The nine months ended September 30, 2021

(1) Explanation of Results of Operations

Consolidated Income Statement for the nine months ended September 30, 2021 (millions of yen)

	3Q of FY2020 (A)	3Q of FY2021 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	9,126	12,119	2,993	+32.8%
Operating income	1,145	2,000	855	+74.6%
Ordinary income	1,126	1,950	823	+73.1%
Profit attributable to owners of the parent	798	1,381	583	+73.1%
No. of Tank containers (as of September 30)	8,243	9,502	1,259	+15.3%
Utilization rate (over 9 months)	70.7%	76.7%	+6.0%	

During the nine months ended September 30, 2021, the Japanese economy, in the manufacturing industry, saw improved business sentiment for production machinery and commercial machinery against the backdrop of an increase in exports accompanying the recovery of overseas economies. On the other hand, shortage of components and semiconductors resulting from the spread of the novel coronavirus (COVID-19) in Southeast Asia led to negative growth in the automobile industry.

Looking at the world economy, in the U.S., although orders increased at a high rate in the manufacturing industry, manufacturing production growth slowed due to prolonged supply constraints. In Europe, manufacturing production almost recovered to pre-COVID-19 levels, but supply constraints continued to weigh on production recovery. On the other hand, in China, economic activity slowed down due to tightening restrictions on activities for containing the spread of COVID-19, government investment restraint measures and supply restrictions due to semiconductor shortages.

Even in such an environment, as a result of the head office, branch offices and overseas subsidiaries working together to promote sales activities, the number of transactions has increased significantly on a global scale as the Company acquired new customers and received orders for new businesses. In addition, customers expressed their approval for the Company for establishing a sales system that rapidly responded to customer needs while actively negotiating the soaring ocean freight rates. These factors have remained

unchanged since the beginning of the year and have contributed to a significant increase in net sales, hitting record highs in the nine months ended September 30, 2021. Moreover, in domestic transactions, sales mainly involving domestic transportation greatly exceeded those of the previous corresponding period due to the promotion of business that leverages the Company's domestic branch locations, which serve as its strength. In addition, in the gas tank container business, which is another pillar of our business, net sales increased to ¥476 million (¥373 million for the previous corresponding period) as a result of continued aggressive sales activities.

Net sales for the nine months ended September 30, 2021 amounted to ¥12,119 million, an increase of ¥2,993 million, or 32.8% from the previous corresponding period. The number of tank containers held by the Company increased from the end of the previous corresponding period (please refer to the number of tank containers held, mentioned above) due to aggressive investments that far exceeded the pace of previous years. This led to an increase in depreciation and amortization, and despite the fact that selling, general and administrative expenses increased by 6.7% from the previous corresponding period to ¥1,130 million, operating income amounted to ¥2,000 million, an increase of ¥855 million, or 74.6% from the previous corresponding period. In addition, ordinary income was ¥1,950 million, an increase of ¥823 million, or 73.1% from the previous corresponding period.

(2) Explanation of Financial Position

Consolidated Balance Sheet as of September 30, 2021 (millions of yen)

ASSET	FY2020 (A)	3Q of FY2021 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Total current assets	6,808	8,913	2,104	+30.9%
Total non-current assets	12,200	12,471	270	+2.2%
Total	**19,008**	**21,384**	**2,375**	**+12.5%**

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2020 (A)	3Q of FY2021 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	2,962	3,437	475	+16.0%
Total non-current liabilities	4,641	5,446	804	+17.3%
Total liabilities	**7,603**	**8,883**	**1,279**	**+16.8%**
Shareholders' equity	11,489	12,455	965	+8.4%
Total accumulated other comprehensive income	(84)	45	129	-
Total shareholders' equity	**11,404**	**12,500**	**1,095**	**+9.6%**
Total	**19,008**	**21,384**	**2,375**	**+12.5%**

Total assets at the end of the third quarter ended September 30, 2021, increased by ¥2,375 million (12.5% increase) when compared to the end of the previous fiscal year, to ¥21,384 million.

Total current assets increased by ¥2,104 million (30.9% increase) as compared to the end of the previous fiscal year, to ¥8,913 million. This was primarily due to increases of ¥1,389 million in cash and deposits, ¥552 million in accounts receivable-trade and ¥162 million in other current assets.

Total non-current assets increased by ¥270 million (2.2% increase) as compared to the end of the previous fiscal year, to ¥12,471 million. This was primarily due to an increase of ¥444 million in tank containers (net), despite decreases of ¥92 million in buildings and structures (net), ¥68 million in other property, plant and equipment and ¥25 million in intangible assets.

Total current liabilities increased by ¥475 million (16.0% increase), as compared to the end of the previous fiscal year, to ¥3,437 million. This was primarily due to increases of ¥223

million in accounts payable-trade, ¥85 million in short-term loans payable, ¥79 million in lease obligations and ¥246 million in income taxes payable, despite a decrease of ¥171 million in current portion of long-term loans payable.
Total non-current liabilities increased by ¥804 million (17.3% increase), as compared to the end of the previous fiscal year, to ¥5,446 million. This was primarily due to increases of ¥204 million in long-term loans payable and ¥589 million in lease obligations.
Total shareholders' equity increased by ¥1,095 million (9.6% increase), as compared to the end of the previous fiscal year, to ¥12,500 million. This was primarily due to increases of ¥965 million in retained earnings and ¥129 million in foreign currency translation adjustment.

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