

Consolidated Financial Results for Fiscal Year Ended
February 28, 2006

April 14, 2006

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

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Accounting Principal: Japanese GAAP

1. Financial Results (April 1, 2005 to February 28, 2006)

(1) Results of Operation (Consolidated)

	Sales		Operating income		Ordinary income	
	¥mn	%	¥mn	%	¥mn	%
Interim 2006	12,413	(-)	339	(-)	405	(-)
Interim 2005	9,247	(6.4)	709	(26.5)	702	(26.8)

	Net income		Net income per share	Net income per share (diluted)	shareholder's equity ratio	Ratio of pretax profit	Ratio of total sales
	¥mn	%	Yen	Yen	%	%	%
February 2006	265	(-)	32.04	31.66	9.3	9.0	3.3
March 2005	432	(14.8)	52.51	51.19	16.8	17.3	7.6

(Ref.)1) Average total of Stocks (Consolidated) February 2006 8,156,923 stocks
March 2005 8,031,407 stocks

2) Owing to the alteration of Fiscal term to February 2006, the records showed for 11 months..

(2) Financial States (Consolidated)

	Total assets	Shareholders' equity	Ratio of equity to total assets	Equity per share
Feb. 2006	5,083 ¥mn	2,983 ¥mn	58.7%	360.42 ¥
March 2005	3,887	2,735	70.4	336.18

(Ref) Issued shares numbers Feb. 2006 8,266,226 shares March 2005 8,105,093 shares

(3) Cash flows position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the period end
Feb. 2006	145 ¥mn	577 ¥mn	15 ¥mn	895 ¥mn
March 2005	32	65	131	1,310

Expectation of Consolidated Financial Results (March 1, 2006 to February 28, 2007)

	Estimated Sales	Estimated ordinary Income	Estimated net profit
2 nd Quarter 2006	7,182 ¥mn	213 ¥mn	116 ¥mn
Interim Full time	15,000	600	333

(Ref) Expectable net profit per share (Interim full time) 40.38Yen

(1) Consolidated Balance sheet

(Unit: thousand yen)

	As of March 31, 2005		As of February 28, 2006		Difference
	Amount	%	Amount	%	Amount
(Assets)					
I Current assets					
1. Cash & cash equivalents	1,310,346		895,210		415,135
2. Accounts receivable	1,050,464		1,062,061		11,596
3. Inventories	232,054		1,048,255		816,200
4. Deferred tax assets	47,131		137,835		90,703
5. Others	48,893		115,995		67,102
Loan-loss reserve	3,877		3,577		299
Total current assets	2,685,013		3,255,781		570,768
II Fixed assets					
(1) Tangible fixed assets					
1. Buildings	385,928		418,912		
Depreciation total	162,651	223,277	174,956	243,955	20,678
2. Vehicles	13,224		14,917		
Depreciation total	6,471	6,752	8,166	6,750	2
3. Others	47,030		69,359		
Depreciation total	24,924	22,106	39,929	29,429	7,322
4. Land					
5. Construction in Progress		278,748		278,748	-
		-		46,000	46,000
Tangible fixed assets	530,884	13.6	604,883	11.9	73,998
(2) Intangible fixed assets					
1. Telephone rights	6,125		6,410		285
2. Software outstanding Accounts	16,000		-		16,000
3. Others	418		334		84
Intangible fixed assets total	22,544	0.6	6,744	0.2	15,799

(thousand of yen)

	As of March 31, 2005		As of February 28, 2006		Difference
	Amount	%	Amount	%	Amount
(3) Investments and other assets					
1. Investment securities	218,262		239,377		21,115
2. Claim in bankruptcy and reorganization	13,229		1,265		11,964
3. Guarantee money	-		540,797		540,797
4. Reserves for insurance	276,644		293,951		17,307
5. Deferred tax assets	142,493		136,667		5,825
6. Others	42,016		5,714		36,302
Loan loss reserves	43,779		1,265		42,514
Total investments & assets	648,866	16.7	1,216,508	23.9	567,642
Fixed asset total	1,202,294	30.9	1,828,135	36.0	625,841
Total assets	3,887,308	100.0	5,083,917	100.0	1,196,609
(Liabilities)					
I Current liabilities					
1. Account payable	666,291		1,039,110		372,819
2. Short-term borrowings	164,744		194,000		29,256
3. Other accounts payable	109,206		398,746		289,539
4. Accrued expenses	37,255		56,505		19,249
5. Accrued income taxes	40,403		167,798		127,395
6. Accrued bonuses	48,740		54,153		5,413
7. Points coverage	-		61,694		61,694
8. Others	7,142		25,604		18,461
Total current liabilities	1,073,784	27.6	1,997,612	39.3	923,828
II Long-term liabilities					
1. Liabilities for retirement	78,193		78,002		191
2. Deposit	-		25,000		25,000
Total long-term liabilities	78,193	2.0	103,002	2.0	24,808
Total liabilities	1,151,977	29.6	2,100,614	41.3	948,637

