



Business Report for **FY2009**

From Apr. to June 2009

SMK Corporation
July, 2009



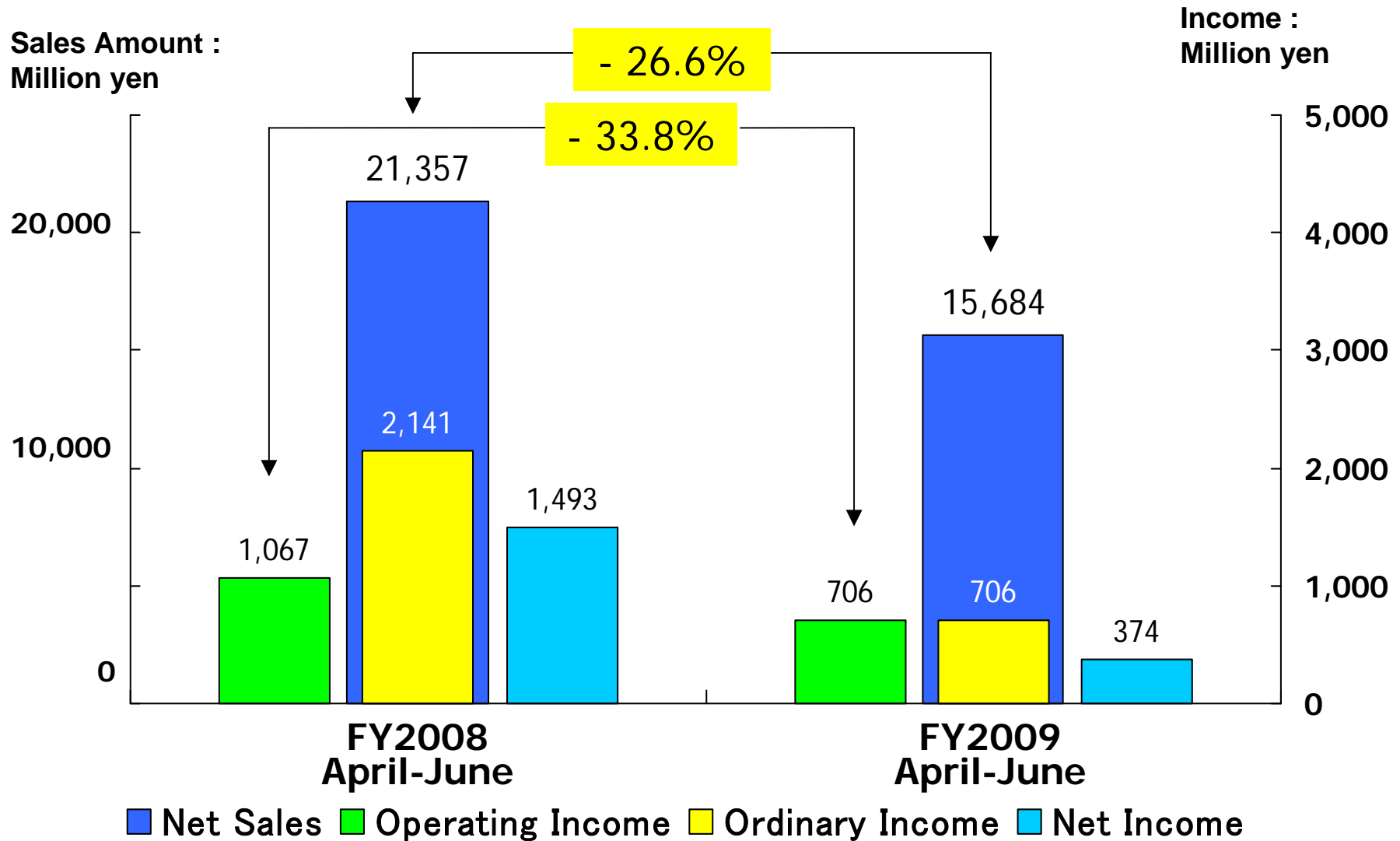
FY2009

Outline of 1Q Financial Statement

**Director and Executive Vice President
Hajime Yamada**



<Consolidated> 1Q Financial Result





< Consolidated > Financial Highlights (Quarterly)

	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) (Prospect)	(Apr.09-Sep.09) (Prospect)	(Oct.09-Mar.10) (Prospect)		
① Net Sales	15,684	16,316	32,000	38,000		70,000
Compared to last fiscal term(%)	73.4	70.2	71.7	135.0		96.2
② Operating Income	706	694	1,400	100		1,500
Compared to last fiscal term(%)	66.2	74.7	70.1	-		628.5
③ Ordinary Income	706	894	1,600	600		2,200
Compared to last fiscal term(%)	33.0	87.3	50.5	-		213.7
④ Net Income	374	676	1,050	450		1,500
Compared to last fiscal term(%)	30.3	276.0	61.4	-		-

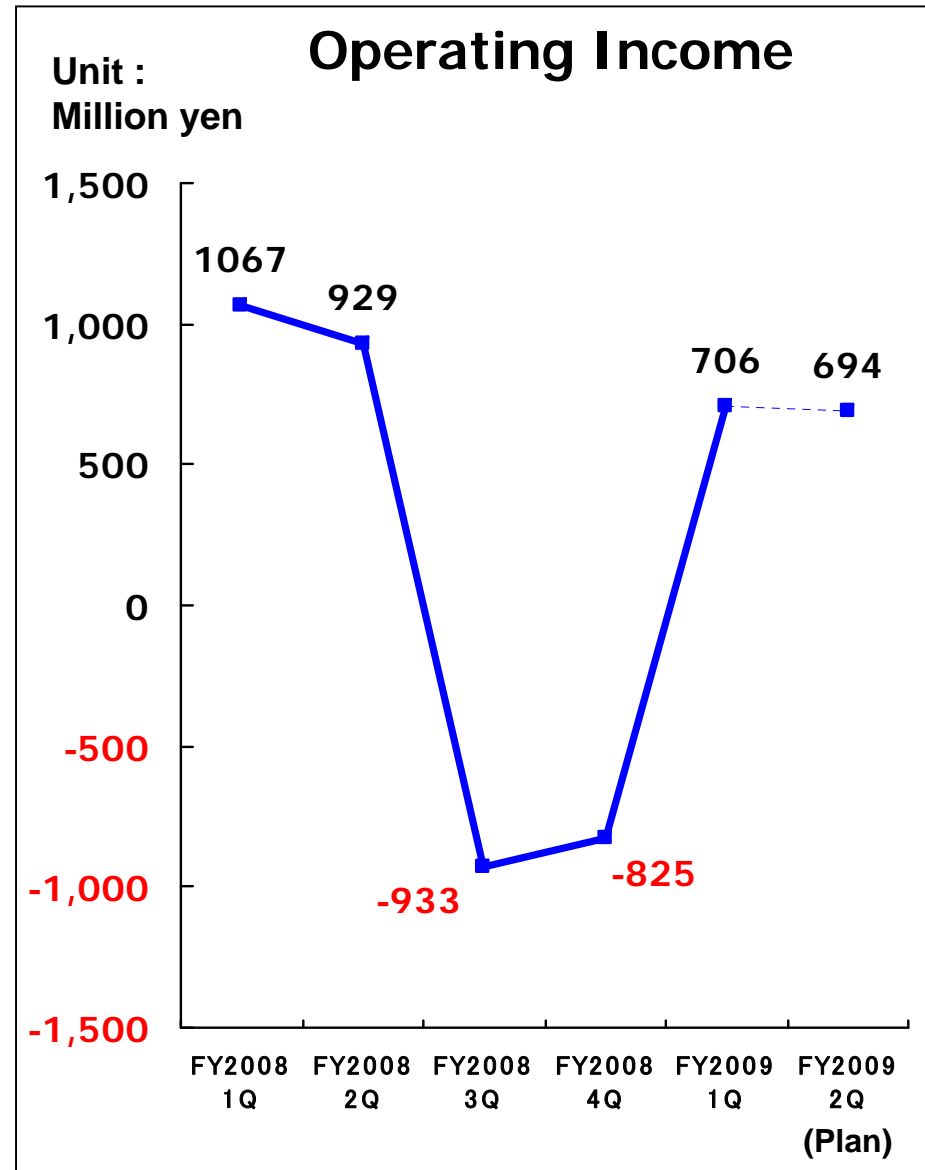
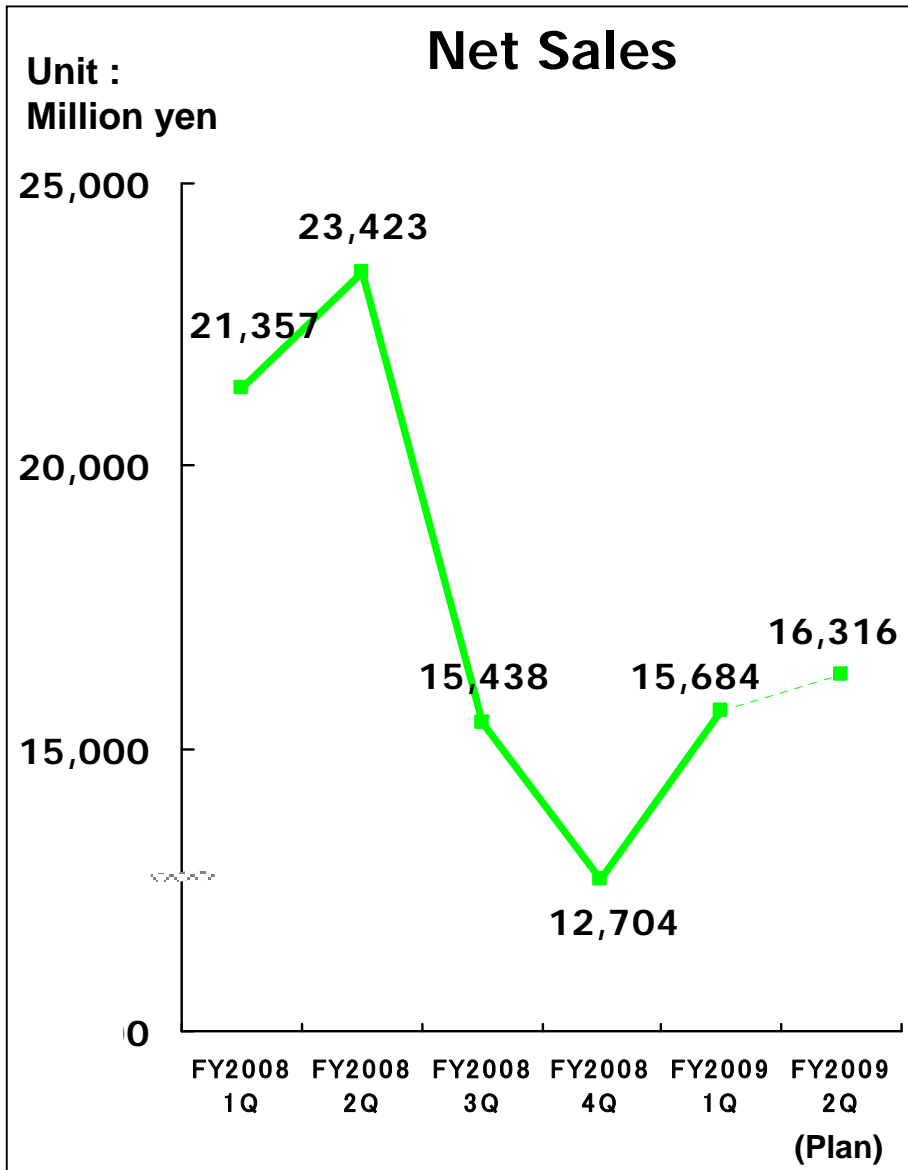
2. FY2008 Result

