

Brief Interim Report on Consolidated Settlement of Accounts
For the Term Ending on February 28, 2007

July 7, 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

Contact: Satoshi Kubo, CEO

Masaru Kawakami, Director of Administrative Manager

Accounting Principal: Japanese GAAP

1. Financial Results (March 1, 2006 to May 31, 2006)

(1) Results of Operation (Consolidated)

(Figures are rounded down to million yen)

	Sales		Operating income		Ordinary income		Quarterly Net income	
	¥mn	%	¥mn	%	¥mn	%	¥mn	%
1st Quarter 2007	4,045	-	148	-	152	-	79	-
1st Quarter 2006	1,971	23.5	56	80.2	76	73.4	47	72.4
(Ref) Term 2005	12,413		339		405		265	

	Net income per share	Diluted net income per share
Interim 2007 (1st Quarter)	¥9.65	¥9.61
Interim 2006(1st Quarter)	5.89	5.80
(Ref) Feb. 2006	¥32.04	¥31.66

Showing the figures of up and/or down in the first Quarter of 2006/2007

	Sales		Operating income		Quarterly Net income	
	¥mn	%	¥mn	%	¥mn	%
March to May, 2006	4,045	95.8	148	60.2	152	25.1
March to May, 2005	2,066	-	92	-	122	-

(2) Financial Status**(Figures are rounded down to the nearest million yen)**

	Total Assets	Shareholders ' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	¥mn	¥mn	%	
1 st Quarter 2006	5,965	2,937	49.2	¥355.17
1 st Quarter 2005	4,736	2,694	56.9	332.48
(Ref) Term 2005	5,083	2,983	58.7	360.42

(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
	¥mn	¥mn	¥mn	¥mn
1 st Quarter 2006	150	158	104	992
1 st Quarter 2005	-	-	-	-
(Ref) Term 2005	145	577	15	895

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

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

(Ref) Expectable net profit per share 40.38 Yen

1. (Summarized) Comparative Balance sheet

(Unit: thousand yen)

	2005/06/30	2006/05/31	2006/2/28
(Assets)			
I Current assets			
Cash and deposit	1,909,418	992,183	895,210
Accounts receivable	1,044,821	1,455,595	1,062,061
Inventory	370,373	1,297,045	1,048,255
Prepaid Accounts	33,400	74,536	37,303
Deferred tax assets	72,256	148,909	137,835
Others	120,876	94,604	75,115
Current assets total	3,551,148	4,062,874	3,255,781
II Fixed assets			
Tangible fixed assets	538,729	629,609	604,883
Intangible fixed assets	22,521	7,901	6,744
Investment and assets	181,204	262,953	239,377
Guarantee	1,086	544,374	540,797
Insurance	289,115	308,821	293,951
Deferred tax assets	143,549	141,934	136,667
Others	8,716	7,464	5,714
Fixed assets total	1,184,921	1,903,060	1,828,135
Total assets	4,736,070	5,965,934	5,083,917
(Liabilities)			
I Current liabilities			
Account payable	1,065,686	1,845,655	1,039,110
Short-term loans	544,746	322,000	194,000
Account payable	91,761	286,658	398,746
Accrued income taxes	37,678	62,020	56,505
Payable bonus	42,664	86,944	167,798
Others	91,944	114,313	54,153
	93,105	205,223	87,298
Current liabilities total	1,967,587	2,922,815	1,997,612
II Fixed liabilities			
Liabilities for retirement	73,775	80,229	78,002
Guarantee money	-	25,220	25,000
Fixed liabilities	73,775	105,449	103,002
Total liabilities	2,041,362	3,028,265	2,100,614
(Capital)			
Total capital	2,694,707	-	2,983,302
Total liabilities & Capital	4,736,070	-	5,083,917
(Net Worth)			
Net Asset Worth	-	2,937,669	-
Total liabilities & net assets	-	5,965,934	-

2. (Summarized) Profit & Loss Statement

(Unit: thousand yen)

	2005/4/01 to 2005/6/30	2006/3/01 to 2006/5/31	2005/4/01 to 2006/2/28
I Sales	1,971,496	4,045,848	12,413,851
II Cost of sales	1,443,706	3,041,831	9,378,041
Gross income	527,790	1,004,017	3,035,809
III Selling, general & Administrative expenses	471,488	855,687	2,696,124
Operating income	56,301	148,329	339,684
IV Non-operating Income	23,946	8,505	92,076
V Non-operating Expenses	4,064	4,118	26,121
Ordinary income	76,183	152,717	405,639
VI Extraordinary Profit	271	-	76,330
VII Extraordinary Losses	-	-	284
Pretax net income for The current term	76,454	152,717	481,686
Corporate tax expenses	28,707	72,936	216,313
Net profit for the current term	47,747	79,781	265,372

3. Segment information

From March 1 to May 31, 2006

(Unit: thousand yen)

	Wholesales	Retails	Total	Elimination or of Whole companies	Consolidated
Sales					
(1) Sales for regular customers	2,306,539	1,739,309	4,045,845	-	4,045,848
(2) For Segmentation	26,279	306	26,586	(26,586)	-
Total	2,332,819	1,739,615	4,072,434	(26,586)	4,045,848
Operating expenses	2,181,718	1,738,830	3,920,548	(23,029)	3,897,518
Operating profit	151,100	785	151,886	(3,556)	148,329

Segment information

(from April 1, 2005 to February 28, 2006)

(Unit: thousand yen)

	Wholesales	Retails	Total	Elimination or Whole of companies	Consolidated
Sales					
(1) For regular Customers	7,739,307	4,674,543	12,413,851	-	12,413,851
(2) For Segmentation	34,313	-	34,313	(34,313)	-
Total	7,773,621	4,674,543	12,448,165	(34,313)	12,413,851
Sales expenses	7,521,421	4,585,316	12,106,738	(32,571)	12,074,166
Profit	252,199	89,226	341,426	(1,742)	339,684

Note: Figures are rounded down to the nearest thousand yen.