The fiscal year ended December 31, 2013

(1) Analysis of Results of Operations

1) Results of operations for the fiscal year ended December 31, 2013

During the fiscal year ended December 31, 2013, there was an apparent trend towards recovery in the Japanese economy against the background of a spreading virtuous cycle of the weaker yen, recovery in corporate earnings, share prices hike and growth in private consumption and capital investment triggered by the economic measures taken by the Abe Cabinet (Abenomics) and aggressive monetary easing by the Bank of Japan.

Meanwhile, looking at the global situation, the U.S. economy has steadily recovered its presence as a driver of the world economy as the move to reinvigorate the manufacturing industry has intensified under the expectation of the shale revolution while proceeding with structural adjustments of housing and household debts. The European economy which was forced to remain stagnant following the debt crisis bottomed out with German economy picking up again, and has started to show signs of a mild recovery. On the other hand, economy of the emerging nations as a whole has somewhat lost momentum for economic growth, as illustrated by a shift of the Chinese economy from high growth rate to the more stable range of 7 to 8 percent.

Under such circumstances, the Group saw a steady growth in exports, thanks to restored price competitiveness of Japanese corporations as a result of the weaker yen rate, the recovery of the U.S. economy and the bottoming out of the European economy. Imports similarly increased mainly from Asia and Europe with the recovery of domestic economy despite the weaker yen rate. Consequently, the overall amount of trades handled for both exports and imports increased steadily, though third-country trades have been stagnated.

With the expansion in the amount of trades handled and the weaker yen rate, the Group's sales and operating income for the fiscal year ended December 31, 2013 increased substantially to ¥9,113 million (24.3% increase year on year) and ¥1,685 million (66.4% increase year on year), respectively. Furthermore, with a gain on valuation of derivatives of ¥370 million (26.0% decrease year on year), as evaluated at ¥105.39 to the U.S. dollar as of the fiscal year-end (a depreciation of ¥18.81 year on year), from currency option trading, ordinary income was ¥2,048 million (83.1% increase year on year), and net income after income taxes and other deductions increased substantially to ¥1,222 million (84.8% increase year on year).

The main cause for the posting of a ¥370 million gain on valuation of derivatives (compared to a gain on valuation of derivatives of ¥500 million in the previous fiscal year) arose from a decrease in derivative liabilities due to the execution of currency option rights that had reached the expiration date during the fiscal year and an increase of the valuation of

currency option trading due to the substantial depreciation of yen against U.S. dollar.

2) Outlook for the next fiscal year

Regarding the Japanese economy in the next fiscal year, as the consumption tax rate is going to be raised in April from 5 to 8 percent, rush demands in January–March period and reactionary shrinkage in demands in April–June period are anticipated. However, the domestic economy is expected to be underpinned throughout the year by growth in exports due to the weaker yen rate and recovery in capital investment as a result of an improvement in corporate earnings in addition to economic policy measures by the government, and to recover toward the latter half of the year.

As for the global economy, the U.S. economy is expected to remain firm thanks to the continued recovery trend of private consumption and capital investment. With the French economy eventually bottoming out following the Germany, the European economy is expected to rebound as a whole, albeit without much strength. Although China is aiming to shift to a stable economic growth mildly, emerging nations led by Asian countries, on the whole, is expected to mildly accelerate the pace of growth, enjoying recovery of external demands from Europe and the U.S.

Amid these circumstances, the Group is strengthening its overseas 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 overseas by making full-fledged utilization of the subsidiary established in the U.S. in 2012 to expand not only export and import trade but also third-country trade. Furthermore in Japan, the Group will make full use of the Chubu Branch established in 2013 and the enlarged Kobe Branch to expand the volume handled.

As a result of the above, the Group's forecast for the next fiscal year calls for ¥9,590 million in sales, ¥1,770 million in operating income, ¥1,560 million in ordinary income and ¥960 million in net income, assuming an exchange rate of ¥98.00 to the U.S. dollar.

