

Translation

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**Summary of Consolidated Financial Results  
for the Three Months Ended November 30, 2014  
(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  
 Inquiries: Executive Vice President 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 financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended November 30, 2014 (from September 1, 2014 to November 30, 2014)

(1) Consolidated financial 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, 2014	5,291	1.2	724	(18.0)	704	(22.8)	446	(17.9)
Three months ended November 30, 2013	5,226	3.1	883	6.1	912	7.8	543	12.0

Note: Comprehensive income Three months ended November 30, 2014 ¥419 million [(36.9)%]  
 Three months ended November 30, 2013 ¥665 million [28.7%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended November 30, 2014	28.47	–
Three months ended November 30, 2013	34.65	–

\* The Company conducted the stock split at a ratio of 1:2 of common shares on December 1, 2014. Net income per share has been calculated on the basis that the stock split had been effective at the beginning of the year ended August 31, 2014.

(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, 2014	21,464	17,189	79.2	1,085.16
As of August 31, 2014	21,807	17,009	77.1	1,073.38

Reference: Equity As of November 30, 2014 ¥17,009 million  
 As of August 31, 2014 ¥16,824 million

\* The Company conducted the stock split at a ratio of 1:2 of common shares on December 1, 2014. Net assets per share has been calculated on the basis that the stock split had been effective at the beginning of the year ended August 31, 2014.

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2014	–	30.00	–	30.00	60.00
Year ending August 31, 2015	–				
Year ending August 31, 2015 (Forecast)		15.00	–	20.00	35.00

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

- Notes: (1) Details of interim dividends for the six months ended February 28, 2014      ordinary dividends 15 yen      special dividends 15 yen  
 Details of year-end dividends for the year ended August 31, 2014      ordinary dividends 15 yen      special dividends 15 yen
- (2) The Company conducted the stock split at a ratio of 1:2 of common shares on December 1, 2014.  
 Forecast of interim and year-end dividends for the year ending August 31, 2015 is provided after taking into consideration of the above stock split.
- (3) Details of interim dividends for the six months ending February 28, 2015      ordinary dividends 15 yen  
 Details of year-end dividends for the year ending August 31, 2015      ordinary dividends 15 yen      special dividends 5 yen

## 3. Forecast of consolidated financial results for the year ending August 31, 2015 (from September 1, 2014 to August 31, 2015)

	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, 2015	13,100	10.5	1,850	(18.1)	1,860	(18.3)	1,130	(17.1)	72.09	
Full year	25,000	12.1	3,750	11.1	3,750	12.7	2,240	10.5	142.91	

Note: Revision of consolidated financial results forecast most recently announced: No

Net income per share is provided after taking into consideration of the stock split at a ratio of 1:2 of common shares with December 1, 2014 as the effective date.

## 4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 2014  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements  
 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: No

### (4) Number of issued shares (common shares)

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

As of November 30, 2014	16,000,000 shares	As of August 31, 2014	16,000,000 shares
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Number of treasury shares at the end of the period

As of November 30, 2014	325,698 shares	As of August 31, 2014	325,698 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, 2014	15,674,302 shares	Three months ended November 30, 2013	15,674,394 shares
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The Company conducted the stock split at a ratio of 1:2 of common shares on December 1, 2014. Number of shares has been calculated on the basis that the stock split had been effective at the beginning of the year ended August 31, 2014

### \* 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, 2014	As of November 30, 2014
Assets		
Current assets		
Cash and deposits	15,836,072	15,043,649
Notes and accounts receivable - trade	2,841,891	3,329,793
Merchandise	144	135
Work in process	9,945	42,990
Supplies	5,123	6,981
Deferred tax assets	87,485	68,612
Other	433,489	448,645
Allowance for doubtful accounts	(9,584)	(11,332)
Total current assets	19,204,567	18,929,475
Non-current assets		
Property, plant and equipment		
Buildings, net	53,215	52,049
Vehicles, net	2,160	1,980
Tools, furniture and fixtures, net	15,446	15,909
Land	322,711	322,711
Total property, plant and equipment	393,534	392,651
Intangible assets	41,965	38,250
Investments and other assets		
Investment securities	1,876,859	1,820,092
Deferred tax assets	21,442	21,767
Other	269,331	262,731
Total investments and other assets	2,167,632	2,104,590
Total non-current assets	2,603,132	2,535,492
Total assets	21,807,700	21,464,968

(Thousands of yen)

	As of August 31, 2014	As of November 30, 2014
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,255,031	3,201,065
Income taxes payable	721,456	236,123
Provision for bonuses	35,318	33,690
Other	316,901	349,133
Total current liabilities	4,328,707	3,820,012
Non-current liabilities		
Deferred tax liabilities	58,478	43,363
Net defined benefit liability	70,282	71,944
Other	340,297	340,297
Total non-current liabilities	469,058	455,605
Total liabilities	4,797,765	4,275,618
<b>Net assets</b>		
Shareholders' equity		
Capital stock	414,750	414,750
Capital surplus	391,240	391,240
Retained earnings	15,780,396	15,991,452
Treasury shares	(200,828)	(200,828)
Total shareholders' equity	16,385,558	16,596,613
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	438,949	412,535
Total accumulated other comprehensive income	438,949	412,535
Minority interests	185,426	180,200
Total net assets	17,009,934	17,189,349
<b>Total liabilities and net assets</b>	<b>21,807,700</b>	<b>21,464,968</b>

**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, 2013	Three months ended November 30, 2014
Net sales	5,226,578	5,291,781
Cost of sales	4,104,089	4,311,034
Gross profit	1,122,488	980,747
Selling, general and administrative expenses	239,118	256,491
Operating income	883,370	724,256
Non-operating income		
Interest income	2,342	2,134
Dividend income	530	925
Gain on investments in partnership	27,686	–
Other	1,221	1,947
Total non-operating income	31,781	5,006
Non-operating expenses		
Listing related expenses	2,428	2,323
Loss on investments in partnership expenditure for research and development	–	820
Total non-operating expenses	2,428	24,575
Ordinary income	912,723	704,688
Extraordinary income		
Gain on sales of investment securities	42,320	484
Total extraordinary income	42,320	484
Extraordinary losses		
Loss on sales of investment securities	25,850	–
Total extraordinary losses	25,850	–
Income before income taxes and minority interests	929,193	705,172
Income taxes - current	324,331	240,924
Income taxes - deferred	47,895	18,033
Total income taxes	372,227	258,958
Income before minority interests	556,965	446,213
Minority interests in income	13,829	43
Net income	543,135	446,170

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

(Thousands of yen)

	Three months ended November 30, 2013	Three months ended November 30, 2014
Income before minority interests	556,965	446,213
Other comprehensive income		
Valuation difference on available-for-sale securities	108,842	(26,366)
Total other comprehensive income	108,842	(26,366)
Comprehensive income	665,808	419,847
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	652,008	419,755
Comprehensive income attributable to minority interests	13,799	91