The fiscal year ended December 31, 2021

(1) Overview of Results of Operations, etc.

1) Overview of results of operations for the fiscal year ended December 31, 2021

Consolidated Income Statement for the fiscal year ended December 31, 2021 (millions of yen)

	FY2020 (A)	FY2021 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	12,277	17,000	4,722	+38.5%
Operating income	1,496	2,803	1,307	+87.4%
Ordinary income	1,450	2,720	1,269	+87.6%
Profit attributable to owners of the parent	1,029	1,919	890	+86.5%
No. of Tank containers (as of December 31)	8,482	9,701	1,219	+14.4%
Utilization rate (over 12 months)	71.1%	77.0%	+5.9%	

During the fiscal year ended December 31, 2021, the Japanese economy saw business sentiment of companies in the manufacturing industry continue to improve, supported by the strength of overseas demand and the relaxation of supply constraints, despite a rise in resource prices. Moreover, production activities are recovering rapidly, with the industrial production index rising sharply. However, although exports recovered significantly in the latter half of the year against a backdrop of increased production of automobiles as supply constraints on components were eased, the decline in sales up to that point could not be covered and the revenue of transportation companies fell sharply.

Looking at the world economy, in the U.S., production in the manufacturing industry is recovering, centered on automobiles and components, aircrafts and food products, and capital investment is also steadily increasing. The euro zone also saw production in the manufacturing industry increase due to the recovery of transportation machinery, and the suppliers' delivery times index for manufacturing PMI rose sharply for the second straight month through December. In China, exports of industrial machinery and chemical products to emerging countries increased, and exports of electrical equipment and industrial machinery to the euro zone were strong. On the other hand, exports to the U.S. slowed down slightly, mainly textiles, toys, and electrical equipment, due to the end of the Christmas sales season.

In this rapidly changing 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, we have received acclaim for establishing a sales system that rapidly responded to customer needs while also actively negotiating with shipping companies about changes and delays in shipping schedules due to soaring ocean freight rates and congestion of container

yards caused by tight supply and demand for container ships. Moreover, in domestic transactions, sales mainly involving domestic transportation greatly exceeded those of the previous year due to our promotion of business that leverages our domestic branch network. In addition, in the gas tank container business, which is another pillar of our business, net sales for the fiscal year increased to ¥665 million (¥497 million for the previous year) due to continued sales activities on a global scale.

As a result, net sales for the fiscal year ended December 31, 2021 exceeded the previous year by ¥4,722 million, amounting to a record high of ¥17,000 million (an increase of 38.5% from the previous year). In terms of expenses, due to the number of tank containers held by the Company increasing significantly (an increase of 14.4% from the end of the previous fiscal year) as a result of purchasing more than 1,200 tank containers in order to proactively respond to strong transportation needs of our customers and the tightness of available cargo space on container ships, the cost of sales, including depreciation and amortization, tank container leasing fees and ocean freight rates, increased by ¥3,281 million (an increase of 35.0% from the previous year) to ¥12,652 million. In addition, selling, general and administrative expenses amounted to ¥1,544 million, an increase of 9.5% from the previous year. On the other hand, revenue increased more than sales growth, and both operating income and ordinary income reached record highs, amounting to ¥2,803 million (an increase of 87.4% from the previous year) and ¥2,720 million (an increase of 87.6%), respectively.

2) Overview of financial position for the fiscal year ended December 31, 2021

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

ASSET	FY2020 (A)	FY2021 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	6,808	9,707	2,898	+42.6%
Total non-current assets	12,200	12,657	457	+3.7%
Total	19,008	22,364	3,355	+17.7%

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2020 (A)	FY2021 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	2,962	3,677	715	+24.2%
Total non-current liabilities	4,641	5,586	945	+20.4%
Total liabilities	7,603	9,264	1,660	+21.8%
Shareholders' equity	11,489	12,993	1,503	+13.1%
Total accumulated other comprehensive income	(84)	106	191	-
Total shareholders' equity	11,404	13,099	1,694	+14.9%
Total	19,008	22,364	3,355	+17.7%

(a) Assets

Total current assets increased by ¥2,898 million (42.6% increase) as compared to the end of the previous fiscal year, to ¥9,707 million. This was primarily due to increases of ¥1,155 million in cash and deposits and ¥998 million in accounts receivable-trade.

Total non-current assets increased by ¥457 million (3.7% increase) as compared to the end of the previous fiscal year, to ¥12,657 million. This was primarily due to increases of ¥582 million in tank containers (net), ¥39 million in construction in progress and ¥53 million in investments and other assets, despite decreases of ¥116 million in buildings and structures (net), ¥59 million in machinery, equipment and vehicles (net) and ¥34 million in intangible assets.

As a result, total assets increased by ¥3,355 million (17.7% increase) when compared to the end of the previous fiscal year, to ¥22,364 million.

(b) Liabilities

Total current liabilities increased by ¥715 million (24.2% increase), as compared to the end of the previous fiscal year, to ¥3,677 million. This was primarily due to increases of ¥384 million in accounts payable-trade, ¥82 million in lease obligations, ¥473 million in income taxes payable and ¥98 million in other current liabilities, despite decreases of ¥80 million in short-term loans payable and ¥249 million in current portion of long-term loans payable.

Total non-current liabilities increased by ¥945 million (20.4% increase), as compared to the end of the previous fiscal year, to ¥5,586 million. This was primarily due to increases of ¥124 million in long-term loans payable and ¥818 million in lease obligations.

(c) Shareholder's equity

Total shareholders' equity increased by ¥1,694 million (14.9% increase), as compared to the end of the previous fiscal year, to ¥13,099 million. This was primarily due to increases of ¥1,503 million in retained earnings and ¥190 million in foreign currency translation adjustment.

3) Overview of cash flows for the fiscal year ended December 31, 2021

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year ended December 31, 2021 increased by ¥2,004 million, as compared to the end of the previous fiscal year, to ¥3,435 million. The status of cash flows for the fiscal year ended December 31, 2021 and the related factors are as described below.

(a) Net cash provided by operating activities

Funds provided by operating activities resulted in a cash inflow of ¥2,546 million (compared to a cash inflow of ¥2,241 million for the previous fiscal year). This was primarily due to cash inflows from profit before income taxes of ¥2,701 million, depreciation and amortization of ¥1,328 million, as well as an increase of ¥346 million in trade payables, in contrast to cash outflows for an increase of ¥934 million in trade receivables, ¥561 million in other increases due to operating activities and ¥348 million in income taxes paid.

(b) Net cash provided by investing activities

Funds provided by investing activities resulted in a cash inflow of ¥628 million (compared to a cash outflow of ¥3,494 million for the previous fiscal year). This was primarily due to a cash inflow of ¥855 million from a net decrease in time deposits, despite cash outflows of ¥191 million in purchase of property, plant and equipment and ¥22 million in other expenses due to investing activities.

(c) Net cash used in financing activities

Funds used in financing activities resulted in a cash outflow of ¥1,253 million (compared to a cash outflow of ¥1,425 million for the previous fiscal year). This was mainly because of cash outflows for a net decrease in short-term loans payable of ¥80 million, repayment of long-term loans of ¥685 million, repayment of lease obligations of ¥634 million and payment of dividends to shareholders of ¥414 million, despite a cash inflow from proceeds from long-term loans of ¥560 million.