(Unit: thousand yen)

	As of March 31, 2005		As of February 28, 2006		Difference
	Amount	%	Amount	%	Amount
(Shareholders' equity)					
I Common stock	394,744	10.1	425,035	8.4	30,291
II Additional paid-in capital	425,922	11.0	456,051	9.0	30,128
III Retained earnings	1,911,604	49.2	2,093,430	41.2	181,826
IV Others	10,639	0.3	17,526	0.3	6,886
V Treasury stocks	7,580	0.2	8,741	0.2	1,160
Total shareholders' equity	2,735,330	70.4	2,983,302	58.7	247,972
Total liabilities and shareholders' Equity.	3,887,308	100.0	5,083,917	100.0	1,196,609

(Ref) The fiscal year end has been changed to February 28, instead of March 31.

(2) Consolidated Income statements

(Unit: thousand yen)

	As of March 31, 2005		As of February 28, 2006		Difference
	Amount		Amount		Amount
I Sales		9,247,329		12,413,851	-
II Cost of Sales		6,637,854		9,378,041	-
Gross profit		2,609,474		3,035,809	-
III Selling, general and administrative expenses					
1. Packaging & transportation	359,497		335,149		
2. Default risk	-		281		
3. Salary	648,043		932,726		
4. Reserve for bonus	48,740		54,153		
5. Welfare	172,760		200,682		
6. Retirement benefit	32,775		16,137		
7. Lease charge	-		347,990		
8. Depreciation	19,486		19,794		
9. Others	619,115	1,900,419	789,209	2,696,124	-
Operating income		709,055		339,684	-
IV Non-operating income					
1. Interest income	160		427		
2. Received dividend	2,647		1,960		
3. Capital gains	-		49,036		
4. Gains from insurance	9,654		9,997		
5. Profit from rental rooms	6,924		10,943		
6. Other non-operating income	4,433	23,820	19,710	92,076	-
V Extraordinary income					
1. Interest payments	4,662		2,012		
2. IPO expenses	13,194		-		
3. Foreign exchange losses	-		7,020		
4. Cost of Rental	8,979		12,282		
5. Others	3,598	30,433	4,805	26,121	-
Ordinary income		702,442		405,639	-

(3) Cash flows statements

(Unit: thousand yen)

	As of March 31, 2005	As of February 28, 2006
	Amount	Amount
I Cash flows from operating activities		
Income before income taxes	749,066	481,686
Depreciation and amortization	29,823	33,978
Increase in accrued bonuses	8,098	5,413
Losses on valuation of investment securities	11,489	42,814
Increase or decrease of Point service	-	24,617
Increase in liabilities for retirement benefits	13,330	191
Interest and dividend income	-	195,774
Receivable recipient	2,807	2,388
Interest expenses	4,662	2,012
Profit by sold stocks	-	74,068
Profit in Insurance	45,754	9,997
Losses from fixed assets	414	284
Profit by fixed assets	483	-
Losses from fixed assets	96	-
Plus or minus in Sales	278,462	634
Plus or minus in Stocktaking	64,938	176,678
Plus/Minus through importation	175,310	365,994
Plus or minus in Arrears	38,486	21,888
Paid bonuses to Directors	16,900	10,600
Others	62,864	60,220
Sub-total	648,720	313,273
Interest and receivable dividend	2,807	2,388
Interest paid	4,600	1,792
Payments for Corporation tax	679,680	168,180
Cash flow in Sales activities	32,751	145,688

(Unit: thousand yen)

	As of March 31, 2005	As of February 28, 2006
	Amount	Amount
II Cash flows from investing activities		
Purchases of securities	104,375	56,188
Proceeds from sales of securities	10,610	123,057
Payments for reserves for insurance	23,255	28,434
Proceeds from cancellation of insurance	85,891	20,103
Purchases of tangible fixed assets	21,917	49,605
Proceeds from sales of tangible fixed assets	1,115	120
Purchases of intangible fixed assets	16,458	-
Credit receivable	2,600	-
Expenditure on receivable operation	-	602,045
Others	-	15,698
Net cash provided by investing activities	65,789	577,295

III Cash flows from financing activities		
Increase in short-term borrowings	440,000	1,400,000
Decrease in short-term borrowings	462,000	1,368,000
Decrease in long-term borrowings	7,992	2,744
Proceeds from stocks issued	33,231	60,419
Net purchases of treasury stocks	4,386	1,160
Payments for dividends	130,143	73,058
Net cash provided by investing activities	131,290	15,456
IV Increase in cash and cash equivalents	53	1,014
V Cash and cash equivalents increase or decrease	229,885	415,135
VI Cash and cash equivalents at beginning of year	1,540,231	1,310,346
VII Cash and cash equivalents at end of year	1,310,346	895,210

(Ref) The fiscal year ending have been changed to February 28, instead of March 31.