was primarily due to increases of ¥369 million in lease obligations, ¥9 million in net defined benefit liability and ¥68 million in other non-current liabilities.

(c) Shareholder's equity

Total shareholders' equity increased by ¥1,636 million (20.6% increase), as compared to the end of the previous fiscal year, to ¥9,570 million. This was primarily due to increases of ¥534 million in both capital stock and capital surplus, resulting from third party share allotment and increase of ¥573 million in retained earnings, despite ¥5 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.