

Business Report for FY2008

-From Apr. to June 2008-

SMK Corporation

July, 2008



FY2008 Outline of 1Q Financial Statement

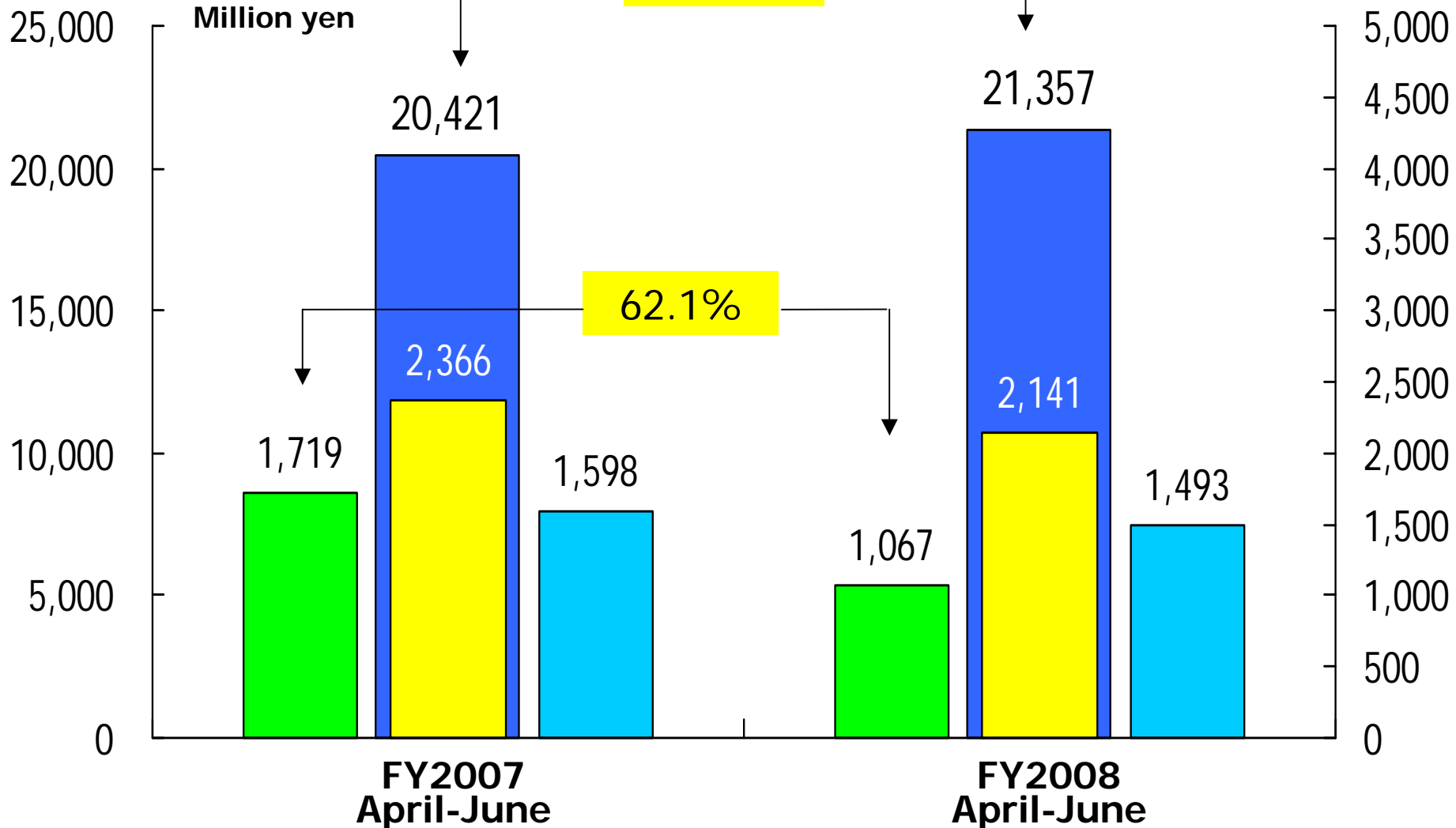
**Director and Executive Vice President
Hajime Yamada**

<Consolidated> 1Q Financial Result

Sales Amount:
Million yen

104.6%

Income: Million yen



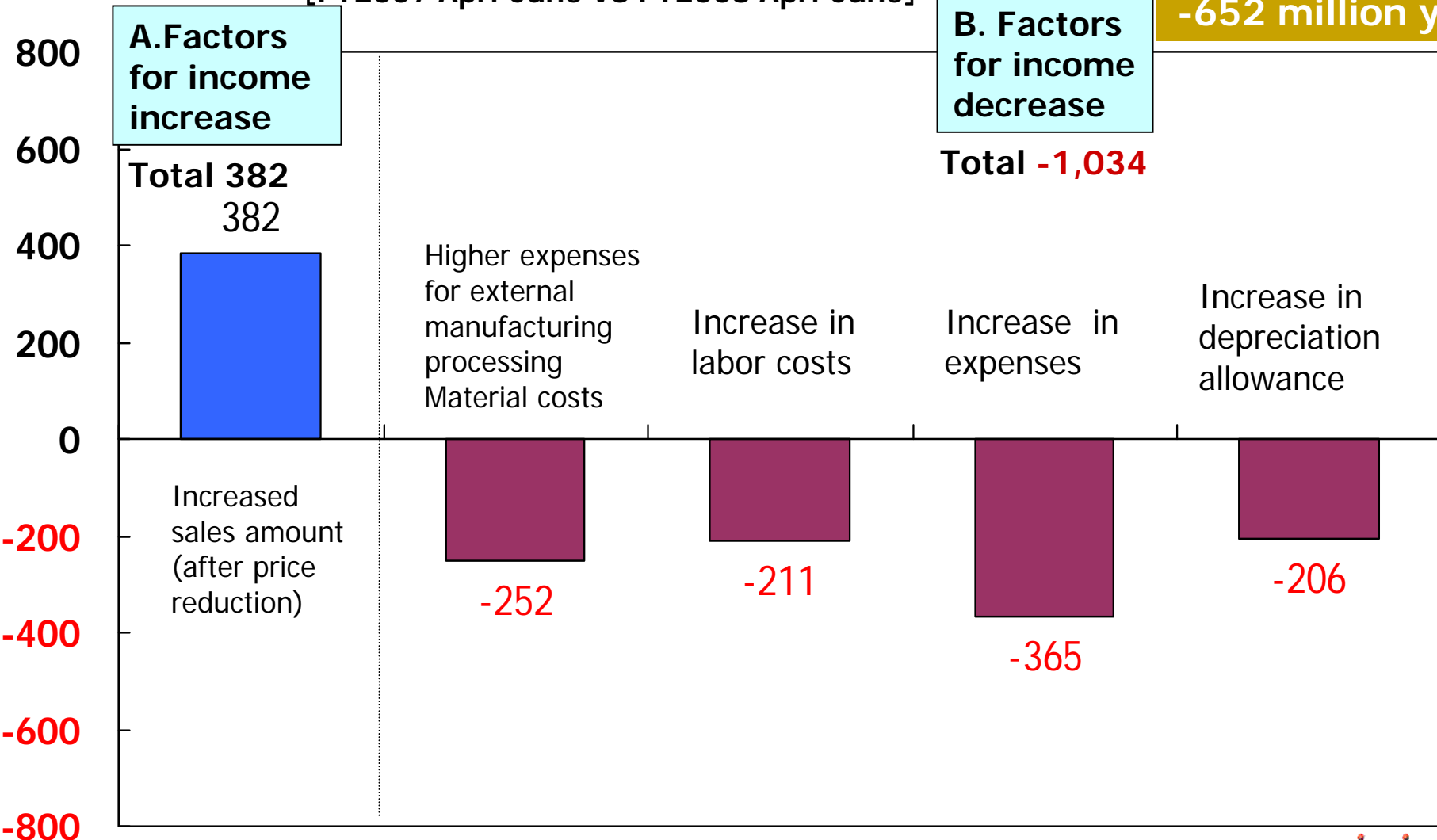
■ Net Sales
 ■ Operating Income
 ■ Ordinary Income
 ■ Net Income

<Consolidated> Analysis of sales expenses

(Unit: Million yen)

Analysis of factors for increase/decrease of consolidated operating income
 [FY2007 Apr.-June VS FY2008 Apr.-June]

