## The six months ended June 30, 2013

### (1) Qualitative Information on Consolidated Results of Operations

During the six months ended June 30, 2013, there was a trend of a weakening yen and rising stock prices seen in the Japanese economy as a whole due to the expectations for the economic policies of the Abe Cabinet known as "Abenomics" and a new dimension of monetary easing by the Bank of Japan. Against this background, a moderate trend towards recovery appeared, including an upturn in results forecasts mainly by export companies with restored export competitiveness, and signs of recovery in private consumption as well.

Looking at the global situation, although economic stagnation in Europe continues amid fiscal austerity measures resulting from the debt crisis, signs of bottoming out are gradually coming into view. Meanwhile, in the U.S., the move to reinvigorate the manufacturing industry has intensified under the expectation of the shale revolution. In such circumstances, a moderate trend of economic recovery continues such as recovery of the housing market and an increase in private consumption. In China and other emerging countries, the outlook remains uncertain due to concerns about a downturn in economy associated with a sluggish economic growth rate.

Under such circumstances, the Group successfully recovered its exports thanks to improvement of price competitiveness due to the depreciation of the yen and progress of inventory adjustment in Europe, and its imports also remained steady with the expectations for economic recovery. As a result, the amount of trades steadily increased overall, though third-country trades slightly decreased because of economic recessions in Europe and Asia.

As a result, in combination with the weak yen effect, sales for the six months ended June 30, 2013 were ¥4,477 million (19.8% increase compared to the same period of the previous fiscal year). In terms of profits, operating income stood at ¥839 million (47.2% increase compared to the same period of the previous fiscal year), ordinary income was ¥1,088 million (97.9% increase compared to the same period of the previous fiscal year), and net income after income taxes and other deductions amounted to ¥661 million (99.9% increase compared to the same period of the previous fiscal year).

In addition, the exchange rate of the yen against the U.S. dollar as of the end of the six months ended June 30, 2013 was ¥98.59, down by ¥12.01 from the end of the previous fiscal year. Consequently, the Group's U.S. dollar-based assets yielded appraisal profits, and as a result of a decrease in appraisal losses of currency option trading, total non-operating income included ¥115 million as foreign exchange gains (¥114 million in foreign exchange losses for the same period of the previous

fiscal year), and ¥248 million as gain on valuation of derivatives (12.0% increase compared to the same period of the previous fiscal year).

**Consolidated Income Statement for the six months ended June 30, 2013** (millions of yen)

| | 2Q of FY2012 | 2Q of FY2013 | Compared to FY2012 | |
|---|---|---|---|---|
| Sales | 3,737 | 4,477 | 739 | +19.8% |
| Cost of sales | 2,663 | 3,085 | 422 | +15.9% |
| Gross profit on sales | 1,073 | 1,391 | 317 | +29.6% |
| Selling, general and administrative expenses | 503 | 552 | 48 | +9.7% |
| Operating income | 570 | 839 | 269 | +47.2% |
| Total non-operating income | 226 | 381 | 155 | +68.6% |
| Gain on valuation of derivatives | 221 | 248 | 26 | +12.0% |
| Other non-operating income | 4 | 133 | 128 | +2,836.6% |
| Total non-operating expenses | 246 | 132 | △114 | (46.3%) |
| Ordinary income | 549 | 1,088 | 538 | +97.9% |
| Net income after income tax | 331 | 661 | 330 | +99.9% |

**(2) Qualitative Information on Consolidated Financial Position**

Changes in Financial Position

Total assets at the end of the second quarter ended June 30, 2013 rose by ¥998 million (7.9% increase) compared to the end of the previous fiscal year to ¥13,695 million.

Total current assets increased by ¥673 million (25.9% increase) compared to the end of the previous fiscal year to ¥3,271 million. This was primarily due to an increase of ¥445 million in cash and deposits, an increase of ¥167 million in account receivable, and an increase of ¥60 million in other current assets.

Total non-current assets rose by ¥329 million (3.3% increase) compared to the end of the previous fiscal year to ¥10,409 million. This was primarily due to an increase of ¥184 million in buildings and structures (net) related to the establishment of the Chubu Branch Office, an increase of ¥93 million in tank containers (net), and an increase of ¥49 million in other fixed

assets.

Total current liabilities increased by ¥567 million (20.3% increase) compared to the end of the previous fiscal year to ¥3,356 million. This was primarily due to an increase of ¥136 million in accounts payable, an increase of ¥97 million in short-term loans payable, an increase of ¥214 million in long-term loans payable that is slated to be returned within one year, and an increase of ¥129 million in income taxes payable.

Total non-current liabilities decreased by ¥162 million (2.4% decrease) compared to the end of the previous fiscal year to ¥6,583 million. This was chiefly due to a decrease of ¥172 million in corporate bonds, and a decrease of ¥116 million in other non-current liabilities, despite an increase of ¥150 million in long-term loans payable.

Total shareholders' equity rose by ¥593 million (18.8% increase) compared to the end of the previous fiscal year to ¥3,755 million. This was primarily due to an increase of ¥530 million in retained earnings.

**Consolidated Balance Sheet as of June 30, 2013** (millions of yen)

| ASSET | FY2012 | 2Q of FY2013 | Compared to FY2012 | |
|---|---|---|---|---|
| Total current assets | 2,598 | 3,271 | 673 | +25.9% |
| Total non-current assets | 10,079 | 10,409 | 329 | +3.3% |
| Deferred assets | 18 | 14 | △4 | (24.3%) |
| **Total** | **12,696** | **13,695** | **998** | **+7.9%** |

| LIABILITIES AND SHAREHOLDERS' EQUITY | FY2012 | 2Q of FY2013 | Compared to FY2012 | |
|---|---|---|---|---|
| Total current liabilities | 2,789 | 3,356 | 567 | +20.3% |
| Total non-current liabilities | 6,745 | 6,583 | △162 | (2.4%) |
| **Total liabilities** | **9,535** | **9,940** | **405** | **+4.3%** |
| Shareholders' equity | 3,215 | 3,746 | 530 | +16.5% |
| Total accumulated other comprehensive income | -53 | 8 | 62 | +116.6% |
| **Total Shareholders' equity** | **3,161** | **3,755** | **593** | **+18.8%** |
| **Total** | **12,696** | **13,695** | **998** | **+7.9%** |

This Website is translated from the original Japanese Website into English only for the convenience of the non-Japanese. Although careful attention is paid when posting the information and materials, the accuracy cannot be fully guaranteed. The Company will not be held liable for any consequential losses or damages resulting from your usage/non-usage of these information and materials or out of the usage of this Website.