

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended November 30, 2013 (Based on Japanese GAAP)

January 8, 2014

Company name SOTSU CO.,LTD.  
 Stock exchange listing Tokyo  
 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 14, 2014  
 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, 2013 (from September 1, 2013 to November 30, 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	%
Three months ended November 30, 2013	5,226	3.1	883	6.1	912	7.8	543	12.0
Three months ended November 30, 2012	5,069	23.6	832	38.8	846	38.8	484	41.2

Note: Comprehensive income Three months ended November 30, 2013 ¥665 million (28.7%)  
 Three months ended November 30, 2012 ¥517 million (58.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended November 30, 2013	69.30	-
Three months ended November 30, 2012	61.85	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2013	20,194	15,713	76.3	1,966.40
As of August 31, 2013	18,942	15,526	80.4	1,943.21

Reference: Equity As of November 30, 2013 ¥15,411 million  
 As of August 31, 2013 ¥15,229 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, 2013	-	0.00	-	60.00	60.00
Year ending August 31, 2014	-	-	-	-	-
Year ending August 31, 2014 (Forecast)	-	30.00	-	30.00	60.00

Note: Revision of cash dividend forecast during this period: no

Notes: (1) Details of year-end dividends for the year ended August 31, 2013 ordinary dividends 30 yen special dividends 30 yen  
 (2) Details of interim dividends for the six months ending February 28, 2014 ordinary dividends 15 yen special dividends 15 yen  
 Details of year-end dividends for the year ending August 31, 2014 ordinary dividends 15 yen special dividends 15 yen

3. Forecast for the year ending August 31, 2014 (from September 1, 2013 to August 31, 2014)

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, 2014	12,200	13.8	2,230	9.5	2,230	8.9	1,260	10.1	160.77
Full year	22,000	6.1	3,300	0.1	3,360	2.2	2,000	4.6	255.19

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, 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: no
- Changes in accounting policies due to other reasons: no
- Changes in accounting estimates: no
- 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, 2013	8,000,000 shares	As of August 31, 2013	8,000,000 shares
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Number of shares of treasury stock at the end of the period

As of November 30, 2013	162,803 shares	As of August 31, 2013	162,803 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, 2013	7,837,197 shares	Three months ended November 30, 2012	7,837,289 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, 2013	As of November 30, 2013
Assets		
Current assets		
Cash and deposits	13,934,706	14,342,472
Notes and accounts receivable-trade	1,996,211	2,943,097
Merchandise	133	154
Work in process	13,069	51,657
Supplies	4,612	12,039
Deferred tax assets	89,512	60,612
Other	260,501	184,843
Allowance for doubtful accounts	(7,250)	(11,114)
Total current assets	<u>16,291,497</u>	<u>17,583,764</u>
Noncurrent assets		
Property, plant and equipment		
Buildings, net	58,734	57,355
Vehicles, net	0	0
Tools, furniture and fixtures, net	18,542	17,790
Land	322,711	322,711
Total property, plant and equipment	<u>399,988</u>	<u>397,857</u>
Intangible assets	71,496	65,519
Investments and other assets		
Investment securities	1,584,440	1,616,893
Deferred tax assets	76,266	20,143
Other	519,212	510,026
Total investments and other assets	<u>2,179,919</u>	<u>2,147,063</u>
Total noncurrent assets	<u>2,651,404</u>	<u>2,610,440</u>
Total assets	<u>18,942,902</u>	<u>20,194,204</u>

(Thousands of yen)

	As of August 31, 2013	As of November 30, 2013
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	1,830,049	3,263,334
Income taxes payable	770,183	321,509
Provision for bonuses	38,383	33,910
Other	296,264	373,714
Total current liabilities	2,934,880	3,992,468
Noncurrent liabilities		
Provision for retirement benefits	84,963	68,032
Other	396,916	420,061
Total noncurrent liabilities	481,879	488,094
Total liabilities	3,416,760	4,480,563
<b>Net assets</b>		
Shareholders' equity		
Capital stock	414,750	414,750
Capital surplus	391,240	391,240
Retained earnings	14,459,258	14,532,162
Treasury stock	(200,661)	(200,661)
Total shareholders' equity	15,064,587	15,137,491
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	164,693	273,566
Total accumulated other comprehensive income	164,693	273,566
Minority interests	296,861	302,584
Total net assets	15,526,142	15,713,641
Total liabilities and net assets	18,942,902	20,194,204

**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, 2012	Three months ended November 30, 2013
Net sales	5,069,531	5,226,578
Cost of sales	4,007,102	4,104,089
Gross profit	1,062,428	1,122,488
Selling, general and administrative expenses	229,464	239,118
Operating income	832,964	883,370
Non-operating income		
Interest income	664	2,342
Dividends income	894	530
Gain on investments in partnership	13,265	27,686
Other	776	1,221
Total non-operating income	15,601	31,781
Non-operating expenses		
Listing related expenses	2,265	2,428
Other	0	-
Total non-operating expenses	2,265	2,428
Ordinary income	846,300	912,723
Extraordinary income		
Gain on sales of investment securities	49	42,320
Total extraordinary income	49	42,320
Extraordinary loss		
Loss on sales of investment securities	-	25,850
Total extraordinary losses	-	25,850
Income before income taxes and minority interests	846,350	929,193
Income taxes-current	330,495	324,331
Income taxes-deferred	18,421	47,895
Total income taxes	348,916	372,227
Income before minority interests	497,433	556,965
Minority interests in income	12,688	13,829
Net income	484,745	543,135

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

(Thousands of yen)

	Three months ended November 30, 2012	Three months ended November 30, 2013
Income before minority interests	497,433	556,965
Other comprehensive income		
Valuation difference on available-for-sale securities	20,032	108,842
Total other comprehensive income	20,032	108,842
Comprehensive income	517,465	665,808
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	504,769	652,008
Comprehensive income attributable to minority interests	12,696	13,799