

Translation

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Summary of Consolidated Financial Results for the Six Months Ended February 28, 2013 (Based on Japanese GAAP)

April 9, 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 April 12, 2013
 Scheduled date to commence dividend payments -
 Preparation of supplementary material on quarterly earnings yes
 Holding of quarterly earnings performance review yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended February 28, 2013 (from September 1, 2012 to February 28, 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	%
Six months ended February 28, 2013	10,716	23.2	2,036	22.9	2,048	21.8	1,143	29.7
Six months ended February 29, 2012	8,699	22.7	1,657	83.0	1,681	79.2	882	101.7

Note: Comprehensive income Six months ended February 28, 2013 ¥1,353 million (36.0%)
 Six months ended February 29, 2012 ¥995 million (70.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended February 28, 2013	145.96	-
Six months ended February 29, 2012	111.40	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2013	19,581	14,718	73.7
As of August 31, 2012	17,825	13,751	75.7

Reference: Equity As of February 28, 2013 ¥14,431 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)	-	-	-	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
Full year	20,000	10.2	3,000	9.0	3,000	6.7	1,650	12.0	210.53

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

4. Notes

- (1) Changes in significant subsidiaries during the six months ended February 28, 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 February 28, 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 February 28, 2013	162,750 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)

Six months ended February 28, 2013	7,837,273 shares	Six months ended February 29, 2012	7,919,435 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 February 28, 2013
Assets		
Current assets		
Cash and deposits	12,434,010	13,518,341
Notes and accounts receivable-trade	2,545,939	3,099,329
Merchandise	266	103
Work in process	11,559	10,661
Supplies	4,513	4,757
Deferred tax assets	84,978	95,003
Other	276,693	407,973
Allowance for doubtful accounts	(7,488)	(11,191)
Total current assets	15,350,474	17,124,978
Noncurrent assets		
Property, plant and equipment		
Buildings, net	65,333	62,034
Vehicles, net	539	269
Tools, furniture and fixtures, net	10,461	10,412
Land	322,711	322,711
Total property, plant and equipment	399,046	395,427
Intangible assets	85,493	71,157
Investments and other assets		
Investment securities	1,292,182	1,315,455
Deferred tax assets	154,896	88,141
Other	543,352	586,665
Total investments and other assets	1,990,431	1,990,262
Total noncurrent assets	2,474,971	2,456,848
Total assets	17,825,445	19,581,826

(Thousands of yen)

	As of August 31, 2012	As of February 28, 2013
Liabilities		
Current liabilities		
Accounts payable-trade	2,473,996	3,232,731
Income taxes payable	799,273	858,101
Provision for bonuses	35,770	36,245
Other	291,359	270,040
Total current liabilities	3,600,398	4,397,119
Noncurrent liabilities		
Provision for retirement benefits	72,176	71,532
Other	401,593	394,281
Total noncurrent liabilities	473,770	465,814
Total liabilities	4,074,168	4,862,933
Net assets		
Shareholders' equity		
Capital stock	414,750	414,750
Capital surplus	391,240	391,240
Retained earnings	12,900,289	13,691,556
Treasury stock	(200,455)	(200,531)
Total shareholders' equity	13,505,823	14,297,014
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(13,625)	134,430
Total accumulated other comprehensive income	(13,625)	134,430
Minority interests	259,078	287,447
Total net assets	13,751,276	14,718,892
Total liabilities and net assets	17,825,445	19,581,826

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended February 29, 2012	Six months ended February 28, 2013
Net sales	8,699,061	10,716,264
Cost of sales	6,610,777	8,219,154
Gross profit	2,088,283	2,497,110
Selling, general and administrative expenses	430,885	460,548
Operating income	1,657,398	2,036,561
Non-operating income		
Interest income	282	776
Dividends income	9,010	8,491
Gain on investments in silent partnership	6,346	7,311
Gain on investments in partnership	9,875	-
Other	5,432	1,149
Total non-operating income	30,946	17,729
Non-operating expenses		
Commission fee	2,507	-
Loss on investments in partnership	-	2,277
Listing related expenses	3,742	3,646
Other	100	0
Total non-operating expenses	6,350	5,924
Ordinary income	1,681,994	2,048,365
Extraordinary income		
Gain on sales of investment securities	-	16,239
Gain on negative goodwill	-	11,855
Total extraordinary income	-	28,095
Extraordinary loss		
Loss on retirement of noncurrent assets	-	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	37,604	20,650
Income before income taxes and minority interests	1,644,389	2,055,811
Income taxes-current	703,273	873,197
Income taxes-deferred	4,620	(22,650)
Total income taxes	707,894	850,546
Income before minority interests	936,495	1,205,264
Minority interests in income	54,248	61,320
Net income	882,247	1,143,944

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended February 29, 2012	Six months ended February 28, 2013
Income before minority interests	936,495	1,205,264
Other comprehensive income		
Valuation difference on available-for-sale securities	58,609	148,149
Total other comprehensive income	58,609	148,149
Comprehensive income	995,104	1,353,414
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	940,820	1,292,000
Comprehensive income attributable to minority interests	54,284	61,413

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended February 29, 2012	Six months ended February 28, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,644,389	2,055,811
Depreciation and amortization	16,862	13,075
Amortization of goodwill	-	6,042
Increase (decrease) in allowance for doubtful accounts	562	3,703
Increase (decrease) in provision for bonuses	254	475
Increase (decrease) in provision for retirement benefits	(47)	(644)
Interest and dividends income	(9,292)	(9,268)
Decrease (increase) in notes and accounts receivable-trade	(428,472)	(553,389)
Decrease (increase) in inventories	1,991	816
Increase (decrease) in notes and accounts payable-trade	(289,062)	758,735
Other, net	(146,819)	(155,161)
Subtotal	790,365	2,120,195
Interest and dividends income received	9,300	9,274
Income taxes paid	(301,961)	(815,136)
Net cash provided by (used in) operating activities	497,704	1,314,333
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-	(6,182)
Purchase of intangible assets	(12,974)	(9,395)
Purchase of investment securities	(25,852)	(600)
Proceeds from sales of investment securities	141,036	214,930
Payments for investments in capital of subsidiaries and affiliates	(300,000)	-
Other, net	19,484	(68,360)
Net cash provided by (used in) investing activities	(178,305)	130,392
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(146,518)	(75)
Cash dividends paid	(238,108)	(352,660)
Cash dividends paid to minority shareholders	(4,468)	(7,659)
Net cash provided by (used in) financing activities	(389,094)	(360,395)
Net increase (decrease) in cash and cash equivalents	(69,695)	1,084,330
Cash and cash equivalents at beginning of period	10,930,259	12,434,010
Cash and cash equivalents at end of period	10,860,564	13,518,341