The six months ended June 30, 2015

(1) Explanation of Results of Operations

During the six months ended June 30, 2015, the Japanese economy has continued on a recovery track, backed by an increase in corporate earnings and rising stock prices due to factors such as the improvement in export profits associated with steady weakening of the yen, along with improvement in the employment situation.

Looking at the global economy, the U.S. economy has progressed firmly amid the move to reinvigorate the manufacturing industry, and has continued to drive the global economy. In Europe, the pace of recovery has been slow amid an increasingly uncertain outlook due to factors including the situation in Russia and recurring issues regarding the financial crisis in Greece. In emerging countries, the Chinese economy has further decelerated, though the Indian economy continued its upswing due to the change of government.

Under such circumstances, the Group saw strong performance in export transactions amid improved price competitiveness due to the weakening yen. On the other hand, import transactions were sluggish as the impact of rising import prices 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 regions. Meanwhile, domestic transactions expanded steadily, reflecting the penetration of the effects of 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 six months ended June 30, 2015 increased to ¥5,551 million (10.8% increase year on year). In terms of profits, operating income stood at ¥1,076 million (15.7% increase year on year), ordinary income was ¥1,055 million (33.1% increase year on year), and net income after income taxes and other deductions amounted to ¥695 million (39.7% increase year on year).

Consolidated Income Statement for the six months ended June 30, 2015 (millions of yen)

	2Q of FY2014	2Q of FY2015	Compared to FY2014	
Sales	5,010	5,551	541	+10.8%
Cost of sales	3,490	3,838	348	+10.0%
Gross profit on sales	1,520	1,713	193	+12.7%
Selling, general and administrative expenses	588	636	47	+8.1%
Operating income	931	1,076	145	+15.7%
Total non-operating income	9	90	81	+854.7%
Total non-operating expenses	147	112	(35)	(24.0%)
Ordinary income	793	1,055	262	+33.1%
Net income after income tax	497	695	197	+39.8%

(2) Explanation of Financial Position

Total assets at the end of the second quarter ended June 30, 2015 increased by ¥1,014 million (7.2% increase) when compared to the end of the previous fiscal year to ¥15,104 million.

Total current assets increased by ¥775 million (20.5% increase) as compared to the end of the previous fiscal year to ¥4,559 million. This was primarily due to increases of ¥424 million in cash and deposits, ¥44 million in accounts receivable-trade, and ¥307 million in other current assets.

Total non-current assets increased by ¥239 million (2.3% increase) when compared to the end of the previous fiscal year to ¥10,543 million. This was primarily due to an increase of ¥242 million in property, plant and equipment resulting from the purchase of land for establishment of the Mizushima Branch.

Total current liabilities increased by ¥469 million (14.6% increase) as compared to the end of the previous fiscal year to ¥3,687 million. This was primarily due to increases of ¥117 million in accounts payable-trade, ¥23 million in short-term loans payable, ¥100 million in the current portion of long-term loans payable, ¥30 million in lease obligations, and ¥253 million in other current liabilities, against a decrease of ¥50 million in the current portion of bonds payable.

Total non-current liabilities increased by ¥104 million (1.9% increase) when compared to the end of the previous fiscal year to ¥5,501 million. This was primarily due to increases of ¥60 million in long-term loans payable and ¥97 million in lease obligations, against a decrease of ¥40 million in bonds payable.

Total net assets rose by ¥440 million (8.0% increase) as compared to the end of the previous fiscal year to ¥5,915 million. This was primarily due to an increase of ¥459 million in retained earnings.

Consolidated Balance Sheet as of June 30, 2015 (millions of yen)

ASSET	FY2014	2Q of FY2015	Compared to FY2014	
Total current assets	3,783	4,559	775	+20.5%
Total non-current assets	10,303	10,543	239	+2.3%
Deferred assets	2	1	(1)	(38.7%)
Total	**14,089**	**15,104**	**1,014**	**+7.2%**

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2014	2Q of FY2015	Compared to FY2014	
Total current liabilities	3,217	3,687	469	+14.6%
Total non-current liabilities	5,396	5,501	104	+1.9%
Total liabilities	**8,614**	**9,188**	**574**	**+6.7%**
Shareholders' equity	5,336	5,796	459	+8.6%
Total accumulated other comprehensive income	138	118	(19)	(14.1%)
Total shareholders' equity	**5,474**	**5,915**	**440**	**+8.0%**
Total	**14,089**	**15,104**	**1,014**	**+7.2%**

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