

May 12, 2005

Consolidated Financial Results for
Fiscal Year Ending on March 31, 2005

S K Japan Co., Ltd. Osaka TEL: 06-6765-0670

Stock Code: 7608 (URL <http://www.sk-japan.co.jp>)

Stock Exchange listing : TSE/OSE First section

Contact: Satoshi Kubo, CEO

Masaru Kawakami, Director Administrative Manager

Accounting Principal: Japanese GAAP

Board meeting for approval of results: May 12, 2005

1. Consolidated Financial Results (April 1, 2004 to March 31, 2005)

【1】 Results of Operation

(Figures are rounded down to million yen)

	Sales	Operating income	Ordinary income
2005/03/31	9,247 (-) 6.4%	709 (-) 26.5%	702 (-) 26.8%
2004/03/31	9,877 24.0%	964 83.4%	959 93.9

	Net income	Net income per share	Net income per share (diluted)	Shareholder equity ratio	Total capital current profit rate	Current profit rate against total Sales
2005/03/31	432 14.8%	52.51 yen	51.19 yen	16.8%	17.3%	7.6%
2004/03/31	376 47.4%	65.88yen	64.13 yen	16.8 %	24.6%	9.7 %

(2) Financial Position

	Total asset	Shareholders' equity	Shareholders' equity ratio	Equity per share
2005/03/31	3,887 Million yen	2,735 Million yen	70.4 %	336.18 yen
2004/03/31	4,228	2,414	57.1	429.98 yen

(3) Cash flow

	Cash flow by operating activities	Cash flow by investment activities	Cash flow by financial activities	Cash and cash equivalents at March 31, 2005
2005/03/31	-)32 Million yen	-) 65Million yen	-)131Million yen	1,310Million yen
2004/03/31	734 -"-	-)135 -" -	-)7 -" -	1,540 -" -

2.Forecasts for the February 2006 Term. (April 1, 2005~February 28, 2006) (Figures are rounded

Down to the nearest million yen)

	Estimated sales	Estimated ordinary Income	Estimated net Income
Interim	4,204 Million yen	270 Million yen	155 Million yen
Full term	8,200 -" -	615 -" -	362 -" -

3.Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: thousand yen)

	2004/03/31	2005/03/31	Comparison
Item			
(Assets)			
Current assets			
1. Cash and deposit	1,540,231	1,310,346	-229,885
2. Accounts receivable	1,328,927	1,050,464	-278,462
3..Inventory	167,116	232,054	64,938
4.Deferred tax assets	75,401	47,131	-28,269
5.Others	22,477	48,893	26,416
Reserves	-14,324	-3,877	10,447
Current assets total	3,119,828 (73.8%)	2,685,013 (69.1%)	-434,815
Fixed assets			
(1)Tangible fixed assets			
1 Building	235,656	223,277	-12,379
2.Vehicles	7,210	6,752	-457
3.Others	16,872	22,106	5,233
4.Land	278,748	278,748	-

Tangible fixed assets total	538,487	(12.7%)	530,884	(13.6%)	-7,602
(2) Intangible fixed assets					
1. Telephone rights	6,125		6,125		-
2. Software accounts	-		16,000		16,000
3. Others	-		418		418
Intangible fixed assets total	6,125	(0.1%)	22,544	(0.6)	16,418
(3) Investments and other assets					
1. Investment securities	111,661		218,262		106,600
2. Claim in bankruptcy and reorganization	14,271		13,229		-1,042
3. Reserves for insurance	294,777		276,644		-18,133
4. Deferred tax assets	146,549		142,493		-4,055
5. Others	42,076		42,016		-60
Allowances for doubtful accounts	-44,821		-43,779		1,042
Total investments and other assets	564,514	(13.4%)	648,866	(16.7%)	84,351
Total fixed assets	1,109,127	(26.2%)	1,202,294	(30.9%)	93,166
Total assets	4,228,956	(100.0%)	3,887,308	(100.0%)	-341,648

Balance Sheets

	2004/03/31	2005/03/31	Comparison
Item	(Unit: thousand yen)	(Unit: thousand)	(Unit: thousand)
Current liabilities			
1. Account payable	841,602	666,291	-175,310
2. Short-term bonds	191,992	164,744	-27,248
3. Short-term loans	147,692	109,206	-38,486
4. Other account payable	39,402	37,255	-2,146
5. Accrued income taxes	408,674	40,403	-368,271
6. Accrued bonuses	56,839	48,740	-8,098
7. Others	60,336	7,142	-53,193
Total liabilities	1,746,540 (41.3%)	1,073,784 (27.6%)	-672,755
Fixed liabilities			-
1. Long-term borrowings	2,744	-	-2,744
2. Liabilities for retirement benefit	64,863	78,193	13,330
Total long-term liabilities	67,607 (1.6%)	78,193 (2.0%)	10,586
Total liabilities	1,814,147 (42.9%)	1,151,977 (29.6%)	-662,169
Shareholders' equity			
I Common stock	378,097 (8.9%)	394,744 (10.1%)	16,647
II Capital reserve	409,338 (9.7%)	425,922 (11.0%)	16,584
III Profit reserve	1,627,049 (38.5%)	1,911,604 (49.2%)	284,554
IV Unrealized gains on investments	3,518 (0.1%)	10,639 (0.3%)	7,121
V Treasury stocks	-3,194 (-0.1%)	-7,580 (-0.2%)	-4,386
Total shareholders' equity	2,414,808 (57.1%)	2,735,330 (70.4%)	320,521
Total liabilities and shareholders' equity	4,228,956 (100.0%)	3,887,308 (100.0%)	-341,648

