The three months ended March 31, 2021

(1) Explanation of Results of Operations

Consolidated Income Statement for the three moths ended March 31, 2021 (millions of yen)

	1Q of FY2020 (A)	1Q of FY2021 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	3,150	3,676	525	+16.7%
Operating income	345	500	154	+44.7%
Ordinary income	364	461	97	+26.7%
Profit attributable to owners of the parent	258	334	76	+29.6%
No. of Tank containers (as of March 31)	8,172	9,252	1,080	+13.2%
Utilization rate (over 3 months)	70.9%	77.5%	+6.6%	

During the three months ended March 31, 2021, the Japanese economy encountered further deteriorating business sentiment in industries involving consumer spending such as services for individuals as well as accommodation, food and beverage business services, particularly as a result of the government having issued another state of emergency declaration due to a resurgence of the novel coronavirus (COVID-19) pandemic. On the other hand, the manufacturing industry has seen improvement in revenue as the yen depreciates and exports increase, resulting in a polarization in business sentiment across different industries.

Looking at the world economy, despite further proliferation of COVID-19, consumer and manufacturer confidence in the U.S. has been improving amid mounting hopes of economic recovery underpinned by widespread availability of vaccinations and additional economic stimulus. In Europe, corporate confidence centering on the manufacturing industry has remained firm, despite prolonged restrictions imposed on activity. Meanwhile, China has been facing a moderate slowdown in economic recovery amid factors that include tighter restrictions on activity and people's reluctance to visit their hometowns during the Chinese New Year, but investment in

fixed assets has been expanding substantially due to economic measures combined with surging demand particularly for information and communication equipment.

The Group made concerted efforts in its sales activities with the aim of acquiring export transactions which are on the rise amid this business environment. As a result, export sales substantially increased to record highs, owing to achievements such as winning new business from customers who had previously procured services elsewhere. As for domestic transactions, sales mainly involving domestic transportation greatly exceeded those of the previous corresponding period as well, owing to marked increases in storage operations that leverage the Company's network of domestic branch locations, which serve as its strength. Moreover, sales of the gas tank container business amounted to ¥142 million (¥132 million for the previous corresponding period), amid its ongoing expansion. As a result, net sales for the three months ended March 31, 2021 amounted to ¥3,676 million, an increase of ¥525 million, or 16.7% from the previous corresponding period. In terms of profits, the Group recorded operating income of ¥500 million, a 44.7% increase from the previous corresponding period, as a result of efforts to curb expenses, while concurrently suppressing cost increases amid an increase in depreciation and amortization associated with ongoing capital investments centered on tank containers. Ordinary income was ¥461 million, a 26.7% increase from the previous corresponding period, despite having recorded ¥29 million in foreign exchange losses (foreign exchange gains of ¥27 million for the previous corresponding period).

(2) Explanation of Financial Position

Consolidated Balance Sheet as of March 31, 2021 (millions of yen)

ASSET	FY2020 (A)	1Q of FY2021 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	6,808	7,353	544	+8.0%
Total non-current assets	12,200	12,626	426	+3.5%
Total	19,008	19,979	970	+5.1%

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2020 (A)	1Q of FY2021 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	2,962	3,197	235	+8.0%
Total non-current liabilities	4,641	5,135	493	+10.6%
Total liabilities	7,603	8,333	729	+9.6%
Shareholders' equity	11,489	11,616	126	+1.1%
Total accumulated other comprehensive income	(84)	29	114	-
Total shareholders' equity	11,404	11,646	241	+2.1%
Total	19,008	19,979	970	+5.1%

Total assets at the end of the first quarter ended March 31, 2021, increased by ¥970 million (5.1% increase) as compared to the end of the previous fiscal year, to ¥19,979 million.

Total current assets increased by ¥544 million (8.0% increase) as compared to the end of the previous fiscal year, to ¥7,353 million. This was primarily due to increases of ¥203 million in cash and deposits, ¥331 million in accounts receivable–trade, and ¥10 million in other current assets.

Total non-current assets increased by ¥426 million (3.5% increase) as compared to the end of the previous fiscal year, to ¥12,626 million. This was primarily due to an increase of ¥462 million in tank containers (net), despite decreases of ¥9 million in buildings and structures (net), and ¥20 million in other property, plant and equipment (net).

Total current liabilities increased by ¥235 million (8.0% increase), as compared to the end of the previous fiscal year, to ¥3,197 million. This was primarily due to increases of ¥217 million in accounts payable-trade, ¥126 million in short-term loans payable, and ¥31 million in provision for bonuses, despite decreases of ¥75 million in current portion of long-term loans payable, ¥11 million in lease obligations, ¥10 million in income taxes payable and ¥39 million in other current liabilities.
Total non-current liabilities increased by ¥493 million (10.6% increase), as compared to the end of the previous fiscal year, to ¥5,135 million. This was primarily due to an increase of ¥593 million in lease obligations, despite a decrease of ¥96 million in long-term loans payable.
Total shareholders' equity increased by ¥241 million (2.1% increase), as compared to the end of the previous fiscal year, to ¥11,646 million. This was primarily due to increases of ¥126 million in retained earnings, and ¥114 million in foreign currency translation adjustment.

(3) Explanation of Consolidated Results Projections and Other Future Forecast Information
With the COVID-19 pandemic spreading worldwide, despite gradual progress being made with respect to vaccinations extending globally, it is still not possible to predict when the virus will likely be contained amid a new scourge of highly infectious viral mutations.
Under these circumstances, we have been doing our utmost to fully address customer needs by taking measures to provide tank containers amid a situation where ocean freight rates surge as export volume from Japan grows substantially and container ship space becomes scarce. Although both sales and profits for the three months ended March 31, 2021 exceeded those of the previous corresponding period as a result of our efforts, we will leave the consolidated results projections undetermined as of today, given that it is still not possible to reasonably calculate earnings forecasts for the fiscal year ending December 31, 2021.
Taking our future business developments into account, we will carefully monitor effects on our business performance and will promptly announce the results projections once we are able to make a reasonable calculation of the forecast figures.