Net Total
-652 million yen



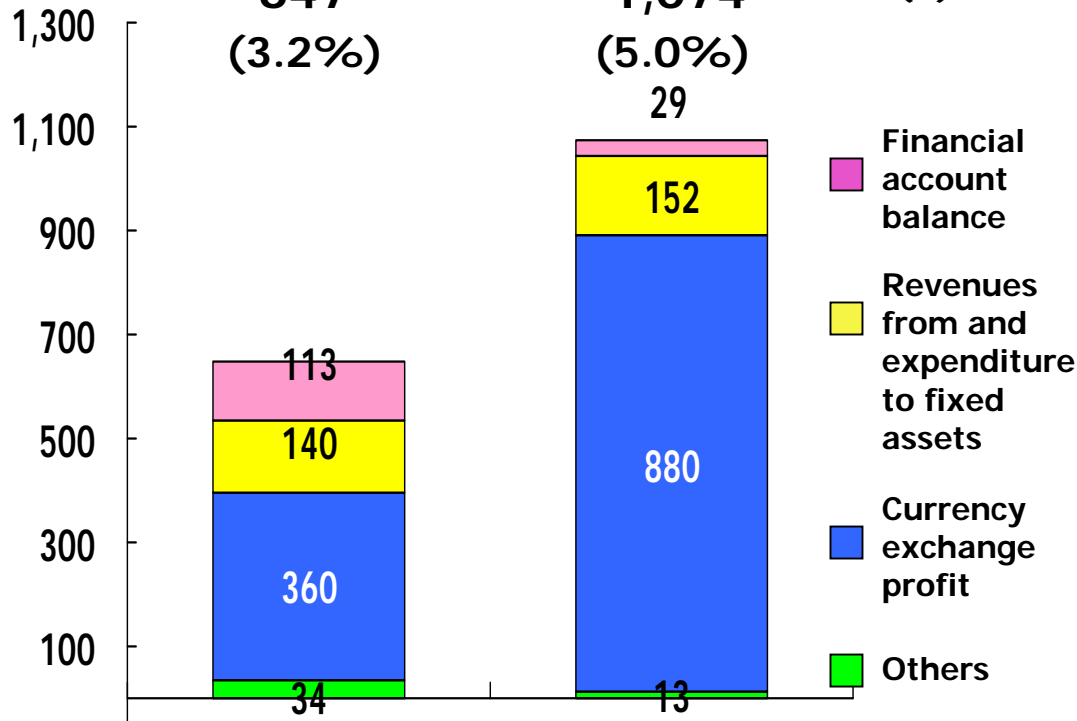
<Consolidated> Non-operating income and loss

(Unit: Million yen)

FY2007
April-June
647
(3.2%)

FY2008
April-June
1,074
(5.0%)

():Ratio to total sales



Comparison to FY2007 1Q
427 million yen
Increase in currency exchange profit by 520 million yen

Yen lower by 5.21 yen in FY2007 1Q
At the end of June 2007
[118.05(Mar. 2007) – 123.26(June 2007)]

Yen lower by 6.23 yen in the current quarter
At the end of June 2008
[100.19(Mar. 2008) – 106.42(June 2008)]

Ordinary Income

2,366

2,141

<Consolidated> Financial Highlights (Quarterly)

1. FY2008 Prospect

(Unit: Million yen)

	1st Half Term			2nd Half Term		Fiscal Term
	1Q	2Q	Total	Total		(Apr.08~Mar.09) (Prospect)
	(Apr.08~June 08) (Result)	(July 08~Sept.08) (Prospect)	(Apr.08~Sept.08) (Prospect)	(Oct.08~Mar.09) (Prospect)		
① Net Sales Compared to last fiscal term(%)	21,357 104.6	22,943 97.2	44,300 100.6	50,200 115.1		94,500 107.8
② Operating Income Compared to last fiscal term(%)	1,067 62.1	1,133 54.3	2,200 57.8	3,400 184.1		5,600 99.0
③ Ordinary Income Compared to last fiscal term(%)	2,141 90.5	1,259 81.9	3,400 87.1	2,800 661.9		6,200 143.3
④ Net Income Compared to last fiscal term(%)	1,493 93.4	807 109.2	2,300 98.4	1,500 717.3		3,800 181.5

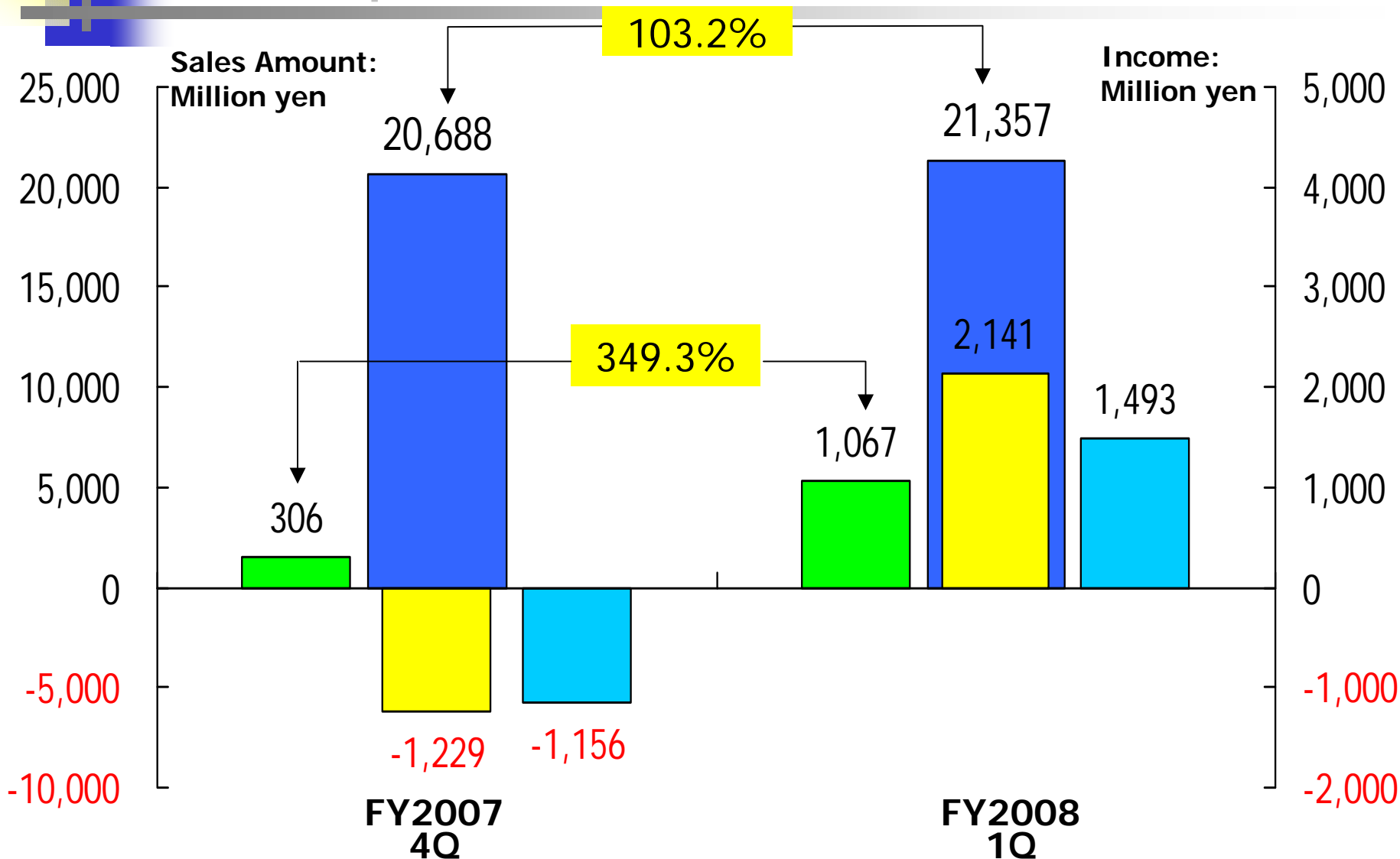
2. FY2007 Result

(Unit: Million yen)

