

# Business Report for FY2015



Oct 30, 2015



CREATIVE CONNECTIVITY  
もっと創造的に、もっと繋がる

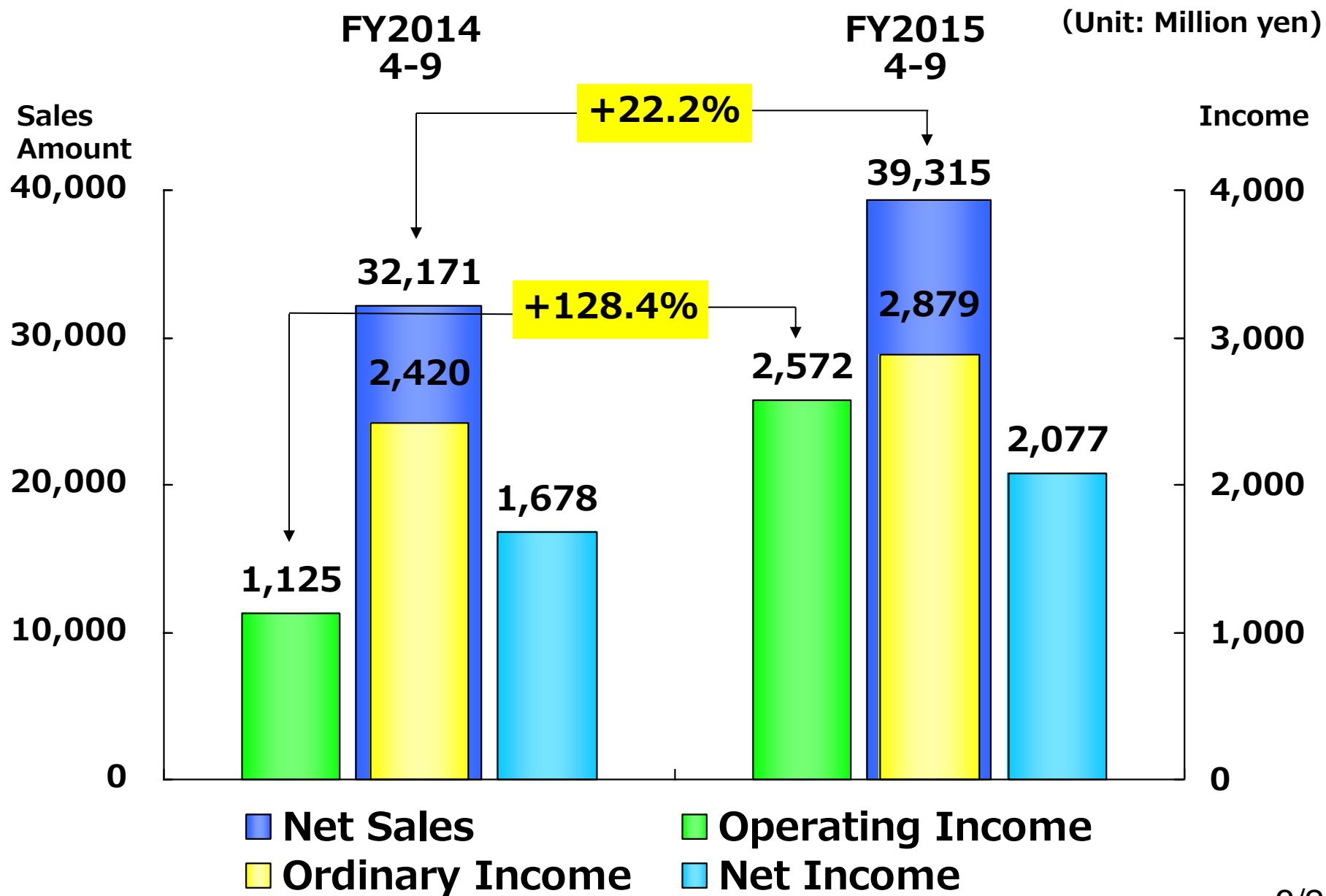
**FY2015**

# **Outline of 1H Financial Statement**

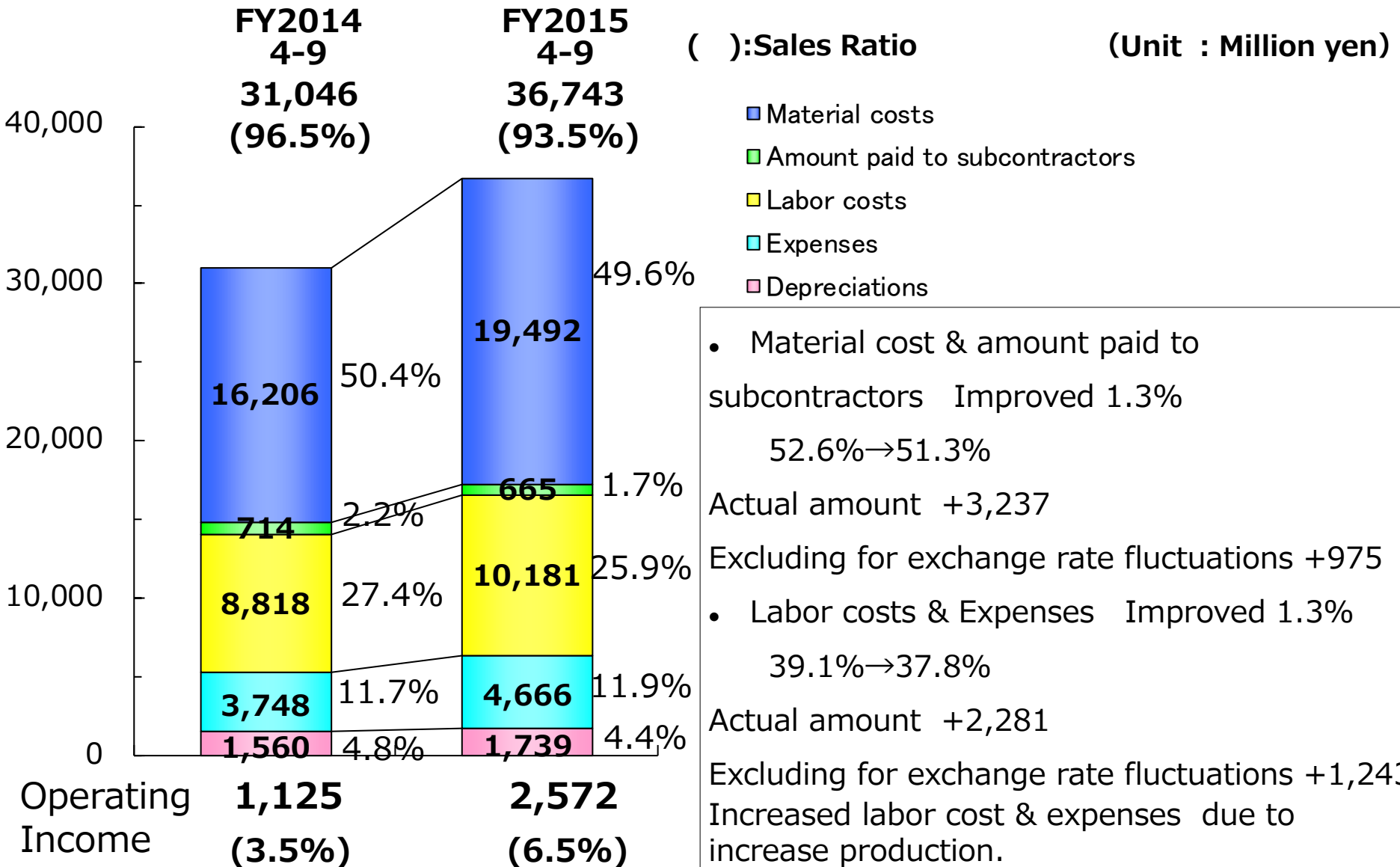
