The three months ended March 31, 2019

(1)Explanation of Results of Operations

Consolidated Income Statement for the three months ended March 31, 2019 (millions of yen)

	1Q of FY2018 (A)	1Q of FY2019 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	2,957	3,108	150	+5.1%
Operating income	435	481	45	+10.5%
Ordinary income	418	476	57	+13.7%
Profit attributable to owners of the parent	293	335	42	+14.5%
No. of Tank containers (as of March 31)	7,314	7,885	571	+7.8%
Utilization rate (over 3 months)	78.7%	75.7%	(3.0%)	

During the three months ended March 31, 2019, the Japanese economy experienced strong domestic demand but weakened external demand, sluggish industrial production, and the effects of faltering overseas economies on export and some production. While major countries' trade with China continued to slow down due to the impact of U.S.–China trade friction, China saw the recovery of investments boosted by the government's economic measures despite weak consumer spending, and the slowdown of GDP growth halted for the first time in four quarters. However, the global economy is in a delicate state and remains uncertain due to the manifestation of geopolitical risks, such as rising tensions resulting from U.S. protectionist trade policies, political risks in Europe, and instability in the Middle East.

Despite this business environment, the Group is producing steady results by focusing on growing imports from overseas to Japan. Furthermore, in the gas-related business, which started the year before last, the fluorocarbon recycling, recovery, and destruction business lines are steadily expanding, and new customers are firmly increasing. As a result, net sales for the three months ended March 31, 2019 reached a record high of ¥3,108 million, a ¥150 million (5.1%) increase from the previous corresponding period.

Furthermore, in terms of profits, although expenses including depreciation expense

are rising as we continue our aggressive capital investments, such as enhancing branch facilities and increasing the number of tank containers in anticipation of the future, operating income achieved a record high of ¥481 million, a ¥45 million (10.5%) increase from the previous corresponding period. Ordinary income also recorded ¥476 million, a ¥57 million (13.7%) increase from the previous corresponding period.

(2) Explanation of Financial Position

Consolidated Balance Sheet as of March 31, 2019 (millions of yen)

ASSET	FY2018 (A)	1Q of FY2019 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	5,711	6,009	298	+5.2%
Total non-current assets	12,023	12,156	132	+1.1%
Total	17,734	18,166	431	+2.4%

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2018 (A)	1Q of FY2019 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	2,986	3,272	286	+9.6%
Total non-current liabilities	4,857	4,873	15	+0.3%
Total liabilities	7,843	8,145	301	+3.8%
Shareholders' equity	9,886	10,013	127	+1.3%
Total accumulated other comprehensive income	5	7	2	+42.6%
Total shareholders' equity	9,891	10,020	129	+1.3%
Total	17,734	18,166	431	+2.4%

Total assets at the end of the first quarter ended March 31, 2019 increased by ¥431 million (2.4% increase) when compared to the end of the previous fiscal year, to ¥18,166 million.

Total current assets increased by ¥298 million (5.2% increase) as compared to the

end of the previous fiscal year, to ¥6,009 million. This was primarily due to increases of ¥525 million in cash and deposits and ¥110 million in accounts receivable-trade, despite a decrease of ¥337 million in other current assets.
Total non-current assets increased by ¥132 million (1.1% increase) as compared to the end of the previous fiscal year, to ¥12,156 million. This was primarily due to increases of ¥155 million in tank container (net) and ¥11 million in other property, plant and equipment (net), despite a decrease of ¥35 million in buildings and structures (net).
Total current liabilities increased by ¥286 million (9.6% increase), as compared to the end of the previous fiscal year, to ¥3,272 million. This was primarily due to increases of ¥14 million in accounts payable-trade, ¥430 million in short-term loans payable, ¥25 million in lease obligations, and ¥58 million in other current liabilities, despite decreases of ¥86 million in current portion of long-term loans payable and ¥178 million in income taxes payable.
Total non-current liabilities increased by ¥15 million (0.3% increase), as compared to the end of the previous fiscal year, to ¥4,873 million. This was primarily due to increases of ¥251 million in lease obligations and ¥13 million in other non-current liabilities, despite a decrease of ¥251 million in long-term loans payable.
Total shareholders' equity increased by ¥129 million (1.3% increase), as compared to the end of the previous fiscal year, to ¥10,020 million. This was primarily due to an increase of ¥127 million in retained earnings.

(3) Explanation of Consolidated Results Projections and Other Future Forecast Information
The consolidated results projections remain unchanged from the figures announced on February 13, 2019.