



Business Report for
FY2009
From Apr. to Sep. 2009

SMK Corporation
Oct, 2009



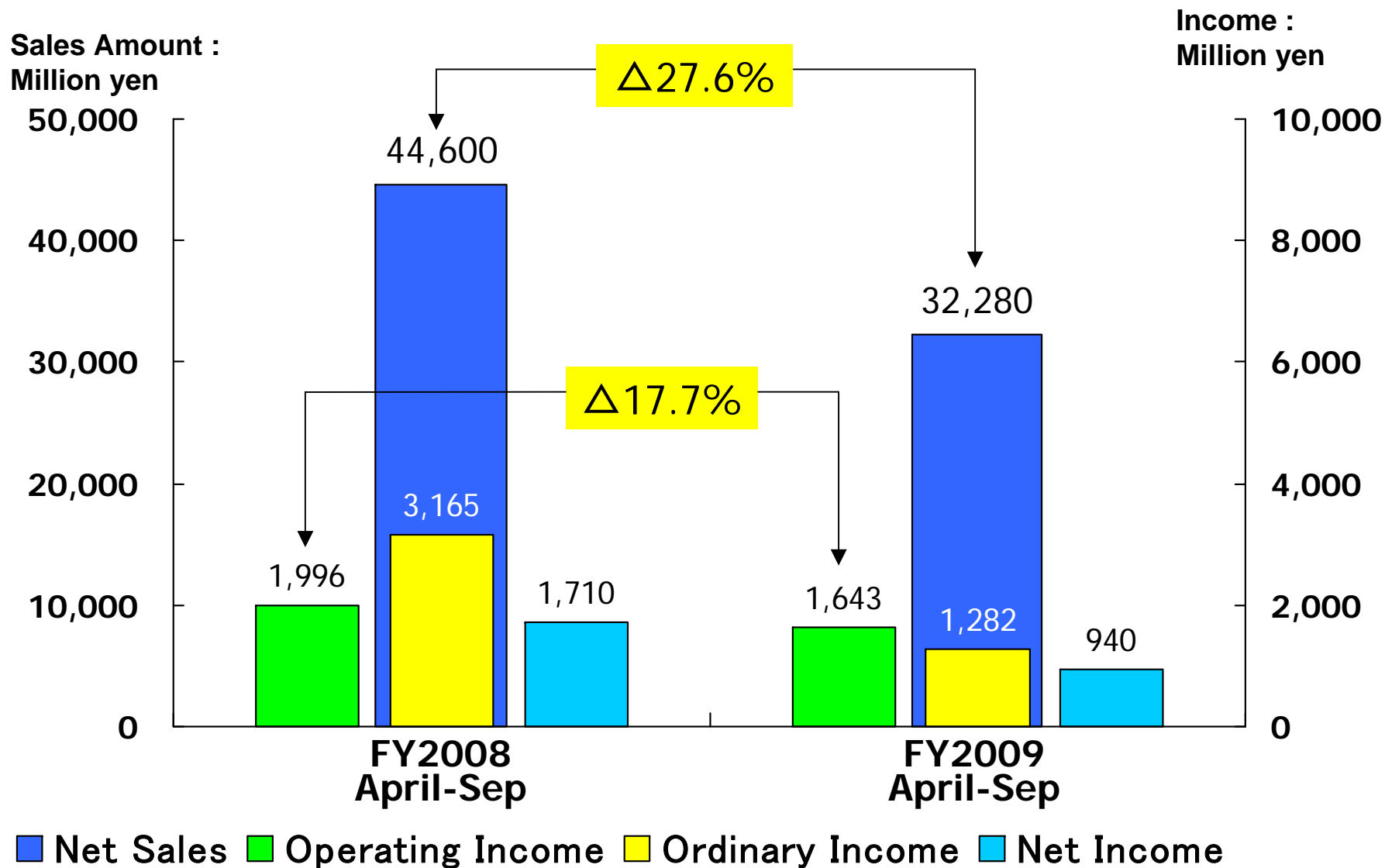
FY2009

Outline of 1H Financial Statement

**Director and Executive Vice President
Hajime Yamada**



<Consolidated> 1H Financial Result





<Consolidated> Financial Highlights (Quarterly)

1. FY2009 Plan

(Unit : Million Yen)

	1st Half Term			2nd Half Term	Fiscal Term
	1Q	2Q	Total	Total	(Apr.09-Mar.10) (Prospect)
	(Apr.09-June.09) (Result)	(Jul.09-Sep.09) (Result)	(Apr.09-Sep.09) (Result)	(Oct.09-Mar.10) (Prospect)	
① Net Sales	15,684	16,596	32,280	34,720	67,000
Compared to last fiscal term(%)	73.4	71.4	72.4	123.4	92.1
② Operating Income	706	937	1,643	1,757	3,400
Compared to last fiscal term(%)	66.2	100.9	82.3	-	-
③ Ordinary Income	706	576	1,282	2,018	3,300
Compared to last fiscal term(%)	33.0	56.3	40.5	-	320.7
④ Net Income	374	566	940	1,260	2,200
Compared to last fiscal term(%)	25.1	260.8	55.0	-	-

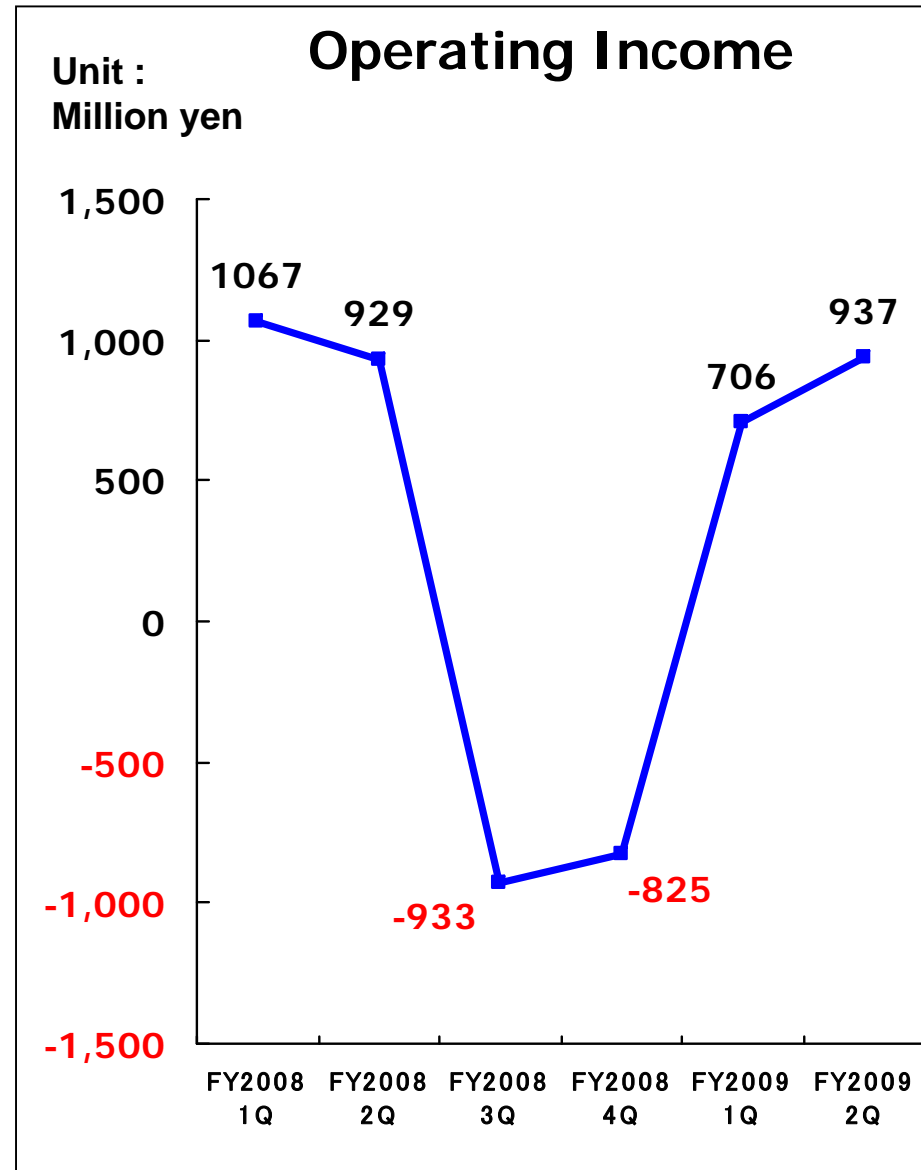
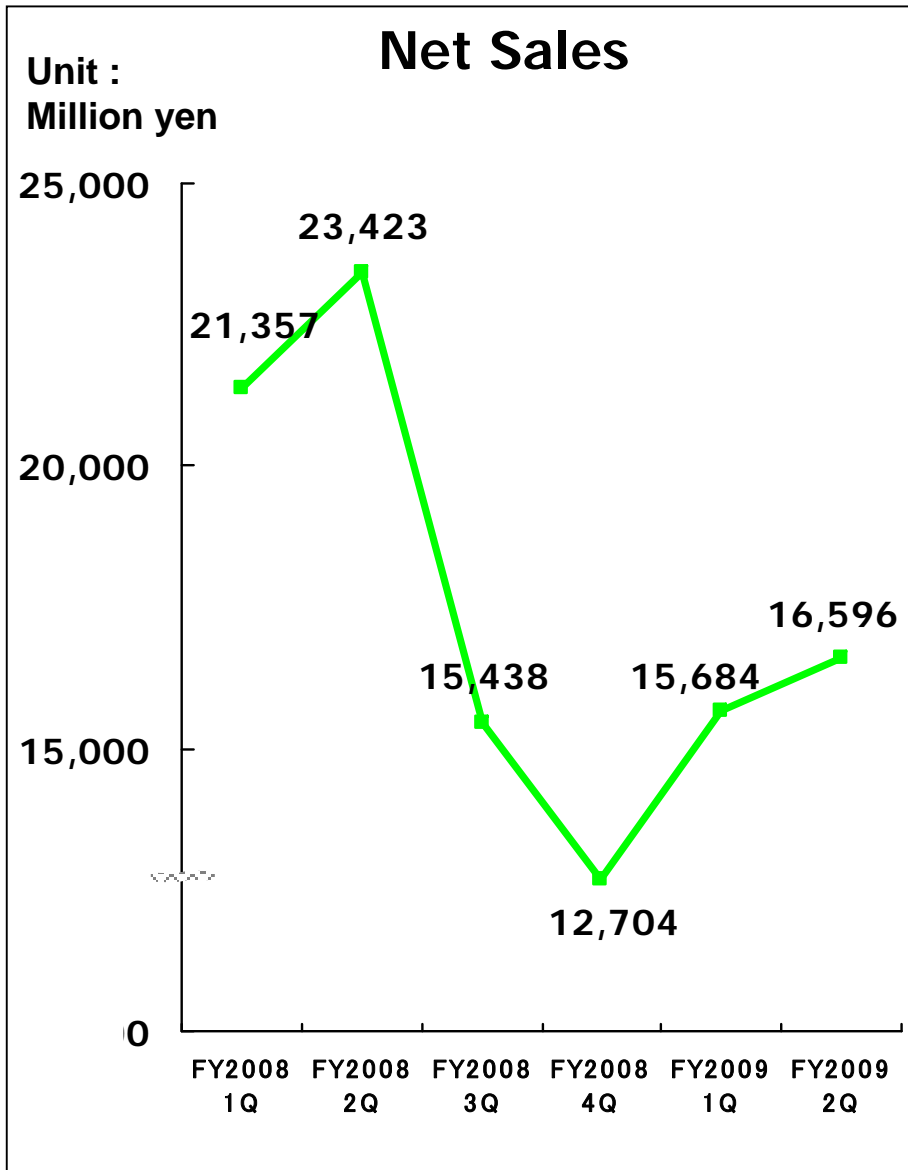
2. FY2008 Result

(Unit : Million Yen)

	1st Half Term			2nd Half Term			Fiscal Term
	1Q	2Q	Total	3Q	4Q	Total	(Apr.08-Mar.09)
	(Apr.08-June 08)	(July.08-Sept.08)	(Apr.08-Sep.08)	(Oct.08-Dec.08)	(Jan.09-Mar.09)	(Oct.08-Mar.09)	
① Net Sales	21,357	23,243	44,600	15,438	12,704	28,142	72,742
Compared to last fiscal term(%)	104.6	98.4	101.3	67.3	61.4	64.5	83.0
② Operating Income	1,067	929	1,996	-933	-825	-1758	238
Compared to last fiscal term(%)	62.1	44.5	52.4	-	-	-	4
③ Ordinary Income	2,141	1,024	3,165	-1464	-672	-2136	1029
Compared to last fiscal term(%)	90.5	66.6	81.1	-	-	-	24
④ Net Income	1,493	217	1,710	-2037	-1293	-3330	-1620
Compared to last fiscal term(%)	93.4	29.4	73.2	-	-	-	-



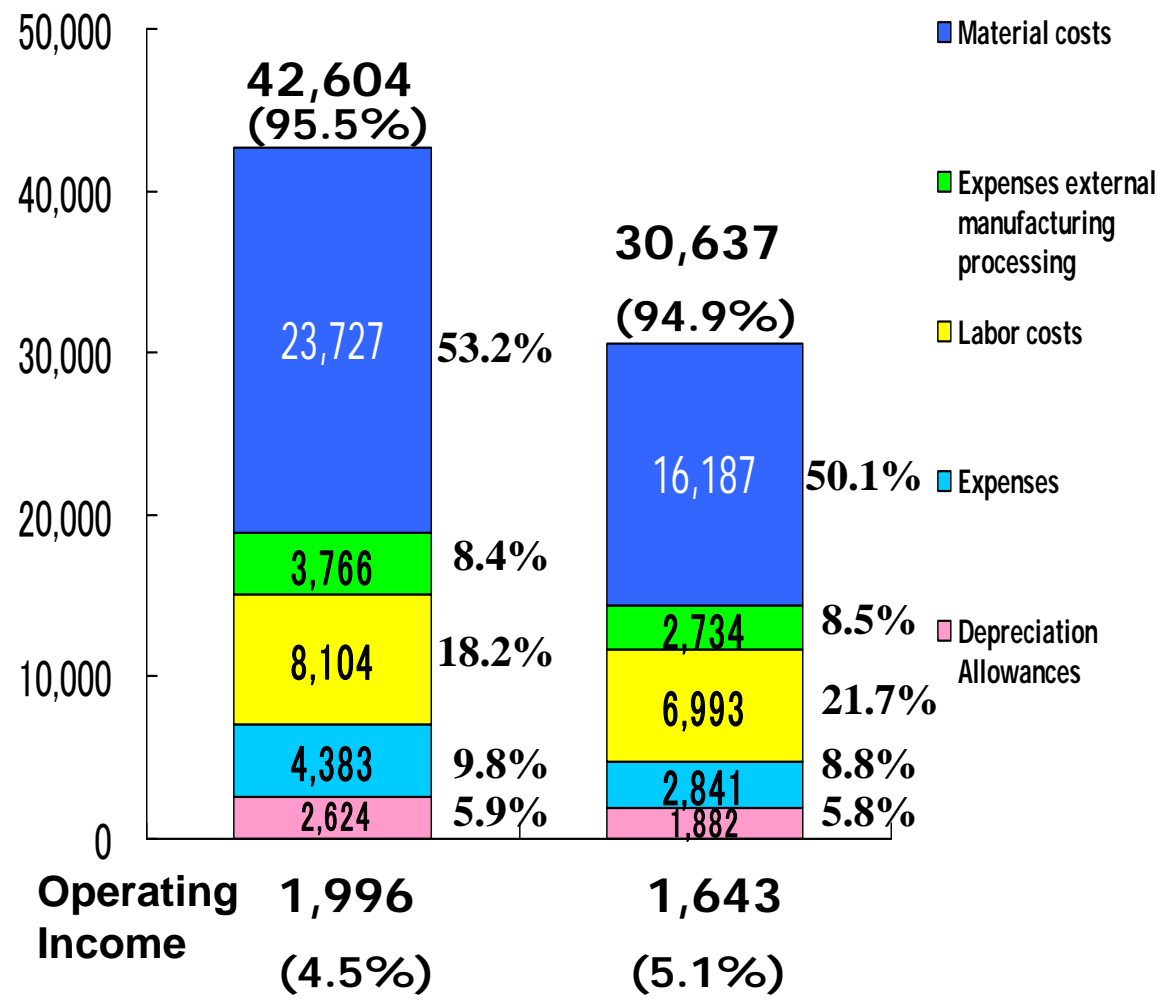
<Consolidated> Trends in performance Net Sales, Operating Income (Quarterly)





