

Summary of Consolidated Financial Results
for the Six Months ended February 2005

SOTSU AGENCY CO., LTD.

Summary of Consolidated Financial Results for the Six Months ended February 2005

Company Name: SOTSU AGENCY CO., LTD.
 Listed: JASDAQ
 Code Number: 3711
 Location of Head Office: Tokyo, Japan
 (URL <http://www.sotsu-ag.co.jp>)
 Representative: Akihiro Yuasa, President & CEO
 Contact: Takashi Izuhara, Operating Officer & General Manager, Administration Group
 Tel. 03-3248-0311
 Date of Board of Directors' Meeting for Account Settlement: April 19, 2005
 Adoption of U.S. Accounting Standards: Not applicable

1. Consolidated financial results for interim period ended February 2005 (September 1, 2004 through February 28, 2005)

(1) Consolidated financial results (Amounts less than 1 million yen omitted)

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%
Interim period ended February 2005	6,278	8.6	835	(6.9)	848	(6.2)
Interim period ended February 2004	5,780	18.9	897	4.4	904	4.2
Fiscal year ended August 2004	11,020		1,425		1,438	

	Net income (Millions of yen)	%	Net income per share (Yen)	Diluted net income per share (Yen)
Interim period ended February 2005	430	(6.1)	9,758.14	-
Interim period ended February 2004	458	5.0	10,362.66	-
Fiscal year ended August 2004	765		16,585.37	-

(Notes)

1. Profit and loss on equity-method investments:

Interim period ended February 2005: 8 million yen

Interim period ended February 2004: - million yen

Fiscal year ended August 2004: - million yen

2. Average number of shares during period (consolidated):

Interim period ended February 2005: 44,000 shares

Interim period ended February 2004: 44,000 shares

Fiscal year ended August 2004: 44,000 shares

3. Change in methods of accounting treatment: None

4. The percentage figures for net sales, operating income, ordinary income and net income represent respective changes from those of the previous interim period.

(2) Consolidated financial conditions (Amounts less than 1 million yen omitted)

	Total assets (Millions of yen)	Shareholders' equity (Millions of yen)	Equity ratio (%)	Shareholders' equity per share (Yen)
Interim period ended February 2005	11,733	8,731	74.4	198,444.80
Interim period ended February 2004	10,277	8,180	79.6	185,855.66
Fiscal year ended August 2004	10,554	8,474	80.3	191,797.70

(Notes)

Number of shares issued and outstanding as of term-end (consolidated):

Interim period ended February 2005: 44,000 shares

Interim period ended February 2004: 44,000 shares

Fiscal year ended August 2004: 44,000 shares

(3) State of consolidated cash flows

(Amounts less than 1 million yen omitted)

Millions of yen	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Outstanding balances of cash and cash equivalents as of term-end
Interim period ended February 2005	1,171	(20)	(89)	5,279
Interim period ended February 2004	488	293	(90)	4,423
Fiscal year ended August 2004	490	87	(90)	4,218

(4) Matters relating to the scope of consolidation and application of equity method

Number of consolidated subsidiaries: 2

Number of nonconsolidated equity-method subsidiaries: -

Number of equity-method affiliates: 1

(5) Changes in scope of consolidation and application of equity method

Consolidation (new) - (exclusion) - Equity method (new) - (exclusion) -

2. Projected consolidated financial results for fiscal year ending August 2005 (September 1, 2004 through August 31, 2005)

Millions of yen	Net sales	Operating income	Ordinary income
Full term	12,000	1,600	877

(Reference) Projected net income per share (full term): 19,119.95 yen

* The forward-looking statements contained in this material are based on judgment acquired from information available to the Company and its group as of the date of announcement of this material and, as such, contain risks and uncertainties. Therefore, please note that actual financial results may differ materially from the forecasts contained herein for reasons of a variety of factors, including the economic environment surrounding the Company and its group, market conditions, foreign exchange rate fluctuations, etc.