**Executive Vice President and CFO**

**Kohei Ogaki**

# <Consolidate> Financial Result



# <Consolidate> Operating Expenses

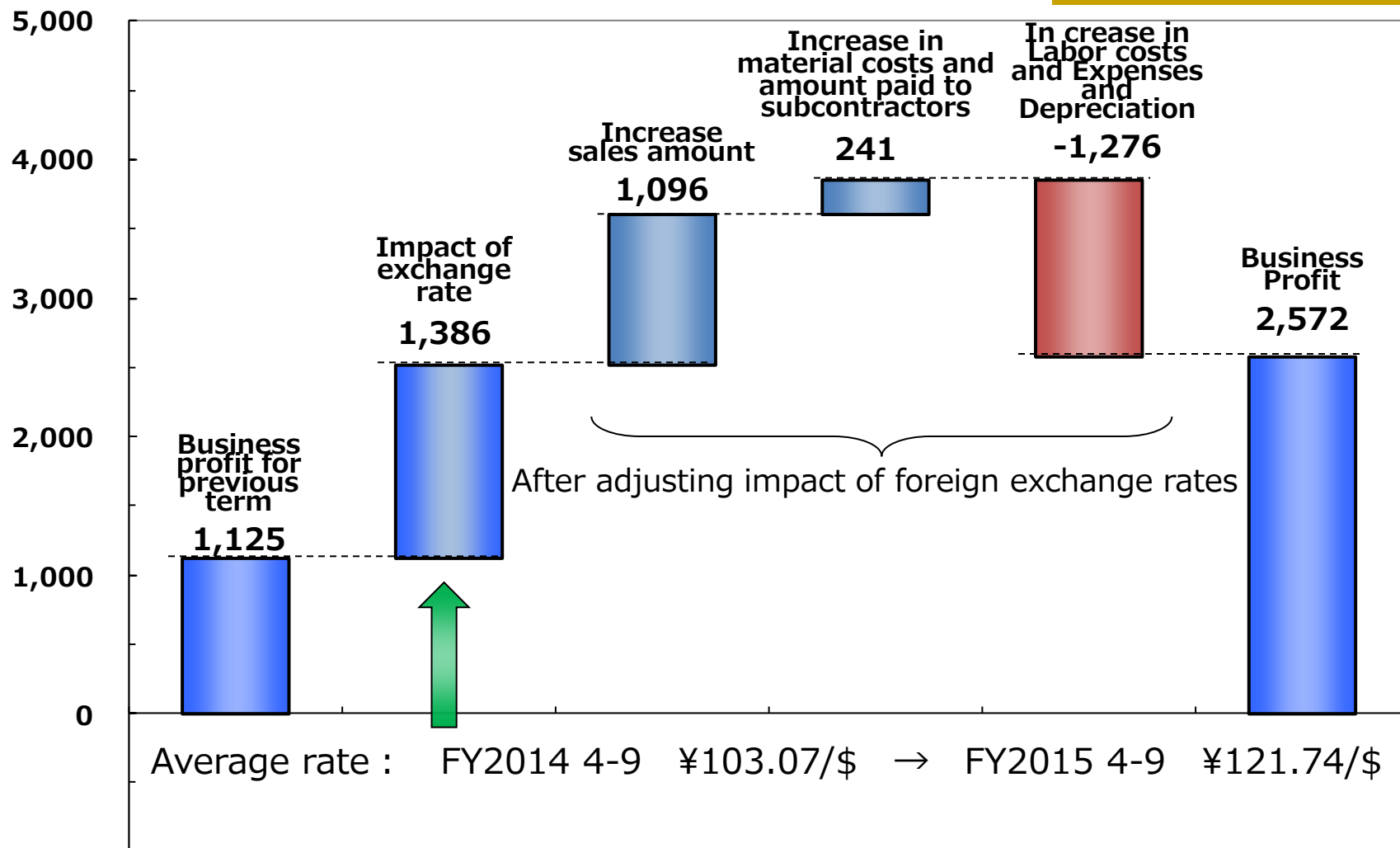