<Consolidated> Sales Expenses

Unit : Million yen
 FY2008 Apr-Sep
 FY2009 Apr-Sep
 () : percentage to sales amount



[(Material costs + Expenses for external manufacturing processing) improved by 3.0%]

61.6% → 58.6% -977 million yen

[Labor costs 1,111 million yen decrease]

Average number of workers in overseas works

FY2008/Apr-Sep 13,400 people

FY2009/Apr-Sep 10,900 people

Main works decrease

→ Huanan/P.R.China

[Expenses decrease 1.542 million yen]

[Depreciation allowances decrease 742 million yen]

Japan: -701 million yen

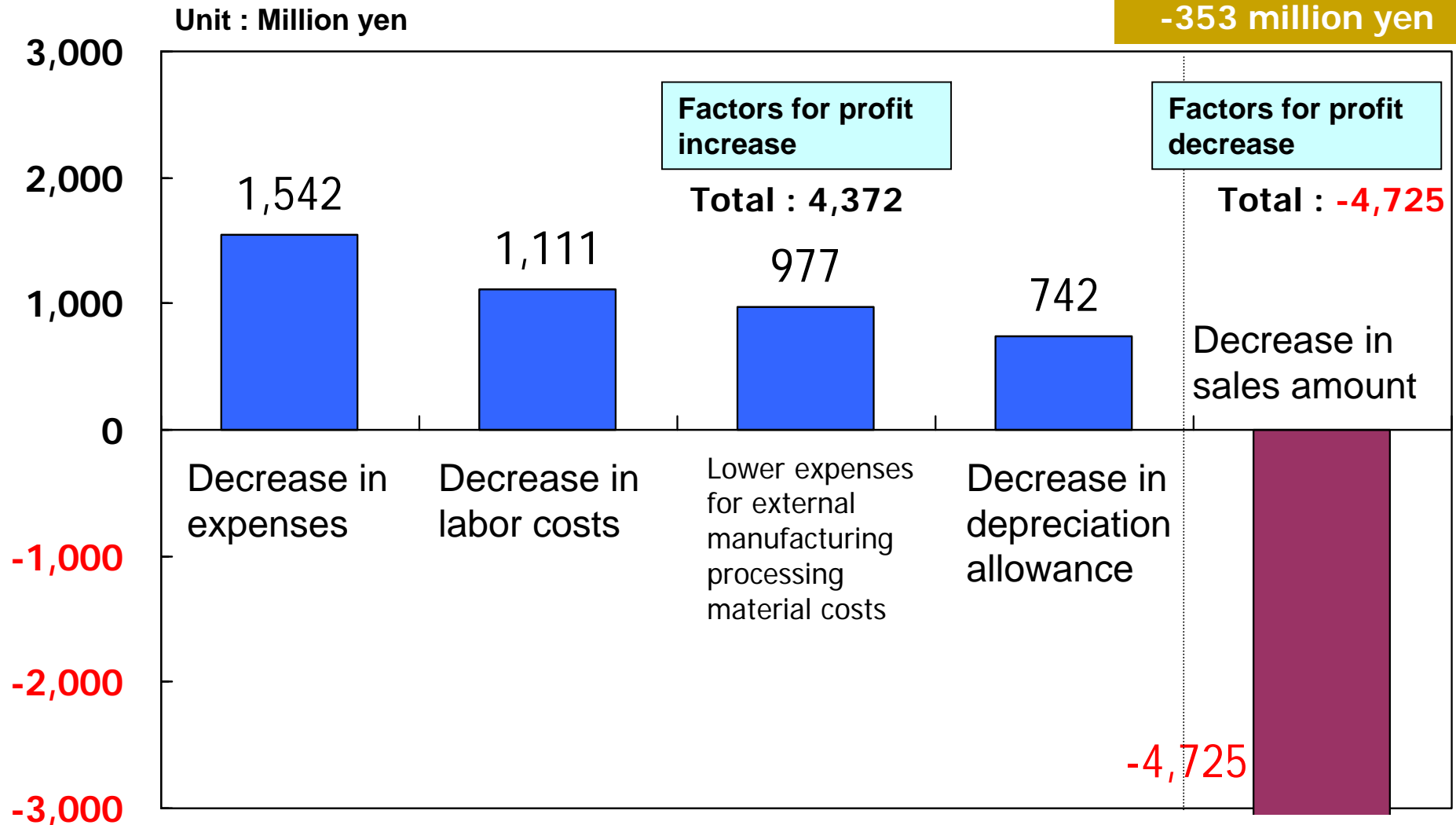
Overseas: -41 million yen



<Consolidated> Analysis of sales expenses

Analysis of factors for increase/decrease of consolidated operating income
[FY2008 APR-SEP VS FY2009 APR-SEP]

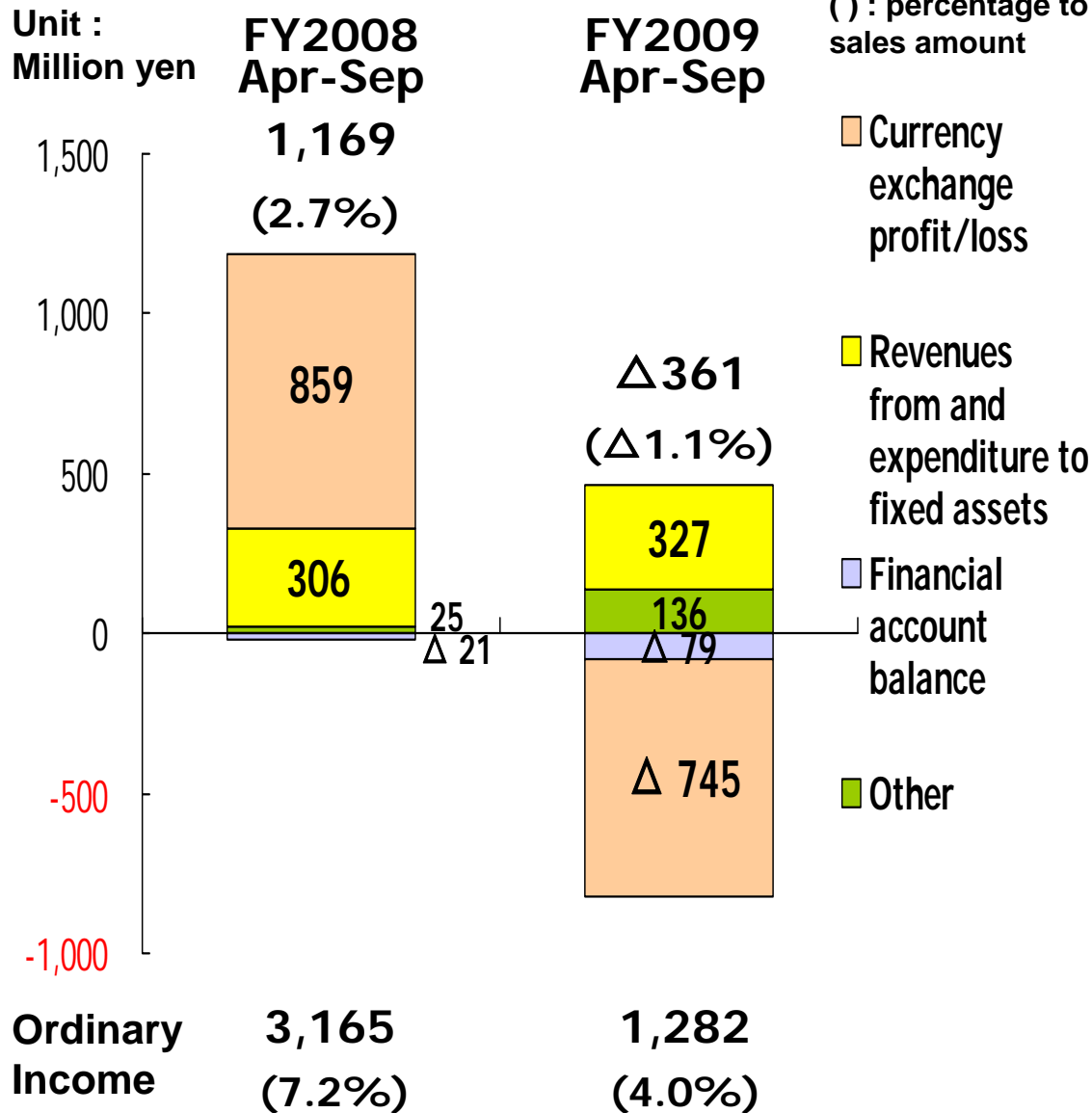
Total
-353 million yen





<Consolidated> Non-operating profit and loss

Unit :
Million yen



Exchange gain → Exchange loss

(Average rate/within a term)

...P/L reduction

1. FY2008
2Q Average(08/Apr-Sep)
¥105.95/\$
2. FY2009
2Q Average(09/Apr-Sep)
¥95.45/\$

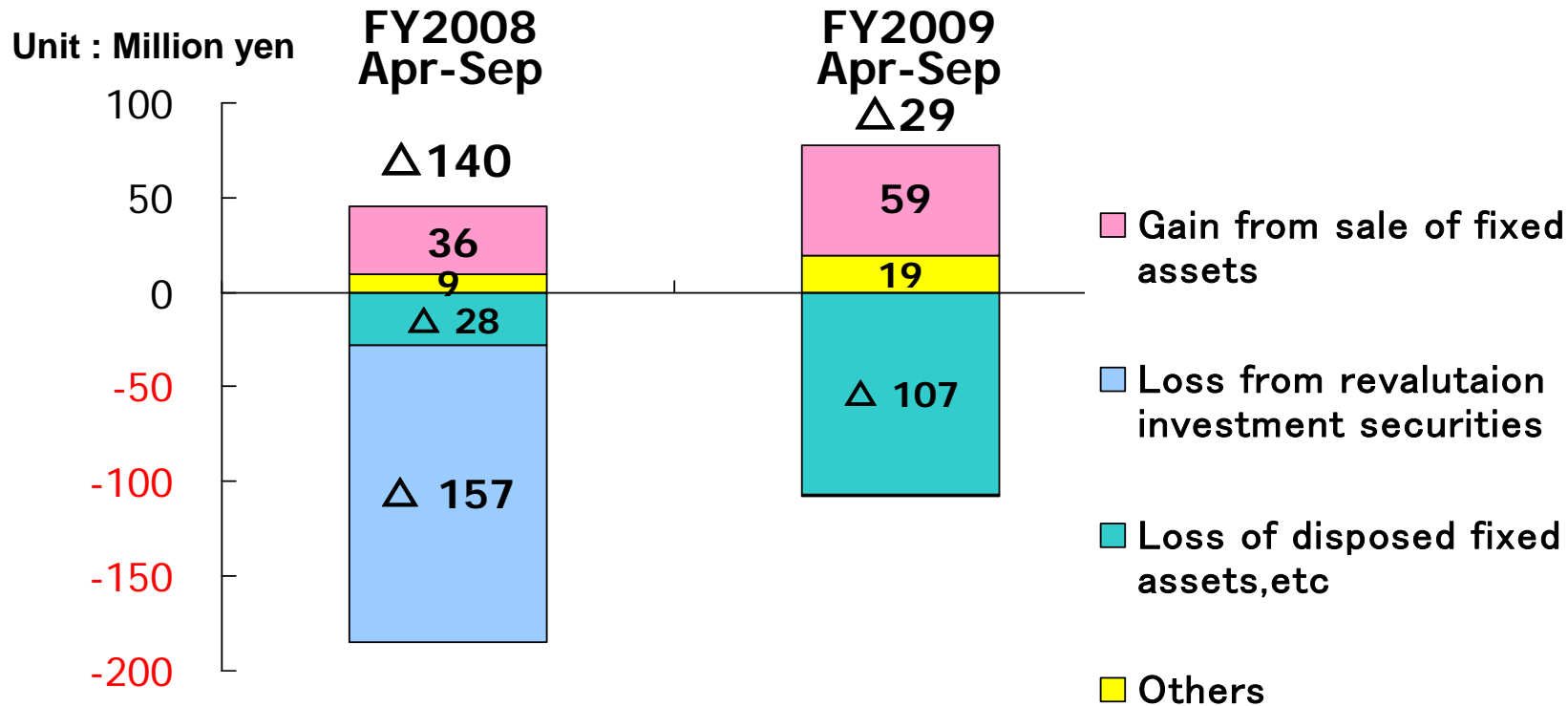
(End of term rate) ··· Evaluation of debts and credits

1. FY2008 2nd Quarter
2008/Mar ¥100.19/\$
2008/Sep ¥103.57/\$
Yen depreciated by 3.38yen

2. FY2009 2nd Quarter
2009/Mar ¥98.23/\$
2009/Sep ¥90.21/\$
Yen appreciated by 8.02 yen



<Consolidated> Extraordinary gain or loss



Income before income taxes	3,025	1,253
Income taxes (Current and deferred)	△1,315	△313
Net income	1,710	940
	(3.8%)	(2.9%)



<Consolidated> Cash Position

10/50

Unit : Million yen

	<i>2009/Mar</i>	<i>2009/Sep</i>	<i>Differential</i>
	(A)	(B)	(B-A)
Assets	58,168	56,930	△1,238
Cash and cash equivalents	9,081	9,013	△68
Accounts receivable	14,864	16,415	1,551
Inventories	6,235	5,626	△609
Fixed assets	23,865	22,622	△1,243
Liabilities	29,088	27,227	△1,861
Accounts payable and accrued expenses	9,190	11,121	1,931
Interest-bearing dept	17,193	13,468	△3,725
Net assets	29,079	29,703	624
Common stock	7,996	7,996	—
Capital adequacy ratio	49.9%	52.0%	2.1%



<Consolidated> Cash Flow Position

11/50

Unit : Million yen

	FY2008 Apr-Sep	FY2009 Apr-Sep
Operating Cash Flow	3,270	5,494
Working capital	-1,782	214
Income before income taxes	3,025	1,253
Depreciation	2,579	1,859
Others	-552	2,168
Investing Cash Flow	-2,714	-1,160
Free Cash Flow	556	4,334
Financing Cash Flow	284	-4,191
Increase (decrease) in interest-bearing dept	1,190	-3,928
Purchases of treasury stock	-387	-16
Dividends paid	-519	-247
Initial balance	7,073	9,072
Final balance	8,185	9,004



