

Independent Auditors' Audit Report and Internal Control Audit Report

February 25, 2013

To the Board of Directors of
Tosei Corporation

Shinsoh Audit Corporation

Designated and Engagement Partner,
Certified Public Accountant:

_____ Giichi Yanagisawa (Seal)

Designated and Engagement Partner,
Certified Public Accountant:

_____ Takashi Aikawa (Seal)

[Audit of Financial Statements]

Pursuant to the first paragraph of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements included in the Accounting Section, namely, the consolidated balance sheets, and the related consolidated statements of operations, comprehensive income, changes in net assets and cash flows, the significant accounting policies, the other related notes and consolidated supplementary schedules of Tosei Corporation and consolidated subsidiaries for the fiscal year from December 1, 2011 to November 30, 2012.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tosei Corporation and consolidated subsidiaries as of November 30, 2012, and the consolidated results of their operations and their cash flows for the year then ended in conformity with

accounting principles generally accepted in Japan.

Matter for Emphasis

As stated in “important subsequent events,” Tosei Corporation passed a resolution at a meeting of its Board of Directors held on February 22, 2013 to issue shares as Common stock. This matter did not have a material effect on our opinion.

[Audit of Internal Control over Financial Reporting]

Pursuant to the second paragraph of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we have audited management’s report on internal control over financial reporting of Tosei Corporation as of November 30, 2012.

Management’s Responsibility for the Management’s Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Management’s Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan. Internal control over financial reporting may not prevent or detect misstatements.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Management’s Report based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Management’s Report is free from material misstatement. An internal control audit involves performing procedures to obtain audit evidence about the result of management’s assessment on internal control over financial reporting in the Management’s Report. The procedures selected depend on the auditor’s judgment, including the materiality of effect on the reliability of financial reporting. An internal control audit also includes evaluating the overall presentation of the Management’s Report, including disclosures on scope, procedures and conclusions of management’s assessment of internal control over financial reporting. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Management’s Report referred to above, which represents that the internal control over financial reporting as at November 30, 2012 of Tosei Corporation is effective, present fairly, in all material respects, the result of management’s assessment on internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

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- *1. The above is a digitization of the text contained in the original copy of the Audit Report, which is in the custody of the Company as attachments to the financial statements.
2. The section of financial statements of this report does not contain their XBRL data.

※The English version of the financial statements consists of an English translation of the audited Japanese financial statements. The actual text of the English translation of the financial statements was not covered by our audit. Consequently, for the auditor’s report of the English financial statements, the Japanese original is the official text, and the English version is a translation of that text.