

Brief Interim Report on Consolidated Settlement of Accounts
For the Term Ending on February 28, 2009

April 15, 2009

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Stock Code: 7608 (URL <http://www.sk-japan.co.jp>)
Stock Exchange listing: TSE/OSE first section

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1. Interim Financial Results (March 1, 2008 - February 28, 2009)

(1) Consolidated Results of Operation (Figures are rounded to million yen)

	Sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
February 2009	9,264	(Δ 37.1)	Δ 437	(-)	Δ 476	(-)
February 2008	14,730	(Δ 7.1)	155	(Δ 74.1)	148	(Δ 75.7)

	Net income		Net income per share	After adjustment per share
	Million yen	%		
February 2009	Δ 789	(-)	Δ 95.93 Yen	- - Yen
February 2008	Δ 489	(-)	Δ 58.94	- -

	Equity capital Net profit ratio	Total asset profit ratio	Gross profit margin
February 2009	Δ 37.7%	Δ 11.6%	Δ 4.7%
February 2008	Δ 17.1	3.0	1.1

(2) Consolidated financial position

	Total assets	Net assets	Capital ratio	Net asset per share
	Million yen	Million yen	%	
February 2009	3,587	1,665	46.0	200.73 Yen
February 2008	4,590	2,545	55.2	308.28

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the period end
	Million yen	Million yen	Million yen	Million yen
February 2009	Δ 517	Δ 232	269	472
February 2008	626	Δ 15	Δ 200	958

2. Consolidated forecast for the Fiscal Year Ending February 2010 (March 1, 2009 - February 28,2010)

	Sales		Operating income	
	Million yen	%	Million yen	%
Interim	4,415	(△2.8)	29	(-)
Full Year	9,000	(△2.9)	85	(-)

	Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Yen
Interim	29	(-)	137	(-)	16.70
Full Year	85	(-)	178	(-)	21.69

3. Interim Financial Results (March 1, 2008 - February 28, 2009)

(1) Non-consolidated Results of Operation (Figures are rounded to million yen)

	Sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
February 2009	5,219	(△28.7)	△233	(-)	△248	(-)
February 2008	7,315	(△2.4)	377	(△29.4)	382	(△32.4)

	Net income		Net income per share	After adjustment per share
	Million yen	%		
February 2009	△494	(-)	△60.07 Yen	-- Yen
February 2008	△932	(-)	△112.22	--

(2) non-consolidated financial position

	Total assets	Net assets	Capital ratio	Net asset per share
	Million yen	Million yen	%	
February 2009	2,679	1,371	50.6	164.97 Yen
February 2008	3,112	1,955	62.6	236.66

4. non-consolidated forecast for the Fiscal Year Ending February 2010 (March 1, 2009 - February 28,2010)

	Sales		Operating income	
	Million yen	%	Million yen	%
Interim	2,945	(13.8)	37	(-)
Full Year	5,900	(13.0)	50	(-)

	Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Yen
Interim	50	(-)	158	(-)	19.29
Full Year	75	(-)	182	(-)	22.17

5. Consolidated Financial Statement

(1) Balance sheets

(Unit: thousand yen)

	As of Feb. 29, 2008		As of Feb. 28, 2009	
	Amount	%	Amount	%
(Assets)				
I Current assets				
1. Cash and cash equivalents	958,462		472,988	
2. Trade notes and accounts Receivable	1,193,613		1,040,952	
3. Inventories	626,987		483,636	
4. Deferred tax assets	52,828		9,952	
5. Other currents assets Allowances for doubtful Accounts	397,985 △5,158		235,556 △5,905	
Total current assets	3,224,717	70.3	2,237,180	62.4
II Fixed assets				
(1) Tangible fixed assets				
1. Buildings	199,558		368,277	
2. Vehicles	4,037		2,064	
3. Others	8,531		16,855	
4. Land	278,748		332,546	
Total tangible fixed assets	490,875	10.7	719,743	20.1
(2) Intangible fixed assets				
1. Others	5,160		5,294	
Total intangible fixed assets	5,160	0.1	5,294	0.1