<Consolidated> Cash Dividend

	End of 1 st Half	Year-end	For fiscal year
Previous forecast (announced Apr. 27th,2009)	¥0.00 per share	¥6.00 per share	¥6.00 per share
Forecast as modified (announced Oct.26 th .2009)		¥8.00 per share	¥8.00 per share
Result	¥0.00 per share		
(FY2008) Result	¥6.00 per share	¥3.00 per share	¥9.00 per share



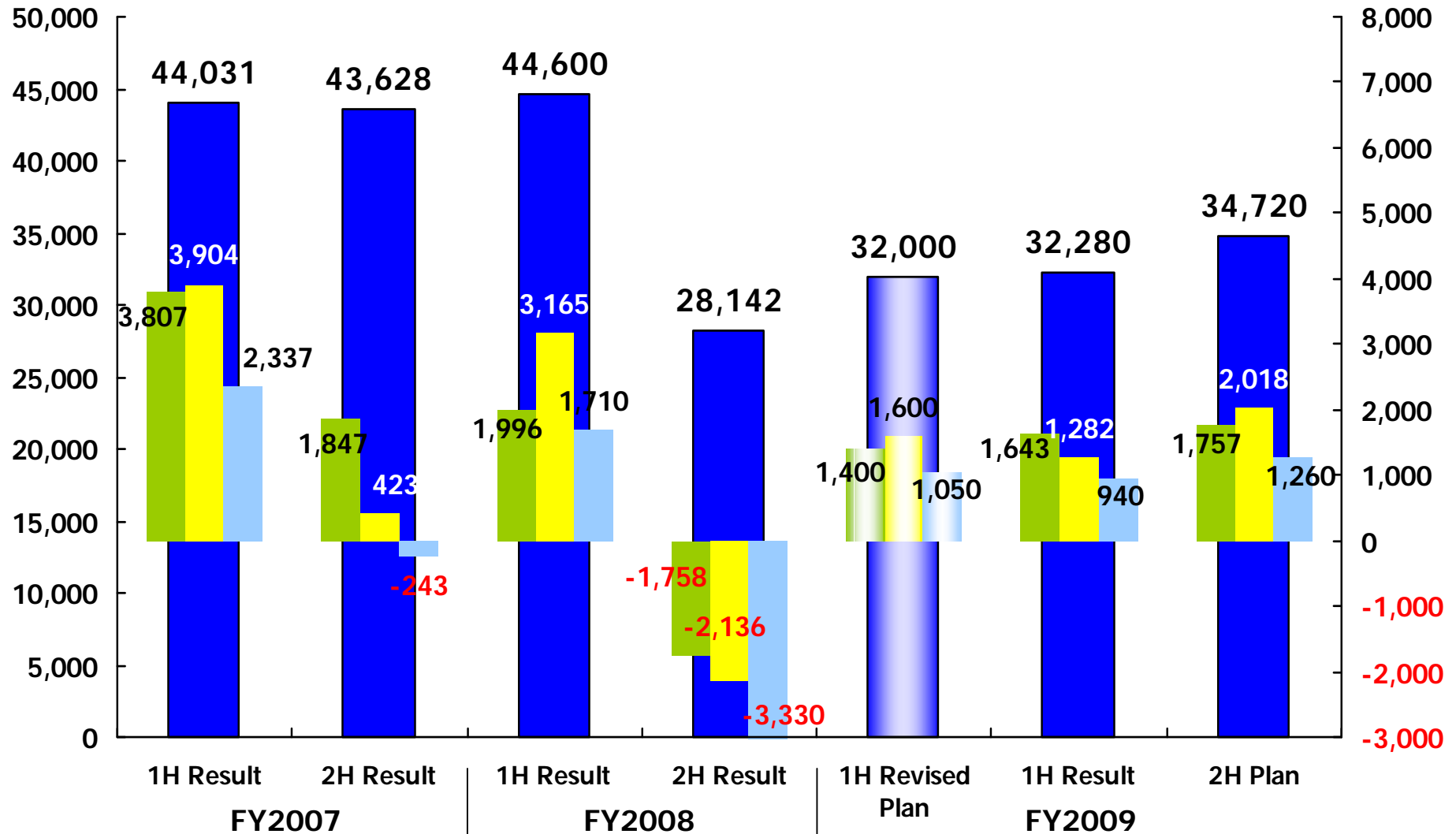
FY2009 2H Result and Prospect

President and COO Tetsuya Nakamura



Half Fiscal Term Performance (FY2007-FY2009/2H)

Unit : Million yen



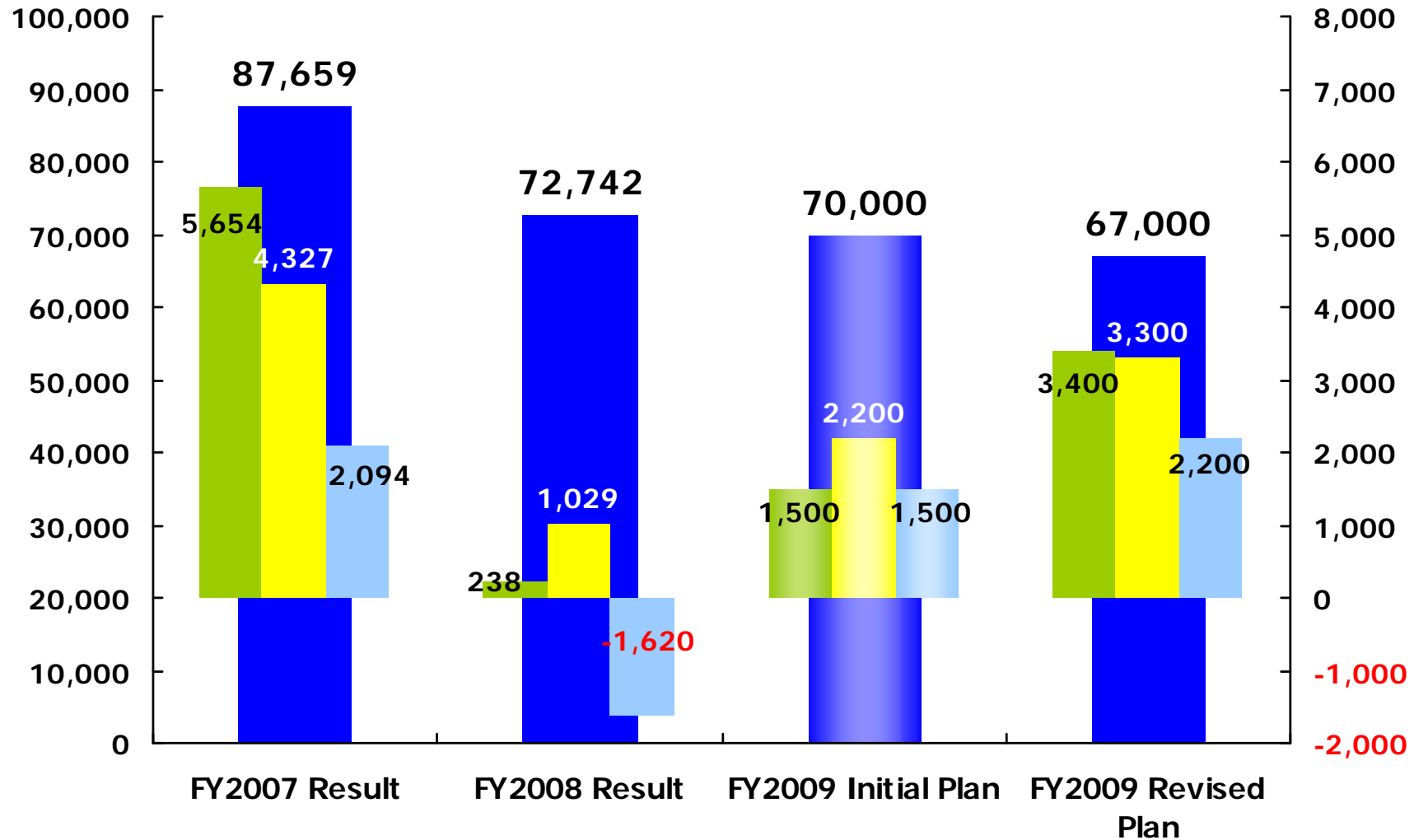
■ Net Sales ■ Operating Income ■ Ordinary Income ■ Net Income



Full Fiscal Term Performance (FY2007-FY2009)

Sales Amount : Million yen

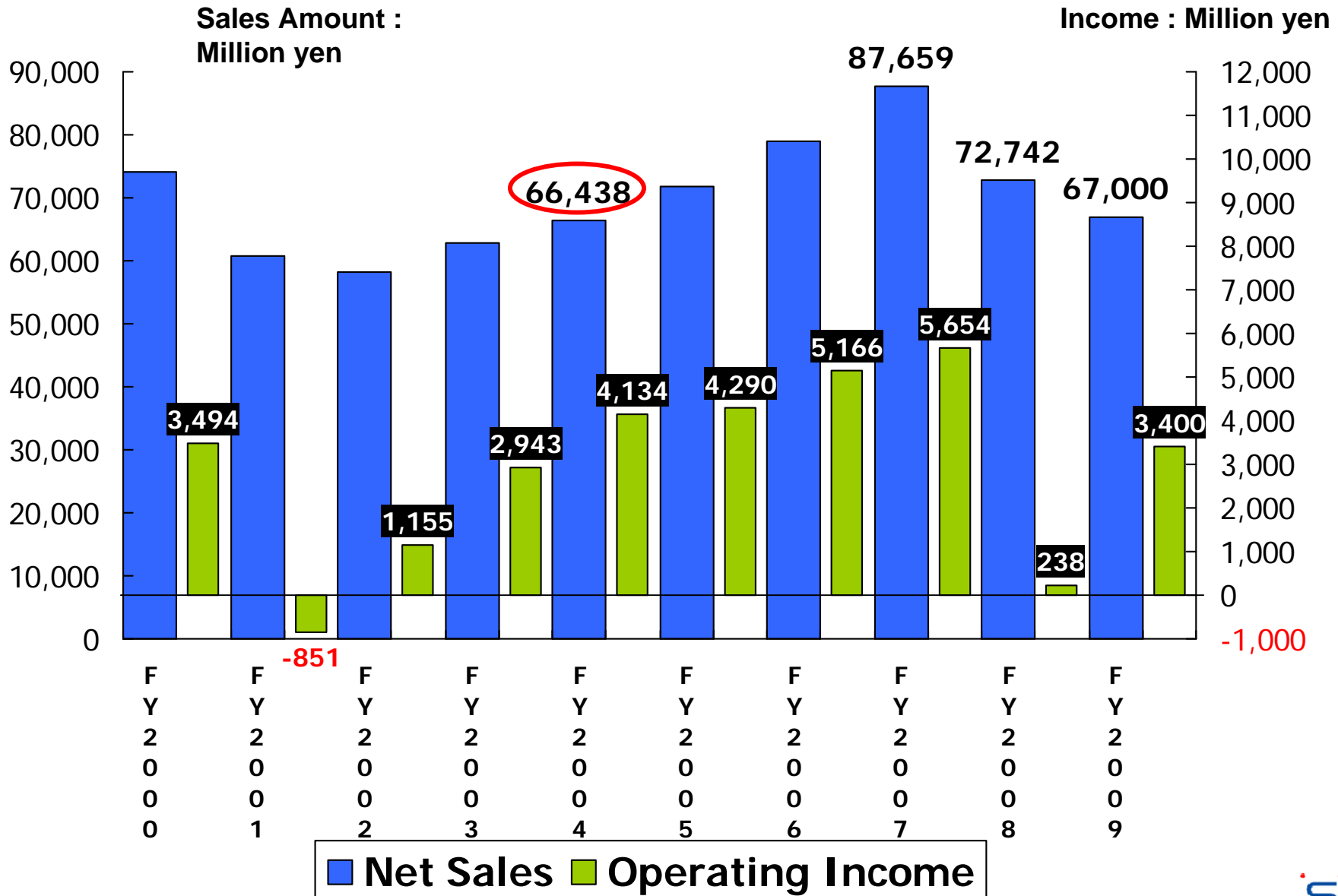
Income : Million yen



■ Net Sales ■ Operating Income ■ Ordinary Income ■ Net Income

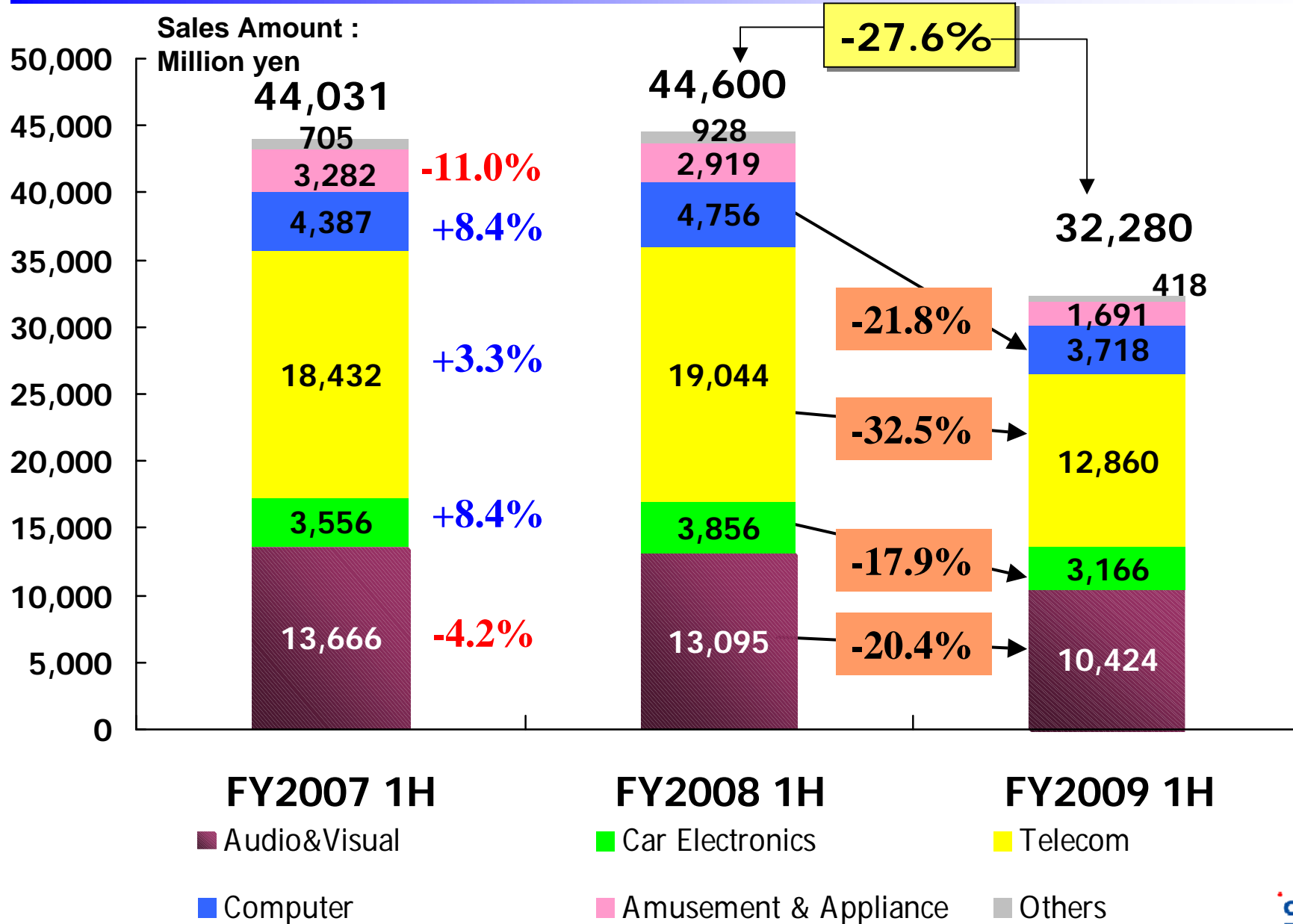


Fiscal Term Sales & Operating Income Performance (FY2000-FY2009)





