

Translation

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Summary of Consolidated Financial Results for the Three Months Ended November 30, 2012 (Based on Japanese GAAP)

January 8, 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 January 11, 2013
 Scheduled date to commence dividend payments -
 Preparation of supplementary material on quarterly earnings no
 Holding of quarterly earnings performance review no

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended November 30, 2012 (from September 1, 2012 to November 30, 2012)

(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	%
Three months ended November 30, 2012	5,069	23.6	832	38.8	846	38.8	484	41.2
Three months ended November 30, 2011	4,103	35.3	600	47.4	609	45.0	343	65.2

Note: Comprehensive income Three months ended November 30, 2012 ¥517 million (58.3%)
 Three months ended November 30, 2011 ¥326 million (18.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended November 30, 2012	61.85	-
Three months ended November 30, 2011	43.25	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2012	17,049	13,908	80.0
As of August 31, 2012	17,825	13,751	75.7

Reference: Equity As of November 30, 2012 ¥13,644 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	-	-	-	-	-
Year ending August 31, 2013 (Forecast)	-	0.00	-	30.00	30.00

Notes: (1) Revision of cash dividend forecast most recently announced: no

(2) Details of year-end dividends for the year ended August 31, 2012 ordinary dividends 30 yen special dividends 15 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
Six months ending February 28, 2013	10,000	15.0	1,600	(3.5)	1,615	(4.0)	890	0.9	113.56
Full year	18,400	1.4	2,360	(14.3)	2,400	(14.7)	1,340	(9.1)	170.98

Note: Revision of consolidated operating performance forecast most recently announced: no

4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 2012 (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 November 30, 2012	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 November 30, 2012	162,711 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)

Three months ended November 30, 2012	7,837,289 shares	Three months ended November 30, 2011	7,937,332 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 November 30, 2012
Assets		
Current assets		
Cash and deposits	12,434,010	11,428,502
Notes and accounts receivable-trade	2,545,939	2,657,180
Merchandise	266	196
Work in process	11,559	43,240
Supplies	4,513	9,203
Deferred tax assets	84,978	54,428
Other	276,693	341,301
Allowance for doubtful accounts	(7,488)	(9,739)
Total current assets	<u>15,350,474</u>	<u>14,524,312</u>
Noncurrent assets		
Property, plant and equipment		
Buildings, net	<u>65,333</u>	<u>63,684</u>
Vehicles, net	<u>539</u>	<u>404</u>
Tools, furniture and fixtures, net	<u>10,461</u>	<u>10,687</u>
Land	<u>322,711</u>	<u>322,711</u>
Total property, plant and equipment	<u>399,046</u>	<u>397,487</u>
Intangible assets	85,493	79,478
Investments and other assets		
Investment securities	1,292,182	1,326,338
Deferred tax assets	154,896	156,929
Other	<u>543,352</u>	<u>564,844</u>
Total investments and other assets	<u>1,990,431</u>	<u>2,048,112</u>
Total noncurrent assets	<u>2,474,971</u>	<u>2,525,078</u>
Total assets	<u>17,825,445</u>	<u>17,049,391</u>

(Thousands of yen)

	As of August 31, 2012	As of November 30, 2012
Liabilities		
Current liabilities		
Accounts payable-trade	2,473,996	1,957,804
Income taxes payable	799,273	311,137
Provision for bonuses	35,770	31,595
Other	291,359	368,441
Total current liabilities	<u>3,600,398</u>	<u>2,668,979</u>
Noncurrent liabilities		
Provision for retirement benefits	72,176	70,414
Other	401,593	401,593
Total noncurrent liabilities	<u>473,770</u>	<u>472,007</u>
Total liabilities	<u>4,074,168</u>	<u>3,140,986</u>
Net assets		
Shareholders' equity		
Capital stock	414,750	414,750
Capital surplus	391,240	391,240
Retained earnings	12,900,289	13,032,356
Treasury stock	(200,455)	(200,455)
Total shareholders' equity	<u>13,505,823</u>	<u>13,637,890</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(13,625)	6,398
Total accumulated other comprehensive income	<u>(13,625)</u>	<u>6,398</u>
Minority interests	259,078	264,115
Total net assets	<u>13,751,276</u>	<u>13,908,404</u>
Total liabilities and net assets	<u>17,825,445</u>	<u>17,049,391</u>

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2011	Three months ended November 30, 2012
Net sales	4,103,179	5,069,531
Cost of sales	3,293,466	4,007,102
Gross profit	809,713	1,062,428
Selling, general and administrative expenses	209,633	229,464
Operating income	600,080	832,964
Non-operating income		
Interest income	138	664
Dividends income	1,547	894
Gain on investments in partnership	8,005	13,265
Other	2,736	776
Total non-operating income	12,428	15,601
Non-operating expenses		
Listing related expenses	2,682	2,265
Other	-	0
Total non-operating expenses	2,682	2,265
Ordinary income	609,825	846,300
Extraordinary income		
Gain on sales of investment securities	-	49
Total extraordinary income	-	49
Extraordinary loss		
Loss on valuation of investment securities	856	-
Total extraordinary losses	856	-
Income before income taxes and minority interests	608,969	846,350
Income taxes-current	250,239	330,495
Income taxes-deferred	2,274	18,421
Total income taxes	252,513	348,916
Income before minority interests	356,455	497,433
Minority interests in income	13,151	12,688
Net income	343,304	484,745

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2011	Three months ended November 30, 2012
Income before minority interests	356,455	497,433
Other comprehensive income		
Valuation difference on available-for-sale securities	(29,523)	20,032
Total other comprehensive income	(29,523)	20,032
Comprehensive income	326,932	517,465
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	313,777	504,769
Comprehensive income attributable to minority interests	13,155	12,696