	1st Half Term			2nd Half Term			Fiscal Term
	1Q	2Q	Total	3Q	4Q	Total	(Apr.07~Mar.08)
	(Apr.07~June 07)	(July 07~Sept.07)	(Apr.07~Sept.07)	(Oct.07~Dec.07)	(Jan.08~Mar.08)	(Oct.07~Mar.08)	
① Net Sales Compared to last fiscal term(%)	20,421 110.3	23,610 113.5	44,031 112.0	22,940 117.5	20,688 102.2	43,628 109.7	87,659 110.9
② Operating Income Compared to last fiscal term(%)	1,719 109.7	2,088 119.6	3,807 114.9	1,541 169.3	306 32.4	1,847 99.7	5,654 109.4
③ Ordinary Income Compared to last fiscal term(%)	2,366 143.6	1,538 70.4	3,904 101.8	1,652 141.1	-1,229 -203.7	423 18.0	4,327 69.9
④ Net Income Compared to last fiscal term(%)	1,598 154.5	739 56.8	2,337 100.1	913 112.7	-1,156 -310.9	-243 -117.9	2,094 56.7

<Consolidated> 1Q Financial Result (Compared to FY2007 4Q)

AC-6/8



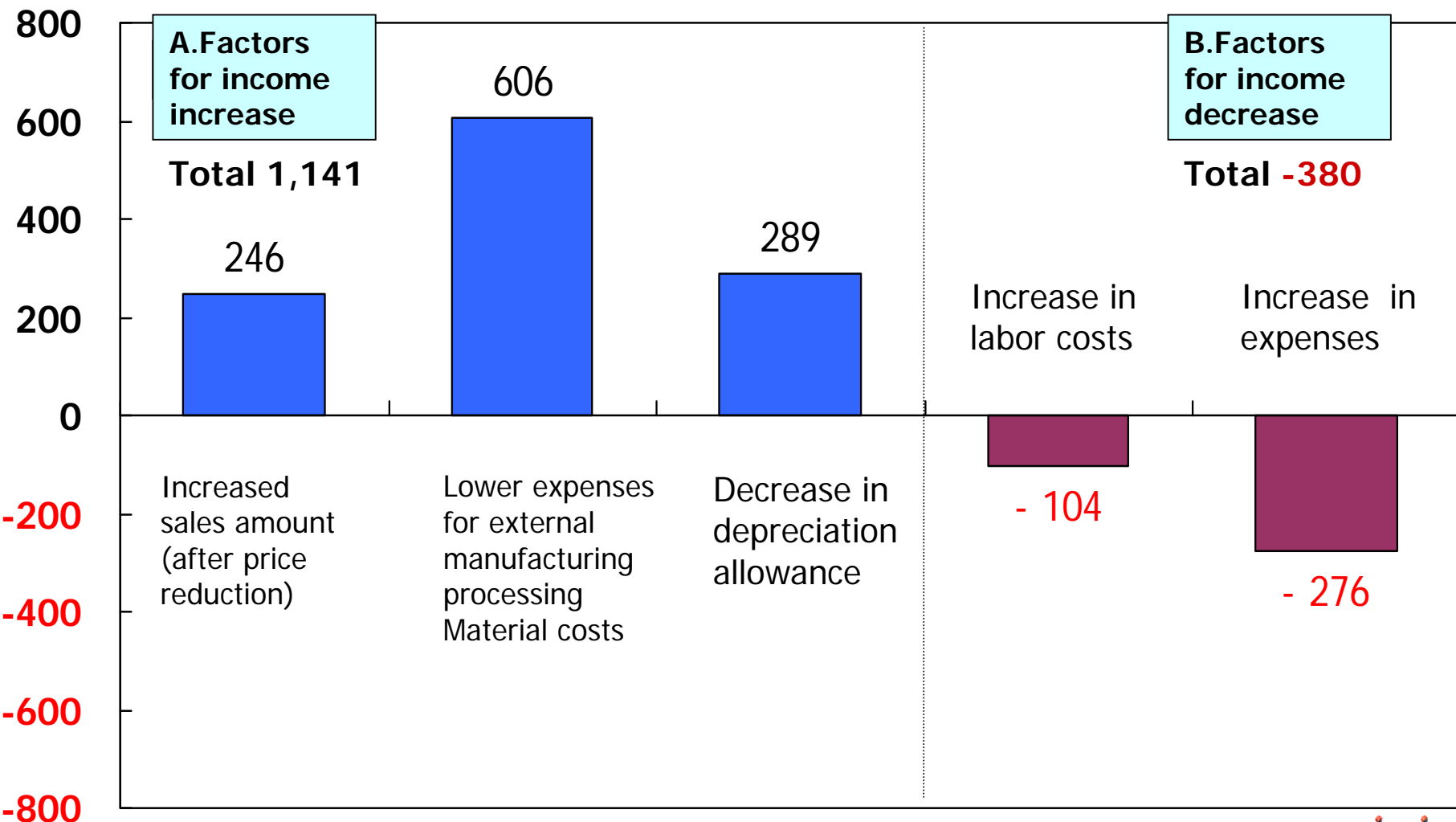
<Consolidated> Analysis of sales expenses (Compared to FY2007 4Q)

AC-7/8

(Unit: Million yen)

Analysis of factors for increase/decrease of consolidated operating income
[FY2007 4Q vs. FY2008 1Q]

**Net Total
+761 million yen**



<Consolidated> Non-operating income and loss AC-8/8

(Compared to FY2007 4Q)

FY2007
4Q

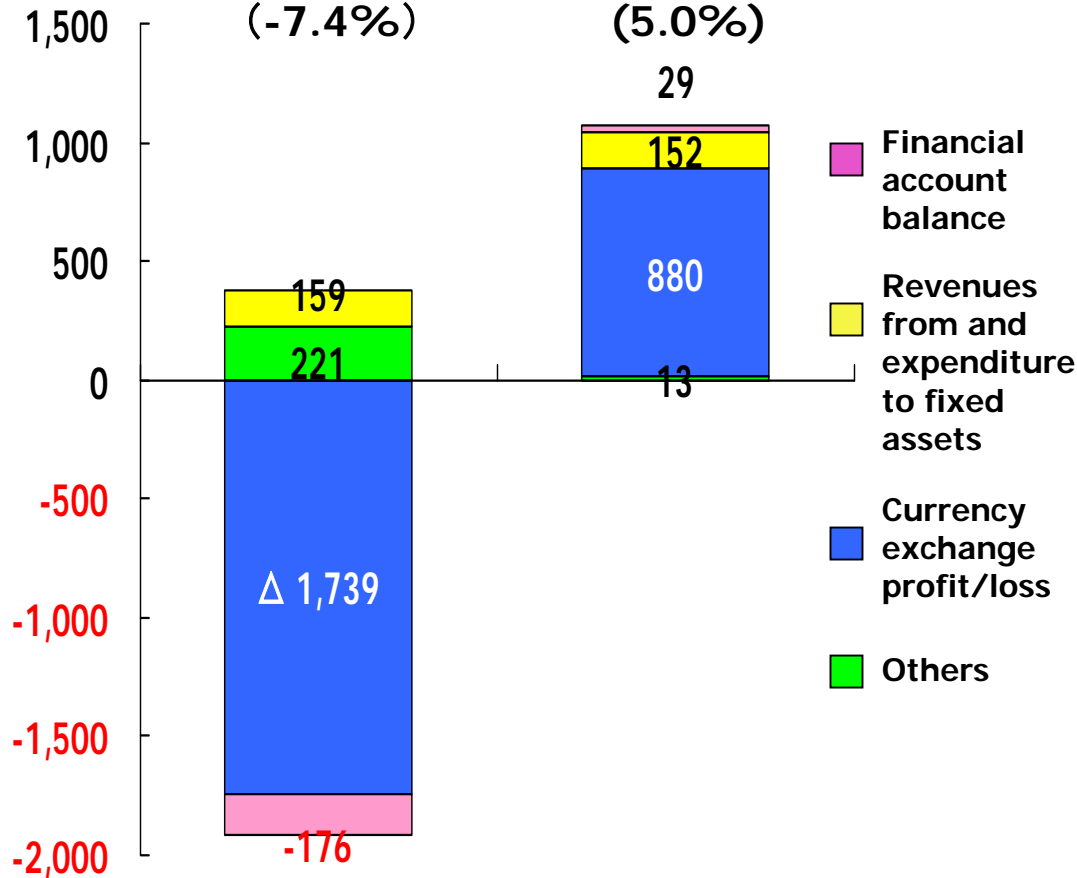
-1,535
(-7.4%)