<Consolidated> 1H Net Sales by Market (FY2007-FY2009)



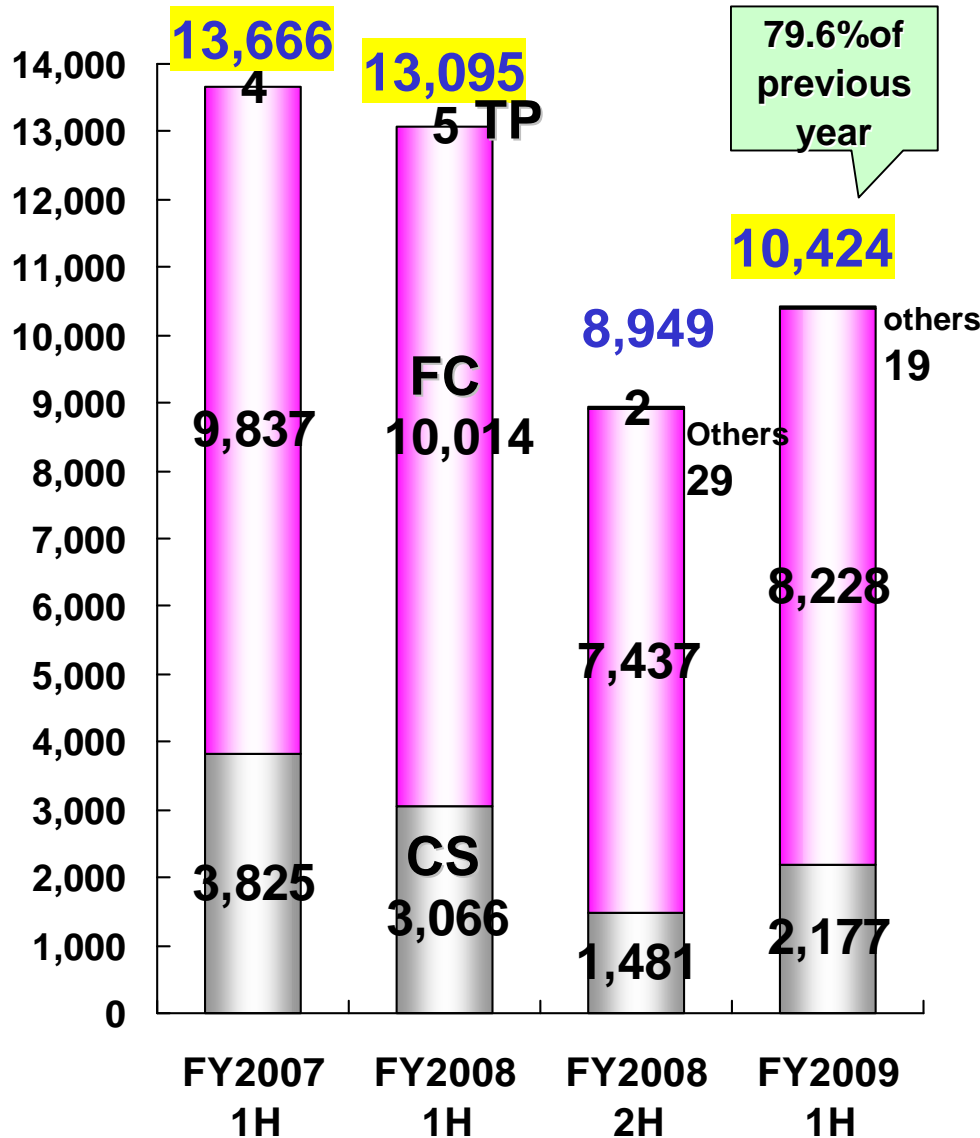


Video and Acoustic Parts Market <1H Sales>

18/50

※ Contrast with FY2008 1H

Unit : Million yen



FC (remote control) decreased

Sales of Set Top Box remote control dropped

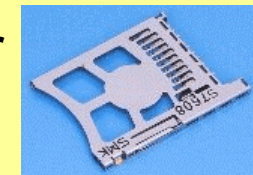


Sales of remote control for audio equipment dropped

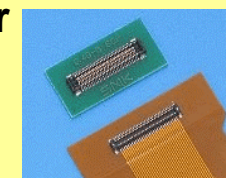


CS (connectors) decreased

Sales of card connectors for digital still camera dropped



Sales of BtoB connectors for portable audio equipment dropped



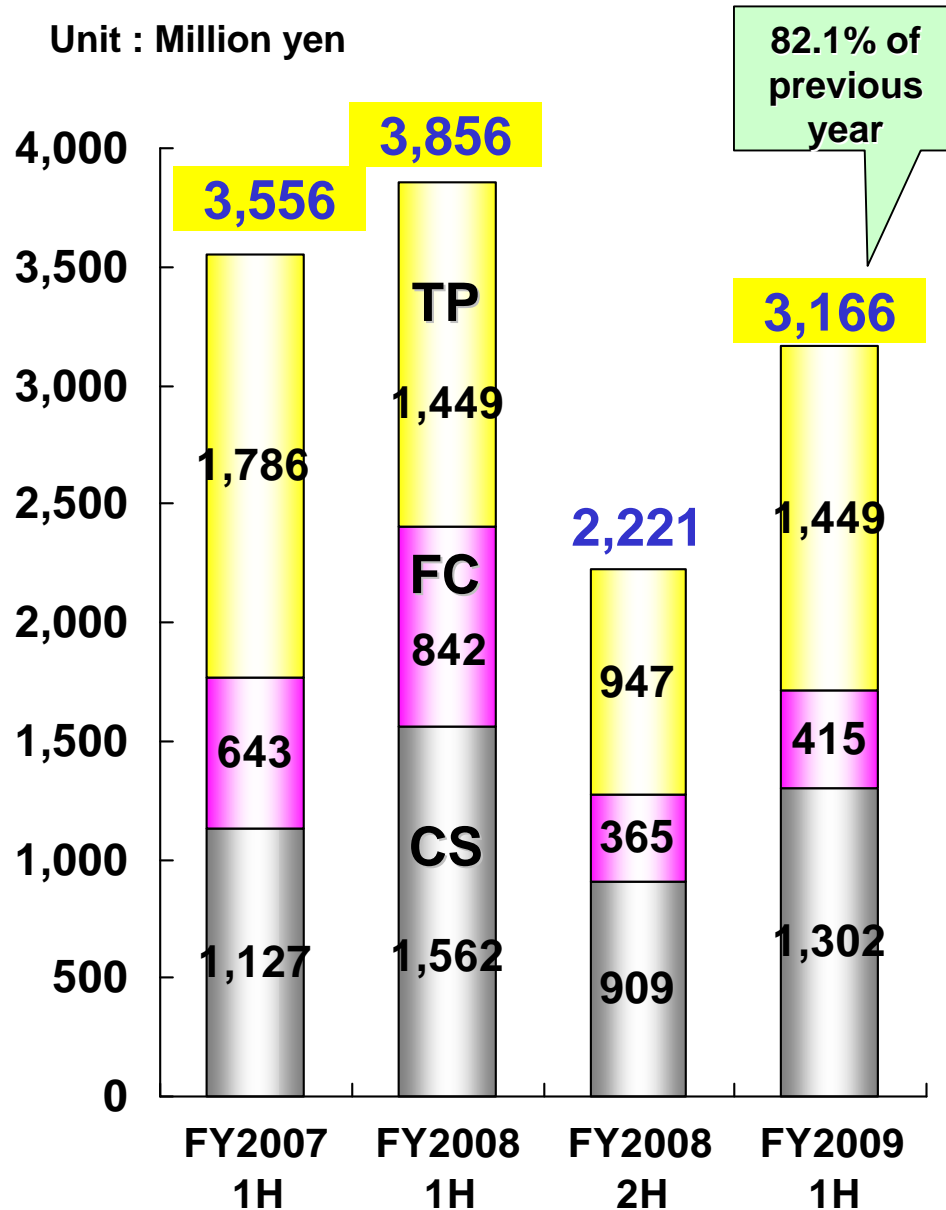


Electrical Component Market <1H Sales>

19/50

※ Contrast with FY2008 1H

Unit : Million yen



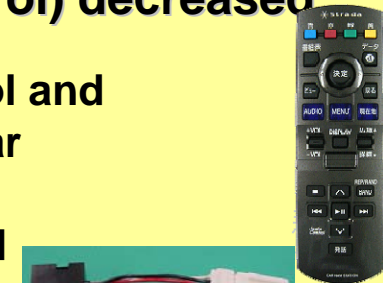
CS (connectors) decreased

Sales of ETC coaxial connectors were brisk; however, the sales of coaxial connectors for commercially available car navigation and car audio jacks dropped



FC (remote control) decreased

Sales of remote control and microphone unit for car navigation and rear entertainment dropped



TP (touch panel)

Sales recovered due to the completion of inventory adjustment of touch panels for genuine car navigation.



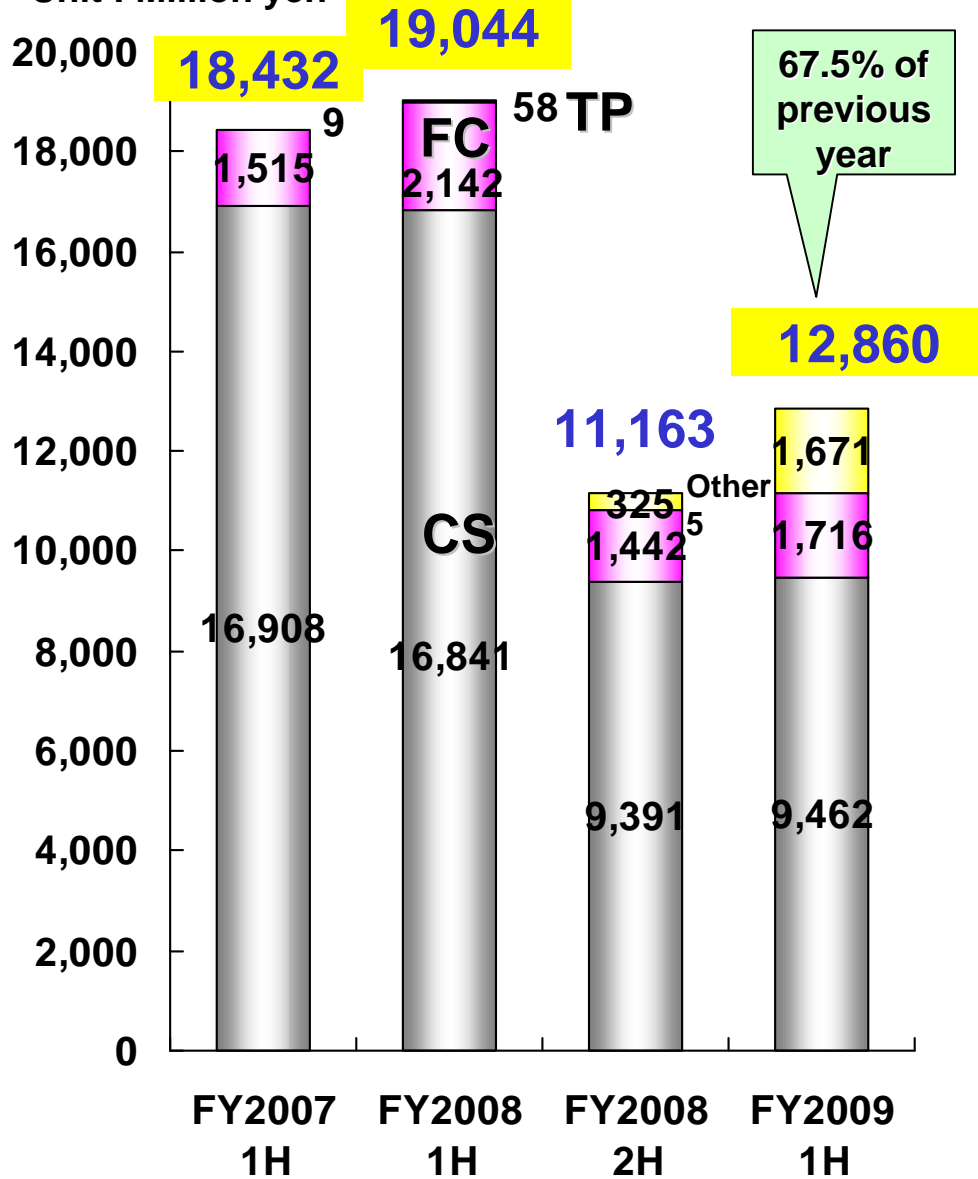


Communication Parts Market <1H Sales>

20/50

※ Contrast with FY2008 1H

Unit : Million yen



TP (touch panel) increased

Sales of capacitive touch panel for domestic mobile phones increased

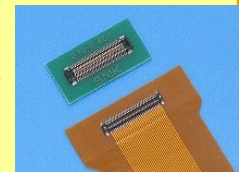


FC (unit) decreased

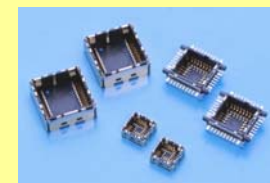
Sales of switches are brisk; on the other hand, sales of accessories and holder which has become option items (non-inclusive) dropped.

CS (connectors) decreased

The overseas major customer decreased production and the competition intensified with competitors.



