The nine months ended September 30, 2024

(1) Explanation of Results of Operations

Consolidated Income Statement for the nine months ended September 30, 2024 (millions of yen)

	3Q of FY2023 (A)	3Q of FY2024 (B)	Increase/(decrease)	
			Amount(C) (B)-(A)	Percentage (C)/(A)
Sales	13,193	13,552	359	+2.7%
Operating income	2,743	2,205	(538)	(19.6%)
Ordinary income	2,939	2,140	(799)	(27.2%)
Profit attributable to owners of the parent	2,050	1,446	(603)	(29.4%)
No. of Tank containers (as of September 30)	8,259	8,335	76	+0.9%
Utilization rate (over 9 months)	62.5%	66.9%	+4.4%	

Note: Previously, rented tanks were also counted in the number of tank containers. Starting from the interim consolidated accounting period of FY2024, however, the number of tank containers now only includes those owned by the Company, excluding rented tanks.

During the nine months ended September 30, 2024, sales were ¥13,552 million, operating income was ¥2,205 million, ordinary income was ¥2,140 million, and profit attributable to owners of the parent was ¥1,446 million. As a percentage of the full-year consolidated results projections for FY2024, sales were 71.0%, operating income was 71.8%, ordinary income was 70.7%, and profit attributable to owners of the parent was 70.0%.

In international transportation, business performance between January and March faced challenges due to sluggish domestic demand in China. Starting in April, however, container cargo movement picked up overall, driven by exports from Asian countries. Amid rising ocean freight rates caused by a shortage of loading space in container vessels, the Group largely made up for the underperformance during the three months ended March 31, 2024, by carefully responding to customer needs. Although ocean freight rates began to decline in July, increasing pressure to cut prices, the Company successfully maintained a handling volume close to the budgeted level during the third quarter ended September 30, 2024 by meticulously capturing a broad range of demand.

However, the Company could not fully close the gap between the sales plan and the results for the first quarter ended March 31, 2024, when ocean freight rates remained low, resulting in international transportation sales falling short of the budget for the period under review.

Since its foundation, the Group has consistently advocated for a modal shift that leverages the advantages of tank containers, which can be transported in an environmentally friendly manner via railroads and vessels. One tank container can carry freight equivalent to that of two ordinary tank trucks. In addition to their high economic efficiency, tank containers are transported via railroads and domestic vessels, significantly reducing drivers' burden. Believing that tank containers offer an effective solution to the "2024 problem" in Japanese logistics (possible service disruptions due to new overtime rules for truck drivers), the Company is promoting the broad use of tank containers across the country for domestic transportation. While an increasing number of customers are becoming well-informed about the advantages of tank containers, it is understandably not easy for them to change conventional methods and systems. As such, the Company is making steady efforts to secure new orders for domestic transportation by persistently convincing customers to adopt our tank container services.

Meanwhile, NICHICON OVERSEAS GASTANK CHEMICAL Co., Ltd., our subsidiary responsible for the high-pressure gas business established in June 2023, is seeing steady performance growth. Its sales for the nine months ended September 30, 2024, posted sales of ¥755 million, a year-on-year increase of ¥66 million (9.6%) from ¥689 million. Special mention should be made that its sales rose by 20.8% quarter on quarter.

During the three months ended March 31, 2024, the progress of the Group's sales and operating income was 88.4% and 75.9% versus the targets. For the nine months ended September 30, 2024, however, despite sales for the period falling short of the target by ¥624 million, the Company successfully narrowed the gap between the plan and the results of operating income to ¥70 million. This was achieved through efforts to curb the cost of sales and selling, general and administrative expenses. As a result, progress toward the targets improved, with sales and operating income reaching 95.6% and 96.9% of the target, respectively.

The Group aims to expand its new customer base and ensure a stable flow of income for both international and domestic transportation.

(2) Overview of Financial Position for the Nine Months Ended September 30, 2024

Consolidated Balance Sheet as of September 30, 2024 (millions of yen)

ASSET	FY2023 (A)	3Q of FY2024 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current assets	13,668	13,122	(546)	(4.0%)
Total non-current assets	13,273	13,447	174	+1.3%
Total	**26,942**	**26,570**	**(371)**	**(1.4%)**

LIABILITIES AND NET ASSETS	FY2023 (A)	3Q of FY2024 (B)	Increase/(decrease)	
			Amount (C) (B)-(A)	Percentage (C)/(A)
Total current liabilities	3,682	3,449	(233)	(6.3%)
Total non-current liabilities	4,978	4,366	(611)	(12.3%)
Total liabilities	**8,660**	**7,816**	**(844)**	**(9.8%)**
Total shareholders' equity	17,647	17,985	337	+1.9%
Total accumulated other comprehensive income	633	768	135	+21.4%
Total net assets	**18,281**	**18,754**	**472**	**+2.6%**
Total	**26,942**	**26,570**	**(371)**	**(1.4%)**

Total assets at the end of the third quarter ended on September 30, 2024, decreased by ¥371 million (1.4% decrease), as compared to the end of the previous fiscal year, to ¥26,570 million.

Total current assets decreased by ¥546 million (4.0% decrease), as compared to the end of the previous fiscal year, to ¥13,122 million. This was primarily due to decreases of ¥572 million in cash and deposits and ¥1 million in other current assets, despite an increase of ¥27 million in notes and accounts receivable-trade, and contract assets.

Total non-current assets increased by ¥174 million (1.3% increase), as compared to the end of the previous fiscal year, to ¥13,447 million. This was primarily due to increases of ¥941 million in buildings and structures (net) and ¥12 million in investments and other assets, despite decreases of ¥531 million in tank containers (net), ¥237 million in other property, plant and equipment, and ¥10 million in intangible assets.

Total current liabilities decreased by ¥233 million (6.3% decrease), as compared to the end of the

previous fiscal year, to ¥3,449 million. This was primarily due to decreases of ¥176 million in accounts payable-trade, ¥53 million in current portion of long-term loans payable, ¥57 million in income taxes payable, and ¥145 million in other current liabilities, despite increases of ¥120 million in short-term loans payable, ¥27 million in lease obligations, and ¥55 million in provision for bonuses.
Total non-current liabilities decreased by ¥611 million (12.3% decrease), as compared to the end of the previous fiscal year, to ¥4,366 million. This was primarily due to decreases of ¥279 million in long-term loans payable and ¥351 million in lease obligations, despite an increase of ¥20 million in retirement benefit liability.
Total net assets increased by ¥472 million (2.6% increase), as compared to the end of the previous fiscal year, to ¥18,754 million. This was primarily due to increases of ¥337 million in retained earnings and ¥135 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 13, 2024.

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