FY2008
1Q

1,074
(5.0%)

(Unit: Million yen)

(): Ratio to total sales



Comparison to FY2007 4Q

2,609 million yen

Exchange loss → Exchange gain

2,619 million yen

FY2007 4Q

Yen appreciated by 13.96 yen
(as of Mar. 31, 2008)

[114.15 (Dec. 07) – 100.19 (Mar. 08)]

Current quarter

Yen depreciated by 6.23 yen
(as of June 30, 2008)

[100.19 (Mar. 08) – 106.42 (June 08)]

Ordinary Income
-1,229

2,141



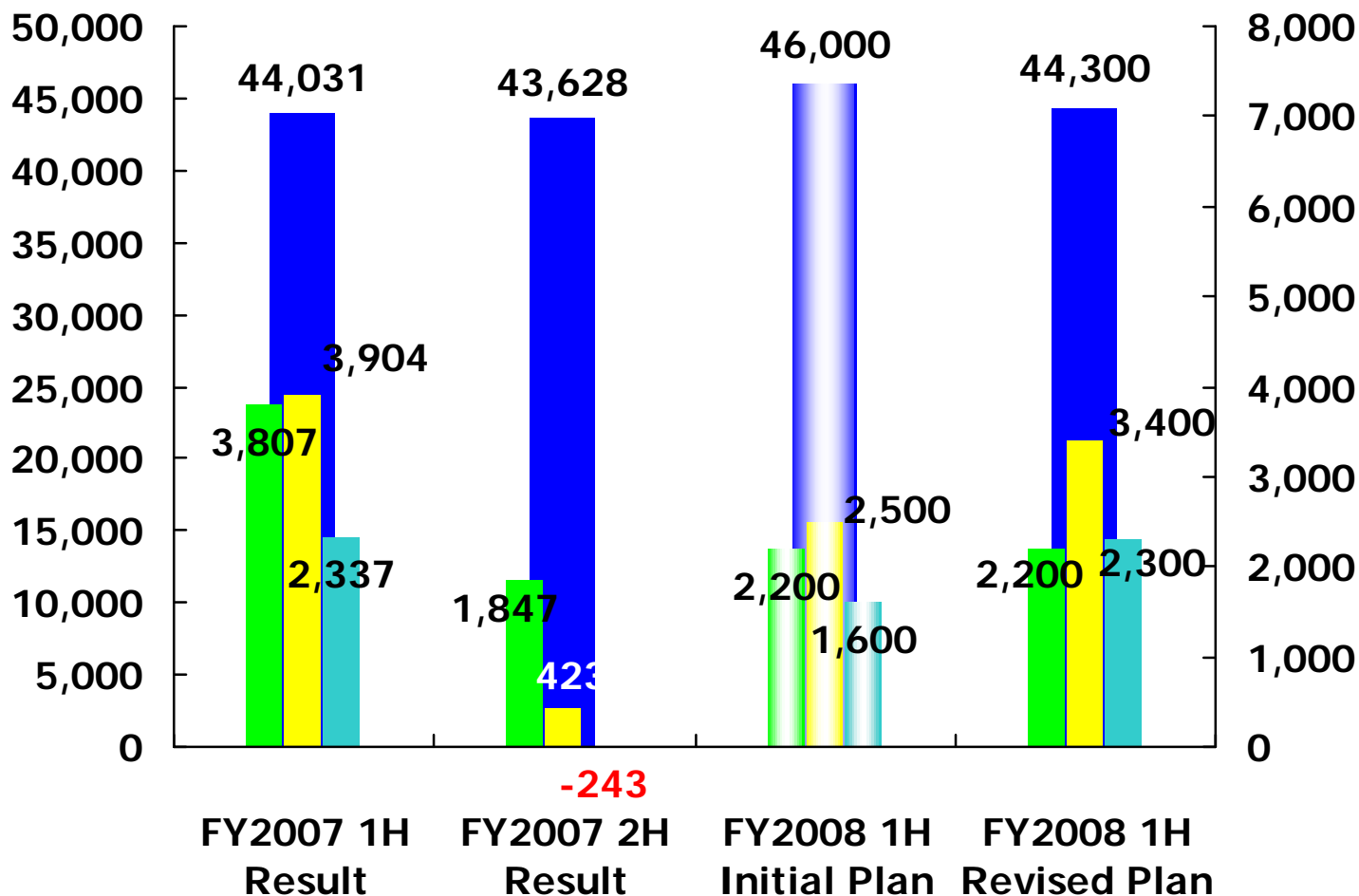
FY2008 1Q Result and Prospect

President and COO Tetsuya Nakamura

Trends in Net Sales and Income by Half term (FY2007 ~ FY2008/1H)

Net Sales: Million yen

Income: Million yen

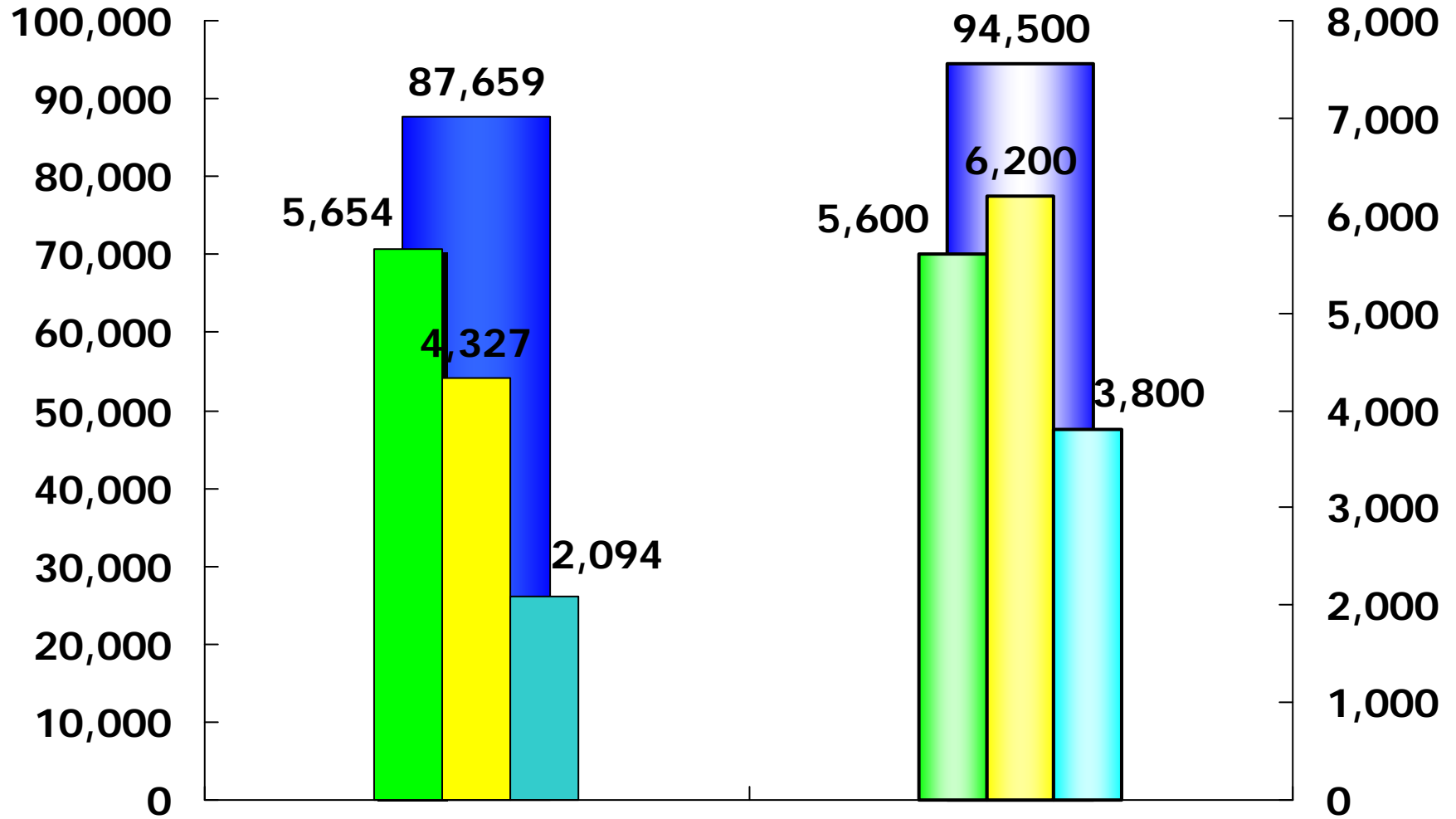


■ Net Sales
 ■ Operating Income
 ■ Ordinary Income
 ■ Net Income

Trends in Net Sales and Income by Fiscal Term (FY2007 ~ FY2008)