The sales of camera connector, jack and BtoB connectors dropped



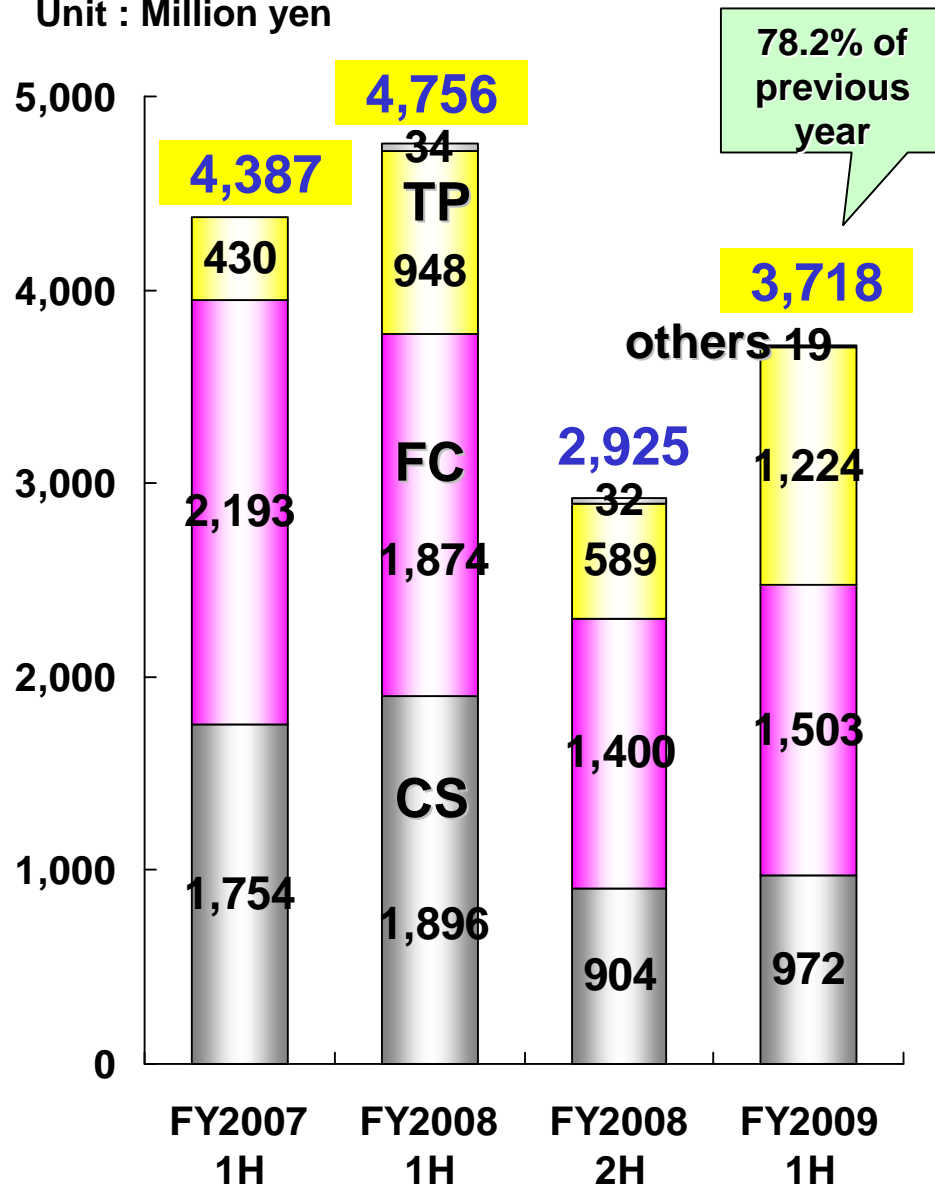


Information Administration Equipment Parts Market <1HSales>

21/50

※ Contrast with FY2008 1H

Unit : Million yen



TP (touch panel) increased

Sales of ECR/POS touch panels increased



FC (remote control) decreased

Sales of remote control decreased due to the slump of notebook PC's installed with remote controls and the decrease of production units of projectors



CS (connectors) decreased

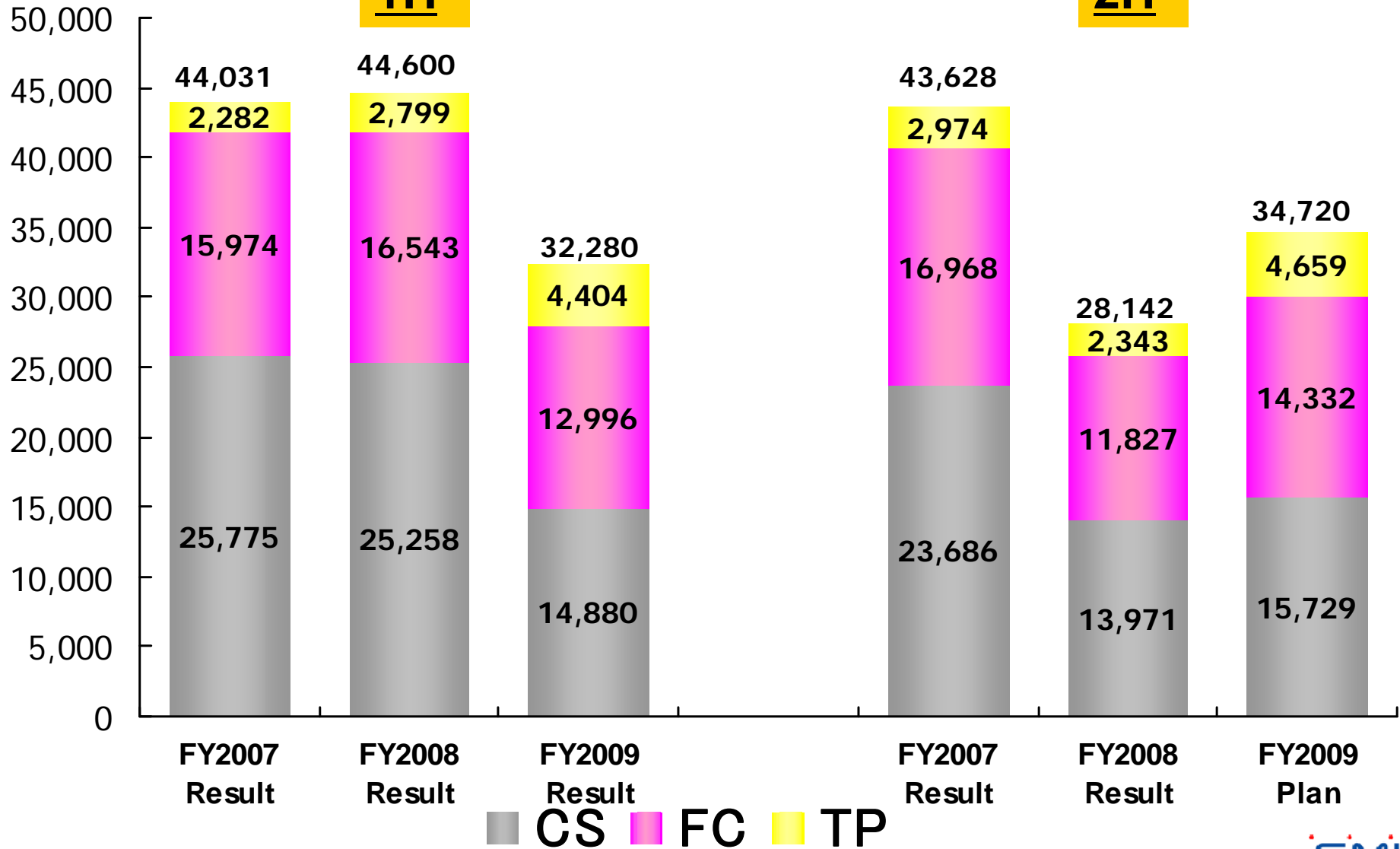
Sales of power supply connectors for personal computers dropped





Reference: <Consolidated> Net Sales by Product Division 22/50 (FY2007-FY2009)

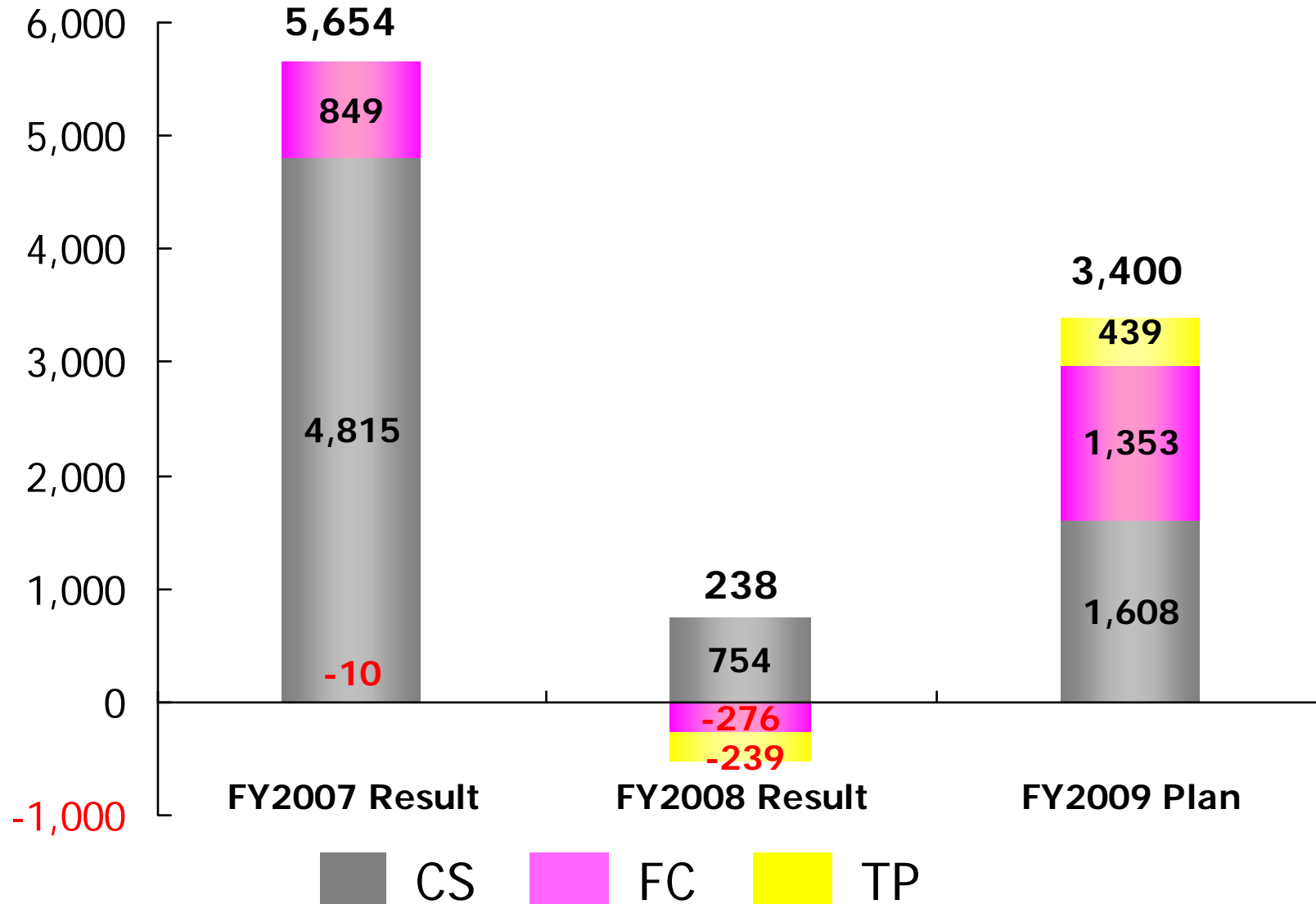
Unit : Million yen





Reference: <Consolidated> Operating Income by Product Division (FY2007-FY2009)

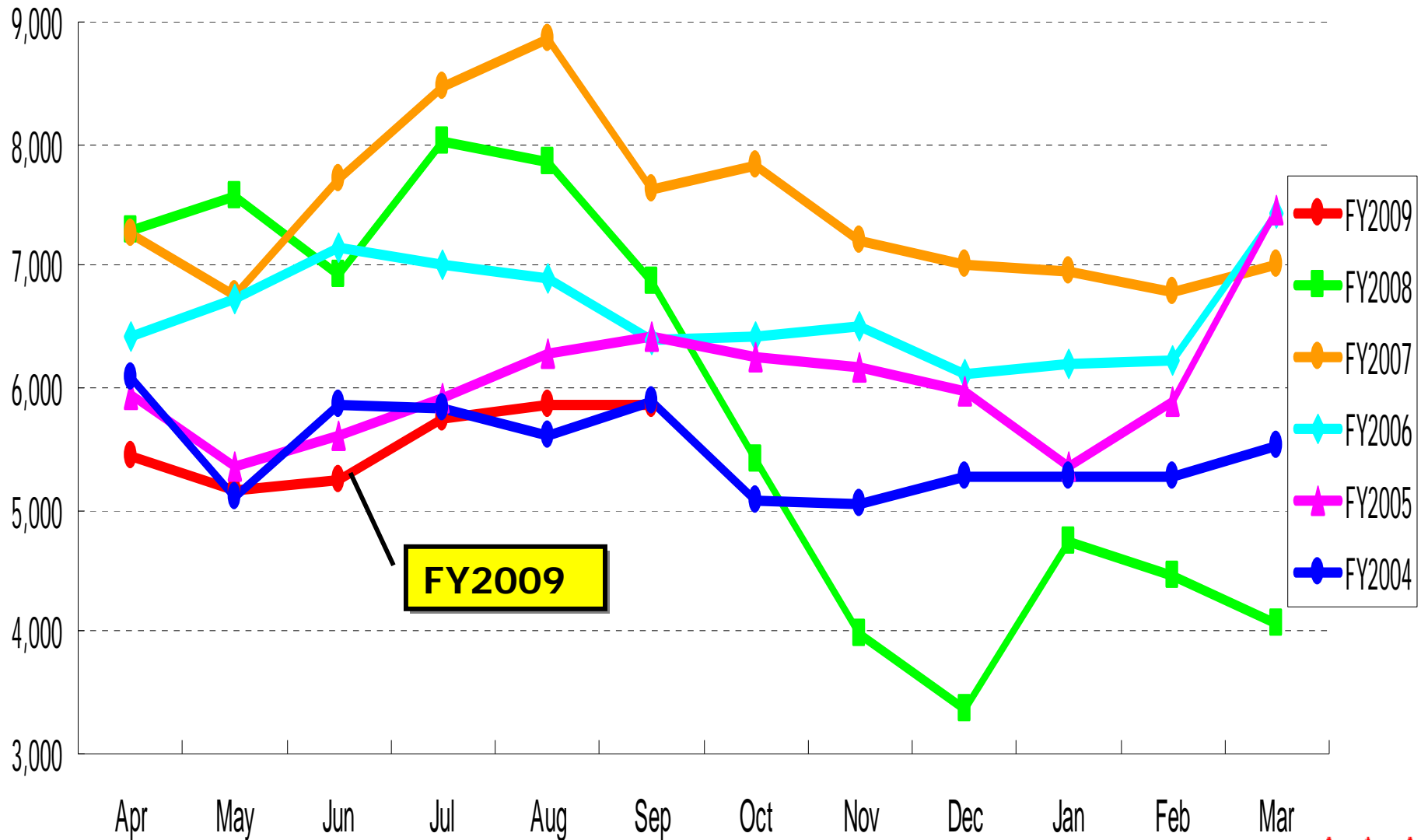
Unit : Million yen





Monthly booking Entry (FY2004~)

