The fiscal year ended December 31, 2022

(1) Overview of Results of Operations, etc.

1) Overview of results of operations for the fiscal year ended December 31, 2022

Consolidated Income Statement for the fiscal year ended December 31, 2022 (millions of yen)

	FY2021 (A)	FY2022 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	17,000	23,081	6,080	+35.8%
Operating income	2,803	4,885	2,081	+74.2%
Ordinary income	2,720	4,709	1,988	+73.1%
Profit attributable to owners of the parent	1,919	3,261	1,341	+69.9%
No. of Tank containers (as of December 31)	9,701	10,036	335	+3.5%
Utilization rate (over 12 months)	77.0%	73.6%	(3.4%)	

During the fiscal year ended December 31, 2022, the Japanese economy saw a sharp recovery in inbound demand due to the relaxation of border control measures, resulting in a significant improvement in business sentiment related to consumption, such as accommodation and food and beverage services. On the other hand, increases in raw material costs worsened business sentiment in the manufacturing industry, mainly in the materials industries such as petroleum/coal products and paper/pulp. In terms of exports, while electronic parts and devices trended downward due to the cyclical decline in demand for semiconductors, automobiles are recovering due to the easing of supply constraints, and capital goods increased against a backdrop of firm capital investment worldwide.

Looking at the world economy, in the U.S., while the goods production sector (including the manufacturing and construction industries) continued to stagnate, the mining industry and service sector boosted the economy as a whole. In addition, capital investment remained firm, with orders for non-defense capital goods continuing to increase. Despite continued high inflation in the euro zone, the rise in the rate of increase in consumer price index in December slowed down for the second straight month due to a lull in soaring resource prices, and the core indexes, excluding food and energy, continued to grow from the previous month. Moreover, in the U.K., energy-intensive industries such as the chemical and primary materials industries continued to fall below pre-COVID levels, and their decline in production has not stopped after peaking in the early spring of 2021. In China, while exports to ASEAN countries remained strong, exports to the U.S. and EU declined across a broad range of goods, and the recovery in imports remained slow.

Under this environment, the disruption in marine transportation that had started since autumn in the year before last has

returned to a calm situation, and the resolving of port congestion represented by the U.S. West Coast is continuing. The operations of container ships are becoming stable, and the tightened situation of cargo space is also being relaxed. Moreover, among manufacturers that carry out periodical inspections and maintenance of factory equipment as stipulated by law, for many of them, 2022 was the year for mandatory large-scale periodical maintenance that needs many days. Despite this, thanks to our concerted efforts to promote sales activities, sales increased significantly for domestic transportation through incidental services from our branches, including temporary storage of raw materials and in-process items. On the other hand, in international transportation where pricing is done in U.S. dollars, the rapid depreciation of the yen from early spring contributed to an increase in yen-based sales (increase in sales of about ¥1,050 million compared to the assumption that the exchange rate is 1 U.S. dollar = 115 yen. Provisional calculation base), and the Group as a whole was able to achieve results that far surpassed those of the previous fiscal year. Furthermore, the gas tank container business, which is in its sixth year, is steadily expanding despite a low percentage of variable costs in cost of sales, and sales increased from ¥665 million in the previous fiscal year to ¥921 million, contributing to the improvement of profitability.

As a result, net sales for the fiscal year ended December 31, 2022 reached ¥23,081 million (an increase of 35.8% from the previous year), ¥6,080 million more than the record high recorded in the previous fiscal year. Meanwhile, we have continued to invest in tank containers proactively. As of the end of the fiscal year ended December 31, 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 increased to ¥1,951 million (an increase of 26.4% from the previous year) due to the Company raising wages, including lump-sum payments, ahead of other companies, improving the working environment, and proactively enhancing facilities with an eye to the future, in light of rising prices. Owing to our strong sales capabilities, however, operating income amounted to ¥4,885 million, an increase of ¥2,081 million, or 74.2% from the previous year. In addition, ordinary income was ¥4,709 million, an increase of ¥1,988 million, or 73.1% from the previous year, as the Company continued to set new record highs.