(2) Comparative Profit & Loss Statements

(Unit: thousand yen)

Item	April 1, 2003 - March 31, 2004		April 1, 2004 - March 31, 2005		Reference
I Sales	9,877,900	100.0%	9,247,329	100.0%	-630,570
II Cost of Sales	7,053,628	71.4%	6,637,854	71.8%	-415,773
Gross profit	2,824,271	28.6	2,609,474	28.2%	-214,796
III Selling, general administrative expenses	1,859,294	18.8%	1,900,419	20.5%	41,125
Operating profit	964,977	9.8%	709,055	7.7%	-255,922
IV Non-operating income	7,589	0.0%	23,820	0.2%	16,231
V Non-operating expenses	13,315	0.1%	30,433	0.3%	17,118
Ordinary income	959,251	9.7%	702,442	7.6%	-256,809
VI Extraordinary profit	62,025	0.7%	47,135	0.5%	-14,890
VII Extraordinary loss	255,026	2.6%	510	0.0%	-254,515
Pretax net income for the current term	766,250	7.8%	749,066	8.1%	-17,184
Corporate tax expenses	389,553	4.0%	316,746	3.4%	-72,807
Net profit for the current Term	376,697	3.8%	432,319	4.7%	55,622

【3】 Retained surplus statements

(Unit: thousand yen)

	April 1, 2003 to March 31, 2004	April 1, 2004 to March 31, 2005	Difference
Capital surplus			
I Capital surplus at beginning of period	375,166	409,338	34,172
II Increase in capital surplus			
1. New stocks issued for capital increase	34,172	16,584	-17,587
III Capital surplus at end of period	409,338	425,922	16,584
Retained surplus			
I Retained surplus at beginning of period	1,341,784	1,627,049	285,264
II Net income	376,697	432,319	55,622
III Decrease in retained surplus			
1. Dividends	81,432	130,864	
2. Directors' bonuses	10,000	16,900	56,332
IV Retained surplus	1,627,049	1,911,604	284,554

【4】 Cash flow statements

(Unit: thousand yen)

	April 1, 2003 to March 31, 2004	April 1, 2004 to March 31, 2005	Difference
I Cash flows from operating activities			
Income before income taxes	766,250	749,066	-17,184
Depreciation and amortization	51,308	29,823	-21,485
Losses on valuation of investment securities	245,162	-	-245,162
Increase in accrued bonuses	20,506	-8,098	-28,604
Increase(decrease) in allowances for doubtful accounts	13,530	-11,489	-25,019
Increase(decrease) in liabilities for retirement benefits	5,645	13,330	7,684
Interest and dividend income	-704	-2,807	-2,103
Interest payments	8,075	4,662	-3,413
Gains on cancellation of insurance	-2,404	-45,754	-43,349
Profit by Insurance	-62,025	-	62,025
Losses on sales of fixed assets	6,481	414	-6,066
Profit on sales of fixed assets	-	-483	-483
Losses of Molds disposal	1,052	96	-956
Losses on cancellation of lease	2,330	-	-2,330
Decrease(increase) in trade	-127,476	278,462	405,939
Decrease(increase) in inventories	69,978	-64,938	-134,917
Increase(decrease) in trade payable	-49,768	-175,310	-125,542
Increase(decrease) in settlements	-	-38,486	-38,486
Payments of directors' bonuses	-10,000	-16,900	-6,900
Others	77,090	-62,864	-139,954
Subtotal	1,015,032	648,720	-366,311
Interest and dividend received	515	2,807	2,291
Interest paid	-8,112	-4,600	3,512
Income taxes paid	-272,852	-679,680	-406,827
Net cash provided by operating	734,583	-32,751	-767,334

II Cash flows from investing activities			
Purchases of securities	-25,837	-104,375	-78,537
Proceeds from sales of securities	6,642	10,610	3,967
Payments for insurance reserves	-189,235	-23,255	165,979
Proceeds from cancellation of ins.	4,192	85,891	81,699
Gains Insurance due	100,640	-	-100,640
Purchases of tangible fixed assets	-19,452	-21,917	-2,464
Proceeds from sales of TSA	70	1,115	1,045
Purchases of intangible fixed ass.	-28	-16,458	-16,429
Payments for loans receivable	-24,000	-	24,000
Gains from expenditure	13,850	2,600	-11,250
Others	-2,330	-	2,330
Net cash provided by investing activities	-135,490	-65,789	69,700
III Cash flows from financing activities			
Increase in short-term borrowings	950,000	440,000	-510,000
Decrease in short-term borrowings	-932,000	-462,000	470,000
Decrease in long-term borrowings	-11,702	-7,992	3,710
Proceeds from stocks issued	68,465	33,231	-35,234
Net purchases of treasury stocks	-836	-4,386	-3,550
Payments for dividends	-81,494	-130,143	-48,648
Net cash provided by financing activ.	-7,567	-131,290	-123,722
IV Increase(decrease) in cash/ and cash equivalents	-758	-53	705
V Cash and cash equivalents plus or minus	590,766	-229,885	-820,651
VI Cash and cash equivalents at beg.	949,464	1,540,231	590,766
VII Cash and cash equivalents at end	1,540,231	1,310,346	-229,885