

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

August 3, 2012

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: August 10, 2012
 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 First Quarter of Fiscal 2012 (April 1, 2012 – June 30, 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	%
Three Months ended June 30, 2012	3,772	(2.0)	83	(47.6)	80	(46.8)	(38)	-
Three Months ended June 30, 2011	3,850	(0.8)	160	(38.1)	151	(46.0)	64	(61.0)

(Note) Comprehensive income: Three Months ended June 30, 2012 (244) million yen (–%)
 Three Months ended June 30, 2011 (14) million yen (–%)

	First Quarter Net income (loss) per share	Fully diluted First Quarter net income (loss) per share
Three Months ended June 30, 2012	Yen (2.42)	Yen -
Three Months ended June 30, 2011	4.03	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Three Months ended June 30, 2012	22,473	18,006	80.0	1,118.65
Year ended March 31, 2012	22,795	18,439	80.8	1,146.02

(Reference) Shareholder's equity: As of three Months ended June 30, 2012 17,987 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	-				
Year ending March 31, 2013 (Forecasts)		8.00	-	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
Six months ending September 30,2012	8,233	6.0	330	(24.6)	273	(32.2)	122	(48.6)	7.61
Year ending March 31,2013	16,677	4.3	949	(4.9)	825	(14.2)	511	0.1	31.80

(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 June 30,2012: 16,114,089 shares

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

(b) Number of treasury stock at end of period

As of June 30,2012: 34,155 shares

As of March 31,2012: 40,702 shares

(c) Average number of shares during the period

As of June 30,2012: 16,075,024 shares

As of June 30,2011: 16,073,603 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 First Quarter of Fiscal 2012 (as of June 30,2012)
Assets		
Current assets		
Cash and deposits	7,286	7,231
Notes and accounts receivable-trade	2,526	2,198
Short term investment securities	79	243
Merchandises and finished goods	2,210	2,341
Work in process	605	623
Raw materials and supplies	512	574
Other	846	795
Allowance for doubtful accounts	(99)	(72)
Total current assets	13,966	13,935
Noncurrent assets		
Property,plant and equipment		
Buildings and structures	6,363	6,243
Accumulated depreciation	(4,019)	(3,897)
Buildings and structures, net	2,344	2,345
Other	6,567	6,575
Accumulated depreciation	(4,444)	(4,448)
Other, net	2,123	2,126
Total property,plant and equipment	4,467	4,472
Intangible assets		
Goodwill	356	334
Other	197	179
Total Intangible assets	553	513
Investments and other assets		
Investment securities	3,023	2,563
Other	792	996
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,807	3,551
Total noncurrent assets	8,829	8,537
Total assets	22,795	22,473

(Millions of yen)

	Previous fiscal year (as of March 31,2012)	End of First Quarter of Fiscal 2012 (as of June 30,2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	628	630
Short-term loans payable	990	990
Income taxes payable	239	52
Provision for directors' bonuses	31	7
Other	1,354	1,676
Total current liabilities	3,244	3,357
Noncurrent liabilities		
Provision for retirement benefits	113	115
Other	997	993
Total noncurrent liabilities	1,111	1,109
Total liabilities	4,355	4,466
Net assets		
Shareholders' equity		
Capital stock	4,474	4,474
Capital surplus	4,576	4,576
Retained earnings	9,774	9,537
Treasury stock	(55)	(46)
Total shareholders' equity	18,769	18,542
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	298	137
Foreign currency translation adjustment	(647)	(691)
Total accumulated other comprehensive income	(349)	(554)
Stock acquisition rights	19	19
Total net assets	18,439	18,006
Total liabilities and net assets	22,795	22,473

(2) Quarterly Consolidated Statements of Income

(Millions of yen)

	First Quarter of Fiscal 2011(from April 1,2011 to June 30,2011)	First Quarter of Fiscal 2012(from April 1,2012 to June 30,2012)
Net Sales	3,850	3,772
Cost of sales	1,738	1,685
Gross profit	2,111	2,086
Selling,general & administrative expenses	1,951	2,002
Operating income	160	83
Non-operating income		
Interest income	3	5
Dividends income	29	29
Annual fee and seminar fee income	26	12
Reversal of allowance for doubtful accounts	27	27
Other	8	27
Total non-operating income	94	103
Non-operating expenses		
Interest expenses	2	2
Sales discounts	36	38
Seminar operating expense hosted by Company	31	17
Foreign exchange losses	13	41
Other	18	7
Total non-operating expenses	103	107
Ordinary income	151	80
Extraordinary loss		
Loss on valuation of investment securities	-	44
Loss on retirement of noncurrent assets	-	15
Total extraordinary losses	-	60
Income before income taxes	151	20
Income taxes	86	59
Income (loss) before minority interests	64	(38)
Net income (loss)	64	(38)

(3) Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	First Quarter of Fiscal 2011(from April 1,2011 to June 30,2011)	First Quarter of Fiscal 2012(from April 1,2012 to June 30,2012)
Income before minority interests	64	(38)
Other comprehensive income		
Valuation difference on available-for-sale securities	(46)	(161)
Foreign currency translation adjustment	(3)	(44)
Total other comprehensive income	(50)	(205)
Comprehensive income	14	(244)
Comprehensive income attributable to:		
Comprehensive income attributable to owner of the parent	14	(244)
Comprehensive income attributable to minority interests	-	-