The nine months ended September 30, 2022

(1) Explanation of Results of Operations

Consolidated Income Statement for the nine months ended September 30, 2022 (millions of yen)

	3Q of FY2021 (A)	3Q of FY2022 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	12,119	17,192	5,072	+41.9%
Operating income	2,000	3,758	1,757	+87.8%
Ordinary income	1,950	3,717	1,767	+90.6%
Profit attributable to owners of the parent	1,381	2,567	1,185	+85.8%
No. of Tank containers (as of September 30)	9,502	10,008	506	+5.3%
Utilization rate (over 9 months)	76.7%	75.0%	(1.7%)	

During the nine months ended September 30, 2022, the Japanese economy saw a deterioration in business sentiment DI of companies in the manufacturing industry for three consecutive quarters due to the downward pressure on the materials industries resulting from increasing raw material costs backed by rising resource prices and the weakening Japanese yen. On the other hand, the non-manufacturing industry saw an increase in the business sentiment DI for two consecutive quarters due to an improvement in the construction, logistics-related, and other industries, though a recovery in services consumption took a breather.

Looking at the world economy, in the U.S., the ISM Manufacturing New Orders Index decreased to a level below 50 partly due to the Fed's continued rate hikes under deteriorating corporate sentiment in the manufacturing industry as represented by a decrease in September of the ISM Manufacturing PMI to 50.9. On the other hand, the corporate sentiment was strong in the service sector mainly due to a shift in demand from goods to services, with the ISM Services PMI in September remaining high at 56.7.

In Europe, a downturn continued in the manufacturing industry due to both demand- and supply-side factors. The reasons behind this were a slowdown in the recovery trend in the service industries that had underpinned the economy so far, a high-inflation environment resulting from rising prices for foods and energy, and monetary tightening policies. In September, accordingly, the new orders index marked 41.3, falling short of 50 for five consecutive months.

In China, the amount of exports to the U.S. decreased for consumer goods such as textiles and toys, electrical equipment, and transportation machinery. Growth in export to the EU also slowed down mainly for industrial machinery. While imports of machinery from Japan, Europe, and NIEs were sluggish due to sluggish capital investment, the amount of imports from

resource-rich countries increased in line with rising resource prices.

Under this environment, the disruption in marine transportation that had started since autumn in the year before last is returning to a calm situation, and the port congestion represented by the U.S. West Coast is also being resolved. The operations of container ships are becoming stable, and the tightened situation of the cargo space is also being relaxed. Moreover, this year coincides with the year in which factories of many companies need mandatory large-scale maintenance that is carried out periodically. Thanks to our concerted efforts to promote sales activities, sales increased significantly for domestic transportation immune to foreign exchange fluctuations and for domestic transportation through incidental services from our branches. As a result, the Group's performance for the nine months ended September 30, 2022 greatly exceeded that of the previous corresponding period. Furthermore, the gas tank container business, which is in its sixth year, is also steadily expanding, and recorded sales of ¥670 million (¥476 million for the previous corresponding period).

As a result, net sales for the nine months ended September 30, 2022 exceeded the previous corresponding period by ¥5,072 million, amounting to ¥17,192 million (an increase of 41.9% from the previous corresponding period). Meanwhile, we have continued to invest in tank containers proactively. As of the end of the nine months ended September 30, 2022, the number of our tank containers exceeded 10,000, with our next interim target of 20,000 now in sight. This led to an increase in depreciation and amortization, and selling, general and administrative expenses also increased to ¥1,368 million (21.1% increase from the previous corresponding period). Owing to our strong sales capabilities, however, operating income amounted to ¥3,758 million, an increase of ¥1,757 million, or 87.8% from the previous corresponding period. In addition, ordinary income was ¥3,717 million, an increase of ¥1,767 million, or 90.6% from the previous corresponding period.

(2) Explanation of Financial Position

Consolidated Balance Sheet as of September 30, 2022 (millions of yen)

ASSET	FY2021 (A)	3Q of FY2022 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	9,707	12,782	3,075	+31.7%
Total non-current assets	12,657	12,677	19	+0.2%
Total	**22,364**	**25,459**	**3,095**	**+13.8%**

LIABILITIES AND NET ASSETS	FY2021 (A)	3Q of FY2022 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	3,677	4,226	548	+14.9%
Total non-current liabilities	5,586	5,497	(89)	(1.6%)
Total liabilities	**9,264**	**9,724**	**459**	**+5.0%**
Total shareholders' equity	12,993	15,111	2,118	+16.3%
Total accumulated other comprehensive income	106	623	517	+485.9%
Total net assets	**13,099**	**15,735**	**2,635**	**+ 20.1%**
Total	**22,364**	**25,459**	**3,095**	**+13.8%**

Total assets at the end of the third quarter ended September 30, 2022, increased by ¥3,095 million (13.8% increase) as compared to the end of the previous fiscal year, to ¥25,459 million.

Total current assets increased by ¥3,075 million (31.7% increase) as compared to the end of the previous fiscal year, to ¥12,782 million. This was primarily due to increases of ¥2,580 million in cash and deposits and ¥697 million in notes and accounts receivable–trade, and contract assets (this item was presented as accounts receivable–trade for the end of the previous fiscal year), despite a decrease of ¥202 million in other current assets.

Total non-current assets increased by ¥19 million (0.2% increase) as compared to the end of the previous fiscal year, to ¥12,677 million. This was primarily due to increases of ¥83 million in other property, plant and equipment and ¥31 million in investments and other assets, despite a decrease of ¥94 million in buildings and structures (net).

Total current liabilities increased by ¥548 million (14.9% increase), as compared to the end of the previous fiscal year, to ¥4,226 million. This was primarily due to increases of ¥173 million in accounts payable–trade, ¥65 million in short-term loans payable, ¥134 million in current portion of long-term loans payable, ¥175 million in income taxes payable and ¥86

million in provision for bonuses, despite a decrease of ¥85 million in other current liabilities.

Total non-current liabilities decreased by ¥89 million (1.6% decrease), as compared to the end of the previous fiscal year, to ¥5,497 million. This was primarily due to a decrease of ¥349 million in long-term loans payable, despite increases of ¥217 million in lease obligations and ¥24 million in other non-current liabilities.

Total shareholders' equity increased by ¥2,635 million (20.1% increase), as compared to the end of the previous fiscal year, to ¥15,735 million. This was primarily due to increases of ¥2,118 million in retained earnings and ¥517 million in foreign currency translation adjustment.

(3) Explanation of Consolidated Results Projections and Other Future Forecast Information

Due to uncertainties regarding trends in ocean freight rates, the outlook for the availability of cargo space for container ships, and the spread of the novel coronavirus disease (COVID-19), no revisions have been made to the full-year consolidated results projections for the fiscal year ending December 31, 2022, which were announced on May 12, 2022. After the announcement, soaring ocean freight rates are calming down, and the availability of cargo space for container ships is returning to a normal level. In addition, we have judged that we can revise our results projections by comparing the information obtained through our steadfast sales activities with our business strategies. Accordingly, we have revised the full-year consolidated results projections for the fiscal year ending December 31, 2022.