# <Consolidated> Analysis of Sales Expenses

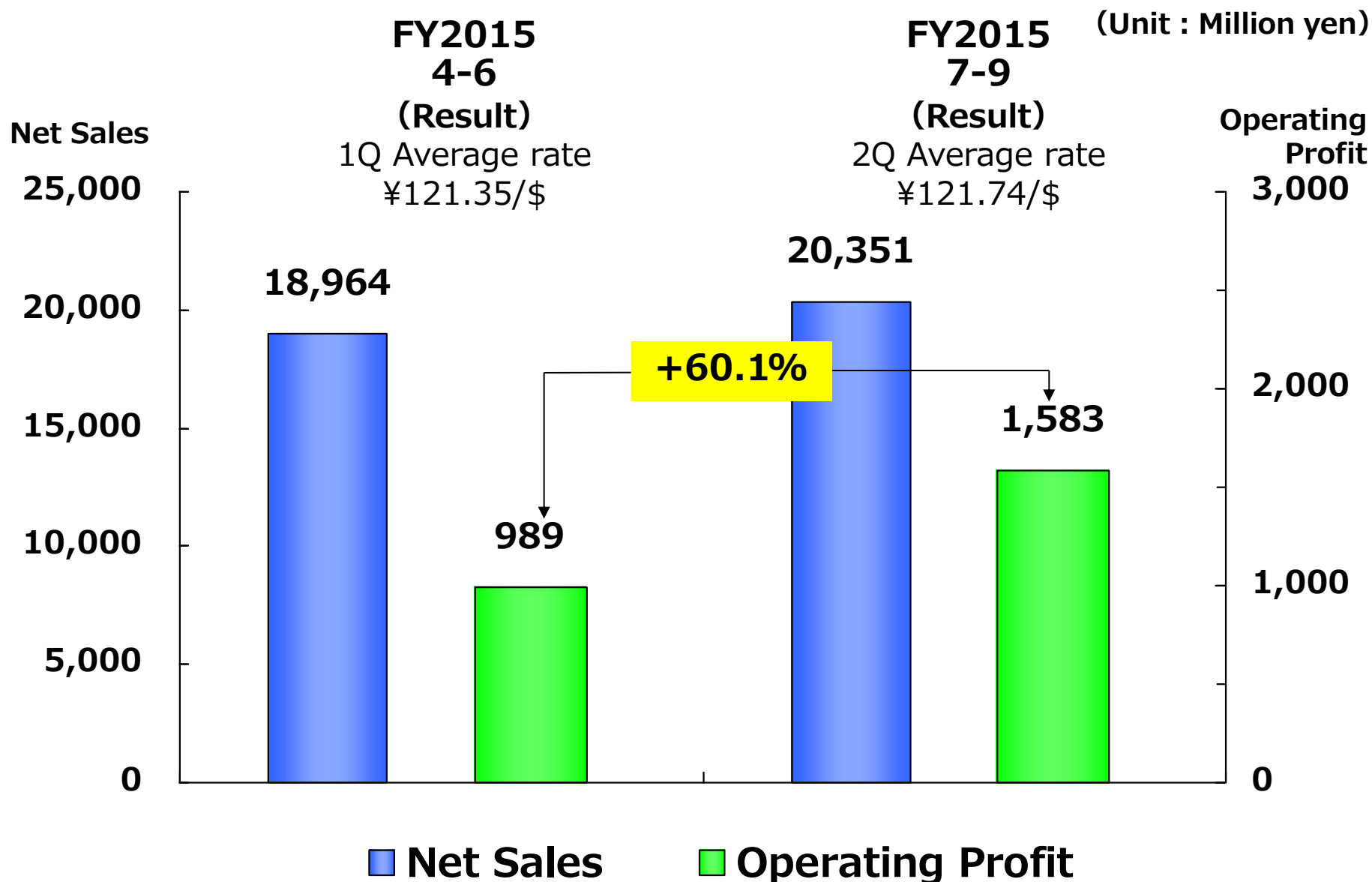
Analysis of factors for increase/decrease  
of consolidated operating income  
[ FY2014 4-9 vs FY2015 4-9 ]