Net Sales: Million yen

Income: Million yen

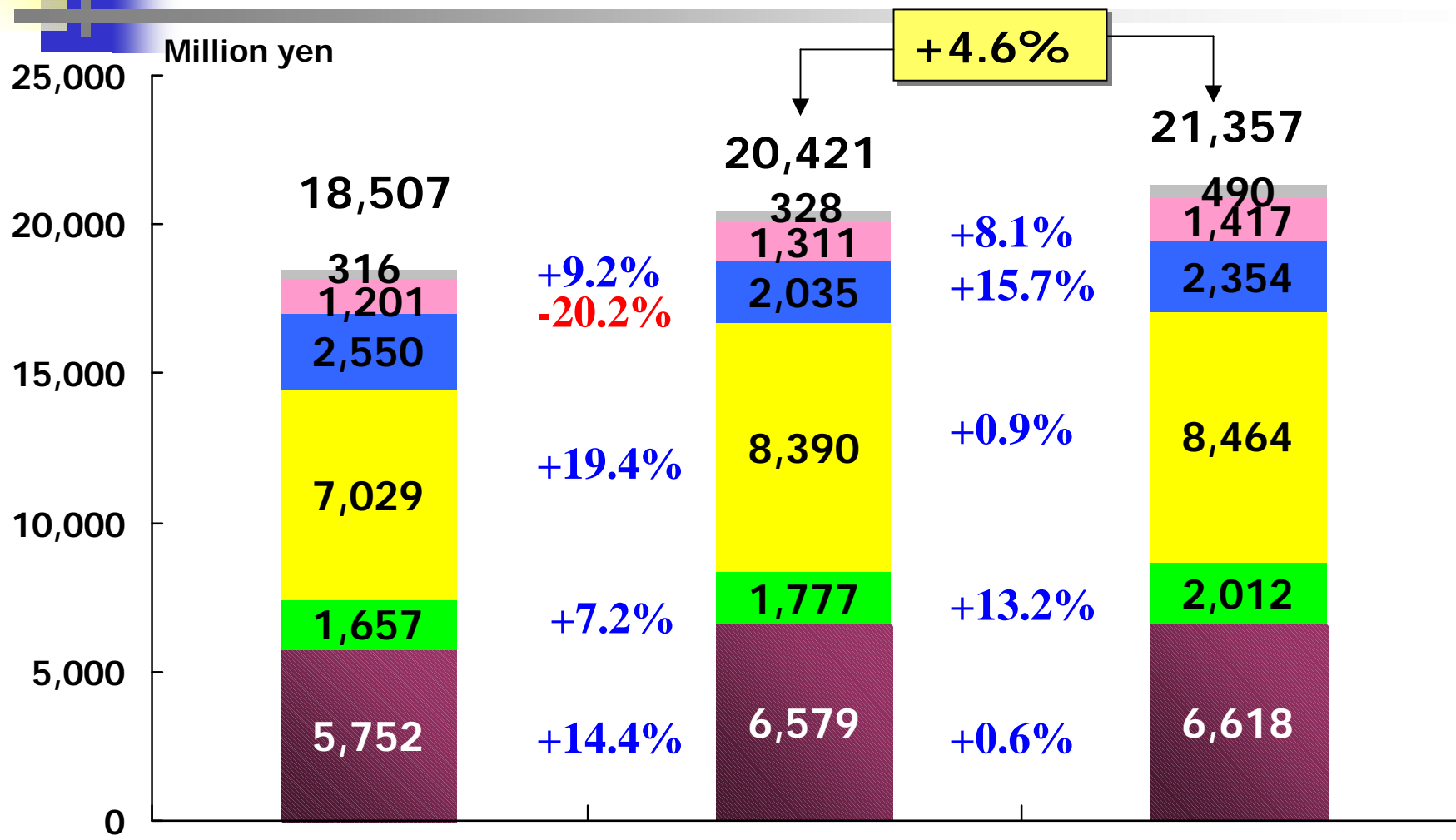


FY2007 Result

FY2008 Plan

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

1Q Net Sales by Market (FY2006 ~ FY2008)



