The fiscal year ended December 31, 2012

(1) Analysis of Results of Operations

1) Results of operations for the fiscal year ended December 31, 2012

During the fiscal year ended December 31, 2012 (January 1, 2012 through December 31, 2012), there was a moderate trend towards recovery in the Japanese economy backed by the eco-car subsidy and steady demand in personal consumption -and public investment for the reconstruction and restoration after the Great East Japan Earthquake. However, domestic economic conditions remained challenging as overall exchange rates tended to move toward the appreciation of the yen on the whole amid the economic slowdown in Europe and Asia, despite expectations for monetary easing policies following the change of government that led to depreciation of the yen before the end of the year.

Meanwhile, looking at the global situation, the U.S. economy is making a mild recovery due to factors such as a recovery in housing investment, but in Europe, owing to lack of decisive action for fundamentally solving the European debt problem, the economy remains in a situation where it is unable to break out of a slump. On the other hand, there are signs that the slowdown in China's economy might bottom out, and the pace of economic deceleration in other emerging nations is starting to slow down. As such, bright signs are being observed.

Under such circumstances, the Group saw a steady trend in the amount handled, particularly in exports, partly due to factors such as the temporary correction of the appreciation of the yen from February to April in the first half of the fiscal year. From the second half of the fiscal year, the yen once again appreciated, rising back to the ¥79 level against the dollar from May onward. In addition, amid the prolonged economic slump in Europe and the ongoing economic slowdown in China, the Group suffered an overall decline in import, export and third country trade, particularly in terms of trading with partners in Europe and China. Although demand was expected to rebound during the end of the year from a seasonal increase in volume handled and the progress of inventory adjustment, the momentum of recovery was not as strong as usual and the volume handled did not make a rapid recovery.

As a result of the above, the Group's sales for the fiscal year ended December 31, 2012 were weak, amounting to ¥7,331 million (1.9% decrease compared to the previous fiscal year), amid the appreciation of the yen and the global economic slump. Given such results, in terms of profits, operating income came to ¥1,012 million (19.6% decrease compared to the previous fiscal year). On the other hand, with exchange rates weakened at ¥86.58 (a deprecation of ¥8.84 compared to the previous fiscal year) to the dollar at the end of the period, the Group posted a ¥500 million gain on valuation of derivatives (131.2% increase compared to the previous fiscal year) in currency option. As a result, ordinary income increased substantially to ¥1,118 million (23.2% increase compared to the previous fiscal year) and net income after income taxes and other deductions amounted to ¥661 million (23.9% increase compared to the previous fiscal year).

The main cause for the posting of a ¥500 million gain on valuation of derivatives (a gain of ¥216 million in the previous fiscal year) 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 during the fiscal year, and the decrease in the valuation loss amount of derivatives in the fiscal year end date due to factors such as the depreciation of yen against USD. 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)

	FY2011	FY2012	Compared with FY2011	
Sales	7,473	7,331	△141	(1.9%)
Cost of sales	5,347	5,296	△51	(1.0%)
Gross profit on sales	2,125	2,035	△89	(4.2%)
Selling, general and administrative expenses	866	1,022	156	18.0%
Operating income	1,259	1,012	△246	(19.6%)
Total non-operating income	227	510	283	+124.7%
Gain on valuation of derivatives	216	500	284	+131.2%
Other non-operating income	10	9	△1	(9.1%)
Total non-operating expenses	578	404	△174	(30.1%)
Ordinary income	907	1,118	210	+23.2%
Net income after income tax	533	661	127	+23.9%

2) Outlook for the next fiscal year

Regarding the Japanese economy in the next fiscal year, expectations for the economic policies set forth by the Abe Cabinet under the new administration of the Liberal Democratic Party of JAPAN have led to a rapid depreciation of the yen through the end of the year, and factors such as recoveries in reconstruction demand and export competitiveness has heightened expectations for an economic recovery driven by economic growth. As for the global economy, there are concerns about a prolonged economic slump resulting from the debt crisis in Europe, while the U.S. economy is expected to make a mild recovery, and China and other emerging nations also are walking out of an economic slowdown. Considering these trends, the global economy is expected to rebound as a whole, albeit without much strength.

Amid these circumstances, the Group is strengthening its sales capability in an effort to expand the volume of exports handled following a recovery in the price competitiveness of Japanese companies, and also expand the volume handled by engaging in not only import trade but also third-country trade in Asia, a vital existing market, as well as in North America where the Group has newly entered by establishing an overseas subsidiary. Furthermore in Japan, the Group newly established the Chubu Branch with a view to make the next leap by strengthening and enhancing the provision of domestic one-way transportation service (transportation for one-way fare) and ancillary services, such as unloading and reloading cargo and heating cargo, which are the Group's strengths.