Consolidated interim financial statements

(1) Consolidated interim balance sheet

Thousands of yen	As of February 29, 2004	%	As of February 28, 2005	%	As of August 31, 2004	%
Current assets						
Cash and deposits	4,523,339		5,379,585		4,318,507	
Notes and accounts receivable - trade	1,675,722		2,499,568		2,162,184	
Marketable securities	-		5,000		4,975	
Inventories	6,278		14,785		10,070	
Deferred tax assets	49,172		40,682		81,471	
Other current assets	406,389		22,452		179,875	
Allowance for doubtful accounts	(13,069)		(5,224)		(12,624)	
Total current assets	6,647,833	64.7	7,956,850	67.8	6,744,460	63.9
Fixed assets						
Tangible fixed assets						
Buildings	143,116		135,969		140,157	
Vehicles and transportation equipments	2,179		1,484		1,766	
Tools, furniture and fixtures	15,892		10,050		11,850	
Land	376,194		376,194		376,194	
Total tangible fixed assets	537,384	5.2	523,699	4.5	529,968	5.0
Intangible fixed assets	13,245	0.1	21,248	0.2	14,041	0.1
Investments and other assets						
Investments in securities	2,475,268		2,586,433		2,665,275	
Deferred tax assets	78,202		116,829		79,517	
Other fixed assets	532,986		529,383		523,083	
Allowance for doubtful accounts	(7,000)		(1,400)		(1,400)	
Total investments and other assets	3,079,457	30.0	3,231,246	27.5	3,266,476	31.0
Total fixed assets	3,630,087	35.3	3,776,194	32.2	3,810,487	36.1
Total assets	10,277,920	100.0	11,733,044	100.0	10,554,947	100.0

Thousands of yen	As of February 29, 2004	%	As of February 28, 2005	%	As of August 31, 2004	%
Current liabilities						
Accounts payable	776,642		1,472,728		842,341	
Income taxes payable	421,488		343,064		281,527	
Reserve for bonus payment	23,743		34,349		28,199	
Other current liabilities	73,078		315,357		122,219	
Total current liabilities	1,294,952	12.6	2,165,500	18.5	1,274,288	12.1
Long-term liabilities						
Allowance for employees' retirement benefits	54,540		58,272		59,357	
Allowance for directors' retirement benefits	318,605		318,495		322,095	
Consolidation adjustments account	2,153		-		-	
Other long-term liabilities	300,010		296,327		301,056	
Total long-term liabilities	675,309	6.6	673,094	5.7	682,508	6.4
Total liabilities	1,970,262	19.2	2,838,595	24.2	1,956,797	18.5
Minority interest						
Minority interest	127,565	1.2	162,877	1.4	123,607	1.2
Shareholders' equity						
Common stock	414,750	4.0	414,750	3.5	414,750	4.0
Additional paid-in capital	498,747	4.9	498,747	4.3	498,747	4.7
Retained earnings	7,052,364	68.6	7,667,522	65.3	7,359,164	69.7
Differential on valuation of other securities	214,230	2.1	150,551	1.3	201,881	1.9
Total shareholders' equity	8,180,093	79.6	8,731,571	74.4	8,474,542	80.3
Total liabilities and shareholders' equity	10,277,920	100.0	11,733,044	100.0	10,554,947	100.0