Unit : Million yen

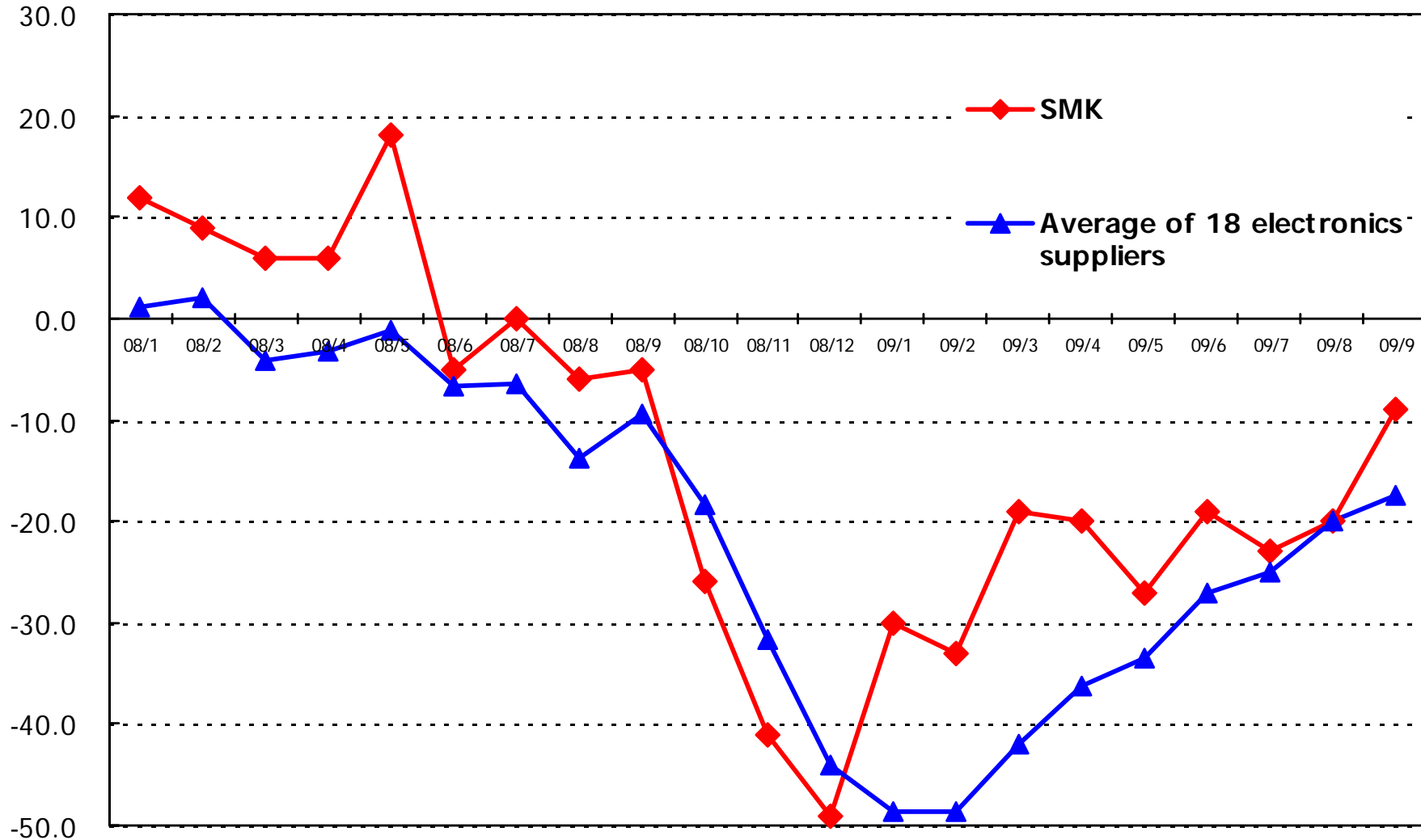




Monthly booking : Compared to last year (With the average of electronic parts manufactures)

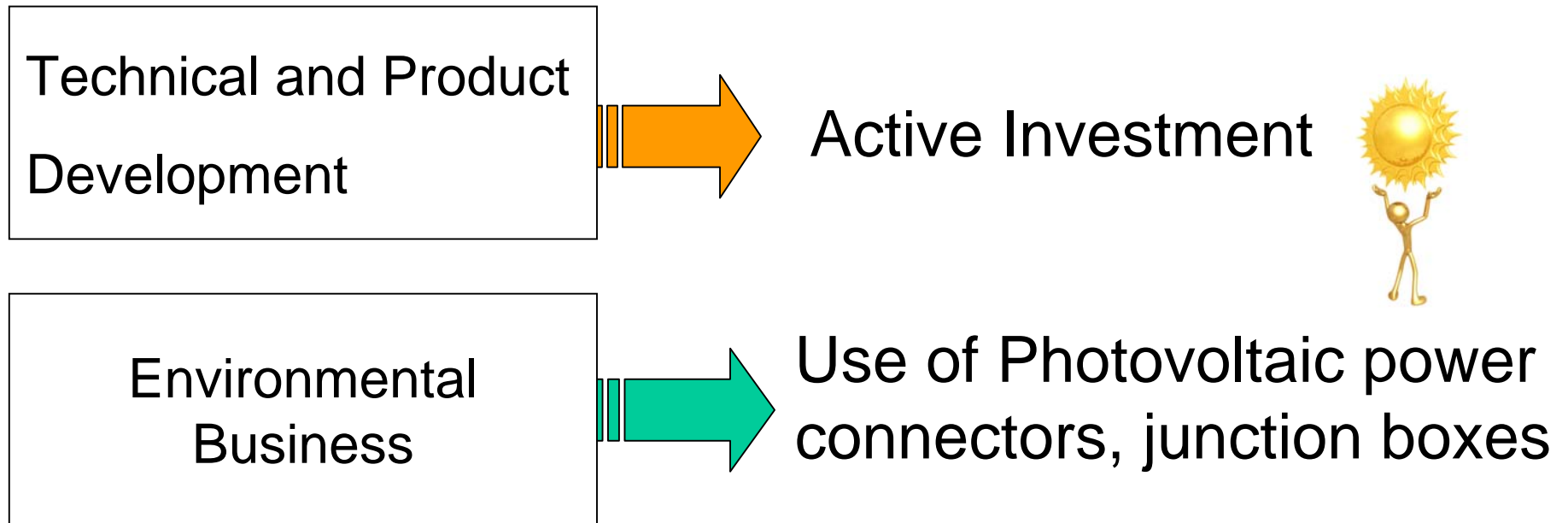
Compared to last year (%)

Reference: Daiwa Securities SMBC Co.Ltd
Financial Research Center





Basic Stance: Expansionary course accompanied by fair profit



Creating an Exciting Future



Make a presentation of CEATEC JAPAN 2009

27/50



6th to 10th OCT, 2009

At Makuhari Messe





CS Division



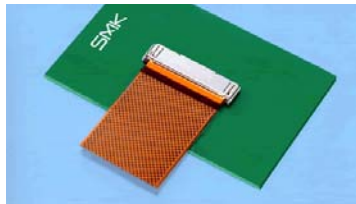
CS Division

29/50

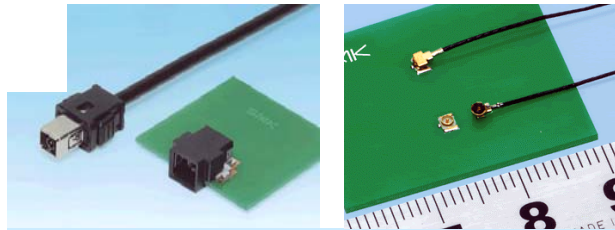
CS= Connection System

【Major Products】 : Connector/Jack

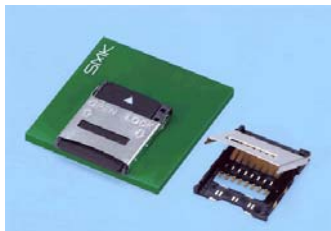
■ Connector



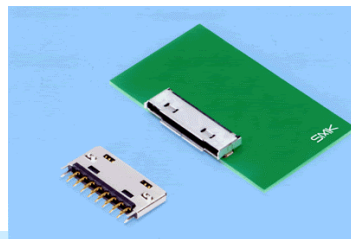
FPC Connector



Coaxial Connector

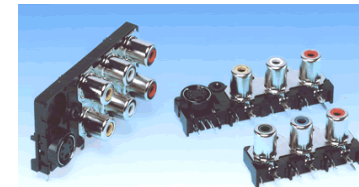


Card Connector



Interface Connector

■ Jack



**Pin Jacks
Speaker Terminals**



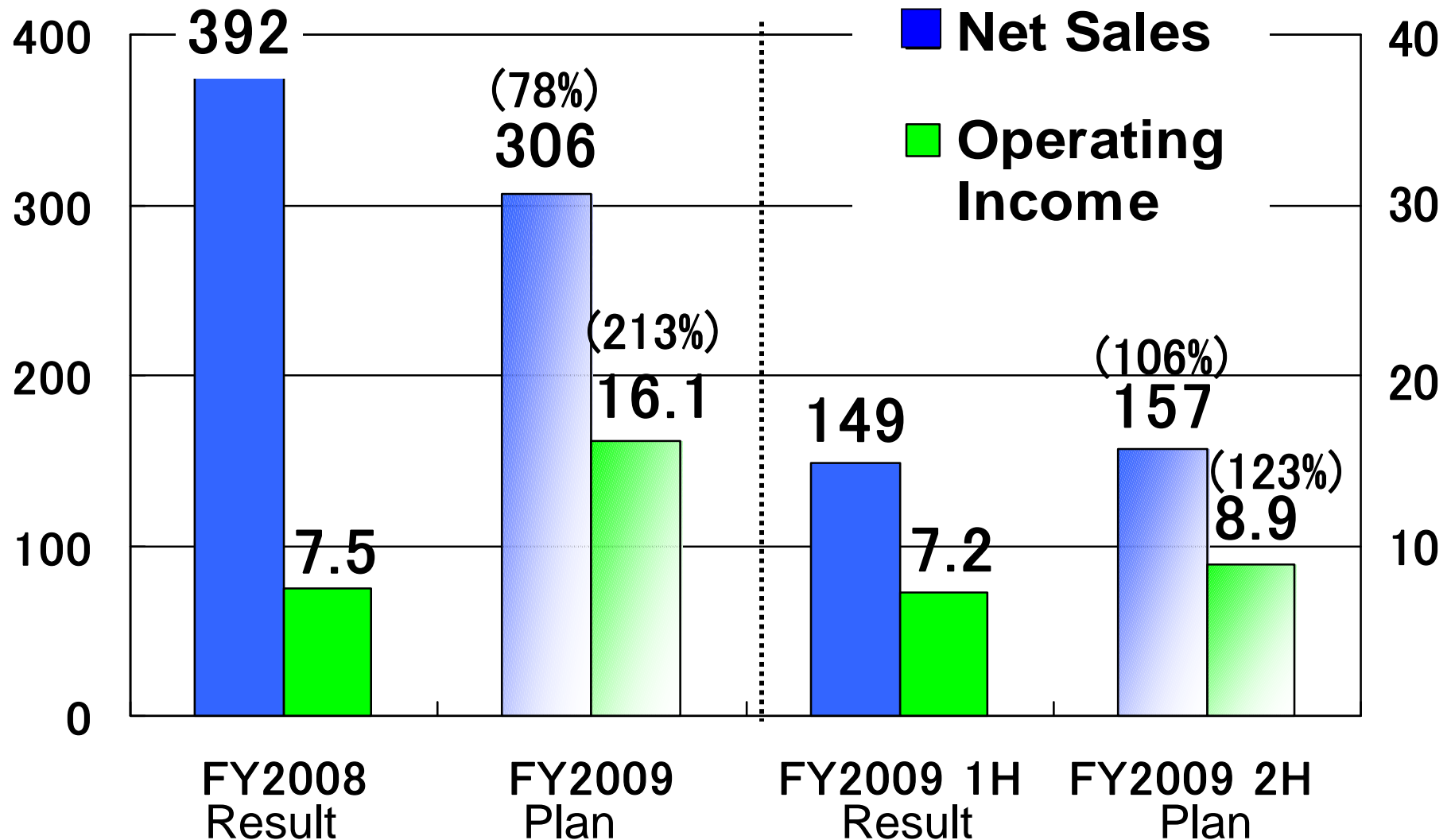
**DC Power Supply Jacks
Headphone Jacks**



CS Division Net Sales, Operating Income (Consolidated)

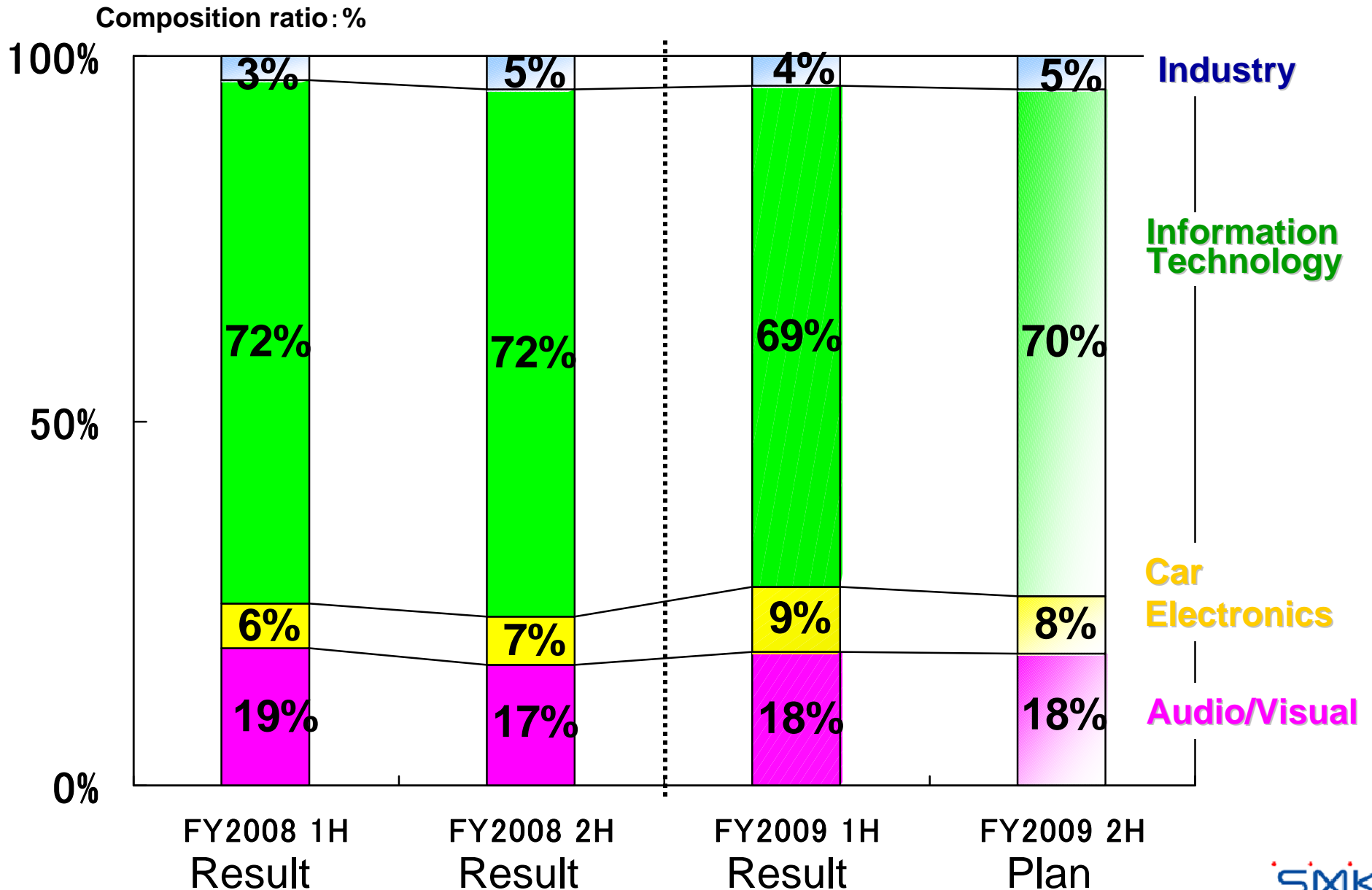
Sales Amount : 100 Million yen

Operating Income : 100 Million yen





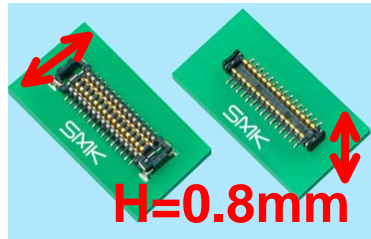
CS Division Transition of market-specific sales (Consolidated)



