The nine months ended September 30, 2015

(1) Explanation of Results of Operations

During the nine months ended September 30, 2015, the Japanese economy continued on a recovery track overall, backed by an increase in corporate earnings due to factors such as improvement in export profits associated with the steady weakening of the yen and improvement in the employment situation, despite uncertainty over the economic outlook fueled by the impacts of concerns over slowdown of overseas economies and others.

Looking at the global economy, the U.S. economy maintained a robust growth path, supported by strong domestic demand centered on personal consumption. In Europe, the economy showed signs of recovery, albeit at a moderate pace, driven by the pick-up in the German economy. Nevertheless, fundamental solutions to the situation in Russia and the financial crisis in Greece were yet to be reached. In emerging countries, the slowdown trend in the Chinese economy became increasingly evident, causing economic deceleration of neighboring countries as well.

Under such circumstances, the Group's export transactions, which had been performing steadily since the beginning of the year, temporarily stagnated due in part to the occurrence of a massive chemical warehouse explosion in Tianjin, China, amid deceleration of economic growth in emerging countries. Import transactions continued to be 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.

As a result, the Group's sales during the nine months ended September 30, 2015 increased to ¥8,203 million (8.9% increase year on year). In terms of profits, operating income stood at ¥1,559 million (14.2% increase year on year), ordinary income was ¥1,485 million (14.9% increase year on year), and net income after income taxes and other deductions amounted to ¥967 million (18.2% increase year on year).

Consolidated Income Statement for the nine months ended September 30, 2015 (millions of yen)

	3Q of FY2014	3Q of FY2015	Compared to FY2014	
Sales	7,533	8,203	669	+8.9%
Cost of sales	5,279	5,694	415	+7.9%
Gross profit on sales	2,254	2,508	254	+11.3%
Selling, general and administrative expenses	888	949	60	+6.8%
Operating income	1,365	1,559	194	+14.2%
Total non-operating income	91	96	4	+4.5%
Total non-operating expenses	163	169	6	+3.7%
Ordinary income	1,293	1,485	192	+14.9%
Net income after income tax	818	967	148	+18.2%

(2) Explanation of Financial Position

Total assets at the end of the third quarter ended September 30, 2015 increased by ¥767 million (5.4% increase) when compared to the end of the previous fiscal year to ¥14,856 million.

Total current assets increased by ¥281 million (7.4% increase) as compared to the end of the previous fiscal year to ¥4,064 million. This was primarily due to an increase of ¥420 million in cash and deposits.

Total non-current assets increased by ¥487 million (4.7% increase) when compared to the end of the previous fiscal year to ¥10,790 million. This was due to increases of ¥288 million in land to ¥1,857 million and ¥212 million in buildings and structures (net) to ¥900 million, resulting from factors such as the new establishment of the Mizushima Branch in August 2015.

Total current liabilities increased by ¥171 million (5.3% increase) as compared to the end of the previous fiscal year to ¥3,389 million. This was primarily due to a decrease of ¥142 million in income taxes payable, against increases of ¥76 million in short-term loans payable, ¥127 million in the current portion of long-term loans payable, and ¥111 million in other liabilities.

Total non-current liabilities increased by a modest ¥48 million (0.9% increase) when compared to the end of the previous fiscal year to ¥5,445 million. This was due to decreases of ¥70 million in bonds payable and ¥172 million in long-term loans payable, against an increase of ¥313 million in lease obligations.

Total net assets rose by ¥546 million (10.0% increase) as compared to the end of the previous fiscal year to ¥6,021 million primarily due to an increase of ¥613 million in retained earnings.

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

ASSET	FY2014	3Q of FY2015	Compared to FY2014	
Total current assets	3,783	4,064	281	+7.4%
Total non-current assets	10,303	10,790	487	+4.7%
Deferred assets	2	1	(1)	(50.2%)
Total	**14,089**	**14,856**	**767**	**+5.4%**

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2014	3Q of FY2015	Compared to FY2014	
Total current liabilities	3,217	3,389	171	+5.3%
Total non-current liabilities	5,396	5,445	48	+0.9%
Total liabilities	**8,614**	**8,835**	**220**	**+2.6%**
Shareholders' equity	5,336	5,950	613	+11.5%
Total accumulated other comprehensive income	138	71	(67)	(48.5%)
Total shareholders' equity	**5,474**	**6,021**	**546**	**+10.0%**
Total	**14,089**	**14,856**	**767**	**+5.4%**

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