(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	-	-	-	-

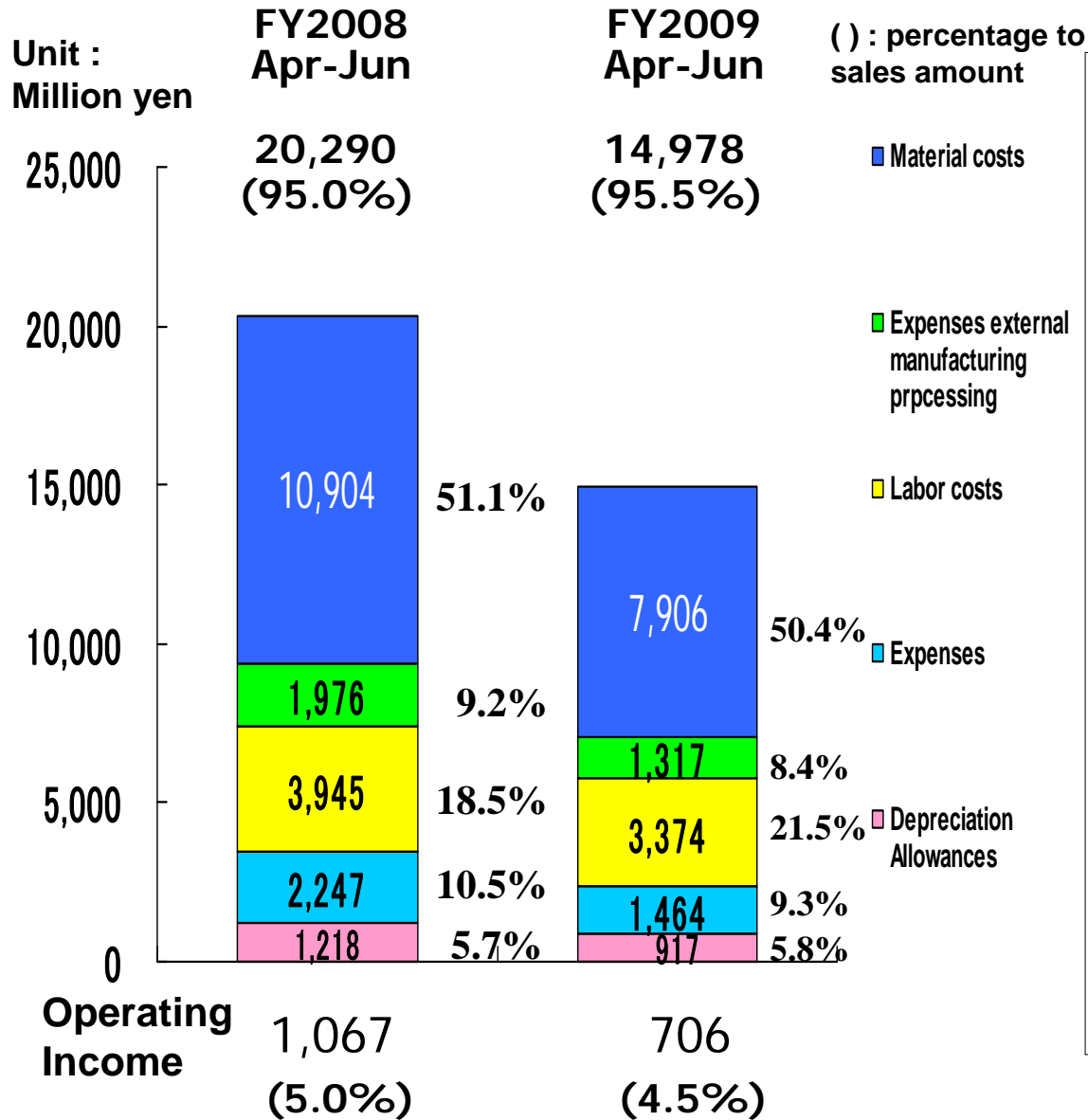


<Consolidated> Trends in performance Net Sales, Operating Income (Quarterly)





<Consolidated> Sales Expenses



[(Material costs + Expenses for external manufacturing processing) improved by 1.5%]
 60.3% → 58.8% -235 million yen
 [Labor costs 571 million yen decrease]
 Average number of workers in overseas works
 FY2008/Apr-Jun 13,700 people
 FY2009/Apr-Jun 10,400 people
 Main works reporting decrease
 → Huanan/P.R.China
 [Depreciation allowances decrease 301 million yen]
 Japan: -297 million yen
 Overseas: -4 million yen

