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To whom it may concern:

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Announcement concerning the Revision of Earnings Projection and Dividend Projection For the Fiscal Year Ending September 30, 2007

SK-Electronics Co., Ltd. ("SK-Electronics") hereby announces that the company has revised its earnings projection and dividend projection for the fiscal year ending September 30, 2007 (from October 1, 2006 to September 30, 2007) originally released on February 7, 2007 along with its fiscal 2007 financial results as follows:

1. Revision to the previous consolidated earnings projection

Full year (from October 1, 2006 to September 30, 2007)

(Unit: Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Current Net Income
Previous projection (A)	20,000	630	650	350
Revised projection (B)	18,000	110	70	-10
Change (B-A)	-2,000	-520	-580	-360
Change (%)	-10.0%	-82.5%	-89.2%	—
(Reference) Previous year's results (Year ended September 30, 2006)	18,390	1,859	1,878	1,030

2. Revision to the previous non-consolidated earnings projection

Full year (from October 1, 2006 to September 30, 2007)

(Unit: Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Current Net Income
Previous projection (A)	16,700	620	800	480
Revised projection (B)	14,500	280	510	290
Change (B-A)	-2,200	-340	-290	-190
Change (%)	-13.2%	-54.8%	-36.3%	-39.6%
(Reference) Previous year's results (Year ended September 30, 2006)	16,213	947	1,236	774

3. Reasons for Revised Projections

The sales of large-format photomasks represent the core business of the Company group. The large-format photomask business marked a low point during the third quarter of FYE September 2006 (April through June, 2006). While demand has recovered on the whole, the industry environment remains extremely difficult, and unit prices for photomasks are experiencing continued downward market pressure.

The Company initially projected increased demand for photomasks used in the start-up of new production lines based on new large-scale panel productions lines scheduled for panel manufacturers in Taiwan and Korea, as well as expected production adjustments. However, tight supply and demand dynamics since April resulted in panel manufacturers shifting to mass production earlier than Company projections, and corresponding production adjustments meant a reduced timeframe for development to take place during empty production line periods, and less demand for development-related photomasks.

In addition, while domestic Japanese sales were strong during the first half of the year, demand slacked sharply beginning in April. As a result, quarter-by-quarter earnings declined by ¥1 billion each quarter in comparison to the first half of the year. This decline was mainly due to the economic slowdown for Japan's small and medium panel makers and to the fact that Japan's major panel makers completed their product lineups earlier than predicted by the Company. Accordingly, demand for development-related photomasks declined.

Demand for development-related photomasks is the main driver of Company sales, and the earnings performance of panel makers, as well as the dynamics of supply and demand in the market, greatly affects Company results. Despite Company efforts to reduce photomask production costs and diligent sales activities, results have fallen below Company projections.

Accordingly, the Company now projects consolidated sales of ¥18 billion, and non-consolidated sales of ¥14.5 billion, declines of 10.0% and 13.2%, respectively, compared to initial projections. In terms of profits, the Company now projects consolidated ordinary profit of ¥70 million and projects consolidated current net income of ¥-10 million and non-consolidated ordinary profit of ¥510 million and non-consolidated current net income of 290 million declines of 36.3% and 39.6%, respectively, when compared to initial projections.

4. Revision to the previous dividend projection

The Company initially announced FYE dividends per share of ¥1,200 (¥1,200 annual dividend); however, this number has been revised to ¥700 (¥700 annual dividend).

	Previous Projection (Released on May 9, 2007)	Revised Projection	(For reference) Previous term's results (for the year ending September 30, 2006)
Interim dividend per share	— yen	— yen	— yen
Year-end dividend per share	1,200 Yen	700 yen	1,900 yen
Annual dividend per share	1,200 Yen	700 yen	1,900 yen

*Note regarding forward-looking statements

Earnings projections are based on the information available at the time of this announcement. Actual earnings may differ from projections due to various possible factors.