	As of February 29, 2008		As of February 28, 2009	
	Amount	%	Amount	%
(3) Investments and other assets				
1. Investments securities	188,452		141,715	
2. Claim in bankruptcy and reorganization	6,961		18,824	
3. Security Money	188,749		163,113	
4. Reserves for insurance	316,799		314,851	
5. Deferred tax assets	170,820		2,857	
6. Others	4,867		2,714	
Allowances for doubtful accounts	△7,065		△18,824	
Total investments and other assets	869,584	18.9	625,251	17.4
Total fixed assets	1,365,621	29.7	1,350,289	37.6
Total assets	4,590,341	100.0	3,587,470	100.0
(Liabilities)				
I Current liabilities				
1. Trade accounts payable	1,026,677		812,573	
2. Short-term borrowings	302,000		670,000	
3. Other account payable	221,882		181,269	
4. Accrued expenses	132,095		66,336	
5. Accrued income taxes	91,181		1,265	
6. Accrued bonuses	54,624		41,006	
7. Others	88,485		41,322	
Total current liabilities	1,916,948	41.8	1,813,776	50.6
II Fixed debt				
1. Retirement reserve	89,631		103,268	
2. Deposit	220		220	
3. Others	38,414		4,384	
Total fixed dept	128,265	2.8	107,874	3.0
Total debt	2,045,213	44.6	1,921,650	53.6

	As of February 29, 2008		As of February 28, 2009	
	Amount	%	Amount	%
(Net property)				
I Shareholders	440,948	9.6	440,948	12.3
2. Capital surplus	471,887	10.3	471,887	13.1
3. Net income	1,674,126	36.4	786,311	21.9
4. Own stocks	△50,888	△1.1	△50,995	△1.4
Total share holders	2,536,073	55.2	1,648,152	45.9
II Valuations				
1. Other paper losses	288	0.0	1	0.0
2. Others	△382	△0.0	3,052	0.1
Total paper losses	△93	△0.0	3,054	0.1
III Equity warrant	9,147	0.2	14,613	0.4
Net property total	2,545,127	55.4	1,665,819	46.4
Net debt total	4,590,341	100.0	3,587,470	100.0

(2) Income statements

(Unit: thousand yen)

	As of March 1, 2007 to February 29, 2008		As of March 1, 2008 to February 28, 2009	
	Amount	%	Amount	%
I Sales	14,730,833	100.0	9,264,322	100.0
II Cost of sales	11,116,044	75.5	7,079,128	76.4
Gross profit	3,614,788	24.5	2,185,193	23.6
III Selling, general and administrative expenses	3,458,922	23.4	2,622,351	28.3
Operating income	155,866	1.1	△437,158	△4.7
IV Non-operating income				
1. Interest income	2,656		3,054	
2. Receivable allotments	3,353		3,987	
3. Profit of cancellation of insurance	16,601		7,386	
4. Lease income	3,172		2,144	
5. Other non-operating income	16,366		9,360	
Total non-operating income	42,151	0.3	25,933	0.3
V Non-operating expenses				
1. Interest payments	5,857		7,866	
2. Receivable allotment	32,033		35,039	
3. Losses Foreign exchange	7,767		—	
4. Cost of Lease	1,989		1,361	
5. Other expenses	1,550		20,621	
Total non-operating expenses	49,199	0.4	64,888	0.7
Ordinary profit	148,819	1.0	△476,113	△5.1
VI Extraordinary income				
1. Income sold of fixed assets	74		13,383	
2. Gains due fire insurance	38,266		5,014	
3. Profit from adjustment	4,383		12,343	
			—	
VII Extraordinary losses				
1. Losses on sales of fixed assets	849		4,064	
2. Investment securities appraisal loss	92,270		—	
3. Business structure reorganization loss	337,022		—	
4. Others	2,543		135,652	
Loss before income taxes	241,142	△1.6	564,973	△6.1
Current income taxes	230,240		6,595	
Deferred income taxes	18,472		217,532	
Net loss	248,712	1.7	224,127	2.4
	489,855	△3.3	789,101	△8.5

(3) Consolidated statements of shareholders equity

Previous term (from March 1, 2007 to February 29, 2008) (Unit: thousand yen)

	Shareholder's equity				
	Capital stock	Capital reserve	Profit reserve	Treasury stock	Total
Balance as of 28 february 2007	436,438	467,398	2,280,600	△9,071	3,175,366
Change in current term					
Share issued	4,510	4,488			8,998
Dividend of profit reserve			△116,619		△116,619
Net loss			△489,855		△489,855
Purchase of treasury stock				△41,817	△41,817
Others					
Change in current term total	4,510	4,488	△606,474	△41,817	△639,293
Balance as of 29 February 2008	440,948	471,887	1,674,126	△50,888	2,536,073

