The three months ended March 31, 2015

(1) Explanation of Results of Operations

During the three months ended March 31, 2015, the Japanese economy has continued a moderate recovery backed by factors including improvement in corporate earnings and recovery in the employment situation, and an increase in exports due to the weakening yen, despite lingering slowness in the pace of recovery following the consumption tax rate hike.

Looking at the global economy, in the U.S., the process of reinvigorating the manufacturing industry against the backdrop of the shale revolution continues. The U.S. economy has been on a sustained recovery track and continued to drive the global economy. In Europe, the economy kept losing momentum amid an increasingly uncertain outlook due to factors including the situation in Russia and recurring issues regarding financial crisis in Greece. In emerging countries, the Chinese economy further decelerated, though the Indian economy continued an upswing due to the change of government.

Under such circumstances, the Group saw strong performance in export transactions amid improved competitiveness due to the weakening yen. On the other hand, import transactions were sluggish as the impact of rising import prices gradually became evident. Third-country trade was about on the same level as the previous year as a whole due to robust transactions originating in North America, despite weak performance in Europe and the Asia region. Meanwhile, domestic transactions expanded steadily, backed by improvement in service providing capabilities due to the newly-established Chubu Branch and reinforcement of the Kobe Branch. Based on the total amount of exports, imports, third-country trade, and domestic transactions, the transactions of the entire Group increased steadily.

As a result, the Group's sales during the three months ended March 31, 2015 increased to ¥2,745 million (9.2% increase year on year). In terms of profits, operating income stood at ¥565 million (28.7% increase year on year), ordinary income was ¥569 million (58.8% increase year on year), and net income after income taxes and other deductions amounted to ¥377 million (68.3% increase year on year).

Consolidated Income Statement for the three months ended March 31, 2015 (millions of yen)

	1Q of FY2014	1Q of FY2015	Compared to FY2014	
Sales	2,514	2,745	230	+9.2%
Cost of sales	1,773	1,876	103	+5.8%
Gross profit on sales	741	868	127	+17.2%
Selling, general and administrative expenses	301	302	1	+0.4%
Operating income	439	565	126	+28.7%
Total non-operating income	5	51	45	+843.1%
Total non-operating expenses	86	47	(38)	(45.0%)
Ordinary income	358	569	210	+58.8%
Net income after income tax	224	377	153	+68.3%

(2) Explanation of Financial Position

Total assets at the end of the first quarter ended March 31, 2015 increased by ¥176 million (1.3% increase) when compared to the end of the previous fiscal year to ¥14,266 million.

Total current assets increased by ¥49 million (1.3% increase) as compared to the end of the previous fiscal year to ¥3,833 million. This was primarily due to an increase of ¥188 million in cash and deposits, against decreases of ¥47 million in accounts receivable-trade and ¥91 million in other current assets.

Total non-current assets increased by ¥127 million (1.2% increase) when compared to the end of the previous fiscal year to ¥10,430 million. This was primarily due to an increase of ¥131 million in property, plant and equipment resulting from the purchase of land for construction of the Mizushima Branch.

Total current liabilities decreased by ¥22 million (0.7% decrease) as compared to the end of the previous fiscal year to ¥3,194 million. This was primarily due to decreases of ¥50 million in the current portion of bonds payable and ¥172 million in income taxes payable, against increases of ¥176 million in short-term loans payable and ¥61 million in the current portion of long-term loans payable.

Total non-current liabilities increased by ¥103 million (1.9% increase) when compared to the end of the previous fiscal year to ¥5,500 million. This was primarily due to increases of ¥126 million in long-term loans payable and ¥28 million in lease obligations, against a decrease of ¥40 million in bonds payable.

Total net assets rose by ¥95 million (1.8% increase) as compared to the end of the previous fiscal year to ¥5,570 million. This was primarily due to an increase of ¥142 million in retained earnings.

Consolidated Balance Sheet as of March 31, 2015 (millions of yen)

ASSET	FY2014	1Q of FY2015	Compared to FY2014	
Total current assets	3,783	3,833	49	+1.3%
Total non-current assets	10,303	10,430	127	+1.2%
Deferred assets	2	2	(0)	(27.3%)
Total	**14,089**	**14,266**	**176**	**+1.3%**

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2014	1Q of FY2015	Compared to FY2014	
Total current liabilities	3,217	3,194	(22)	(0.7%)
Total non-current liabilities	5,396	5,500	103	+1.9%
Total liabilities	**8,614**	**8,695**	**80**	**+0.9%**
Shareholders' equity	5,336	5,478	142	+2.7%
Total accumulated other comprehensive income	138	92	(46)	(33.2%)
Total Shareholders' equity	**5,474**	**5,570**	**95**	**+1.8%**
Total	**14,089**	**14,266**	**176**	**+1.3%**

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