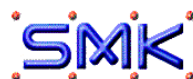
FY2006 1Q

FY2007 1Q

FY2008 1Q

- Audio & Visual
- Telecom
- Amusement & Appliance

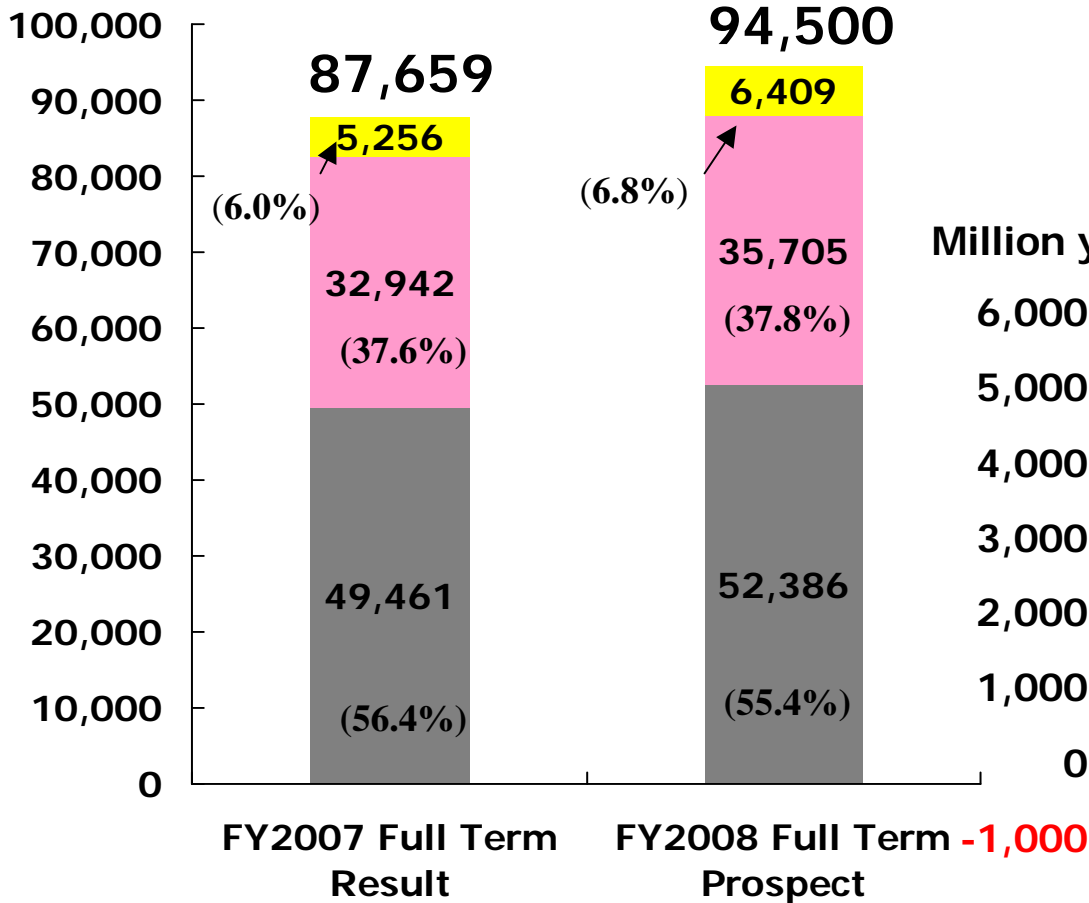
- Car electronics
- Computer
- Others



Net Sales

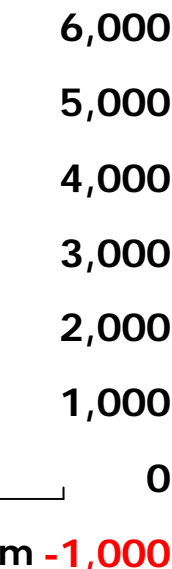
(): Composition Ratio

Million yen



Operating Income

Million yen

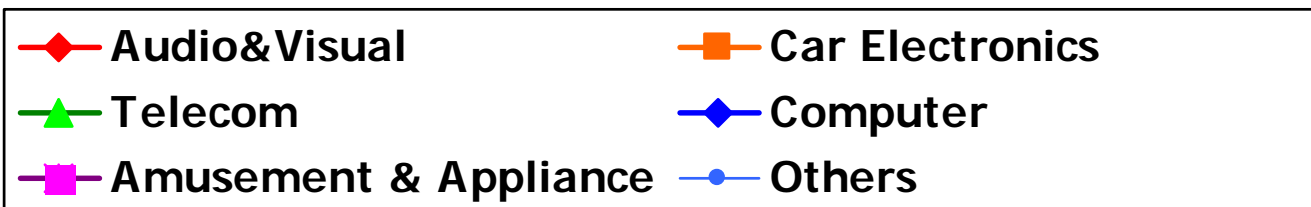
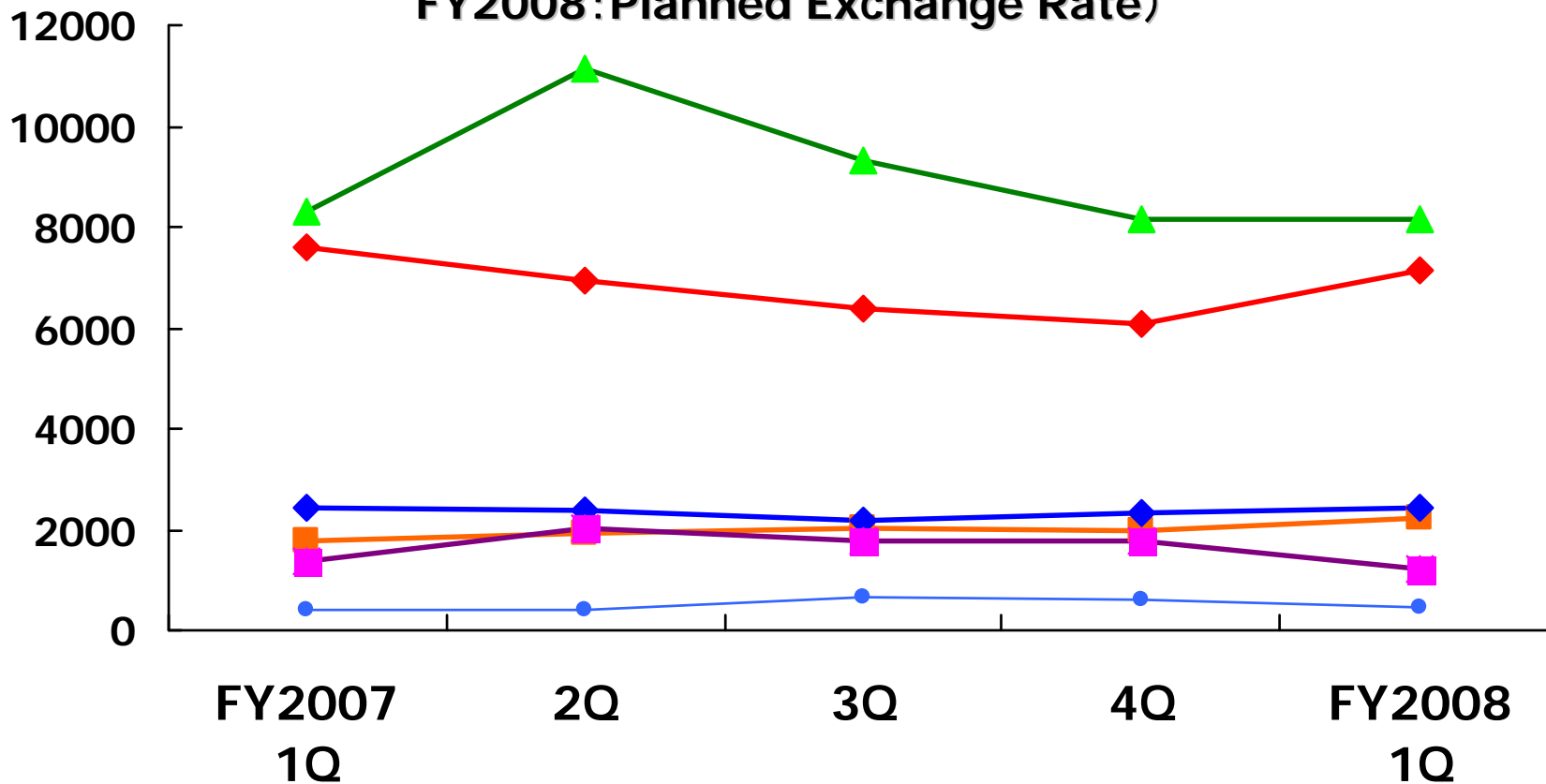


CS FC TP

Trends of Order by Market (Quarterly)

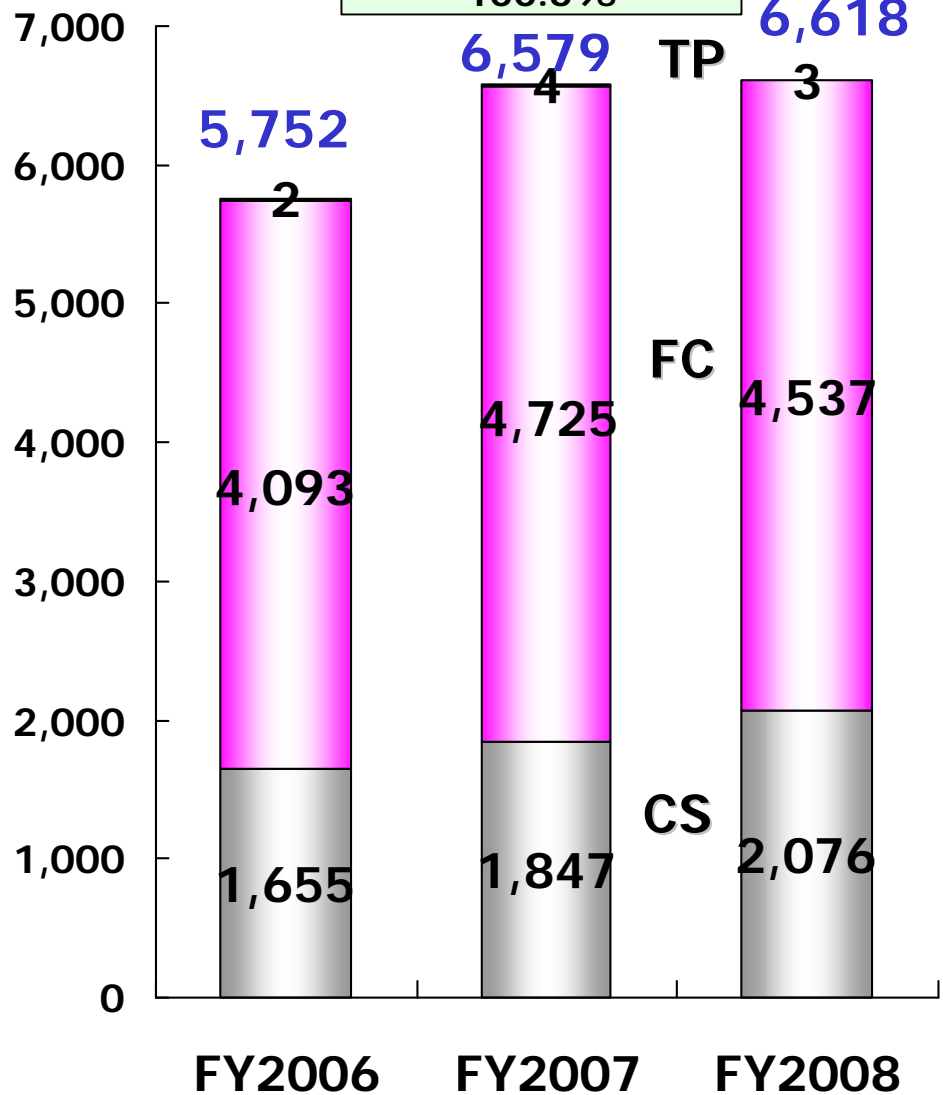
(FY2007: Exchange Rate for Settlement, FY2008: Planned Exchange Rate)