(2) Consolidated interim statement of income

Thousands of yen	Previous term		Current term		Previous fiscal year	
	(Six months ended February 29, 2004)	%	(Six months ended February 28, 2005)	%	(Year ended August 31, 2004)	%
Net sales	5,780,025	100.0	6,278,527	100.0	11,020,256	100.0
Cost of sales	4,468,879	77.3	5,000,988	79.7	8,769,689	79.6
Gross income	1,311,146	22.7	1,277,538	20.3	2,250,567	20.4
Selling, general and administrative expenses	413,873	7.2	442,027	7.0	825,186	7.5
Operating income	897,272	15.5	835,511	13.3	1,425,380	12.9
Non-operating income						
Interest received	10,262		327		10,658	
Dividend received	3,832		4,373		12,745	
Amortization of consolidation adjustment account	6,462		-		8,616	
Profit from investment in minority interest	-		8,324		-	
Gain on investment in anonymous associations	-		4,728		-	
Other non-operating income	559		736		835	
	21,116	0.4	18,491	0.3	32,856	0.3
Non-operating expenses						
Loss on investment in anonymous associations	7,549		-		9,183	
Expenses for stock listing	6,771		5,653		10,523	
Other non-operating expenses	17		36		47	
	14,338	0.3	5,689	0.1	19,754	0.2
Ordinary income	904,049	15.6	848,312	13.5	1,438,482	13.0
Extraordinary profits						
Gain on sale of memberships	-		-		309	
Gain on reversal of allowance for doubtful accounts	-		-		1,200	
	-	-	-	-	1,509	0.0
Extraordinary losses						
Loss on sale of fixed assets	-		263		-	
Loss on disposal of fixed assets	298		2,281		353	
Loss on valuation of investments in securities	-		-		2,499	
Loss on valuation of memberships	2,172		-		2,350	
Loss on sale of memberships	-		-		976	
Admission fee amortization expenses	3,000		-		3,000	
Amount transferred to allowance for doubtful accounts	1,500		-		-	
	6,970	0.1	2,545	0.0	9,179	0.1
Net income before tax and other adjustments	897,078	15.5	845,767	13.5	1,430,812	12.9
Corporation, inhabitant and enterprise taxes	421,945	7.3	334,162	5.3	683,802	6.2
Deferred income taxes	5,478	0.1	39,228	0.6	(22,030)	(0.2)
Minority interest	11,253	0.2	42,062	0.7	3,839	0.0
Net income	458,401	7.9	430,313	6.9	765,200	6.9

(3) Consolidated interim statement of cash flows

Thousands of yen	Previous term (Six months ended February 29, 2004)	Current term (Six months ended February 28, 2005)	Previous fiscal year (Year ended August 31, 2004)
Cash flows from operating activities			
Interim net income before tax and other adjustments	897,078	845,767	1,430,812
Depreciation expenses	9,091	8,417	19,123
Amortization of consolidation adjustment account	(6,462)	-	(8,616)
Increase (decrease) in reserve for bonus payment	(9,700)	6,150	(5,244)
Increase (decrease) in allowance for employees' retirement benefits	2,530	(1,084)	7,347
Increase (decrease) in allowance for directors' retirement bonuses	3,985	(3,600)	7,475
Increase (decrease) in allowance for doubtful accounts	6,733	(7,399)	3,589
Interest and dividend received	(14,094)	(4,701)	(23,404)
Profit on investments in minority interest	-	(8,324)	-
Loss on sale of fixed assets	-	263	-
Loss on disposal of fixed assets	298	2,281	353
Loss on valuation of investments in securities	-	-	2,499
Loss on valuation of memberships	2,172	-	2,350
Admission fee amortization expenses	3,000	-	3,000
Profit on investment of anonymous associations	-	(4,728)	-
Loss on investment of anonymous associations	7,549	-	9,183
Decrease (increase) in accounts receivable	251,545	(337,384)	(234,915)
Decrease (increase) in inventories	160	(4,714)	(3,631)
Decrease in advances made	148,058	155,900	373,303
Decrease (increase) in purchase liabilities	(209,693)	630,387	(143,993)
Decrease in consumption tax payable	(3,794)	(16,707)	(3,783)
Directors' bonus paid	(37,560)	(34,600)	(37,560)
Others	(81,722)	213,101	(34,659)
Sub-total	969,176	1,439,023	1,363,228
Interest and dividend received	10,899	4,606	20,273
Interest paid	-	-	(30)
Income taxes paid	(491,462)	(272,625)	(893,280)
Net cash provided by (used in) operating activities	488,612	1,171,004	490,191

