

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended May 31, 2013 (Based on Japanese GAAP)

July 10, 2013

Company name SOTSU CO.,LTD.  
 Stock exchange listing Osaka  
 Stock Code 3711 URL <http://www.sotsu-co.jp>  
 Representative President Takehiko Aoki  
 Senior Managing Director, Administration  
 Inquiries General Manager Takashi Izuhara TEL 03-6386-0311  
 Scheduled date to file Quarterly Securities Report July 12, 2013  
 Scheduled date to commence dividend payments -  
 Preparation of supplementary material on quarterly earnings yes  
 Holding of quarterly earnings performance review no -

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended May 31, 2013 (from September 1, 2012 to May 31, 2013)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended May 31, 2013	17,188	25.4	2,897	21.7	2,882	19.5	1,643	25.4
Nine months ended May 31, 2012	13,710	27.8	2,381	81.3	2,411	80.6	1,310	92.4

Note: Comprehensive income  
 Nine months ended May 31, 2013 ¥1,925 million (43.1%)  
 Nine months ended May 31, 2012 ¥1,346 million (65.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended May 31, 2013	209.65	-
Nine months ended May 31, 2012	166.00	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2013	19,345	15,291	77.5	1,913.99
As of August 31, 2012	17,825	13,751	75.7	1,721.54

Reference: Equity  
 As of May 31, 2013 ¥15,000 million  
 As of August 31, 2012 ¥13,492 million

### 2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2012	-	0.00	-	45.00	45.00
Year ending August 31, 2013	-	0.00	-		
Year ending August 31, 2013 (Forecast)				60.00	60.00

Note: Revision of cash dividend forecast during this period: yes

Notes: (1) Details of year-end dividends for the year ended August 31, 2012 ordinary dividends 30 yen special dividends 15 yen

(2) Details of year-end dividends for the year ending August 31, 2013 (Forecast) ordinary dividends 30 yen special dividends 30 yen

3. Forecast for the year ending August 31, 2013 (from September 1, 2012 to August 31, 2013)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	20,500	12.9	3,200	16.2	3,200	13.8	1,820	23.5	232.22

Note: Revision of consolidated operating performance forecast most recently announced: yes

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended May 31, 2013  
(changes in specified subsidiaries resulting in the change in scope of consolidation): no
- (2) Application of special accounting for preparing quarterly consolidated financial statements: no
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: yes
- Changes in accounting policies due to other reasons: no
- Changes in accounting estimates: yes
- Restatement of prior period financial statements after error corrections: no

(4) Number of issued shares

Total number of issued shares at the end of the period (including treasury stock)

As of May 31, 2013	8,000,000 shares	As of August 31, 2012	8,000,000 shares
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Number of shares of treasury stock at the end of the period

As of May 31, 2013	162,803 shares	As of August 31, 2012	162,711 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended May 31, 2013	7,837,251 shares	Nine months ended May 31, 2012	7,891,867 shares
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\* Indication regarding execution of quarterly review procedures

This quarterly financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements are in progress.

\* Proper use of forecasts of financial results, and other special matters

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2012	As of May 31, 2013
Assets		
Current assets		
Cash and deposits	12,434,010	13,684,424
Notes and accounts receivable-trade	2,545,939	2,694,069
Merchandise	266	183
Work in process	11,559	6,315
Supplies	4,513	4,111
Deferred tax assets	84,978	70,978
Other	276,693	221,195
Allowance for doubtful accounts	(7,488)	(8,992)
Total current assets	15,350,474	16,672,285
Noncurrent assets		
Property, plant and equipment		
Buildings, net	65,333	60,384
Vehicles, net	539	134
Tools, furniture and fixtures, net	10,461	10,134
Land	322,711	322,711
Total property, plant and equipment	399,046	393,365
Intangible assets	85,493	69,642
Investments and other assets		
Investment securities	1,292,182	1,611,190
Deferred tax assets	154,896	50,397
Other	543,352	548,327
Total investments and other assets	1,990,431	2,209,915
Total noncurrent assets	2,474,971	2,672,923
Total assets	17,825,445	19,345,209

(Thousands of yen)

	As of August 31, 2012	As of May 31, 2013
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	2,473,996	2,699,894
Income taxes payable	799,273	609,783
Provision for bonuses	35,770	32,770
Other	291,359	242,340
Total current liabilities	<u>3,600,398</u>	<u>3,584,788</u>
Noncurrent liabilities		
Provision for retirement benefits	72,176	74,793
Other	401,593	394,281
Total noncurrent liabilities	<u>473,770</u>	<u>469,075</u>
Total liabilities	<u>4,074,168</u>	<u>4,053,864</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	414,750	414,750
Capital surplus	391,240	391,240
Retained earnings	12,900,289	14,190,704
Treasury stock	(200,455)	(200,661)
Total shareholders' equity	<u>13,505,823</u>	<u>14,796,033</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(13,625)	204,306
Total accumulated other comprehensive income	<u>(13,625)</u>	<u>204,306</u>
Minority interests	259,078	291,004
Total net assets	<u>13,751,276</u>	<u>15,291,344</u>
Total liabilities and net assets	<u>17,825,445</u>	<u>19,345,209</u>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended May 31, 2012	Nine months ended May 31, 2013
Net sales	13,710,117	17,188,682
Cost of sales	10,683,755	13,594,341
Gross profit	3,026,362	3,594,341
Selling, general and administrative expenses	644,643	696,641
Operating income	2,381,718	2,897,699
Non-operating income		
Interest income	412	1,411
Dividends income	10,820	9,438
Gain on investments in silent partnership	6,346	7,311
Gain on investments in partnership	13,615	-
Other	5,865	5,719
Total non-operating income	37,060	23,881
Non-operating expenses		
Commission fee	2,509	-
Loss on investments in partnership	-	34,338
Listing related expenses	4,564	4,406
Other	170	84
Total non-operating expenses	7,243	38,829
Ordinary income	2,411,535	2,882,751
Extraordinary income		
Gain on sales of investment securities	627	21,949
Gain on negative goodwill	-	11,855
Total extraordinary income	627	33,804
Extraordinary loss		
Loss on retirement of noncurrent assets	940	7,162
Loss on sales of investment securities	36,248	13,488
Loss on valuation of investment securities	856	-
Loss on sales of membership	500	-
Total extraordinary losses	38,545	20,650
Income before income taxes and minority interests	2,373,617	2,895,905
Income taxes-current	998,620	1,188,440
Income taxes-deferred	7,191	(346)
Total income taxes	1,005,811	1,188,094
Income before minority interests	1,367,806	1,707,810
Minority interests in income	57,761	64,717
Net income	1,310,044	1,643,093

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended May 31, 2012	Nine months ended May 31, 2013
Income before minority interests	1,367,806	1,707,810
Other comprehensive income		
Valuation difference on available-for-sale securities	(21,684)	218,185
Total other comprehensive income	(21,684)	218,185
Comprehensive income	1,346,121	1,925,996
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,288,303	1,861,025
Comprehensive income attributable to minority interests	57,817	64,971