The nine months ended September 30, 2014

(1) Explanation of Results of Operations

During the nine months ended September 30, 2014, recovery of Japanese economy has been slow in the midst of stagnant consumption associated with the consumption tax rate hike in April, partly also owing to the impact of unfavorable weather, in spite of the support from government's economic measures and recovery in employment. Meanwhile, looking at the global situation, in the U.S., amid the manifestation of a move to reinvigorate the manufacturing industry against the backdrop of the shale revolution, the economy has been on a sustained recovery track driven by an increase in private consumption and capital investment. In Europe, although the pace of recovery remains modest amid the high level of unemployment rate, the economy has bottomed out owing partly to the weak euro. In emerging countries, despite a lack of momentum in economic growth, the economic slowdown in China is subsiding, while India has shown a trend toward improvement.

Under such circumstances, the Group saw strong performance in exports amid improved price competitiveness for export products resulting from weakening yen, and the upswing in the U.S. economy. Imports stagnated temporarily reflecting the sluggishness of domestic demands after the hike of consumption tax, but had since recovered to the level prior to the hike which saw last minute demand associated with the hike. On the other hand, third-country trade showed a recovery trend mainly in Asia and Europe. Based on the total amount of exports, imports, and third-country trade, transactions of the entire Company continued to increase.

As a result, the Group's sales during the nine months ended September 30, 2014 increased to ¥7,533 million (11.1% increase year on year). In terms of profits, operating income stood at ¥1,365 million (7.9% increase year on year), ordinary income was ¥1,293 million (13.0% decrease year on year), and net income after income taxes and other deductions amounted to ¥818 million (7.7% decrease year on year).

Ordinary income and net income after income taxes and other deductions fell year on year as foreign exchange gains and gain on valuation of derivatives stood at a relatively low level of ¥43 million (compared to ¥99 million for the same period in the previous fiscal year), and ¥36 million (compared to ¥273 million for the same period in the previous fiscal year), respectively. This was due to decrease in volatility of foreign exchange rates compared to the same period of the previous fiscal year (a year-on-year depreciation of ¥11.17), with the yen declining to ¥109.45 against the U.S. dollar at the end of the third quarter, ¥4.6 weaker than at the end of the previous fiscal year.

Consolidated Income Statement for the nine months ended September 30, 2014 (millions of yen)

	3Q of FY2013	3Q of FY2014	Compared to FY2013	
Sales	6,781	7,533	751	+11.1%
Cost of sales	4,681	5,279	597	+12.8%
Gross profit on sales	2,099	2,254	154	+7.4%
Selling, general and administrative expenses	834	888	54	+6.5%
Operating income	1,265	1,365	100	+7.9%
Total non-operating income	426	91	△334	(78.5%)
Gain on valuation of derivatives	273	36	△237	(86.6%)
Other non-operating income	153	55	△97	(63.9%)
Total non-operating expenses	204	163	△40	(19.9%)
Ordinary income	1,487	1,293	△194	(13.0%)
Net income after income tax	886	818	△67	(7.7%)

(2) Explanation of Financial Position

Total assets at the end of the third quarter ended September 30, 2014 decreased by ¥197 million (1.4% decrease) when compared to the end of the previous fiscal year to ¥13,454 million.

Total current assets decreased by ¥154 million (4.5% decrease) as compared to the end of the previous fiscal year to ¥3,316 million. This was primarily due to a decrease of ¥179 million in cash and deposits.

Total non-current assets decreased slightly by ¥36 million (0.4% decrease) when compared to the end of the previous fiscal year to ¥10,133 million, due to decreases of ¥22 million and ¥39 million respectively for buildings and structures (net) and tank containers (net) due to factors including depreciation, offset by increases in other assets.

Total current liabilities decreased by ¥224 million (6.6% decrease) as compared to the end of the previous fiscal year to ¥3,179 million. This was primarily due to decreases of ¥172 million in current portion of bonds payable and ¥372 million in income taxes payable, against increases of ¥92 million in accounts payable-trade and ¥155 million in short-term loans payable.

Total non-current liabilities decreased by ¥670 million (11.4% decrease) when compared to the end of the previous fiscal year to ¥5,206 million due to decreases of ¥130 million in bonds payable and ¥760 million in long-term loans payable, against an increase of ¥247 million in lease obligations.

Total net assets rose by ¥697 million (16.0 % increase) year on year to ¥5,068 million due to an increase of ¥687 million in retained earnings.

Consolidated Balance Sheet as of September 30, 2014 (millions of yen)

ASSET	FY2013	3Q of FY2014	Compared to FY2013	
Total current assets	3,471	3,316	△154	(4.5%)
Total non-current assets	10,170	10,133	△36	(0.4%)
Deferred assets	9	3	△5	(58.2%)
Total	**13,651**	**13,454**	**△197**	**(1.4%)**

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2013	3Q of FY2014	Compared to FY2013	
Total current liabilities	3,403	3,179	△224	(6.6%)
Total non-current liabilities	5,876	5,206	△670	(11.4%)
Total liabilities	**9,280**	**8,385**	**△895**	**(9.6%)**
Shareholders' equity	4,306	4,994	687	+16.0%
Total accumulated other comprehensive income	64	74	10	+15.8%
Total Shareholders' equity	**4,371**	**5,068**	**697**	**+16.0%**
Total	**13,651**	**13,454**	**△197**	**(1.4%)**