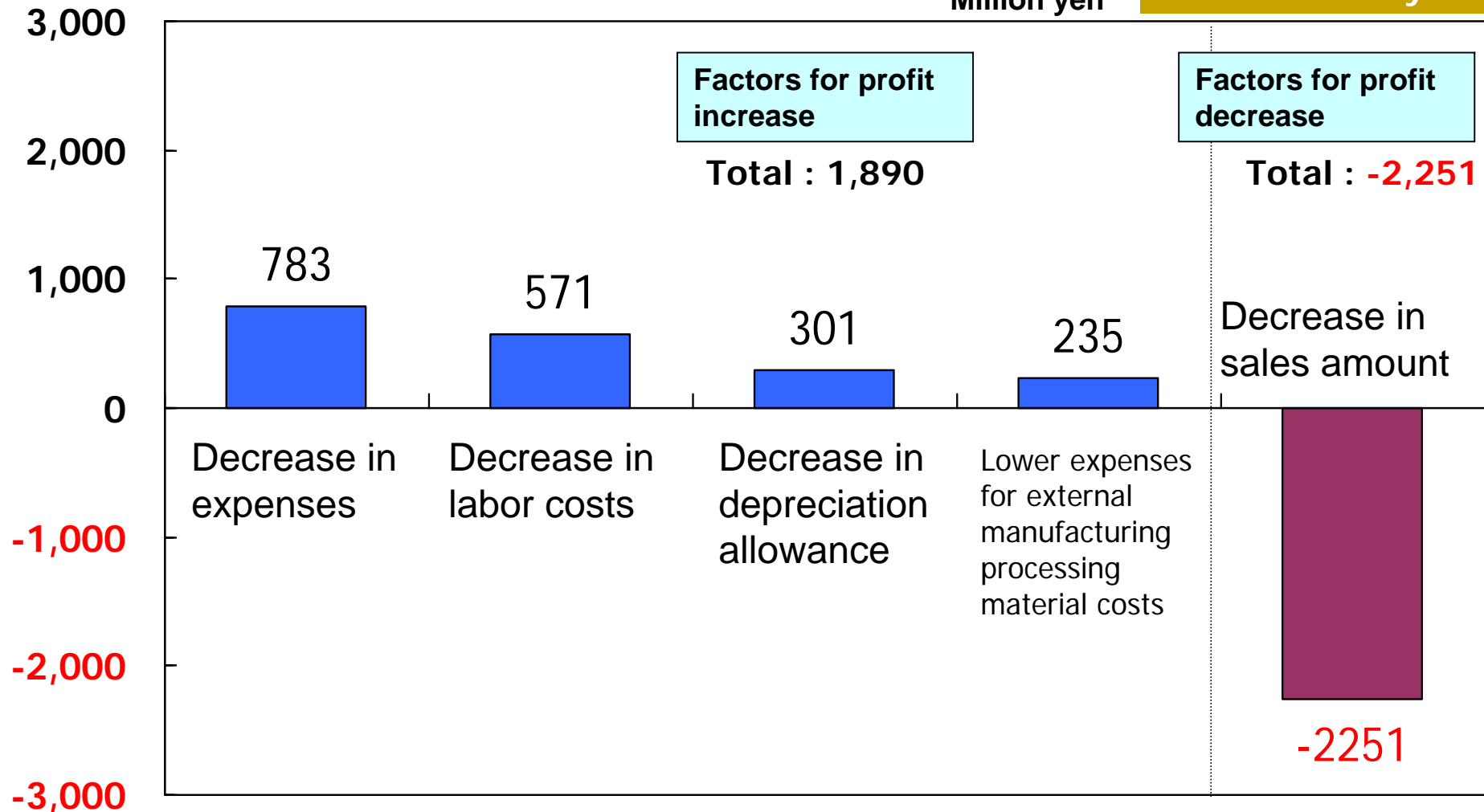


<Consolidated> Analysis of sales expenses

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

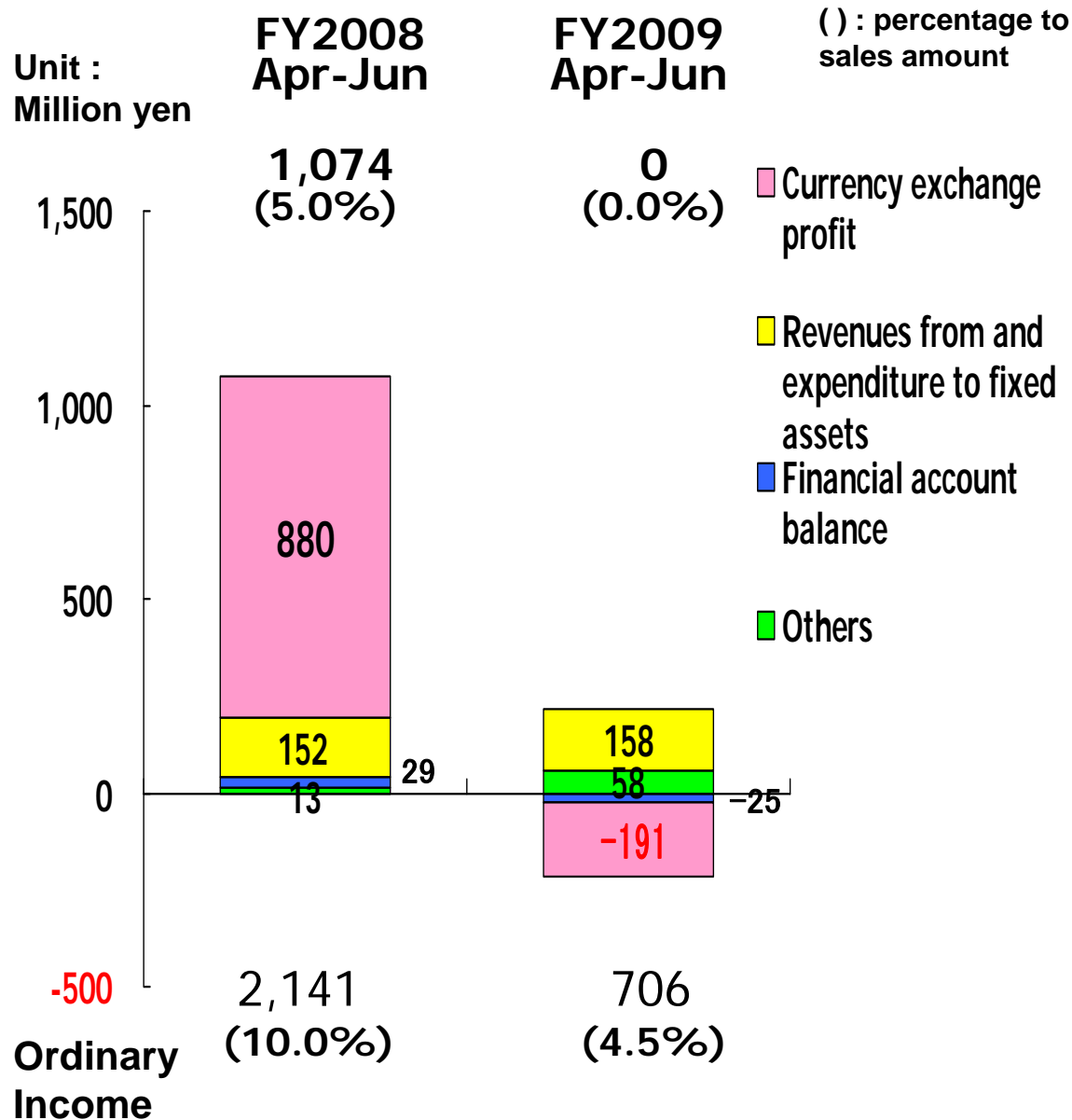
Unit :
Million yen

Total
-361 million yen





<Consolidated> Non-operating profit and loss



Exchange gain → Exchange loss

(Average rate/within a term)

...P/L reduction

- FY2008
1Q Average(08/Apr-Jun)
¥104.40/\$
- FY2009
1Q Average(09/Apr-Jun)
¥97.13/\$