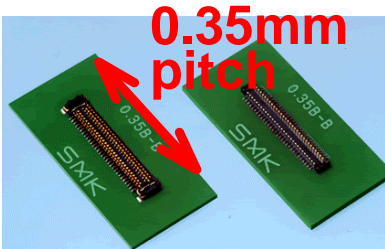


Mobile Phones / Portable Equipment Market

Board-to-Board Connector
0.4mm pitch PB-4F

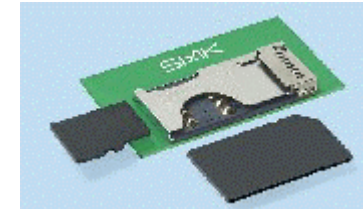


0.35mm pitch PB-35



Card Connectors

2in1
3in1 combo-connectors



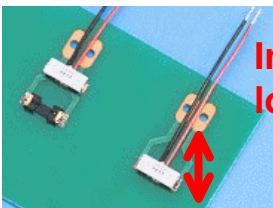
Ultra-Small / Low Profile

More Complex
More Functional

Increase of
Wireless Communication Modules

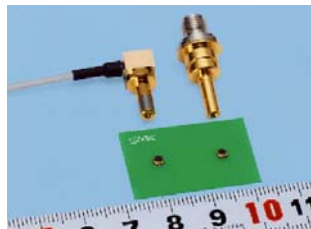
High-Speed
Transmission

Wire-to-Board Crimping Connectors
ID-01, ID-02

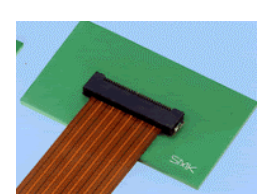


Industry's
lowest Profile
H=0.9mm

Ultra-Small Coaxial Connector Series



Shielded FPC Connectors

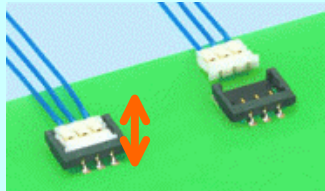


Flat Panel TV Market

Bringing in new assembly method / commonality of parts and materials



Mobile Phone/ Portable Device Market



1.2mm Pitch Wire to Board Crimping Connectors

1.2mm Stacking Height



Lens Connector for Digital Camera

Ecology Market



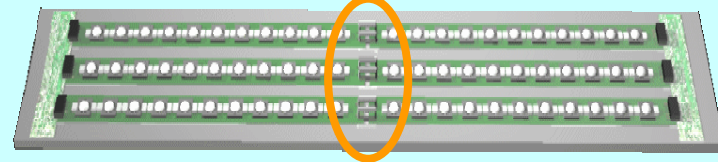
Connectors for Photovoltaic Module

Small items

Waterproofing Technique



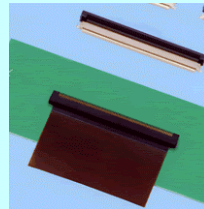
Connectors for LED Lightning



Car Electronics Market



New FPC Connectors

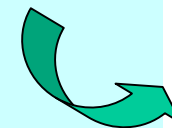


Camera Connector for Car



UMPC Market

New Power Connectors





CS Division FY2009 Policy

Priority Measures for Performance Improvement

1. Thoroughly Implementation of the Crisis Proposal Measures

- Income Oriented
- Speed

2. Pursuit of Efficiency

- Promote automation in China
- Diversion and generalization of the facilities

3. Improvement of Competitiveness

- Active investment to new and growing markets
- Speeding up the development of new products, enhance distribution

POINT

Securing Profits

Select and Focus

Total Optimization

Entire Quality Absolute Quality

Promote Share Expansionary Measures Towards New Growth

Added-value Products

New Field New Technology



FC Division



FC Division

FC=Functional Components

【Main products】: Switch/Keyboard/Control Panel/Bluetooth/Microphone
Remote Control Unit/Camera Module

SW (Switch)



Various types of switches

UN (Unit)



Antenna



Bluetooth Unit
(Microphone-free
Bluetooth headset)



Control Panel

RC (Remote Control)



Remote
Control



Color Intelligent
Remote Control

MD (Module)



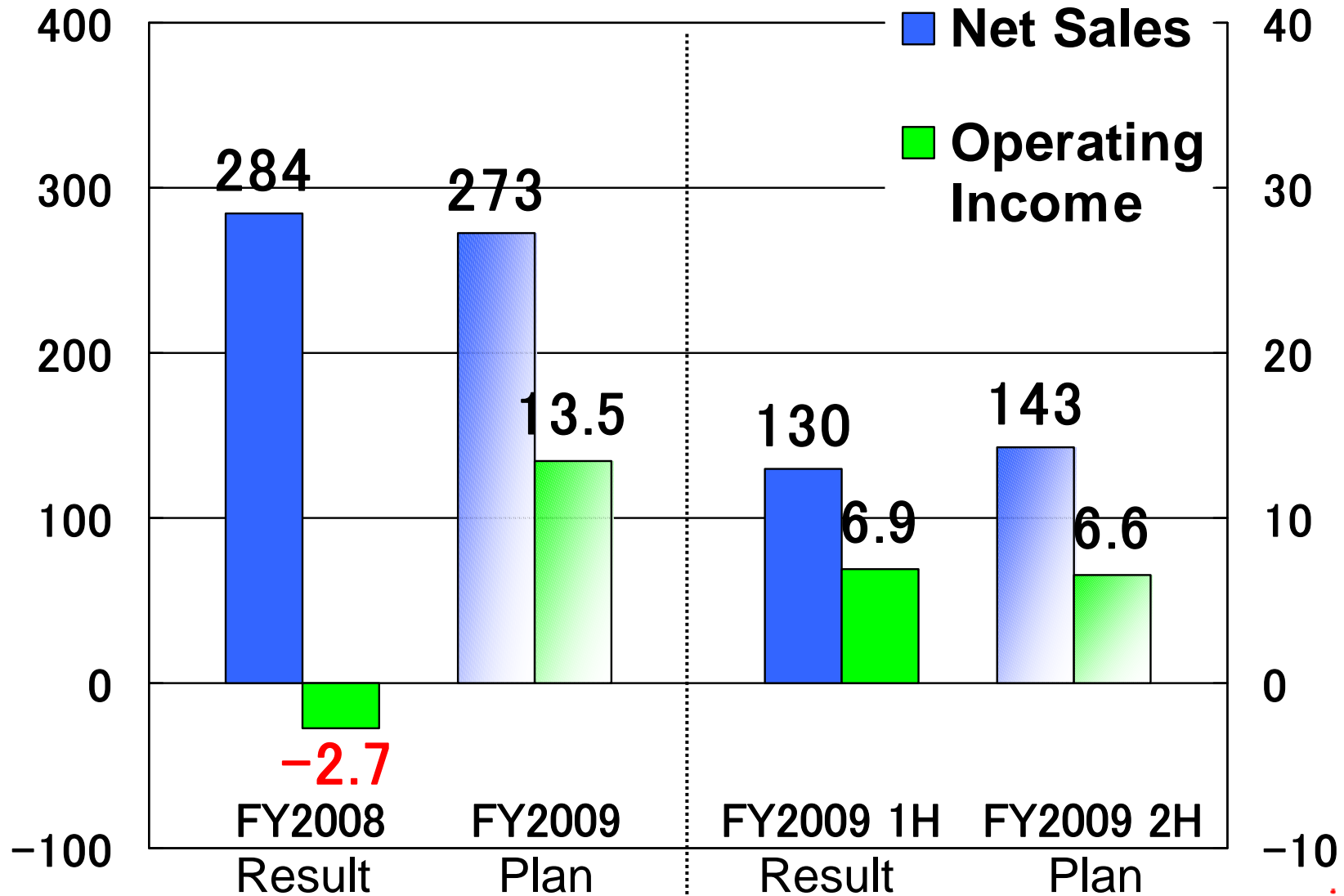
Camera Module



FC Division Net Sales, Operating Income (Consolidated)

Sales Amount : 100 Million yen

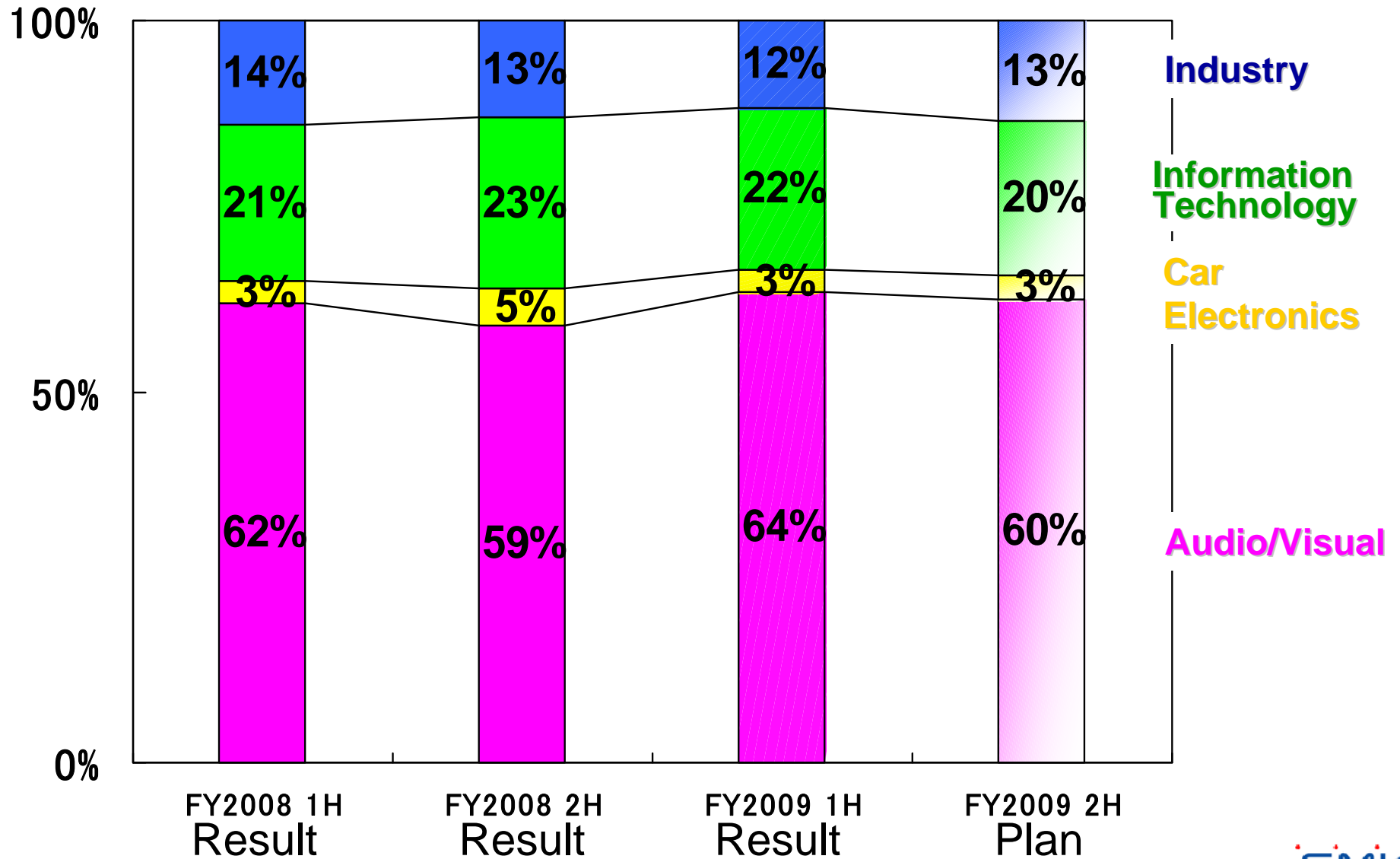
Operating Income : 100 Million yen





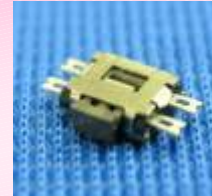
FC Division Transition of market-specific sales (Consolidated)

Composition ratio : %





1 Dome Switch



Midmount Horizontal Push Switch



Momentary Slide Switch



RF Remote Control Unit



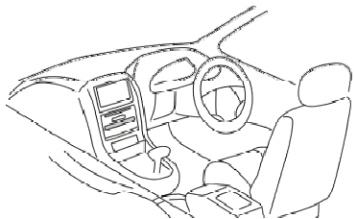
Control Panel



Push Lock Switch



T 0.4mmMT Switch



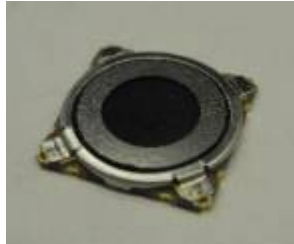
Long Stroke Push Switch



Remote Control Unit for Automotive

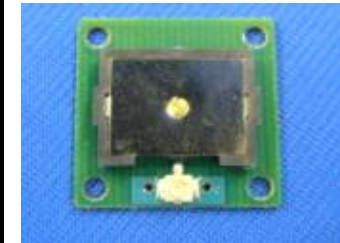
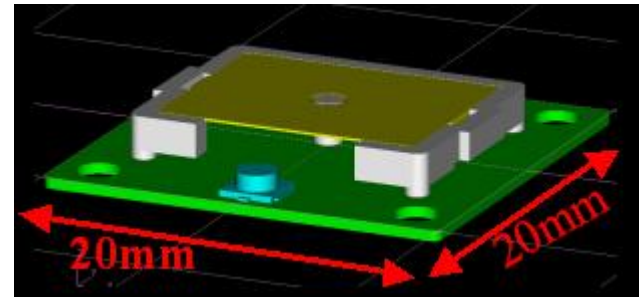


Camera Module



Thin Type Analog Switch

Antenna Coupler for Transfer JET



- ① T= 3.2mm type(WHA9400-1632F)
- ② T= 2.6mm type(WHA9400-1626F)

Major Specifications

Bonding Strength (S21) : -20dB min.
 Dimensions : 20mm (W) × 20mm (D)
 × 2.6mm (H)

Applications : Computers, mobile phones,
 small portable equipments, printers and etc.