(Unit : Million yen)

**Total  
+1,447 Million yen**

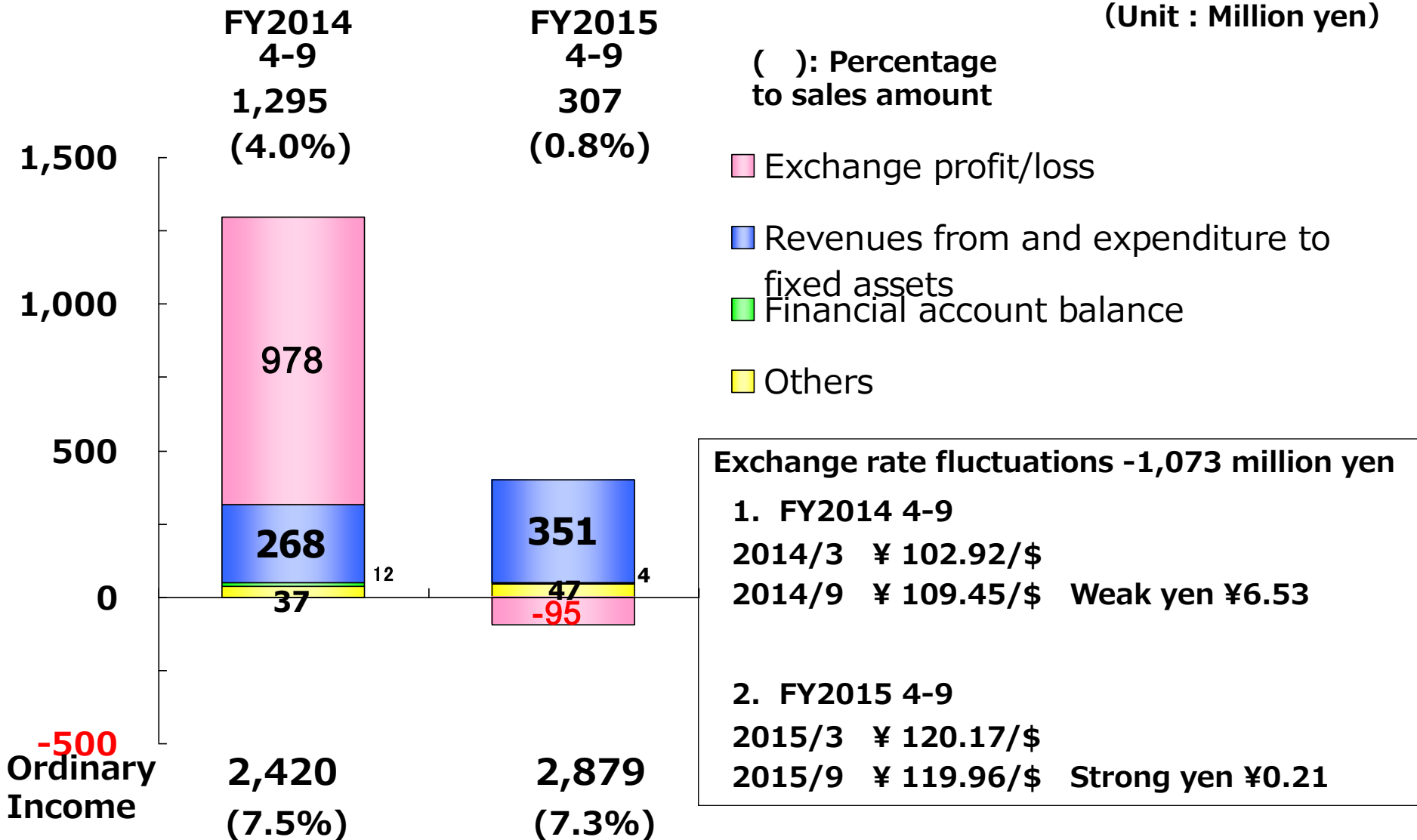


# <Consolidated> Progress in Sales & Income (1Q,2Q)



# <Consolidated> Non-Operating Profit & Loss

(Unit : Million yen)



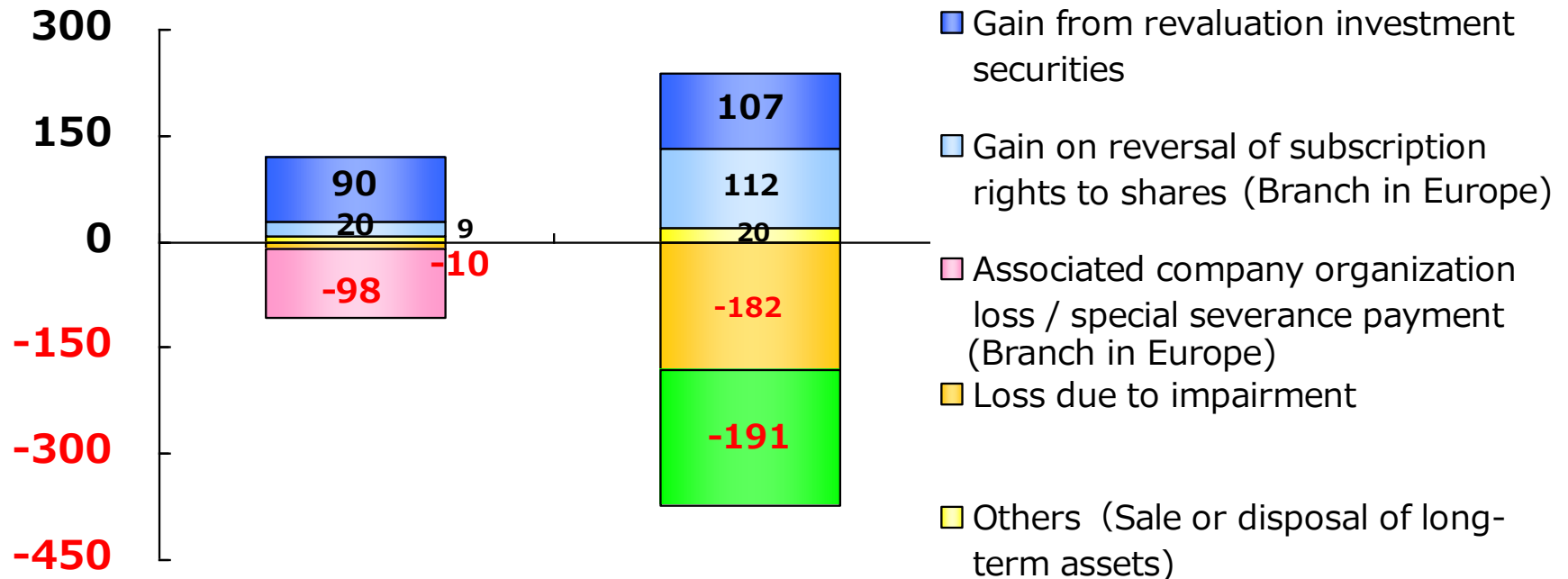
# <Consolidated> Extraordinary Gain or Loss

FY2014  
4-9  
11

FY2015  
4-9  
-134

(Unit : Million yen)

( ): Percentage  
to sales amount



|  |               |               |
|--|---------------|---------------|
| <b>Income before income taxes</b>          | <b>2,431</b>  | <b>2,745</b>  |
| <b>Income taxes (Current and deferred)</b> | <b>-753</b>   | <b>-668</b>   |
| <b>Net income</b>                          | <b>1,678</b>  | <b>2,077</b>  |
|  | <b>(5.2%)</b> | <b>(5.3%)</b> |