Thousands of yen	Previous term (Six months ended February 29, 2004)	Current term (Six months ended February 28, 2005)	Previous fiscal year (Year ended August 31, 2004)
Cash flows from investing activities			
Outflow from acquisition of tangible fixed assets	(21,883)	(553)	(23,230)
Inflow from sale of tangible fixed assets	-	166	-
Outflow from acquisition of intangible fixed assets	(5,624)	(11,513)	(7,745)
Outflow from acquisition of investments in securities	(300,771)	(600)	(513,712)
Inflow from sale of investments in securities	8,716	-	8,716
Inflow from redemption of securities	600,000	-	600,000
Outflow from acquisition of additional shares of consolidated subsidiaries	(15,000)	-	(15,000)
Inflow from investment transactions involving anonymous associations	45,462	-	45,463
Others	(17,240)	(8,083)	(7,242)
Net cash provided by (used in) investing activities	293,659	(20,582)	87,249
Cash flows from financing activities			
Dividend paid	(87,946)	(87,958)	(87,946)
Dividend paid to minority shareholders	(2,276)	(1,385)	(2,276)
Net cash provided by (used in) financing activities	(90,222)	(89,343)	(90,222)
Increase in cash and cash equivalents	692,049	1,061,078	487,218
Beginning balance of cash and cash equivalents	3,731,289	4,218,507	3,731,289
Ending balance of cash and cash equivalents	4,423,339	5,279,585	4,218,507

(Segment information)

[Segment information by type of business]

Six months ended February 29, 2004

Thousands of yen	Media business	Rights business	Sports business	Total	Elimination or intra-company transactions	Consolidation
Sales						
Sales to external customers	4,281,050	1,328,732	170,242	5,780,025	-	5,780,025
Internal sales or transfers among segments	-	-	-	-	-	-
Total	4,281,050	1,328,732	170,242	5,780,025	-	5,780,025
Operating expenses	4,043,500	624,088	174,195	4,841,783	40,969	4,882,753
Operating income (loss)	237,550	704,643	(3,952)	938,241	(40,969)	897,272

Six months ended February 28, 2005

Thousands of yen	Media business	Rights business	Sports business	Total	Elimination or intra-company transactions	Consolidation
Sales						
Sales to external customers	5,060,039	1,075,800	142,688	6,278,527	-	6,278,527
Internal sales or transfers among segments	-	-	-	-	-	-
Total	5,060,039	1,075,800	142,688	6,278,527	-	6,278,527
Operating expenses	4,717,786	518,836	152,810	5,389,433	53,582	5,443,016
Operating income (loss)	342,252	556,963	(10,121)	889,093	(53,582)	835,511

Year ended August 31, 2004

Thousands of yen	Media business	Rights business	Sports business	Total	Elimination or intra-company transactions	Consolidation
Sales						
Sales to external customers	7,820,832	2,470,974	728,448	11,020,256	-	11,020,256
Internal sales or transfers among segments	-	-	-	-	-	-
Total	7,820,832	2,470,974	728,448	11,020,256	-	11,020,256
Operating expenses	7,530,452	1,270,256	709,192	9,509,901	84,974	9,594,875
Operating income	290,380	1,200,718	19,255	1,510,354	(84,974)	1,425,380

(Notes)

1. Business segments are classified according to those adopted for internal control purposes.
2. Principal operations of each business segments
 - (1) Media business: Sponsoring TV programs, advertising on TV, creation of animated films
 - (2) Rights business: Commercialization right, videoization right, program-selling right
 - (3) Sports business: Sale of baseball club goods, baseball club-sponsored, magazine advertising
3. The main portions of unapportionable operating expenses included in the “elimination” or “intra-company transactions” section relates to administrative units of the Company, and their amounts for the previous and current interim consolidated accounting periods were 40,969 thousand yen and 53,582 thousand yen, respectively, and 84,974 thousand yen for the previous consolidated accounting year.

[Segment information by region]

Not applicable due to the absence of consolidated subsidiaries or branches located in a country or region outside Japan.

[Overseas sales]

Description of overseas sales is omitted as they represent less than 10% of consolidated sales.

Summary of Nonconsolidated Financial Results
for the Six Months ended February 2005

SOTSU AGENCY CO., LTD.