Long Life Switches



Push Lock Switch



Thin Type Long Stroke Push Switch



T 0.4mm MT Switch



Thin Type Horizontal Switch



*RF Transmission
+ New Input Device*

*Windows®7 compatible IR
remote controlled
transmission/reception unit*



*Featuring a capacitive type touch
pad/Analog Switch
Digital JOG Switch/3D Sensor*

+

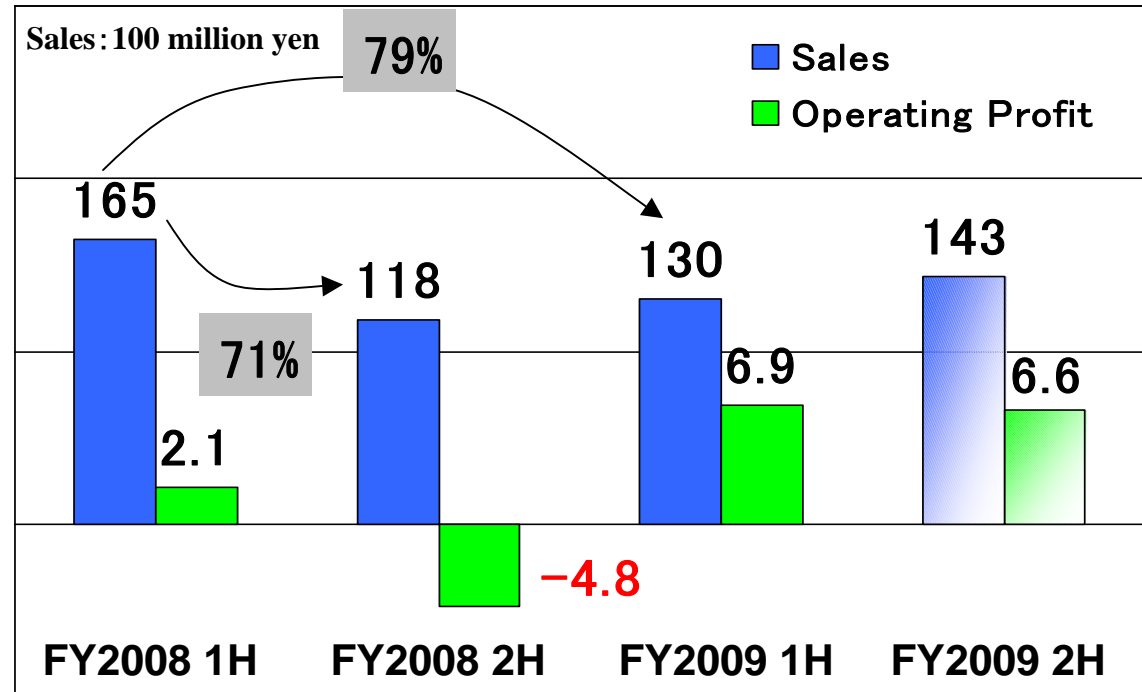
*Environment-responsive/Ecology/
Electric power saving·Less battery*





<Protective Measures>

Reduction of material costs and processing costs
Reduction of labor cost and budget



<Aggressive Measures>

Sales Increase, Expanding distribution repertoire
Active and effective development investment (research and development, equipment investment)

Continuing the Protective Measures (profit improvement measures) and
Practicing Aggressive Measures (sales expansion)



TP Division



TP Division

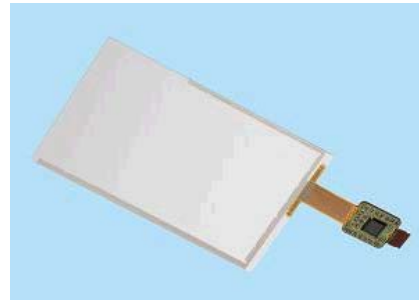
TP=Touch Panel

【Main products】

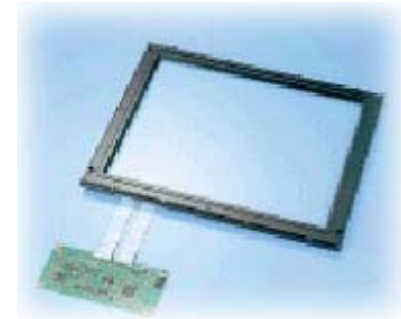
Resistance Sensitive Touch Panel



Capacitive Touch Panel



Optical Touch Panel

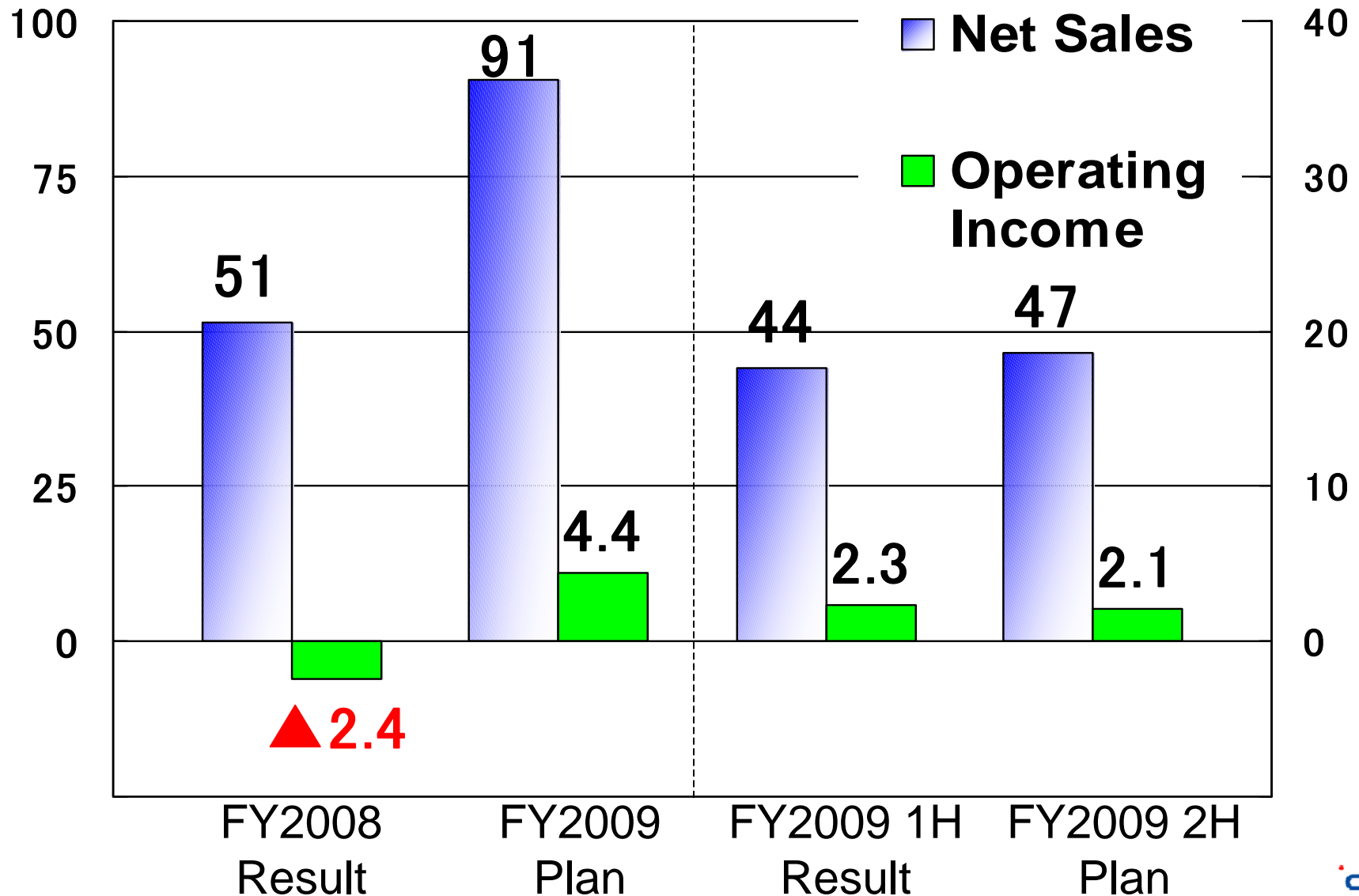




TP Division Net Sales, Operating Income (Consolidated)

Sales Amount : 100 Million yen

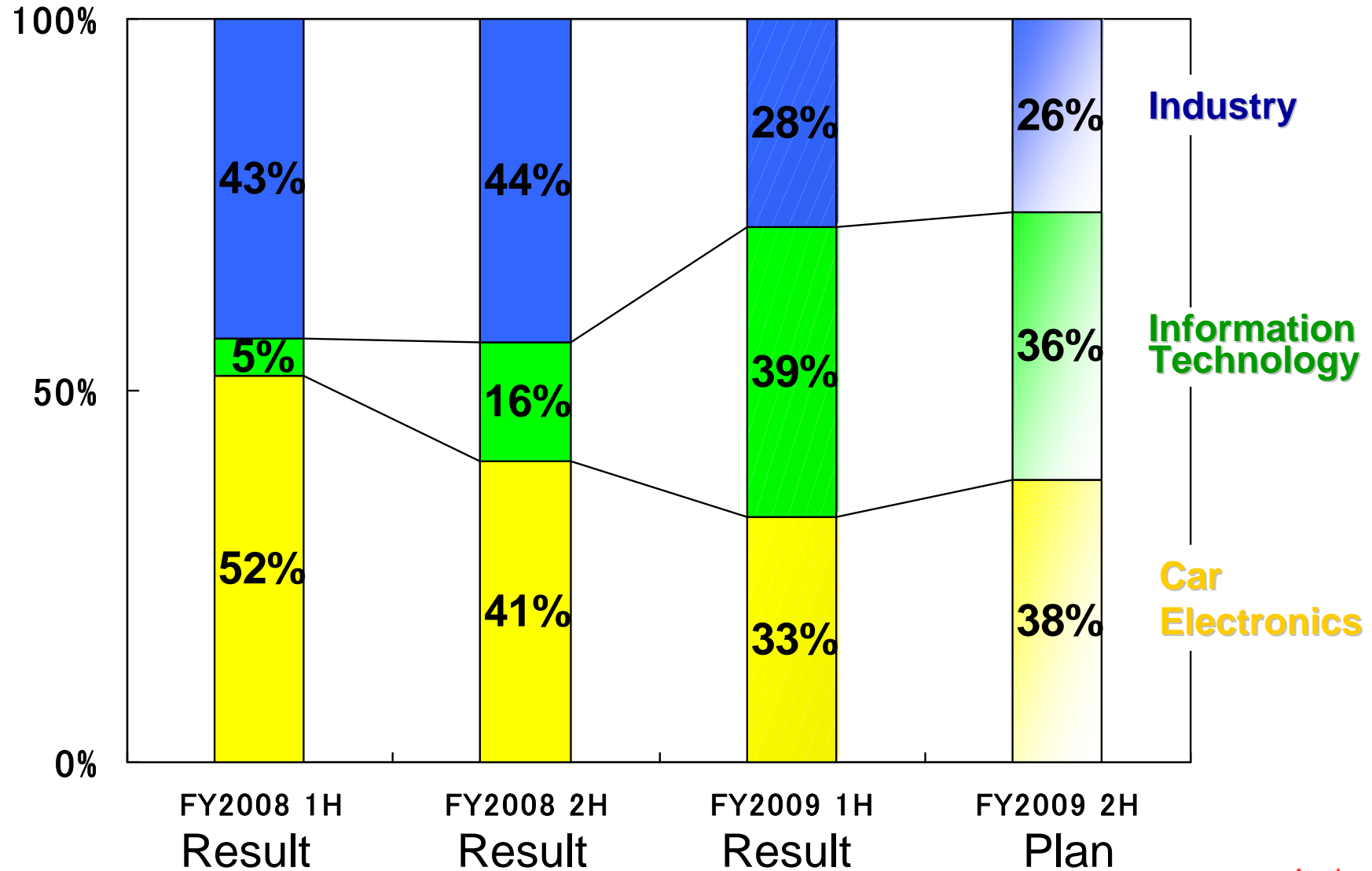
Operating Income : 100 Million yen





TP Division Transition of market-specific sales (Consolidated)

Composition ratio : %





Automotive Product Specification Film/Glass Touch Panel

	Film/Glass	Glass/Glass	Film/Glass (previous equivalents)
Operating Temp.	-30~85°C	-30~85°C	-20~70°C
Storage Temp.	-40~95°C	-40~95°C	-40~85°C
Transparency	84~87%	70~75%	77~89%
Reflectance	7~11%	1~10%	8~20%



Resistance Sensing Multi-touch Input Touch Panel

Controller/Driver for "Windows 7"

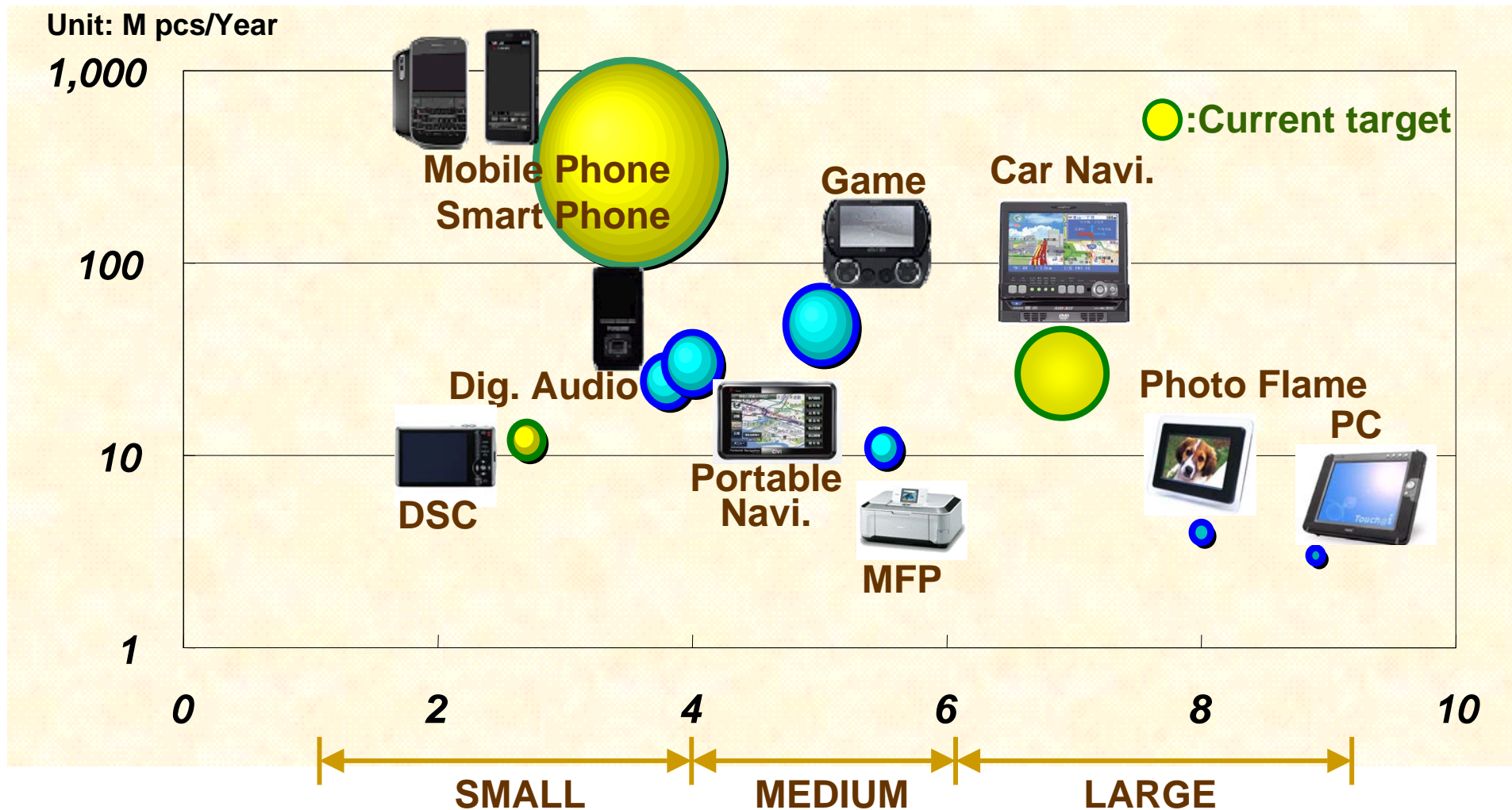


Force Feedback Function "Two-step Input"





Capacitive Touch Panel ~ Potential by Applications



※SMK Forecast





In preparation for expanding market



Expansion of sales

Concentrate heavily on main products

Market capture

Capacitance TP

Resistance TP

Force feed back TP

For automobiles

For mobile phone units

For POS, ATM

EU+ Asia Area

From Japan to EU + U.S.A

Japan + Asia area



Keep gain on board

Products lineup

Development of new products

Products promotion of streamlining



Notice

50/50

All information in this material concerning the forecast of business achievements, projections of general business conditions and our business strategies is dependent on our conclusion made to a normally foreseeable extent applying information reasonably accessible to us at the time of preparation of this material. However, the reality is that it contains risks and uncertainties which may cause result to materially differ from business projections, stated or implied, due to situations which are unforeseeable under normal conditions, or of results which are beyond a reasonably foreseeable outcome at that time.

Despite our active efforts to disclose information which is considered to be important to investors of our company, total dependence on the business projections in this material, stated or implied, must be refrained from when decisions of any kind are made regarding our company.

*The materials for this presentation to our investors is available on the IR Information Section of our Web site, <http://www.smk.co.jp/>