Unit: Million yen



Unit: Million yen

Comparison to last year's performance
100.6%



FC

(Remote Control Units) Decrease



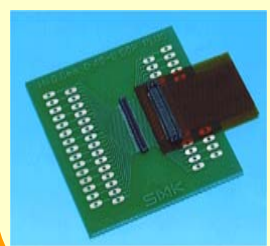
Decreased sales amounts for remote control units for Set Top Boxes



Favorable sales of remote control units for flat panel TVs and projectors

CS

(Connectors) Increase



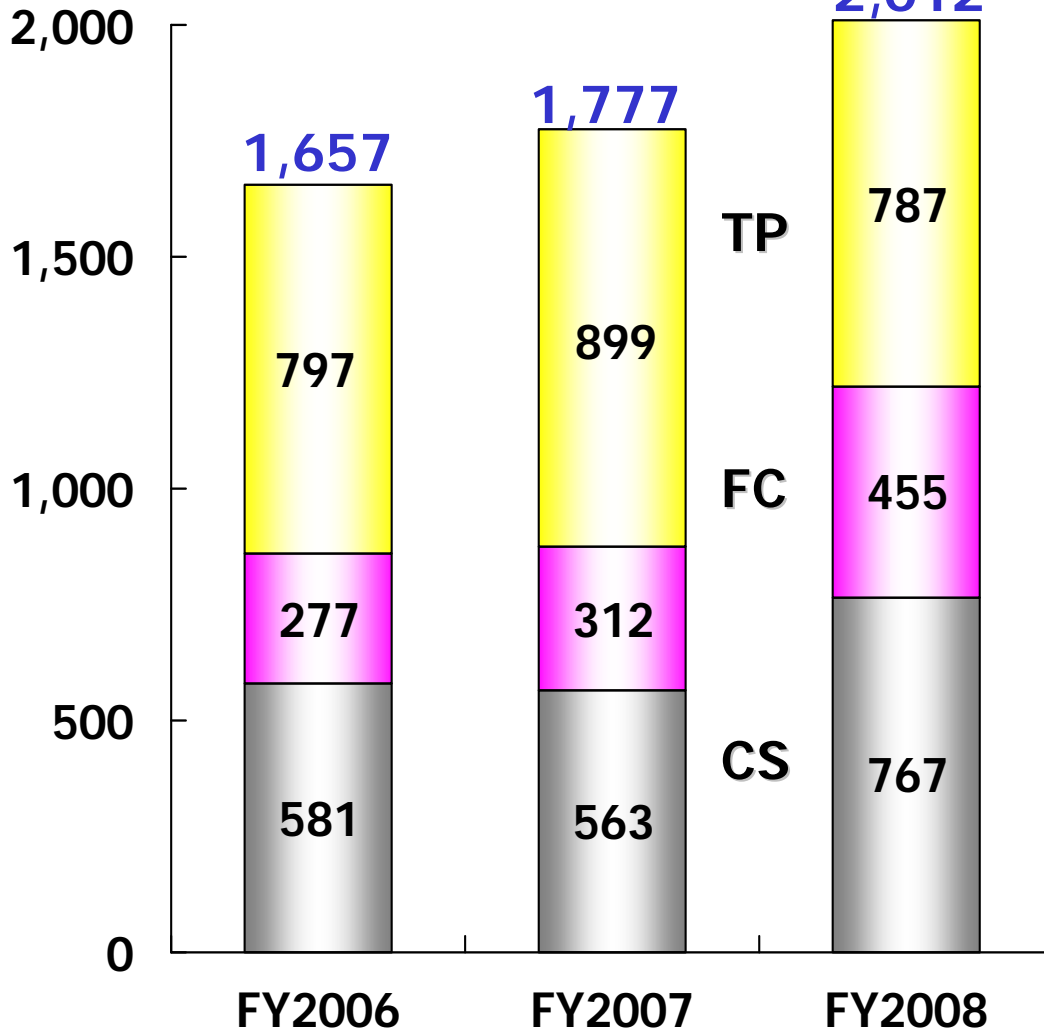
Increased sales amounts for PB connectors for portable audio devices


Car electronics

<1Q Sales>

Unit: Million yen


Comparison to last year's performance
113.2%






CS (Connectors)
Increase

Increased sales amounts of antenna connectors for terrestrial digital broadcasts for retrofitting car navigation systems



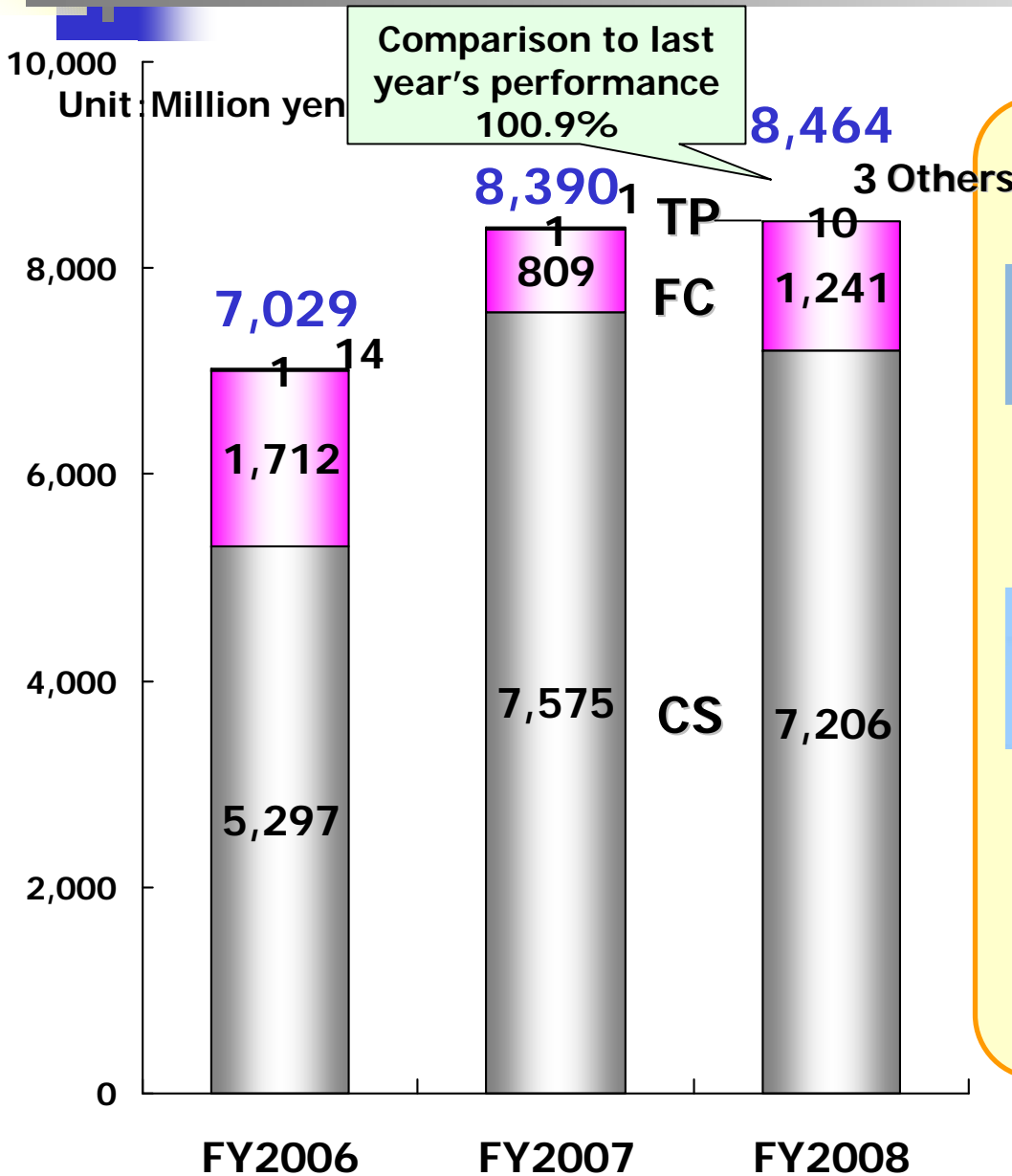
FC Increase

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

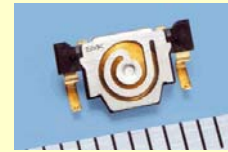


TP (Touch panels)
Decrease

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



FC



(Switches) Increase
Increased sales amounts of switches for mobile phones in overseas markets

