The nine months ended September 30, 2012

(1) Qualitative Information on Consolidated Results of Operations

During the nine months ended September 30, 2012, there was a moderate trend towards recovery in domestic demand in the Japanese economy backed by steady demand in personal consumption mainly from reconstruction demand and the eco-car subsidy, and public investment centered on reconstruction and restoration. The economic outlook, however, remains unclear as the yen continues to appreciate with exchange rates at the ¥79 level amid the economic slowdown in Europe and Asia.

Meanwhile, looking at the global situation, a mild trend towards recovery continues in the U.S., where there are signs of recovery in the housing market, but in Europe there has been ongoing economic stagnation since the European debt problem that started last year. In China and other emerging nations as well, there appears to be a moderate economic downturn reflecting the slump in trade with Europe and concerns about a global economic slowdown cannot be ignored.

Under such circumstances, the Group has suffered an overall decline in import-export and third-country trade, particularly in terms of trading with partners in Europe and such facts obstructed the trend of recovery of the second quarter.

As a result of the above, sales for the nine months ended September 30, 2012 were ¥5,484 million. In terms of profits, operating income stood at ¥784 million, ordinary income was ¥655 million, and net income after income taxes and other deductions amounted to ¥396 million.

The Group posted ¥240 million as gain on valuation of derivatives. The main cause for this arose from the reversal of derivative liabilities posted up to the end of the previous fiscal year, associated with a decrease in contract amount of currency option rights that had reached the expiration date. At the same time, because the exercise price was at a yen level lower than the market rate, a foreign exchange loss occurred in dollar deposits as a result of the exercise of option rights.

(millions of yen)

	Results
Sales	5,484
Cost of sales	3,957
Gross profit on sales	1,527
Selling, general and administrative expenses	742
Operating income	784
Total non-operating income	247
Gain on valuation of derivatives	240
Other non-operating income	7
Total non-operating expenses	377
Ordinary income	655
Net income after income tax	396

(2) Qualitative Information on Consolidated Financial Position

Changes in Financial Position

Total assets at the end of the third quarter ended September 30, 2012 rose by ¥406 million (3.5% increase) compared to the end of the previous fiscal year to ¥12,077 million.

Total current assets declined by ¥210 million (9.4% decrease) compared to the end of the previous fiscal year to ¥2,028 million. This was primarily due to a decrease of ¥382 million in cash and deposits and an increase of ¥131 million in other resulting mainly from an increase in advances paid.

Total fixed assets rose by ¥619 million (6.6% increase) compared to the end of the previous fiscal year to ¥10,027 million.
Total current liabilities dropped by ¥131 million (4.7% decrease) compared to the end of the previous fiscal year to ¥2,682 million. This was primarily due to an increase of ¥141 million in short-term loans payable associated with payment of taxes, while income taxes payable declined by ¥264 million.
Total non-current liabilities rose by ¥182 million (2.7% increase) compared to the end of the previous fiscal year to ¥6,974 million. This was chiefly the result of an increase in lease obligations of ¥235 million.
Total net assets rose by ¥354 million (17.2% increase) compared to the end of the previous fiscal year to ¥2,419 million. This was primarily due to an increase of ¥357 million in retained earnings.

(millions of yen)

	FY2011	3Q of FY2012	Compared with FY2011	
Total current assets	2,239	2,028	△210	(9.4%)
Total fixied assets	9,407	10,027	619	+6.6%
Deferred assets	23	20	△3	(13.0%)
Total assets	**11,671**	**12,077**	**406**	**+3.5%**
Total current liabilities	2,813	2,682	△131	(4.7%)
Total non-current liabilities	6,792	6,974	182	+2.7%
Total Liabilities	**9,606**	**9,657**	**51**	**+0.5%**
Shareholders' equity	2,170	2,528	358	+16.5%
Total accumulated other comprehensive income	-105	-108	△3	(2.1%)
Total net assets	**2,064**	**2,419**	**354**	**+17.2%**
Total liabilities and net assets	**11,671**	**12,077**	**506**	**+4.3%**