The fiscal year ended December 31, 2015

(1)Analysis of Results of Operations

1) Results of operations for the fiscal year ended December 31, 2015

During the fiscal year ended December 31, 2015, the Japanese economy lacked vigor from the second half of the year onward due to concerns over the slowdown of overseas economies and other similar factors. In spite of this the economy remained on a mild 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.

Looking at the global economy, the U.S. economy maintained robust growth, 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, due in part to the incident of a massive chemical warehouse explosion in Tianjin, China, 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 performed steadily at the beginning of the year in line with the enhancement in price advantage of Japanese companies due to the weakening of the yen, though it temporarily stagnated in the second half of the year. Import transactions were overall 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 effects of improvement in service providing capabilities of the newly-established Chubu Branch and the reinforcement of the Kobe Branch.

As a result, the Group's sales during the fiscal year ended December 31, 2015 increased to ¥11,001 million (6.8% increase year on year). In terms of profits, operating income stood at ¥2,111 million (12.5% increase year on year), ordinary income was ¥1,983 million (9.0% increase year on year), and net income after income taxes and other deductions amounted to ¥1,300 million (12.1% increase year on year).

2) Outlook for the next fiscal year

The Japanese economy in 2016 is expected to continue on a gradual recovery track, backed by an increase in personal consumption associated with improvement in employment and income environment, as well as robust corporate earnings, despite concerns over slowdown of overseas economies.

On the other hand, an examination of the global economy shows that the U.S. economy is anticipated to maintain a

domestic demand-led recovery trend helped by factors such as lower unemployment rate and increasing wages. The European economy is expected to remain harsh, its outlook clouded by the debt problem in Greece and the influx of refugees from the Middle East, as well as rising concerns about the recovery of the German economy, which is a leading force for the European economy. Moreover, the economic slowdown in China is expected to continue, affecting the economies of other emerging countries, and concerns about an overall slowdown in these countries are rising.

Amid these conditions, the Group will work to increase export volumes in line with the recovery in export competitiveness of Japanese companies given the steady weakening of the yen. The Group will also work to steadily expand overseas transactions by increasing imports and third-country trade utilizing the Group's network which spans Asia, Europe and the U.S., starting from North America, where chemical products are expected to increase in production in line with the shale gas revolution. On the other hand, domestically, the Group will stably expand transactions by fully utilizing its logistics network, for which the capability to provide services has been significantly enhanced due to the improvement of facilities in recent years, including the Chubu Branch (established in February 2013), the Kobe Branch (expanded in September 2013), the Mizushima Branch, (established in August 2015), and others.

As a result of the above, the Group's forecast for the next fiscal year calls for ¥11,830 million in sales, ¥2,230 million in operating income, ¥2,080 million in ordinary income and ¥1,410 million in net income, assuming an exchange rate of ¥115.00 to the U.S. dollar.

Consolidated Income Statement for the Fiscal Year ended December 31, 2015 (millions of yen)

	FY2014	FY2015	Compared to FY2014	
Sales	10,302	11,001	698	+6.8%
Cost of sales	7,207	7,604	396	+5.5%
Gross profit on sales	3,095	3,397	301	+9.7%
Selling, general and administrative expenses	1,219	1,285	66	+5.4%
Operating income	1,876	2,111	235	+12.5%
Total non-operating income	156	129	(26)	(16.7%)
Total non-operating expenses	211	258	46	+21.8%
Ordinary income	1,820	1,983	162	+9.0%
Net income after income tax	1,160	1,300	140	+12.1%

(2) Analysis of Financial Position

1) Status of Assets, Liabilities and Net Assets

(a) Assets

Total current assets increased by ¥364 million (9.6% increase) as compared to the end of the previous fiscal year to ¥4,147 million. This was primarily due to increases of ¥139 million in cash and deposits and ¥169 million in accounts receivable-trade.

Total non-current assets increased by ¥519 million (5.0% increase) when compared to the end of the previous fiscal year to ¥10,822 million. This was primarily due to increases of ¥206 million in buildings and structures (net) and ¥330 million in land, despite a decrease of ¥56 million in construction in progress.

As a result, total assets increased by ¥882 million (6.3% increase) when compared to the end of the previous fiscal year to ¥14,971 million.

(b) Liabilities

Total current liabilities increased slightly by ¥38 million (1.2% increase) as compared to the end of the previous fiscal year to ¥3,256 million. This was primarily due to decreases of ¥89 million in current portion of long-term loans payable and ¥60 million in current portion of bonds payable, against increases of ¥54 million in accounts payable-trade, ¥73 million in lease obligations, and ¥58 million in other current liabilities.

Total non-current liabilities decreased by ¥37 million (0.7% decrease) when compared to the end of the previous fiscal year to ¥5,359 million. This was due to decreases of ¥70 million in bonds payable, ¥310 million in long-term loans payable, and ¥32 million in other non-current liabilities, against an increase of ¥391 million in lease obligations.

(c) Net Assets

Total net assets rose by ¥880 million (16.1% increase) year on year to ¥6,355 million. This was primarily due to an increase of ¥947 million in retained earnings, against a decrease of ¥66 million in foreign currency translation adjustment.

2) Status of Cash Flows

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year ended December 31, 2015 rose by ¥140 million compared to the end of the previous fiscal year to ¥2,525 million. The status of cash flows for the fiscal year ended December 31, 2015 and the factors related thereto are as described below.

(a) Net cash provided by operating activities

Funds provided by operating activities resulted in a cash inflow of ¥2,061 million (compared to a cash inflow of ¥1,764 million for the previous fiscal year). This was primarily due to income before income taxes of ¥1,979 million, depreciation and amortization of ¥803 million despite income taxes paid of ¥668 million.

(b) Net cash used in investing activities

Funds used in investing activities resulted in a cash outflow of ¥697 million (compared to a cash inflow of ¥3 million for the previous fiscal year). This was primarily due to the establishment of the Mizushima Branch.

(c) Net cash used in financing activities

Funds used in financing activities resulted in a cash outflow of ¥1,186 million (compared to a cash outflow of ¥1,410

million for the previous fiscal year). This was mainly because of cash inflow from short-term loans payable and long-term loans payable amounting to ¥2,185 million, while cash outflow from the repayment of short-term and long-term loans, repayment of lease obligations and redemption of bonds amounting to ¥2,982 million, and payment of dividends amounting to ¥353 million.

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

ASSET	FY2014	FY2015	Compared to FY2014	
Total current assets	3,783	4,147	364	+9.6%
Total non-current assets	10,303	10,822	519	+5.0%
Deferred assets	2	1	(1)	(61.7%)
Total	**14,089**	**14,971**	**882**	**+6.3%**

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2014	FY2015	Compared of FY 2014	
Total current liabilities	3,217	3,256	38	+1.2%
Total non-current liabilities	5,396	5,359	(37)	(0.7%)
Total liabilities	**8,614**	**8,616**	**1**	**+0.0%**
Shareholders' equity	5,336	6,283	947	+17.7%
Total accumulated other comprehensive income	138	72	(66)	(48.0%)
Total shareholders' equity	**5,474**	**6,355**	**880**	**+16.1%**
Total	**14,089**	**14,971**	**882**	**+6.3%**

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