# <Consolidated> Segment Information

FY2015 4-9

(Unit : Million yen)

|   | Reporting Segment |               |              |               | Other(*)   | TOTAL         |
|---|-------------------|---------------|--------------|---------------|------------|---------------|
|   | CS Div.           | FC Div.       | TP Div.      | Total         |            |               |
| <b>Net Sales</b>                            | <b>14,118</b>     | <b>17,787</b> | <b>7,356</b> | <b>39,261</b> | <b>54</b>  | <b>39,315</b> |
| Segment gain or loss<br>(Operating Deficit) | <b>1,292</b>      | <b>267</b>    | <b>1,045</b> | <b>2,604</b>  | <b>-32</b> | <b>2,572</b>  |

FY2014 4-9

|   | Reporting Segment |               |              |               | Other(*)  | TOTAL         |
|---|-------------------|---------------|--------------|---------------|-----------|---------------|
|   | CS Div.           | FC Div.       | TP Div.      | Total         |           |               |
| <b>Net Sales</b>                            | <b>13,043</b>     | <b>11,600</b> | <b>7,477</b> | <b>32,120</b> | <b>51</b> | <b>32,171</b> |
| Segment gain or loss<br>(Operating Deficit) | <b>747</b>        | <b>-418</b>   | <b>792</b>   | <b>1,121</b>  | <b>4</b>  | <b>1,125</b>  |

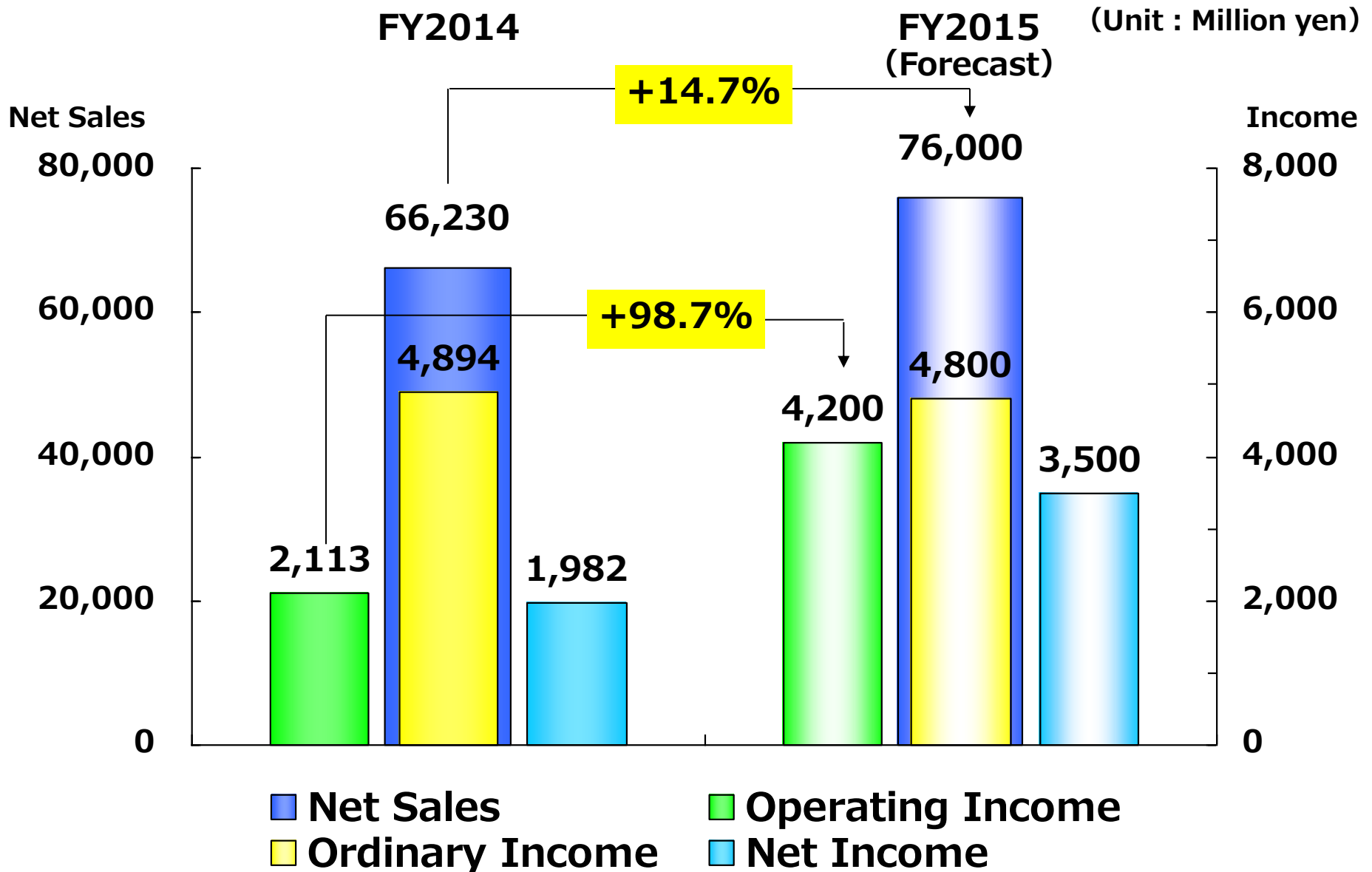
(\*) Others, leasing, real estate leasing, factoring and dispatch business

