The three months ended March 31, 2023

(1) Explanation of Results of Operations

Consolidated Income Statement for the three months ended March 31, 2023 (millions of yen)

	1Q of FY2022 (A)	1Q of FY2023 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	5,244	4,804	(439)	(8.4%)
Operating income	1,179	1,141	(38)	(3.2%)
Ordinary income	1,155	1,139	(15)	(1.4%)
Profit attributable to owners of the parent	788	790	1	+0.2%
No. of Tank containers (as of March 31)	9,769	10,054	285	+2.9%
Utilization rate (over 3 months)	76.7%	66.2%	(10.5%)	

During the three months ended March 31, 2022, sales were ¥4,804 million, operating income was ¥1,141 million, ordinary income was ¥1,139 million, and profit attributable to owners of the parent company was ¥790 million.

In international transportation, disruption in the container shipping schedule that had started since autumn 2021 has calmed, and the resolving of port congestion represented by the U.S. West Coast also continued. The tightened situation of cargo space is also being relaxed, and soaring ocean freight rates are normalizing.

In this business environment, the Group's cargo transportation sales declined year-on-year. Despite this, thanks to our efforts in the incidental services business, including cargo storage and heating operations, by using our domestic branch network and the unique features of tank containers, the Group as a whole was able to achieve sales that surpassed those of the previous corresponding period.

On the other hand, in the high-pressure gas business, we established the Gas & Environmental Solution Department last October, which has been promoting and steadily achieving results in sales of high-pressure gasses, mainly CFC gas. Since entering the high-pressure gas business in 2017, sales have grown for seven consecutive fiscal years, and sales for the three months ended March 31, 2023 amounted to ¥245 million (¥208 million in the previous corresponding period).

As a result, as a percentage of the full-year consolidated results projections for FY2023 in the three months ended March 31, 2023, sales reached 26.7%, operating income 42.8%, ordinary income 44.2%, and profit attributable to owners of the parent company 45.7%.

(2) Explanation of Financial Position

Consolidated Balance Sheet as of March 31, 2023 (millions of yen)

ASSET	FY2022 (A)	1Q of FY2023 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	13,622	13,735	112	+0.8%
Total non-current assets	12,554	12,354	(200)	(1.6%)
Total	**26,177**	**26,089**	**(87)**	**(0.3%)**

LIABILITIES AND NET ASSETS	FY2022 (A)	1Q of FY2023 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	4,673	3,786	(887)	(19.0%)
Total non-current liabilities	5,266	5,484	218	+4.1%
Total liabilities	**9,940**	**9,271**	**(669)**	**(6.7%)**
Total shareholders' equity	15,805	16,352	547	+3.5%
Total accumulated other comprehensive income	431	465	33	+7.9%
Total net assets	**16,237**	**16,818**	**581**	**+3.6%**
Total	**26,177**	**26,089**	**(87)**	**(0.3%)**

Total assets at the end of the first quarter ended March 31, 2023, decreased by ¥87 million (0.3% decrease) as compared to the end of the previous fiscal year, to ¥26,089 million.

Total current assets increased by ¥112 million (0.8% increase) as compared to the end of the previous fiscal year, to ¥13,735 million. This was primarily due to an increase of ¥588 million in cash and deposits, despite a decrease of ¥433 million in notes and accounts receivable–trade, and contract assets, and a decrease of ¥42 million in other current assets.

Total non-current assets decreased by ¥200 million (1.6% decrease) as compared to the end of the previous fiscal year, to ¥12,354 million. This was primarily due to decreases of ¥36 million in buildings and structures (net), ¥119 million in tank containers (net), and ¥33 million in other property, plant and equipment (net).

Total current liabilities decreased by ¥887 million (19.0% decrease), as compared to the end of the previous fiscal year, to ¥3,786 million. This was primarily due to decreases of ¥26 million in accounts payable–trade, ¥92 million in current portion

of long-term loans payable, ¥745 million in income taxes payable and ¥108 million in other current liabilities, despite increases of ¥90 million in short-term loans payable and ¥25 million in provision for bonuses.

Total non-current liabilities increased by ¥218 million (4.1% increase), as compared to the end of the previous fiscal year, to ¥5,484 million. This was primarily due to an increase of ¥255 million in long-term loans payable, despite a decrease of ¥39 million in lease obligations.

Total net assets increased by ¥581 million (3.6% increase), as compared to the end of the previous fiscal year, to ¥16,818 million. This was primarily due to increases of ¥547 million in retained earnings and ¥34 million in foreign currency translation adjustment.

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

There is no change from the consolidated results projections announced on February 14, 2023.