

Brief Interim Report on Consolidated Settlement of Accounts  
For the Term Ending on February 28,2015

July 14,2014

S K Japan Co.,Ltd. Tel: 06-6765-0670  
Stock Code: 7608 (URL <http://www.sk-japan.co.jp>)  
Stock Exchange listing: TSE first section  
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1.Financial Results for the quarter ended in May 31,2014(From March 1 to May 31,2014)

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

	Sales		Operating Income		Ordinary Income		Net Income 1st quarter	
	¥mn	%	¥mn	%	¥mn	%	¥mn	%
1st Quarter 2015	1,860	19.2	17	—	15	—	19	—
1st Quarter 2014	1,561	△18.7	△60	—	△53	—	△58	—

	Net profit per share 1st quarter	After adjustment Net profit per share 1st quarter
	Yen	Yen
1st Quarter 2015	2.38	2.38
1st Quarter 2014	△7.13	—

(2)Fiscal situation,consolidated

	Total Assets	Net Assets	Ratio of equity to Total assets
	¥mn	¥mn	%
1st Quarter 2015	3,941	1,735	43.5
Term 2014	3,464	1,740	49.6

2.Dividend Payment

	Annual dividend per share		
	Interim	Term end	annual
	Yen	Yen	Yen
February 2014	6.00	3.00	9.00
February 2015	—	—	—
February 2015(Forecast)	2.50	2.50	5.00

3.Expectation of Consolidated Financial Results ( March 1, 2014 to February 28, 2015 )

	Estimated sales		Operating Income		Ordinary Income		Net Income		Earnings per share
	¥mn	%	¥mn	%	¥mn	%	¥mn	%	Yen
Full term	7,400	5.4	30	—	31	—	22	—	2.67

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

## Consolidated Balance Sheet

(Unit: thousand yen)

<div>Term</div>		As of February 28, 2014		As of May 31, 2014	
Item		Amount		Amount	
<b>( Assets )</b>					
<b>I.Current assets</b>					
Cash and deposits		642,454		849,551	
Notes and accounts receivable		898,332		1,174,281	
Electronically recorded monetary claims		96,658		81,937	
Inventories		374,734		445,581	
Deferred tax assets		3,922		2,678	
Other		85,156		114,143	
allowance for doubtful accounts		(4,481)		(6,860)	
Total Current assets		2,096,777		2,661,315	
<b>II.Fixed assets</b>					
Tangible fixed assets					
Buildings and structures		338,288		334,644	
Land		539,494		539,494	
Other		24,265		21,327	
Total Tangible fixed assets		902,048		895,466	
Total Intangible fixed assets		116,513		124,352	
Investments and other assets					
Investment in securities		59,779		57,327	
Deferred tax assets		1,446		1,966	
Other		295,655		215,390	
Allowance for doubtful accounts		(7,910)		(14,355)	
Total investments and other assets		348,971		260,328	
<b>Total Fixed assets</b>		1,367,533		1,280,147	
<b>Total Assets</b>		3,464,310		3,941,462	

(Figures are rounded to thousand yen.)

## Consolidated Balance Sheet

(Unit: thousand yen)

Item	Term	As of February 28, 2014		As of May 31, 2014	
		Amount		Amount	
( Liabilities )					
I. Current liabilities					
Trade accounts payable		483,667		885,500	
Short-term loans payable		920,000		920,000	
Accrued income taxes		1,206		753	
Reserve for bonuses		30,169		30,170	
Other		136,545		253,675	
Total Current liabilities		1,571,589		2,090,098	
II. Long-term liabilities					
Deferred tax Liability		7,657		6,972	
Asset retirement obligation		144,396		108,957	
Other		218		218	
Total Long-term liabilities		152,271		116,147	
Total liabilities		1,723,861		2,206,246	
(Net assets)					
I. Owners' equity					
Paid-in capital		441,550		441,550	
Capital surplus		472,489		472,489	
Earned surplus		846,447		841,343	
Treasury stock		(51,244)		(51,265)	
Total Owners' equity		1,709,243		1,704,118	
II. Valuation and translation adjustments					
Valuation difference on available-for-sale securities		14,312		13,491	
Postponement hedge profit and loss		(2,827)		(7)	
Exchange conversion adjustment calculation		(1,974)		(1,949)	
Total Valuation and translation adjustment		9,510		11,534	
III. Equity warrant					
		21,694		19,563	
Total net assets		1,740,449		1,735,216	
Total liabilities and net assets		3,464,310		3,941,462	

(Figures are rounded to thousand yen.)

**Comparative Profit & Loss Statements**

(thousand of yen)

<div> <div>Term</div> <div>Item</div> </div>	1st quarter 2014		1st quarter 2015	
	Amount		Amount	
I Sales	1,561,148		1,860,227	
II Cost of sales	1,152,985		1,388,065	
Gross profit	408,162		472,162	
III Selling, general & administrative expenses	469,159		455,001	
Operating income	(60,996)		17,161	
IV Non-operating income	8,637		4,190	
V Non-operating expenses	1,314		6,106	
Ordinary income	(53,672)		15,244	
VI Extraordinary gains	652		5,628	
VII Extraordinary losses	—		—	
Pretax net income for the current term	(53,020)		20,872	
Income taxes	8,491		557	
Income taxes deferred	(2,879)		732	
Net Income 1st quarter	(58,631)		19,582	

( Figures are rounded to thousand yen.)