April 19, 2005

Summary of Nonconsolidated Financial Results for the Six Months ended February 2005

Company Name: SOTSU AGENCY CO., LTD.
 Listed: JASDAQ
 Code Number: 3711
 Location of Head Office: Tokyo, Japan
 (URL - <http://www.sotsu-ag.co.jp>)
 Representative: Akihiro Yuasa, President & CEO
 Contact: Takashi Izuhara, Operating Officer & General Manager, Administration Group
 Tel. 03-3248-0311

Date of Board of Directors' Meeting for Account Settlement: April 19, 2005

Date of Commencement of Payment of Interim Dividend: -

Adoption or otherwise of stock trade unit policy: Not applicable

1. Financial results for interim period ended February 2005 (September 1, 2004 through February 28, 2005)

(1) Financial results (Amounts less than 1 million yen omitted)

Millions of yen	Net sales	%	Operating income	%	Ordinary income	%
Interim period ended February 2005	5,276	5.2	635	(24.0)	651	(23.1)
Interim period ended February 2004	5,013	22.3	836	12.0	848	12.2
Fiscal year ended August 2004	9,737		1,382		1,409	

	Net income (Millions of yen)	%	Net income per share (Yen)
Interim period ended February 2005	355	(18.7)	8,085.11
Interim period ended February 2004	437	11.7	9,943.39
Fiscal year ended August 2004	754		16,396.38

(Notes)

1. Average number of shares during period:

Interim period ended February 2005: 44,000 shares

Interim period ended February 2004: 44,000 shares

Fiscal year ended August 2004: 44,000 shares

2. Change in methods of accounting treatment: None

3. The percentage figures for net sales, operating income, ordinary income and net income represent respective changes from those of the previous interim period.

(2) State of dividends

Yen	Interim dividend per share	Annual dividend per share
Interim period ended February 2005	-	-
Interim period ended February 2004	-	-
Fiscal year ended August 2004	-	2,000

(3) Financial conditions

(Amounts less than 1 million yen omitted)

	Total assets (Millions of yen)	Shareholders' equity (Millions of yen)	Equity ratio (%)	Shareholders' equity per share (Yen)
Interim period ended February 2005	10,919	8,386	76.8	190,597.60
Interim period ended February 2004	9,642	7,897	81.9	179,499.28
Fiscal year ended August 2004	10,046	8,201	81.6	185,653.37

(Notes)

1. Number of shares issued and outstanding as of term-end
 - Interim period ended February 2005: 44,000 shares
 - Interim period ended February 2004: 44,000 shares
 - Fiscal year ended August 2004: 44,000 shares
2. Number of treasury shares as of term-end
 - Interim period ended February 2005: - shares
 - Interim period ended February 2004: - shares
 - Fiscal year ended August 2004: - shares

2. Projected financial results for fiscal year ending August 2005 (September 1, 2004 through August 31, 2005)

	Net sales (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Annual dividend per share (Yen)	
				Term-end	
Full term	10,700	1,575	866	2,000	2,000

(Reference) Projected net income per share (full term): 18,931.82 yen

* The forward-looking statements contained in this material are based on judgment acquired from information available to the Company and its group as of the date of announcement of this material and, as such, contain risks and uncertainties. Therefore, please note that actual financial results may differ materially from the forecasts contained herein for reasons of a variety of factors, including the economic environment surrounding the Company and its group, market conditions, foreign exchange rate fluctuations, etc.

Nonconsolidated interim financial statements

(1) Interim balance sheet

Thousands of yen	As of February 29, 2004	%	As of February 28, 2005	%	As of August 31, 2004	%
Current assets						
Cash and deposits	4,141,420		4,853,781		3,924,869	
Notes receivable - trade	190,128		317,924		255,880	
Accounts receivable - trade	1,199,857		1,882,626		1,758,539	
Marketable securities	-		5,000		4,975	
Inventories	360		2,609		2,835	
Deferred tax assets	38,625		28,114		72,733	
Other current assets	398,665		15,186		168,278	
Allowance for doubtful accounts	(2,285)		(2,200)		(2,906)	
Total current assets	<u>5,966,772</u>	61.9	<u>7,103,043</u>	65.1	<u>6,185,206</u>	61.6
Fixed assets						
Tangible fixed assets						
Buildings	139,125		131,518		135,110	
Vehicles and transportation equipments	2,179		1,484		1,766	
Tools, furniture and fixtures	10,093		7,127		8,273	
Land	376,194		376,194		376,194	
Total tangible fixed assets	<u>527,592</u>	5.5	<u>516,325</u>	4.7	<u>521,344</u>	5.2
Intangible fixed assets	947	0.0	947	0.0	947	0.0
Investments and other assets						
Investments in securities	2,451,018		2,256,240		2,340,215	
Shares of affiliated companies	148,350		444,940		444,940	
Deferred tax assets	58,728		97,729		62,479	
Other assets	495,978		501,190		492,300	
Allowance for doubtful accounts	(7,000)		(1,400)		(1,400)	
Total investments and other assets	<u>3,147,074</u>	32.6	<u>3,298,701</u>	30.2	<u>3,338,534</u>	33.2
Total fixed assets	<u>3,675,615</u>	38.1	<u>3,815,974</u>	34.9	<u>3,860,826</u>	38.4
Total assets	<u>9,642,387</u>	100.0	<u>10,919,017</u>	100.0	<u>10,046,033</u>	100.0