As a result of the above, the Group's forecast for the next fiscal year calls for ¥8,250 million in sales, ¥1,070 million in ordinary income, and ¥640 million in net income, assuming an exchange rate of ¥85.00 to the dollar.

(2) Analysis of Financial Position

1) Status of Assets, Liabilities and Net Assets

(a) Assets

Total current assets rose by ¥358 million (16.0% increase) compared to the end of the previous fiscal year to ¥2,598 million. This was primarily due to increases of ¥240 million in cash and deposits and ¥103 million in accounts receivable-trade.

Total fixed assets rose by ¥671 million (7.1% increase) compared to the end of the previous fiscal year to ¥10,079 million. This was primarily due to increases of ¥400 million in tank containers and ¥287 million in land.

As a result, total assets rose by ¥1,025 million (8.8% increase) compared to the end of the previous fiscal year to ¥12,696 million.

(b) Liabilities
Total current liabilities dropped by ¥24 million (0.9% decrease) compared to the end of the previous fiscal year to ¥2,789 million. This was primarily due to increases of ¥46 million in short-term loans payable and ¥65 million in lease obligations, while derivative liabilities declined by ¥126 million.
Total non-current liabilities declined by ¥46 million (0.7% decrease) compared to the end of the previous fiscal year to ¥6,745 million. This was primarily due to increases of ¥79 million in long-term loans payable and ¥314 million in lease obligations, while bonds payable and derivative liabilities declined by ¥74 million and ¥374 million, respectively.
(c) Net assets
Total net assets rose by ¥1,097 million (53.1% increase) compared to the end of the previous fiscal year to ¥3,161 million. This was primarily due to increases of ¥211 million in capital stock and ¥211 million in capital surplus associated with capital increase, as well as an increase of ¥622 million in retained earnings.

(millions of yen)

	FY2011	FY2012	Compared with FY2011	
Total current assets	2,239	2,598	358	+16.0%
Total noncurrent assets	9,407	10,079	671	+7.1%
Deferred assets	23	18	△4	(21.7%)
Total assets	**11,671**	**12,696**	**1,025**	**+8.8%**
Total current liabilities	2,813	2,789	△24	(0.9%)
Total noncurrent liabilities	6,792	6,745	△46	(0.7%)
Total liabilities	**9,606**	**9,535**	**△71**	**(0.7%)**
Total shareholders' equity	2,170	3,215	1,044	+48.1%
Total accumulated other comprehensive income	-105	-53	52	(49.5%)
Total net assets	**2,064**	**3,161**	**1,097**	**+53.1%**
Total liabilities and net assets	**11,671**	**12,696**	**1,025**	**+8.8%**

2) Status of Cash Flows
Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year ended December 31, 2012 rose by ¥5 million compared to the end of the previous fiscal year to ¥1,298 million.
The status of cash flows for the fiscal year ended December 31, 2012 and the factors related thereto are as described below.
(a) Net cash provided by (used in) operating activities
Funds provided by operating activities resulted in a cash inflow of ¥493 million (compared to a cash inflow of ¥1,115 million for the previous fiscal year). This was primarily due to income before income taxes of ¥1,118 million, depreciation and amortization of ¥574 million, gain on valuation of derivatives of ¥500 million, and income taxes paid of ¥532 million.
(b) Net cash provided by (used in) investing activities
Funds used in investing activities resulted in a cash outflow of ¥952 million (compared to a cash outflow of ¥238 million for the previous fiscal year). This was primarily due to purchase of property, plant and equipment of ¥756 million and net increase in time deposits of ¥201 million.
(c) Net cash provided by (used in) financing activities
Funds provided by financing activities resulted in a cash inflow of ¥401 million (compared to a cash outflow of ¥945 million for the previous fiscal year). This was primarily because proceeds from short-term and long-term loans payable and issuances of bonds and common stock amounted to ¥2,555 million, while repayment of short-term and long-term loans payable and redemption of bonds amounted to ¥2,038 million.

(millions of yen)

	FY2011	FY2012
Net cash provided by (used in) operating activities	1,115	493
Net cash provided by (used in) investing activities	-238	-952
Net cash provided by (used in) financing activities	-945	401
Cash and cash equivalents at beginning of the fiscal year	1,349	1,293
Cash and cash equivalents at end of the fiscal year	1,293	1,298

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