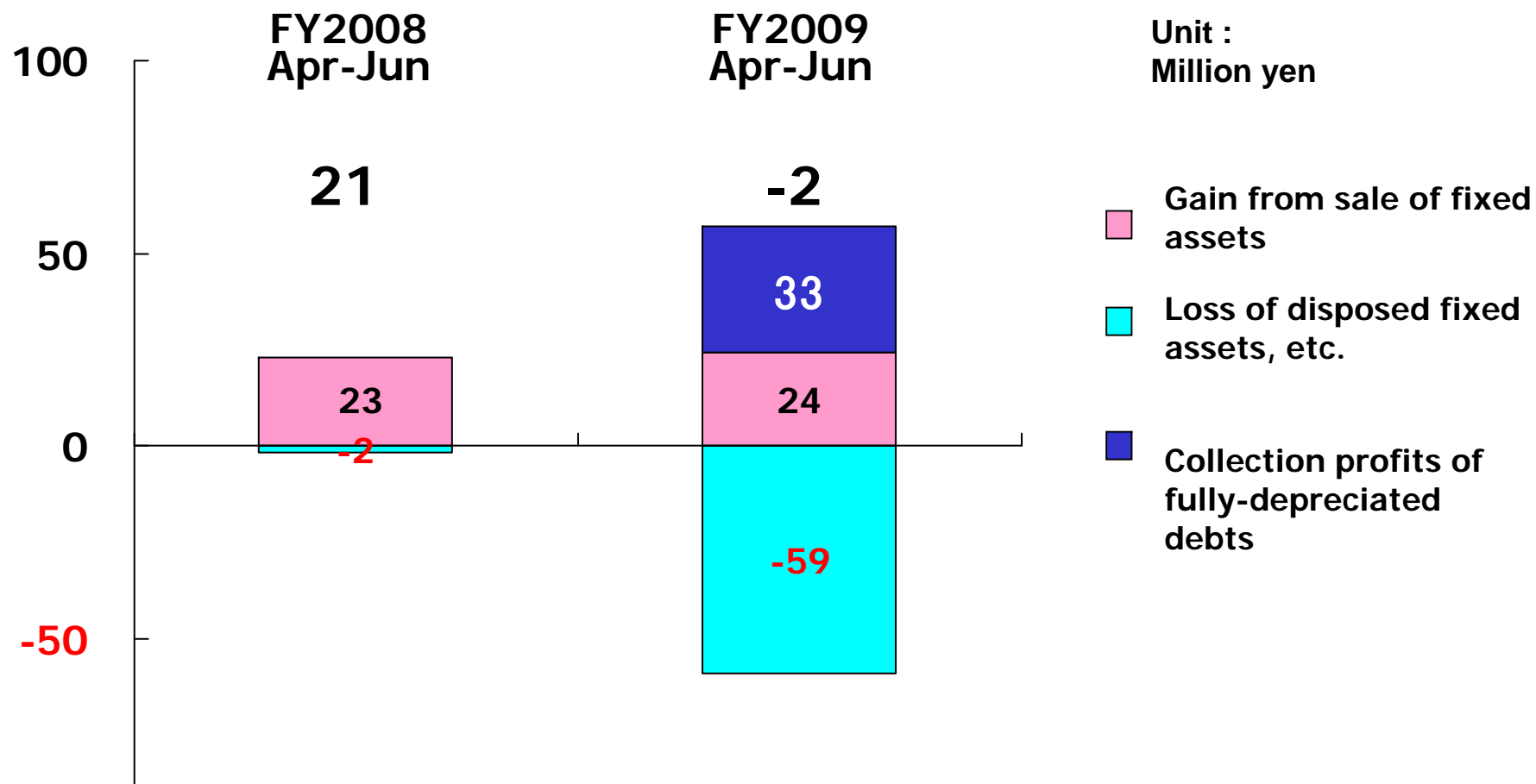
(End of term rate) ··· Evaluation of debts and credits

- FY2008 1st Quarter
2008/Mar ¥100.19/\$
2008/Jun ¥106.42/\$
Yen depreciated by 6.23yen

- FY2009 1st Quarter
2009/Mar ¥98.23/\$
2009/Jun ¥96.01/\$
Yen appreciated by 2.22 yen



<Consolidated> Extraordinary gain or loss



Income before income taxes	2,162	704
Income taxes (Current and deferred)	- 669	- 330
Net income	1,493	374



<Consolidated> Cash Flow Position

Unit : Million yen

	FY2008 Apr-Jun	FY2009 Apr-Jun
Operating Cash Flow	1,198	2,343
Working capital	-2,675	74
Income before income taxes	2,162	704
Depreciation	1,196	946
Others	515	619
Investing Cash Flow	-1,268	-535
Free Cash Flow	-70	1,808
Financing Cash Flow	133	-640
Increase (decrease) in interest-bearing dept	961	-458
Purchases of treasury stock	-365	-1
Dividends paid	-463	-181
Initial balance	7,073	9,072
Final balance	7,482	10,216

