

Financial Results for the Third Quarter Ended November 2010. JAN. 13, 2011

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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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 US Accounting system not adopted

1.Business Result for the third quarter ended in November 2010.(From March, 2010 to November 30,2010)

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

	Sales		Operating Income		Ordinary Income		Net Income	
	¥mn	%	¥mn	%	¥mn	%	¥mn	%
November 2010	7,176	4.3	287	15.8	287	2.0	118	△68.0
November 2009	6,879	-	248	-	281	-	369	-

	Earnings per share	Fully Diluted Earnings per share
	Yen	Yen
November 2010	14.36	-
November 2009	44.92	-

(2)Fiscal situation,consolidated

	Total Assets	Net Assets	Ratio of equity to Total assets	Book value per share
	¥mn	¥mn	%	Yen
November 2010	4,162	1,894	45.2	228.48
February 2010	3,608	1,889	52.1	228.45

2.Dividend Payment

	Annual dividend per share		
	Interim	Term end	annual
	Yen	Yen	Yen
February 2010	6.00	8.00	14.00
February 2011	6.00	-	12.00
February 2010(Forecast)	-	6.00	

3.Expectation of Consolidated Financial Results (March 1, 2010 to February 28, 2011)

	Estimated sales		Operating Income		Ordinary Income		Net Income		Earnings per share
	¥mn	%	¥mn	%	¥mn	%	¥mn	%	Yen
Full term	9,100	△5.1	286	△42.0	278	△47.3	120	△60.3	14.59

* %—an increase and decrease rate to the previous term

Consolidated(Interim)Balance Sheet

(Unit: thousand yen)

Item	Term	As of November 30, 2010		As of February 28, 2010	
		Amount		Amount	
(Assets)					
I. Current assets					
Cash and deposits		1,079,117		823,796	
Notes and accounts receivable		1,364,134		1,279,830	
Inventories		508,862		364,600	
Deferred tax assets		24,349		15,603	
Other		154,905		55,922	
allowance for doubtful accounts		(8,528)		(7,053)	
Total Current assets		3,122,842		2,532,700	
II. Fixed assets					
Tangible fixed assets					
Buildings and structures		332,382		341,087	
Land		303,546		322,546	
Other		23,298		14,979	
Total Tangible fixed assets		659,227		678,613	
Total Intangible fixed assets		6,297		5,722	
Investments and other assets					
Investment in securities		45,284		64,053	
Deferred tax assets		2,310		3,470	
Other		345,840		345,199	
Allowance for doubtful accounts		(19,532)		(20,928)	
Total investments and other assets		373,903		391,794	
Total Fixed assets		1,039,428		1,076,130	
Total Assets		4,162,270		3,608,831	

(Figures are rounded to thousand yen.)

Consolidated(Interim)Balance Sheet

(Unit: thousand yen)

Item	Term	As of November 30, 2010		As of February 28, 2010	
		Amount		Amount	
(Liabilities)					
I. Current liabilities					
Trade accounts payable		1,163,659		651,975	
Short-term loans payable		500,000		350,000	
Accrued income taxes		55,426		194,220	
Reserve for bonuses		96,340		41,611	
Other		207,728		253,623	
Total Current liabilities		2,023,154		1,491,430	
II. Long-term liabilities					
Reserve for retirement benefits		117,201		104,733	
The reserve for retirement benefits for directors and corporate auditors		126,074		120,645	
Other		1,527		2,682	
Total Long-term liabilities		244,803		228,061	
Total liabilities		2,267,957		1,719,491	
(Net assets)					
I. Owners' equity					
Paid-in capital		440,948		440,948	
Capital surplus		471,887		471,887	
Earned surplus		1,017,466		1,014,501	
Treasury stock		(51,134)		(51,122)	
Total Owners' equity		1,879,169		1,876,215	
II. Valuation and translation adjustments					
Valuation difference on available-for-sale securities		1,814		4,246	
Postponement hedge profit and loss		(24)		(1,340)	
Exchange conversion adjustment calculation		(1,621)		-	
Total Valuation and translation adjustment		167		2,905	
III. Equity warrant					
		14,976		10,218	
Total net assets		1,894,312		1,889,339	
Total liabilities and net assets		4,162,270		3,608,831	

(Figures are rounded to thousand yen.)

Comparative Profit & Loss Statements

(thousand of yen)

Item	Term	From March 1 to November 30 2009	From March 1 to November 30 2010
		Amount	Amount
I Sales		6,879,746	7,176,277
II Cost of sales		4,958,933	5,222,517
Gross profit		1,920,813	1,953,760
III Selling, general & administrative expenses		1,672,783	1,666,451
Operating income		248,029	287,308
IV Non-operating income		49,240	11,032
V Non-operating expenses		15,293	10,794
Ordinary income		281,976	287,546
VI Extraordinary gains		178,361	7,329
VII Extraordinary losses		12,985	102,740
Pretax net income for the current term		447,352	192,134
Income taxes		95,132	75,637
Income taxes deferred		(17,245)	(1,624)
Net Income /losses		369,466	118,122

(Figures are rounded to thousand yen.)

Comparative Statements of Cash Flow

(thousand of yen)

Item	Term	From March 1, 2009 to November 30, 2009	From March 1, 2010 to November 30, 2010
		Amount	Amount
I	Cash flows from operating activities		
	Net income before income taxes	447,352	192,134
	Amount of increase and decrease of reserve for bonus payment	48,465	54,728
	Amount of increase and decrease of director retirement special service bonus	-	5,428
	Amount of increase and decrease of loan loss reserve	1,728	78
	Amount of increase and decrease of retirement supply reserve	7,218	12,467
	Amount of increase and decrease of guarantee money paid	67,249	23,399
	Interest income and dividend receivable	(2,616)	(1,257)
	Interest expense	6,239	4,246
	Investment securities appraisal loss insertion profit	(34,969)	1,832
	Profit by expiration of insurance	(107,095)	-
	Amount of increase and decrease of trade receivable	(337,247)	(84,833)
	Amount of increase and decrease of inventory turnover	(72,635)	(144,437)
	Amount of increase and decrease of debt	141,250	512,002
	Other	(13,922)	(94,840)
	Sub total	175,950	480,950
	Interest income and dividend received	2,667	1,424
	Interest paid	(5,968)	(4,242)
	Income tax paid	(4,328)	(285,998)
	Refund of income tax	101,144	-
	Net cash provided by operating activities	269,465	192,133
II	Cash flow from investing activities		
	Income by clearance of investment in securities	44,883	18,819
	Proceeds from cancellation of insurance	253,502	-
	Purchases of tangible fixed assets	(23,232)	(20,930)
	Other	(37,653)	(4,300)
	Net cash provided by investing activities	237,500	(6,411)
III	Cash flow from financing activities		
	Amount of increase and decrease of short-term loans payable	(20,000)	150,000
	Repurchases of treasury stocks	(127)	(11)
	Payments for dividends	(33,721)	(74,802)
	Net cash provided by investing activities	(53,848)	75,185
IV	Effects of exchange rate changes on cash and cash equivalents	(7,435)	(5,585)
V	Increase (Decrease)in chash and cash equivalents	445,681	255,321
VI	Cash and cash equivalents at beginning of term	472,988	823,796
VII	Cash and cash equivalents at end of term	918,669	1,079,117

(Figures are rounded to thousand yen.)