	Difference from revaluation and exchange rate change			Minority interest	Net assets total
	Difference for stock revaluation	Postponement hedging profit and loss	Difference from revaluation and exchange rate change total		
Balance as of 28 february 2007	7,264	—	7,264	3,150	3,185,780
Change in current term					
Share issued					8,988
Dividend of profit reserve					△116,619
Net loss					△489,855
Purchase of treasury stock					△41,817
Others	△6,975	△382	△7,357	5,997	△1,360
Change in current term total	△6,975	△382	△7,357	5,997	△640,653
Balance as of 29 February 2008	288	△382	△93	9,147	2,545,127

(3) Consolidated statements of shareholders equity

Current term (from March 1, 2008 to February 28, 2009) (Unit: thousand yen)

	Shareholder's equity				
	Capital stock	Capital reserve	Profit reserve	Treasury stock	Total
Balance as of 29 february 2008	440,948	471,887	1,674,126	△50,888	2,536,073
Change in current term					
Dividend of profit reserve			△98,713		△98,713
Net loss			△789,101		△789,101
Purchase of treasury stock				△106	△106
Others					
Change in current term total	—	—	△887,814	△106	△887,921
Balance as of 28 February 2009	440,948	471,887	786,311	△50,995	1,648,152

	Difference from revaluation and exchange rate change			Minority interest	Net assets total
	Difference for stock revaluation	Postponement hedging profit and loss	Difference from revaluation and exchange rate change total		
Balance as of 29 february 2008	288	△382	△93	9,147	2,545,127
Change in current term					
Dividend of profit reserve					△98,713
Net loss					△789,101
Purchase of treasury stock					△106
Others	△287	3,435	3,148	5,466	8,614
Change in current term total	△287	3,435	3,148	5,466	△879,307
Balance as of 28 February 2009	1	3,052	3,054	14,613	1,665,819

(4) Consolidated Cash flows statements

(Unit: thousand yen)

	March 1, 2007 to February 29, 2008	March 1, 2008 to February 28, 2009
	Amount	Amount
I Cash flows from operating activities		
Loss before income taxes	△241,142	△564,973
Depreciation and amortization	53,238	20,381
Spoil loss	2,516	—
Business structure reorganization loss	337,022	—
Reserve for bonus/plus or minus	△10,160	△13,618
Reserves	3,278	12,507
Reserves for Point discount	△14,280	—
Reserves for retirement benefits	18,576	13,636
Guarantee money(plus or minus)	9,998	334,230
Interest & dividend incomes	△6,010	△7,041
Interest paid	5,857	7,866
Valuation losses on stock sales	124,304	35,039
Gains from cancellation of insurance	△16,601	△12,400
Insurance maturity give back profit	△38,266	△12,343
Gains of fixed assets	△74	△13,383
Losses of fixed assets	849	4,064
Losses from fixed assets	27	3,324
Plus or Minus of trade receivable	227,089	148,952
Plus or Minus of Inventories	466,606	143,350
Purchasing debt (Plus or Minus)	△22,134	△214,103
Pending accounts	63,509	△51,337
Others	△107,584	△149,247
Sub-total	856,619	△315,095
Interest and dividend received	6,010	6,839
Interest paid	△5,714	△8,376
Income taxes paid	△314,572	△200,745
Repayment money of corporation tax etc	83,789	—
Net cash provided by operating activities	626,132	△517,377

	March 1, 2007 to February 29, 2008	March 1, 2008 to February 28, 2009
	Amount	Amount
II Cash flows from investing activities		
Purchases of securities	△47,731	△7,587
Payments for reserves for insurance	△36,724	△35,637
Proceeds from cancellation of insurance	35,581	17,432
Proceeds from expiration of insurance	70,133	23,038
Purchases of tangible fixed assets	△37,748	△299,014
Proceeds from sales of tangible fixed assets	1,192	67,963
Others	0	1,399
Cash flows from investing activities	△15,296	△232,404
III Cash flows from financing activities		
Increase in short-term borrowings	2,005,000	1,890,000
Decrease in short-term borrowings	△2,055,000	△1,522,000
Proceeds from stocks issued	8,998	—
Net purchases of treasury stocks	△41,817	△106
Payments for dividends	△117,347	△98,575
Cash flows from financing activities	△200,166	269,318
IV Increase in cash and cash equivalents	△5,377	△5,010
V Cash and cash equivalents	405,291	△485,473
VI Cash and cash equivalents at beginning of year	553,170	958,462
VII Cash and cash equivalents at end of year	958,462	472,988