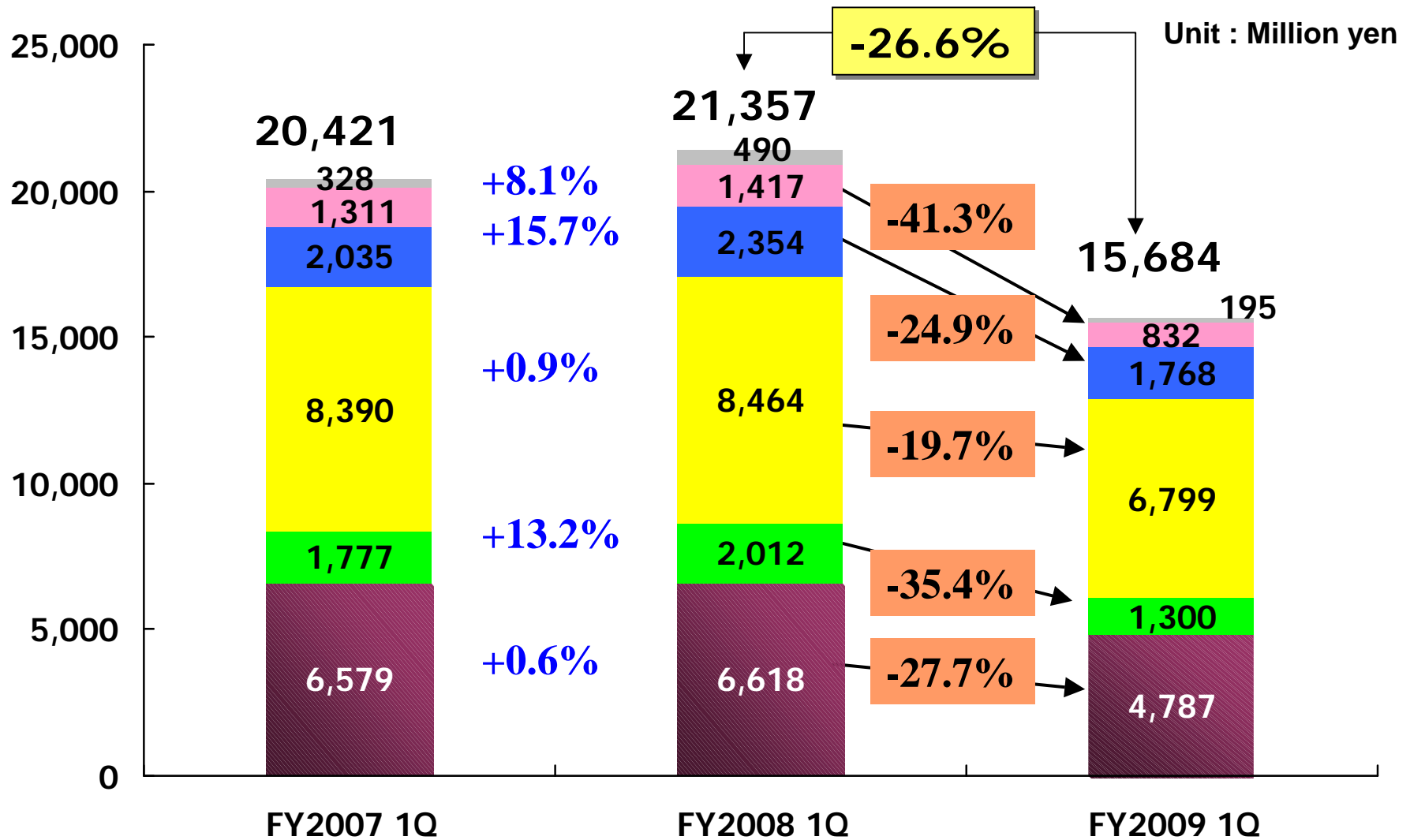


FY2009 1Q Result and Prospect

President and COO Tetsuya Nakamura



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

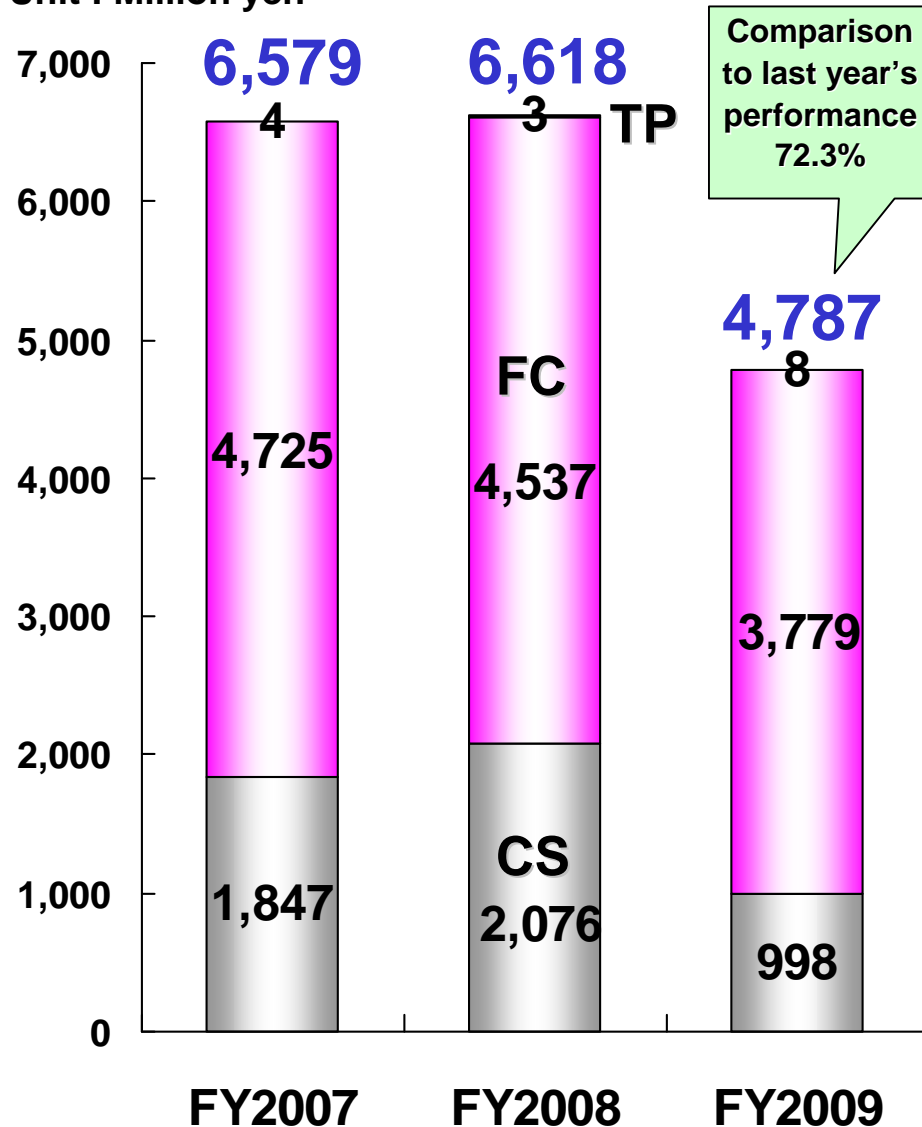


- Audio&Visual
- Car Electronics
- Telecom
- Computer
- Amusement & Appliance
- Others



<Trends of major market> Audio/Visual 1Qsales

Unit : Million yen



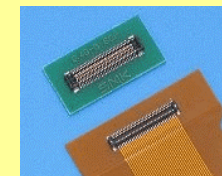
FC (Remote control units) Decrease

Decreased sales amounts of remote control units for Set Top Boxes and DVD recorders.

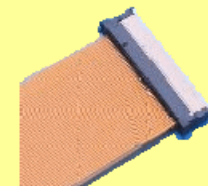


CS (Connectors) Decrease

Decreased sales amounts of PB connectors for portable audio devices.



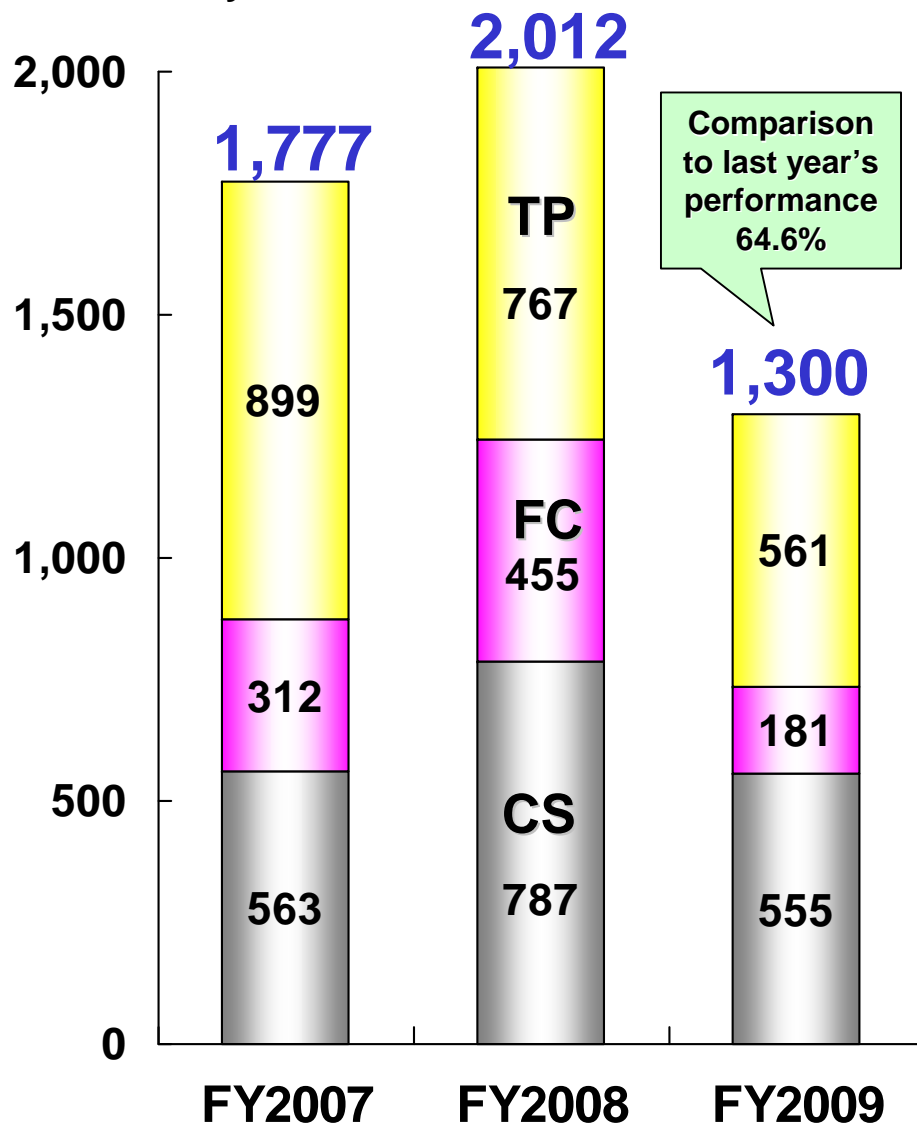
Decreased sales amounts of FPC connectors for camcorders.





<Trends of major market> Car electronics 1Qsales

Unit : Million yen



CS (Connectors) Decrease

Increased sales amounts of ETC coaxial connectors. Decreased sales amounts for car navigation system's coaxial connectors and for Car Audio's Jack.



FC Decrease

Decreased sales amounts of remote control units for car navigation systems and rear entertainment (for factory-installation and retrofitting).



TP (Touch Panels) Decrease

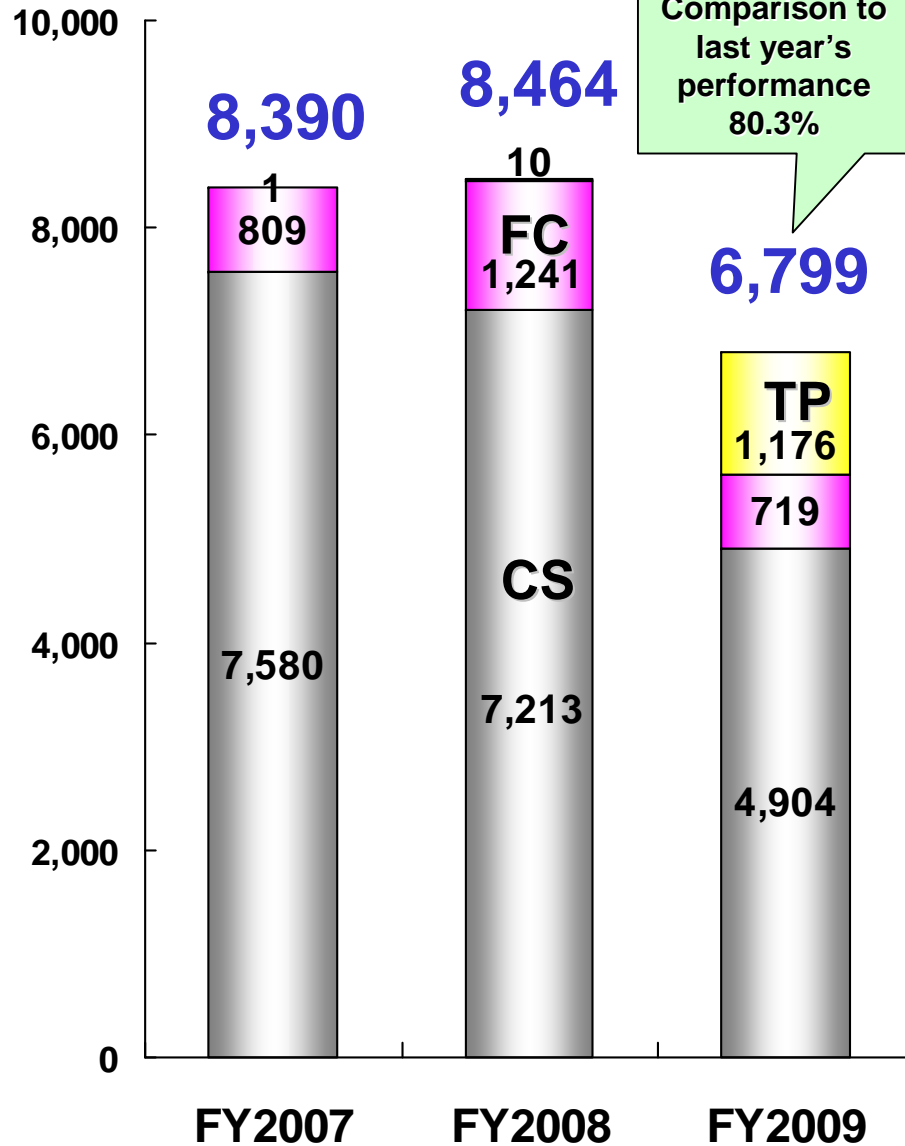
Decreased sales amounts for touch panels for factory-installation car navigation systems.





