

The Third Quarter Consolidated Financial Results for the Fiscal Year Ended March 31, 2013
(Japanese Accounting Standards)

February 4, 2013

Company name: SHOFU INC.
 Listing: Tokyo Stock Exchange (First section)
 Code number: 7979
 URL: <http://www.shofu.co.jp/>
 Representative: Noriyuki Negoro, President
 Contact: Wataru Fujishima, Managing Director (Finance, Personnel, General Affairs and Corporate Planning)
 Scheduled date for filing of quarterly securities report: February 13, 2013
 Scheduled commencement date of dividend payment: None
 Supplementary documents for quarterly financial results: None
 Quarterly financial results briefing: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of Fiscal 2012 (April 1, 2012 – December 31, 2012)

(1) Consolidated Operating Results

(% indicates changes from previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months ended December 31, 2012	11,796	2.4	333	(46.9)	271	(54.3)	(52)	-
Nine Months ended December 31, 2011	11,514	0.4	628	(3.3)	592	4.1	289	(13.4)

(Note) Comprehensive income: Nine Months ended December 31, 2012 53 million yen (- %)
 Nine Months ended December 31, 2011 (25) million yen (- %)

	Third Quarter Net income (loss) per share	Fully diluted Third Quarter net income (loss) per share
	Yen	Yen
Nine Months ended December 31, 2012	(3.24)	-
Nine Months ended December 31, 2011	17.99	17.98

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Nine Months ended December 31, 2012	22,049	18,068	81.8	1,132.15
Year ended March 31, 2012	22,795	18,439	80.8	1,146.02

(Reference) Shareholder's equity: As of Nine Months ended December 31, 2012 18,034 million yen
 Fiscal Year ended March 31, 2012 18,420 million yen

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2012	-	8.00	-	12.00	20.00
Year ending March 31, 2013	-	8.00	-		
Year ending March 31, 2013 (Forecasts)			-	11.00	19.00

(Note) Revision to the dividend forecast during the current quarter: None

Year-end dividends for the fiscal year ended March 31, 2012 include commemorative dividends of 2.0 yen.

(1.0 yen for the 90th anniversary of company's founding, and 1.0 yen for the listing on the first section of TSE.)

Year-end dividends for the fiscal year ended March 31, 2013 include commemorative dividend of 1.0 yen.

(The 90th anniversary of company's founding)

3 . Consolidated Forecasts for the Fiscal Year Ending March 31, 2013.

(% indicates changes from previous fiscal year)

	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
Year ending March 31,2013	16,058	0.5	791	(20.7)	690	(28.2)	195	(61.6)	12.19

(Note) Revision during the current quarter to the performance forecasts: None

4 . Others

(1) Changes in significant subsidiaries during the period (change in scope of consolidation): None

(2) Adoption of accounting methods specific to the preparation of quarterly financial statements: Yes

(3) Changes in accounting principles, procedures and indication method:

- (a) Changes in accounting standards: Yes
- (b) Changes other than (a) above: None
- (c) Changes in accounting estimate: Yes
- (d) Retrospective restatements: None

(4) Number of shares outstanding (Common stock)

(a) Number of shares outstanding at end of period (including treasury stock).

As of December 31, 2012: 16,114,089 shares

As of March 31, 2012: 16,114,089 shares

(b) Number of treasury stock at end of period

As of December 31, 2012: 184,405 shares

As of March 31, 2012: 40,702 shares

(c) Average number of shares during the period

As of December 31, 2012: 16,062,195 shares

As of December 31, 2011: 16,073,569 shares

*Indication of quarterly review procedure implementation status

This earnings report is not subject to audit procedures under the Financial Instruments and Exchange Act. At the time of disclosing these consolidated financial statements, audit procedures specified in the Financial Instruments and Exchange Act have not been completed with respect to the financial statements.

*Explanation concerning the appropriate use of business forecasts, and other special items.