Consolidated Income Statement for the Fiscal Year Ended December 31,2013 (millions of yen)

	FY2012	FY2013	Compared to FY2012	
Sales	7,331	9,113	1,781	+24.3%
Cost of sales	5,296	6,294	998	+18.9%
Gross profit on sales	2,035	2,818	783	+38.5%
Selling, general and administrative expenses	1,022	1,133	110	+10.8%
Operating income	1,012	1,685	672	+66.4%
Total non-operating income	510	623	113	+22.1%
Gain on valuation of derivatives	500	370	△130	(26.0%)
Other non-operating income	9	253	243	+2,448.5%
Total non-operating expenses	404	261	△143	(35.5%)
Ordinary income	1,118	2,048	929	+83.1%
Net income after income tax	661	1,222	561	+84.8%

(2) Analysis of Financial Position

1) Status of Assets, Liabilities and Net Assets

(a) Assets

Total current assets rose by ¥872 million (33.6% increase as compared to the end of previous fiscal year) to ¥3,471 million. This was primarily due to increases of ¥374 million in cash and deposits, ¥228 million in accounts receivable-trade and ¥250 million in other current assets.

Total non-current assets rose by only ¥90 million (0.9% increase as compared to the end of previous fiscal year) to ¥10,170 million. This was primarily due to increase of ¥194 million in buildings and structures (net) and decrease of ¥116 million in tank containers (net) as a result of depreciation and others.

As a result, total assets rose by ¥954 million (7.5% increase) compared to the end of the previous fiscal year to ¥13,651 million.

(b) Liabilities

Total current liabilities increased by ¥614 million (22.0% increase as compared to the end of previous fiscal year) to ¥3,403 million. This was primarily due to increases of ¥130 million in accounts payable-trade, ¥200 million in current portion of long-term loans payable and ¥286 million in income taxes payable.

Total non-current liabilities declined by ¥868 million (12.9% decrease as compared to the end of previous fiscal year) to

¥5,876 million. This was primarily due to decreases of ¥324 million in bonds payable, ¥321 million in long-term loans payable and ¥238 million in derivative liabilities.

(c) Net assets

Total net assets rose by ¥1,209 million (38.2% increase as compared to the end of previous fiscal year) to ¥4,371 million. This was primarily due to increases of ¥1,091 million in retained earnings and ¥117 million in foreign currency translation adjustment.

Consolidated Balance Sheet as of December 31,2013 (millions of yen)

ASSET	FY2012	FY2013	Compared to FY2012	
Total current assets	2,598	3,471	872	+33.6%
Total non-current assets	10,079	10,170	90	+0.9%
Deferred assets	18	9	△9	(48.6%)
Total	**12,696**	**13,651**	**954**	**+7.5%**

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2012	FY2013	Compared to FY2012	
Total current liabilities	2,789	3,403	614	+22.0%
Total non-current liabilities	6,745	5,876	△868	(12.9%)
Total liabilities	**9,535**	**9,280**	**△254**	(2.7%)
Shareholders' equity	3,215	4,306	1,091	+34.0%
Total accumulated other comprehensive income	-53	64	117	+220.3%
Total Shareholders' equity	**3,161**	**4,371**	**1,209**	**+38.2%**
Total	**12,696**	**13,651**	**954**	**+7.5%**

2) Status of Cash Flows

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year ended December 31, 2013 rose by ¥657 million compared to the end of the previous fiscal year to ¥1,956 million. The status of cash flows for the fiscal year ended December 31, 2013 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 ¥1,425 million (compared to a cash inflow of ¥493 million

for the previous fiscal year). This was primarily due to income before income taxes of ¥1,992 million, depreciation and amortization of ¥685 million, gain on valuation of derivatives of ¥370 million, foreign exchange gains of ¥206 million and income taxes paid of ¥550 million.

(b) Net cash provided by (used in) investing activities

Funds used in investing activities resulted in a cash outflow of ¥245 million (compared to a cash outflow of ¥952 million for the previous fiscal year). This was primarily due to purchase of property, plant and equipment of ¥607 million and net decrease in time deposits of ¥354 million.

(c) Net cash provided by (used in) financing activities

Funds used in financing activities resulted in a net cash outflow of ¥717 million (compared to a net cash inflow of ¥401 million for the previous fiscal year). This was mainly because of cash inflow arising from the amount of short-term and long-term loans amounting ¥1,830 million and cash outflow arising from the repayment of short-term and long-term loans, repayment of lease obligations and redemption of bonds amounting to ¥2,394 million, and payment of dividends amounting to ¥130 million.

Consolidated Statement of Cash Flows for the fiscal year ended December 31,2013 (millions of yen)

	FY2012	FY2013
Net cash provided by (used in) operating activities	493	1,425
Net cash provided by (used in) investing activities	-952	-245
Net cash provided by (used in) financing activities	401	-717
Cash and cash equivalents at beginning of the fiscal year	1,293	1,298
Cash and cash equivalents at end of the fiscal year	1,298	1,956

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