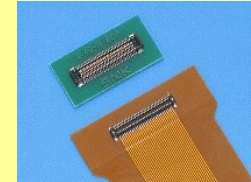
<Trends of major market> Mobile Phones 1Qsales

Unit : Million yen



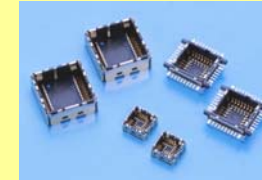
CS (Connectors) Decrease

In overseas mobile phone market, decrease in demand of BtoB connectors and camera connectors.



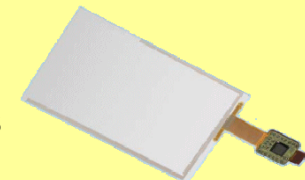
FC Decrease

Due to optional products → Decrease in demand of mobile phone accessories and cell phone holder



TP (Touch Panel) Increase

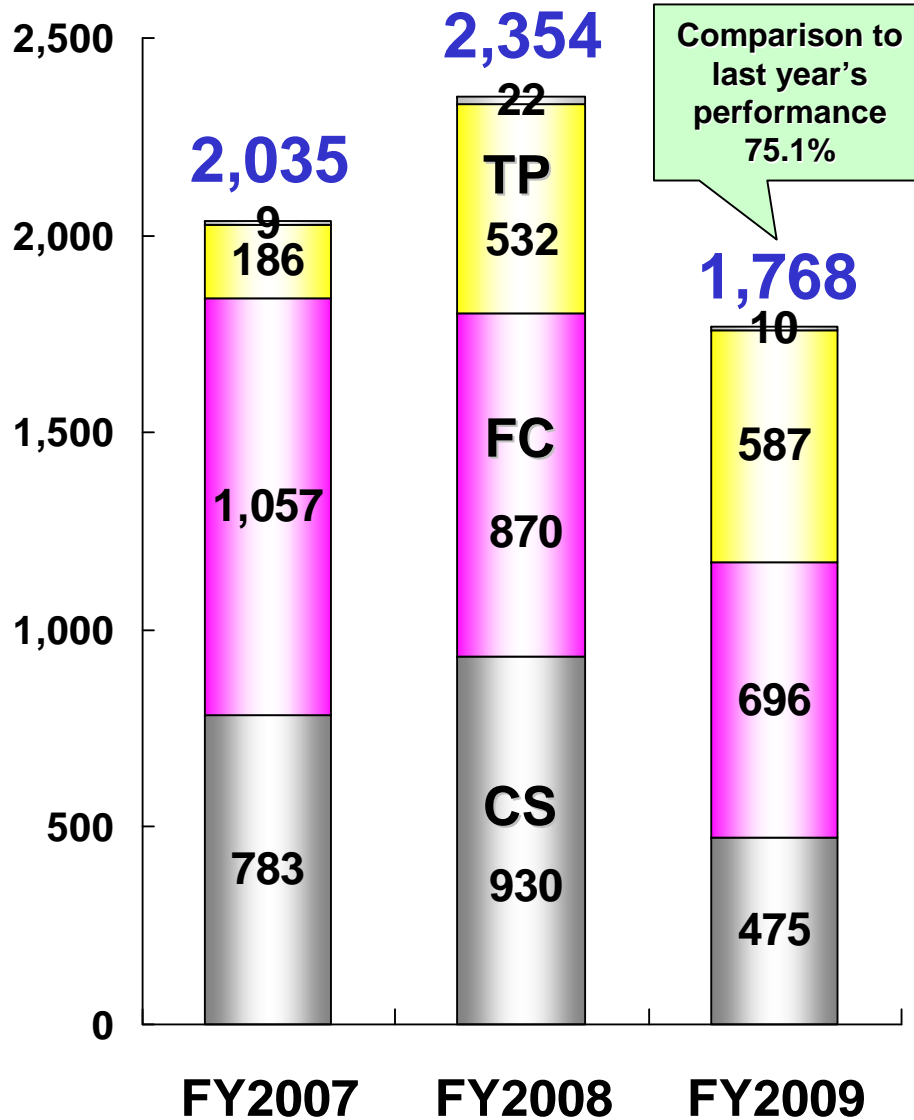
Increased sales amounts for capacitance touch panels for domestic mobile phones.





<Trends of major market> Personal Computer 1Qsales

Unit : Million yen



FC Decrease

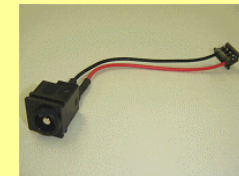
Decreased sales amounts of remote control unit for notebook computer.



Decreased sales amounts of keyboard for ECR/POS.

CS (Connectors) Decrease

Decreased sales amounts of main connector and jack for personal computer.



Decreased sales amounts of coaxial connector for data communication card.