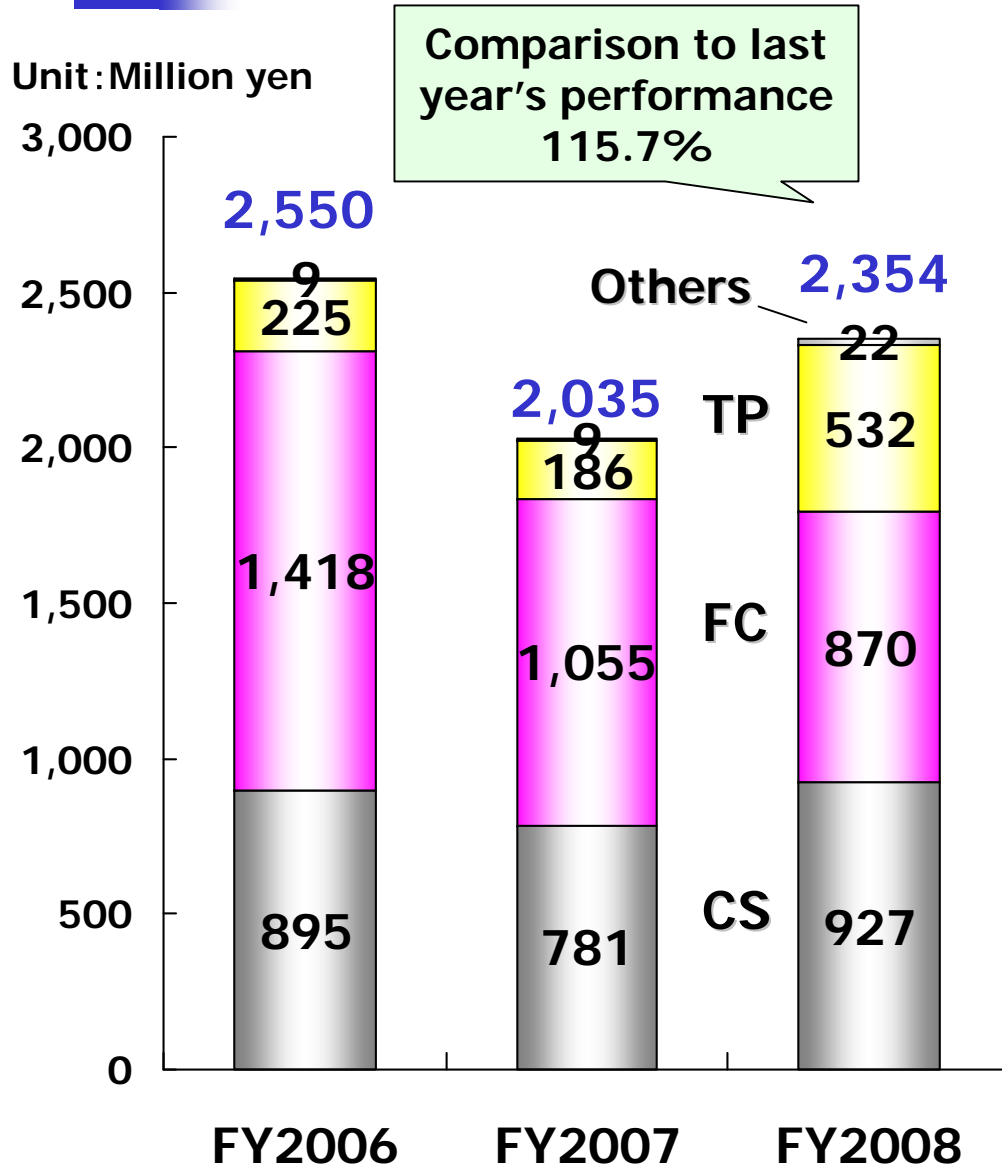
CS



(Connectors) Decrease
Decrease in I/O connectors for mobile phones in overseas markets



Decrease in camera connectors for mobile phones in overseas markets



TP (Touch panels) Increase



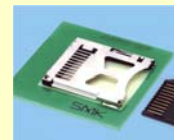
Increased sales amounts for optical touch panels for ATMs in overseas markets

FC Decrease



Decreased sales amounts of cradles for digital cameras (*cradles are less frequently included in digital camera sets)

CS (Connectors) Increase



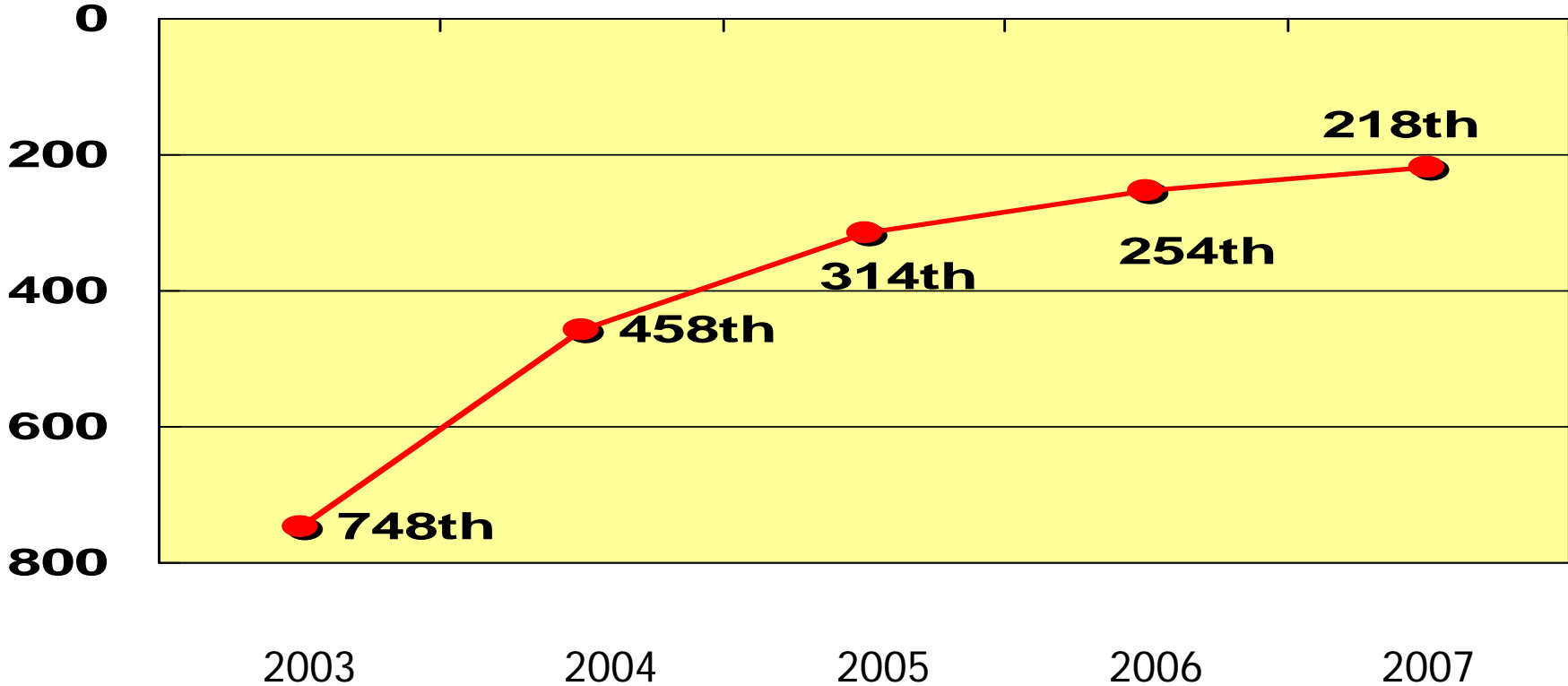
Increased sales amounts for memory card connectors and battery connectors for digital cameras



Increased sales amounts for coaxial connectors for PC cards

Topics-1 Ranking of Prominent Companies in 「Nikkei PRISM」

Our overall ranking in the list of prominent companies quoted in Nikkei PRISM has risen.



Topics-2 Holding of TEXPO2008

Date: June 4th, 2008 (Wed) ~6 th(Fri) 3 days

Location: Le Meridien Pacific Tokyo (Manyo)

Theme:

Vision to Creation, It's Our Challenge!

Number of Exhibits: About 400 Items

Seminar were held over 3 days.





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.

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/>.