2) Overview of financial position for the fiscal year ended December 31, 2022

Consolidated Balance Sheet as of December 31, 2022 (millions of yen)

ASSET	FY2021 (A)	FY2022 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	9,707	13,622	3,915	+40.3%
Total non-current assets	12,657	12,554	(102)	(0.8%)
Total	**22,364**	**26,177**	**3,812**	**+ 17.0%**

LIABILITIES AND NET ASSETS	FY2021 (A)	FY2022 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	3,677	4,673	996	+27.1%
Total non-current liabilities	5,586	5,266	(320)	(5.7%)
Total liabilities	**9,264**	**9,940**	**675**	**+7.3%**
Total shareholders' equity	12,993	15,805	2,812	+21.6%
Total accumulated other comprehensive income	106	431	325	+305.3%
Total net assets	**13,099**	**16,237**	**3,137**	**+23.9%**
Total	**22,364**	**26,177**	**3,812**	**+17.0%**

(a) Assets

Total current assets increased by ¥3,915 million (40.3% increase) as compared to the end of the previous fiscal year, to ¥13,622 million. This was primarily due to increases of ¥3,833 million in cash and deposits and ¥664 million in accounts receivable-trade, despite a decrease of ¥489 million in other current assets.

Total non-current assets decreased by ¥102 million (0.8% decrease) as compared to the end of the previous fiscal year, to ¥12,554 million. This was primarily due to decreases of ¥195 million in buildings and structures (net) and ¥123 million in tank containers (net), despite an increase of ¥185 million in construction in progress.

As a result, total assets increased by ¥3,812 million (17.0% increase) when compared to the end of the previous fiscal year, to ¥26,177 million.

(b) Liabilities

Total current liabilities increased by ¥996 million (27.1% increase), as compared to the end of the previous fiscal year, to

¥4,673 million. This was primarily due to increases of ¥332 million in accounts payable-trade and ¥521 million in income taxes payable.
Total non-current liabilities decreased by ¥320 million (5.7% decrease), as compared to the end of the previous fiscal year, to ¥5,266 million. This was primarily due to a decrease of ¥425 million in long-term loans payable, despite an increase of ¥95 million in lease obligations.

(c) Net assets
Total net assets increased by ¥3,137 million (23.9% increase), as compared to the end of the previous fiscal year, to ¥16,237 million. This was primarily due to increases of ¥2,812 million in retained earnings and ¥324 million in foreign currency translation adjustment.

3) Overview of cash flows for the fiscal year ended December 31, 2022
Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year ended December 31, 2022 increased by ¥3,738 million, as compared to the end of the previous fiscal year, to ¥7,173 million. The status of cash flows for the fiscal year ended December 31, 2022 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 ¥5,703 million (compared to a cash inflow of ¥2,546 million for the previous fiscal year). This was primarily due to cash inflows from profit before income taxes of ¥4,708 million, depreciation and amortization of ¥1,469 million, an increase of ¥253 million in trade payables, as well as ¥695 million in other increases due to operating activities, in contrast to cash outflows for an increase of ¥482 million in trade receivables and ¥1,054 million in income taxes paid.

(b) Net cash used in investing activities
Funds used in investing activities resulted in a cash outflow of ¥555 million (compared to a cash inflow of ¥628 million for the previous fiscal year). This was primarily due to cash outflows of ¥80 million from a net increase in time deposits and ¥473 million in purchase of property, plant and equipment.

(c) Net cash used in financing activities
Funds used in financing activities resulted in a cash outflow of ¥1,530 million (compared to a cash outflow of ¥1,253 million for the previous fiscal year). This was mainly because of cash outflows for repayment of long-term loans of ¥400 million, repayment of lease obligations of ¥735 million and payment of dividends to shareholders of ¥455 million, despite a cash inflow from proceeds from long-term loans of ¥100 million.

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