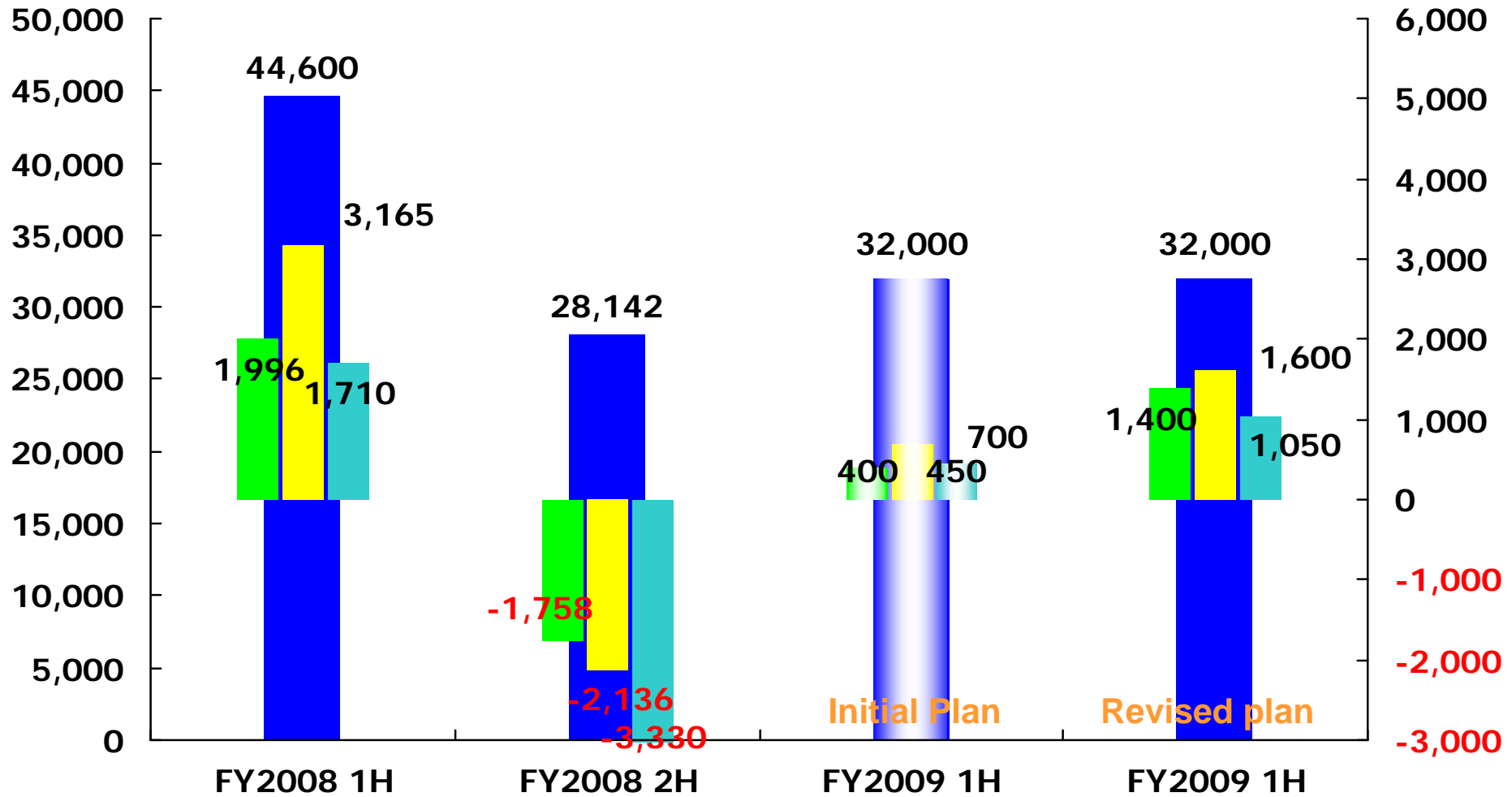




Half Fiscal Term Performance (FY2008-FY2009/1H)

Unit : Million yen

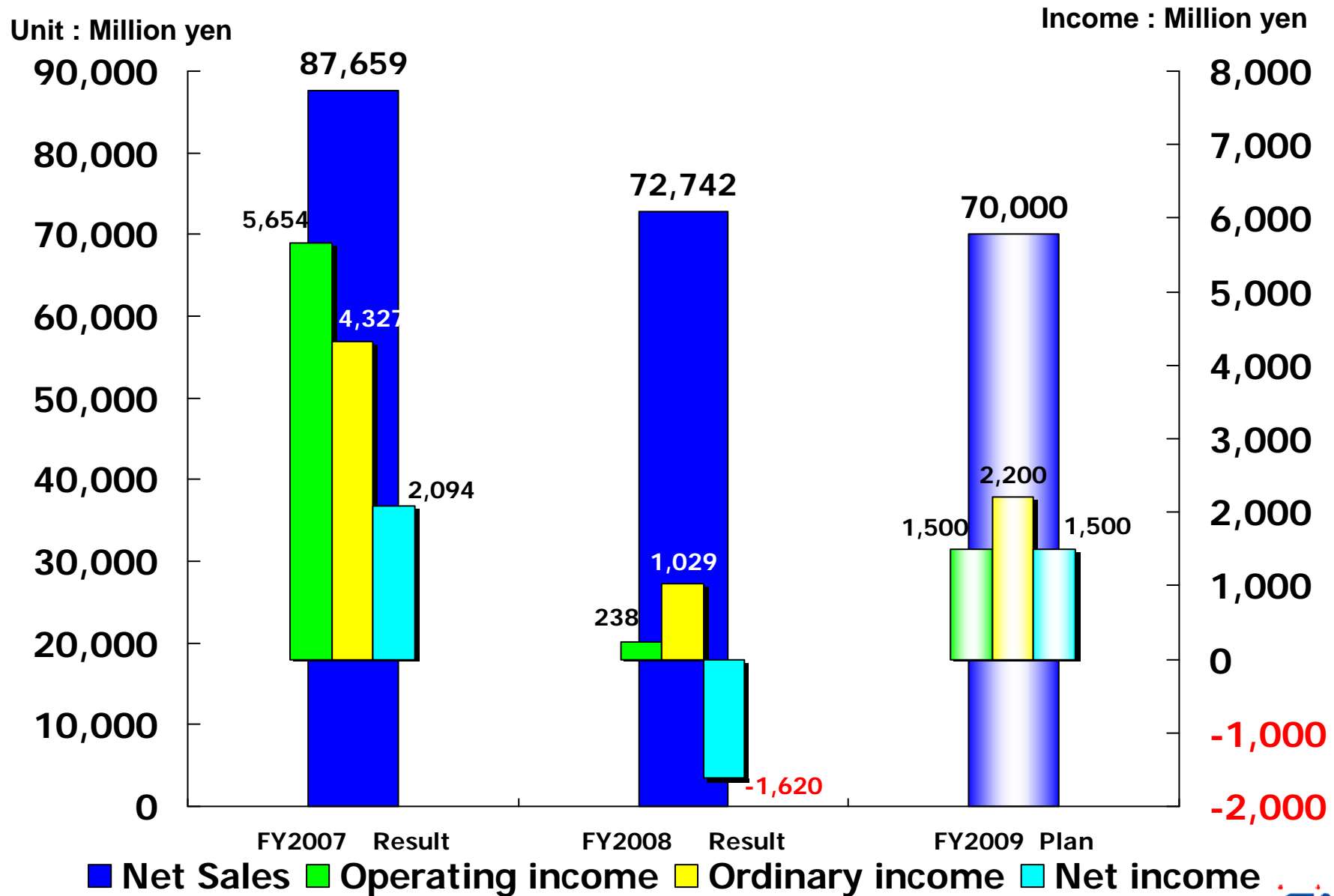
Income :
Million yen



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



Full Fiscal Term Performance (FY2007-FY2009)

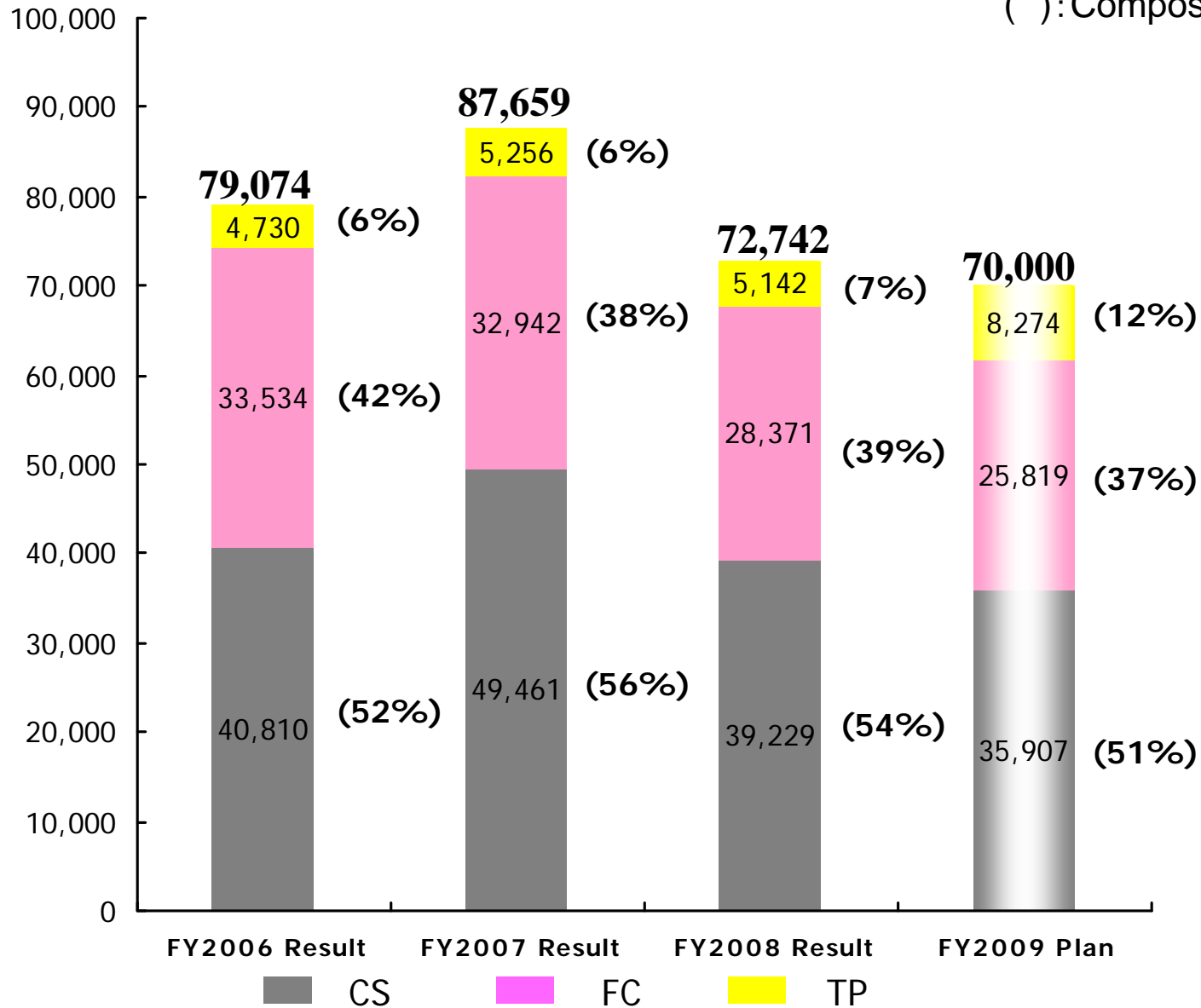




Reference: <Consolidated> Net Sales by Product Division (FY2006-FY2009 forecast of fiscal term)