The forecasts and other statements regarding the future included in this report are based on currently available information and certain assumptions. Actual results may differ from forecasts for a variety of reasons.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	Previous fiscal year (as of March 31,2012)	End of Third Quarter of Fiscal 2012 (as of December 31,2012)
Assets		
Current assets		
Cash and deposits	7,286	6,598
Notes and accounts receivable-trade	2,526	2,131
Short term investment securities	79	432
Merchandises and finished goods	2,210	2,313
Work in process	605	670
Raw materials and supplies	512	681
Other	846	790
Allowance for doubtful accounts	(99)	(59)
Total current assets	13,966	13,559
Noncurrent assets		
Property,plant and equipment		
Buildings and structures	6,363	6,306
Accumulated depreciation	(4,019)	(3,983)
Buildings and structures, net	2,344	2,323
Other	6,567	6,694
Accumulated depreciation	(4,444)	(4,468)
Other, net	2,123	2,226
Total property,plant and equipment	4,467	4,549
Intangible assets		
Goodwill	356	289
Other	197	173
Total Intangible assets	553	462
Investments and other assets		
Investment securities	3,023	2,620
Other	792	866
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,807	3,478
Total noncurrent assets	8,829	8,490
Total assets	22,795	22,049

(Millions of yen)

	Previous fiscal year (as of March 31,2012)	End of Third Quarter of Fiscal 2012 (as of December 31,2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	628	553
Short-term loans payable	990	985
Income taxes payable	239	54
Provision for directors' bonuses	31	23
Other	1,354	1,246
Total current liabilities	3,244	2,862
Noncurrent liabilities		
Provision for retirement benefits	113	118
Other	997	1,001
Total noncurrent liabilities	1,111	1,119
Total liabilities	4,355	3,981
Net assets		
Shareholders' equity		
Capital stock	4,474	4,474
Capital surplus	4,576	4,576
Retained earnings	9,774	9,396
Treasury stock	(55)	(169)
Total shareholders' equity	18,769	18,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	298	306
Foreign currency translation adjustment	(647)	(549)
Total accumulated other comprehensive income	(349)	(243)
Stock acquisition rights	19	33
Total net assets	18,439	18,068
Total liabilities and net assets	22,795	22,049

(2) Quarterly Consolidated Statements of Income

(Millions of yen)

	Third Quarter of Fiscal 2011(from April 1, 2011 to December 31, 2011)	Third Quarter of Fiscal 2012(from April 1, 2012 to December 31, 2012)
Net Sales	11,514	11,796
Cost of sales	5,179	5,247
Gross profit	6,334	6,548
Selling, general & administrative expenses	5,706	6,214
Operating income	628	333
Non-operating income		
Interest income	12	15
Dividends income	51	50
Annual fee and seminar fee income	66	71
Reversal of allowance for doubtful accounts	63	39
Other	27	46
Total non-operating income	221	222
Non-operating expenses		
Interest expenses	7	7
Sales discounts	109	113
Seminar operating expense hosted by Company	97	91
Other	42	73
Total non-operating expenses	256	285
Ordinary income	592	271
Extraordinary loss		
Loss on valuation of investment securities	-	142
Loss on retirement of noncurrent assets	-	15
Total extraordinary losses	-	157
Income before income taxes	592	113
Income taxes	303	165
Income (loss) before minority interests	289	(52)
Net income (loss)	289	(52)

(3) Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Third Quarter of Fiscal 2011(from April 1, 2011 to December 31, 2011)	Third Quarter of Fiscal 2012(from April 1, 2012 to December 31, 2012)
Income (loss) before minority interests	289	(52)
Other comprehensive income		
Valuation difference on available-for-sale securities	(167)	8
Foreign currency translation adjustment	(146)	97
Total other comprehensive income	(314)	105
Comprehensive income	(25)	53
Comprehensive income attributable to:		
Comprehensive income attributable to owner of the parent	(25)	53
Comprehensive income attributable to minority interests	-	-