Thousands of yen	As of February 29, 2004	%	As of February 28, 2005	%	As of August 31, 2004	%
Current liabilities						
Accounts payable - trade	648,035		1,322,217		787,004	
Income taxes payable	392,998		255,360		279,118	
Reserve for bonus payment	14,086		22,815		16,949	
Other current liabilities	39,344		287,008		105,301	
Total current liabilities	1,094,466	11.4	1,887,401	17.3	1,188,374	11.9
Long-term liabilities						
Allowance for employees' retirement benefits	22,597		21,759		24,020	
Allowance for directors' retirement benefits	318,605		318,495		322,095	
Other long-term liabilities	308,750		305,067		309,796	
Total long-term liabilities	649,952	6.7	645,321	5.9	655,911	6.5
Total liabilities	1,744,419	18.1	2,532,723	23.2	1,844,285	18.4
Shareholders' equity						
Common stock	414,750	4.3	414,750	3.8	414,750	4.1
Additional paid-in capital						
Capital reserve	391,240		391,240		391,240	
Other additional paid-in capital	107,507		107,507		107,507	
Total additional paid-in capital	498,747	5.2	498,747	4.6	498,747	5.0
Retained earnings						
Legal reserve	30,000		30,000		30,000	
Voluntary reserve	6,250,000		6,850,000		6,250,000	
Unappropriated profit	494,557		446,233		811,488	
Total retained earnings	6,774,557	70.2	7,326,233	67.1	7,091,488	70.6
Differential on valuation of other marketable securities	209,913	2.2	146,563	1.3	196,761	1.9
Total shareholders' equity	7,897,968	81.9	8,386,294	76.8	8,201,748	81.6
Total liabilities and shareholders' equity	9,642,387	100.0	10,919,017	100.0	10,046,033	100.0

(2) Interim statement of income

Thousands of yen	Previous term		Current term		Previous fiscal year	
	(Six months ended February 29, 2004)	%	(Six months ended February 28, 2005)	%	(Year ended August 31, 2004)	%
Net sales	5,013,212	100.0	5,276,334	100.0	9,737,375	100.0
Cost of sales	3,993,099	79.7	4,443,847	84.2	7,977,404	81.9
Gross income	1,020,112	20.3	832,487	15.8	1,759,970	18.1
Selling, general and administrative expenses	183,824	3.6	196,977	3.8	377,211	3.9
Operating income	836,288	16.7	635,509	12.0	1,382,759	14.2
Non-operating income	26,062	0.5	22,091	0.5	46,262	0.5
Non-operating expenses	14,321	0.3	5,689	0.1	19,119	0.2
Ordinary income	848,029	16.9	651,911	12.4	1,409,902	14.5
Extraordinary profit	-	-	-	-	1,509	0.0
Extraordinary losses	4,500	0.1	-	-	4,300	0.0
Net income before taxes	843,529	16.8	651,911	12.4	1,407,112	14.5
Corporation, inhabitant and enterprise taxes	398,092	7.9	252,344	4.8	673,575	6.9
Deferred income taxes	7,928	0.2	43,822	0.9	(20,903)	(0.2)
Net income	437,509	8.7	355,744	6.7	754,440	7.8
Profit brought forward from previous term	57,048		90,488		57,048	
Unappropriated profit	494,557		446,233		811,488	