Unit : Million yen

() : Composition ratio

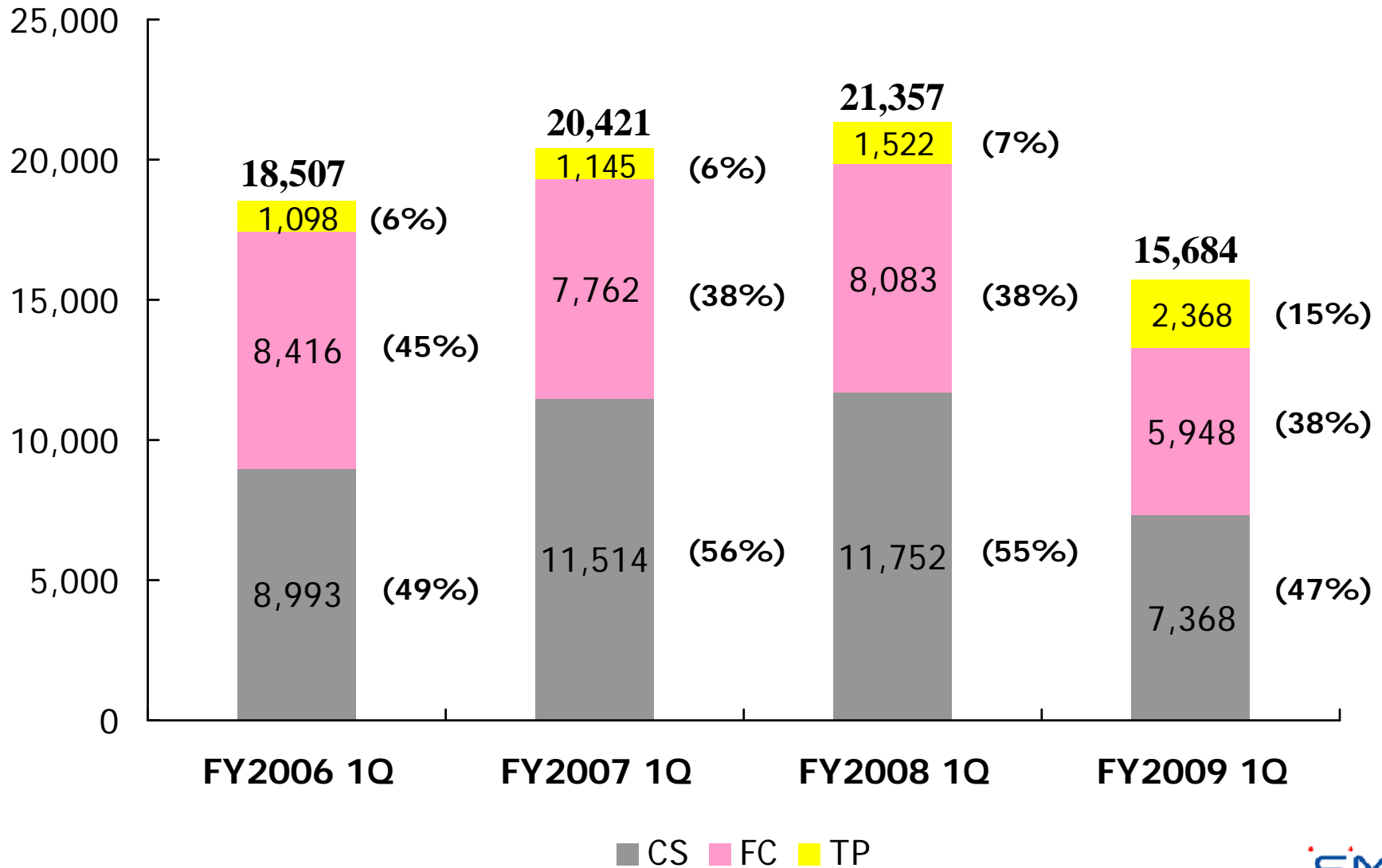




Reference: <Consolidated> 1st Quarter Net Sales by Product Division (FY2006-FY2009)

Unit : Million yen

(): Composition ratio

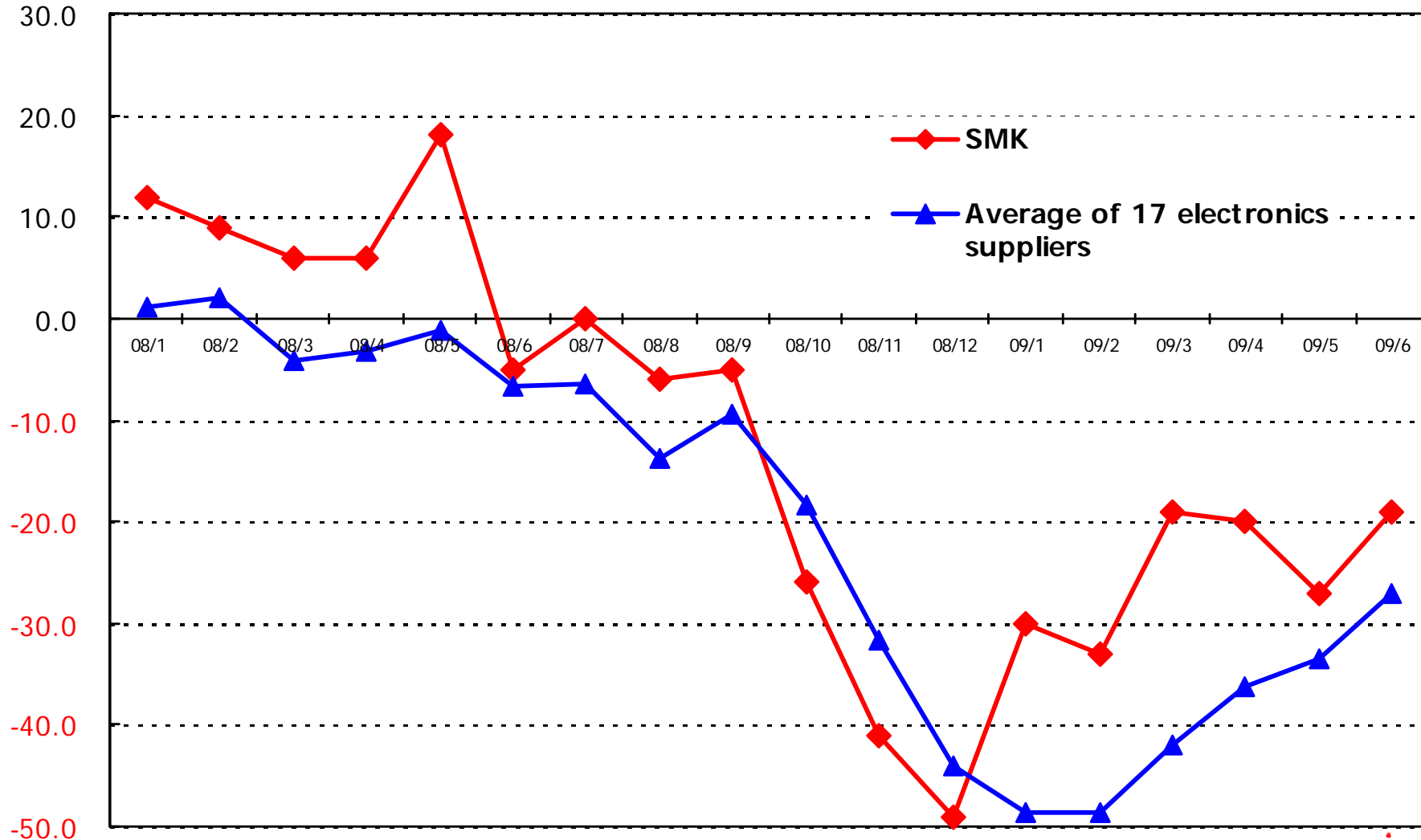




Monthly booking : Compared to last year (With the average of 17 electronic parts manufactures)

Compared to last year (%)

Reference: Daiwa Institute of Research Ltd.





Notice

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.

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