# <Consolidated> Revised Financial Estimate

- Consolidated Financial Estimate ( Top : Compared to Net Sales  
Bottom : Compared to FY2014 )

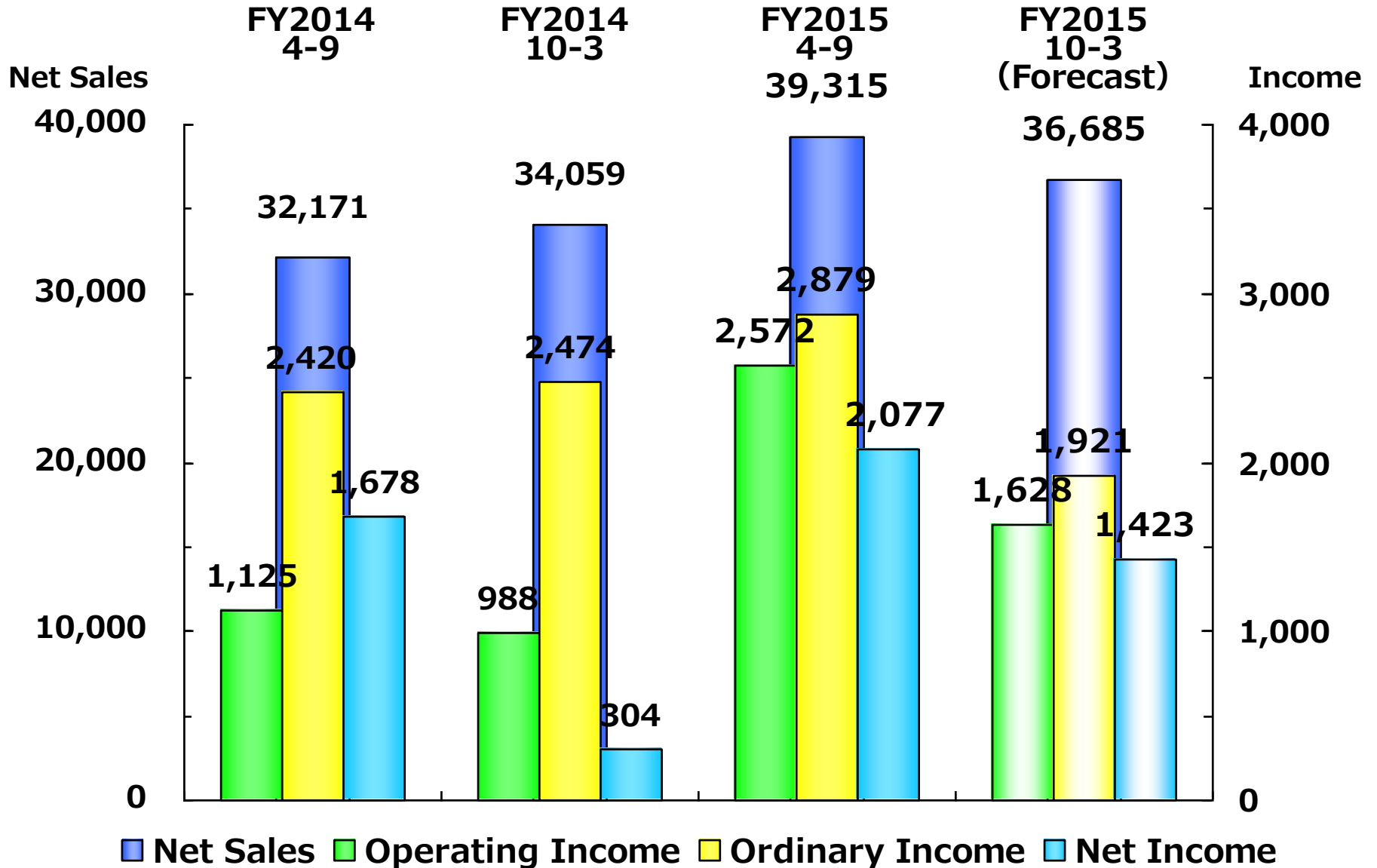
| Announcement Date         | Net Sales   |                | Operating Income |              | Ordinary Income |              | Net Income  |              |
|---------------------------|-------------|----------------|------------------|--------------|-----------------|--------------|-------------|--------------|
|                           | Million yen | %              | Million yen      | %            | Million yen     | %            | Million yen | %            |
| 2015/4/27                 | 73,300      | 100.0<br>+10.7 | 3,100            | 4.2<br>+46.7 | 3,800           | 5.2<br>-22.4 | 2,900       | 4.0<br>+46.3 |
| 2015/7/28                 | 74,500      | 100.0<br>+12.5 | 3,200            | 4.3<br>+51.4 | 4,300           | 5.8<br>-12.1 | 3,100       | 4.2<br>+56.4 |
| 2015/10/23<br>(This time) | 76,000      | 100.0<br>+14.7 | 4,200            | 5.5<br>+98.7 | 4,800           | 6.3<br>-1.9  | 3,500       | 4.6<br>+76.6 |

# <Consolidated> Financial Result



# <Consolidate> Half Term Performance

(Unit : Million yen)



# <Consolidated> Cash Position

(Unit : Million yen)

|                                       | 2015/3<br>(A) | 2015/9<br>(B) | Differential<br>(B - A) |
|---------------------------------------|---------------|---------------|-------------------------|
| <b>Assets</b>                         | <b>65,029</b> | <b>71,076</b> | <b>6,046</b>            |
| Cash and cash equivalents             | 10,182        | 12,613        | 2,430                   |
| Accounts receivable                   | 16,979        | 18,858        | 1,878                   |
| Inventories                           | 6,422         | 7,212         | 789                     |
| Fixed assets                          | 27,696        | 27,652        | -43                     |
| <b>Liabilities</b>                    | <b>30,842</b> | <b>36,556</b> | <b>5,713</b>            |
| Accounts payable and accrued expenses | 10,513        | 11,691        | 1,178                   |
| Interest-bearing debt                 | 14,247        | 18,554        | 4,307                   |
| <b>Net assets</b>                     | <b>34,187</b> | <b>34,519</b> | <b>332</b>              |
| Common stock                          | 7,996         | 7,996         | -                       |
| <b>Capital adequacy ratio</b>         | <b>52.5%</b>  | <b>48.1%</b>  | <b>-4.4%</b>            |

# <Consolidated> Cash Flow Position

(Unit : Million yen)

|   | FY2014 4-9    | FY2015 4-9    |
|---|---------------|---------------|
| <b>Cash Flow from operating activities</b>          | <b>1,937</b>  | <b>2,451</b>  |
| <b>Working capital</b>                              | <b>-93</b>    | <b>-1,664</b> |
| <b>Income before income taxes</b>                   | <b>2,431</b>  | <b>2,745</b>  |
| <b>Depreciation</b>                                 | <b>1,609</b>  | <b>1,847</b>  |
| <b>Others</b>                                       | <b>-2,010</b> | <b>-477</b>   |
| <b>Cash Flow from investing activities</b>          | <b>-1,862</b> | <b>-2,908</b> |
| <b>Free Cash Flow</b>                               | <b>75</b>     | <b>-457</b>   |
| <b>Cash Flow from financing activities</b>          | <b>-797</b>   | <b>3,041</b>  |
| <b>Increase (decrease) in interest-bearing debt</b> | <b>-444</b>   | <b>4,307</b>  |
| <b>Purchases of treasury stock</b>                  | <b>4</b>      | <b>-972</b>   |
| <b>Dividends paid</b>                               | <b>—</b>      | <b>352</b>    |
| <b>Others</b>                                       | <b>-357</b>   | <b>-645</b>   |
| <b>Initial balance</b>                              | <b>11,134</b> | <b>9,999</b>  |
| <b>Final balance</b>                                | <b>10,386</b> | <b>12,505</b> |

# Annual Dividend

|                       | End of the second quarter | End of year  | Annual                  |
|-----------------------|---------------------------|--|-------------------------|
| <b>FY2014(Result)</b> | <b>5.00 yen</b>           | <b>9.00 yen</b><br>(Commemorative dividend 4.00 yen) | <b>14.00 yen</b>        |
| <b>FY2015(Result)</b> | <u><b>6.00 yen</b></u>    | —  | —                       |
| <b>FY2015(Plan)</b>   | —                         | <u><b>6.00 yen</b></u>                               | <u><b>12.00 yen</b></u> |

# FY2015 Prospect

**President and COO**

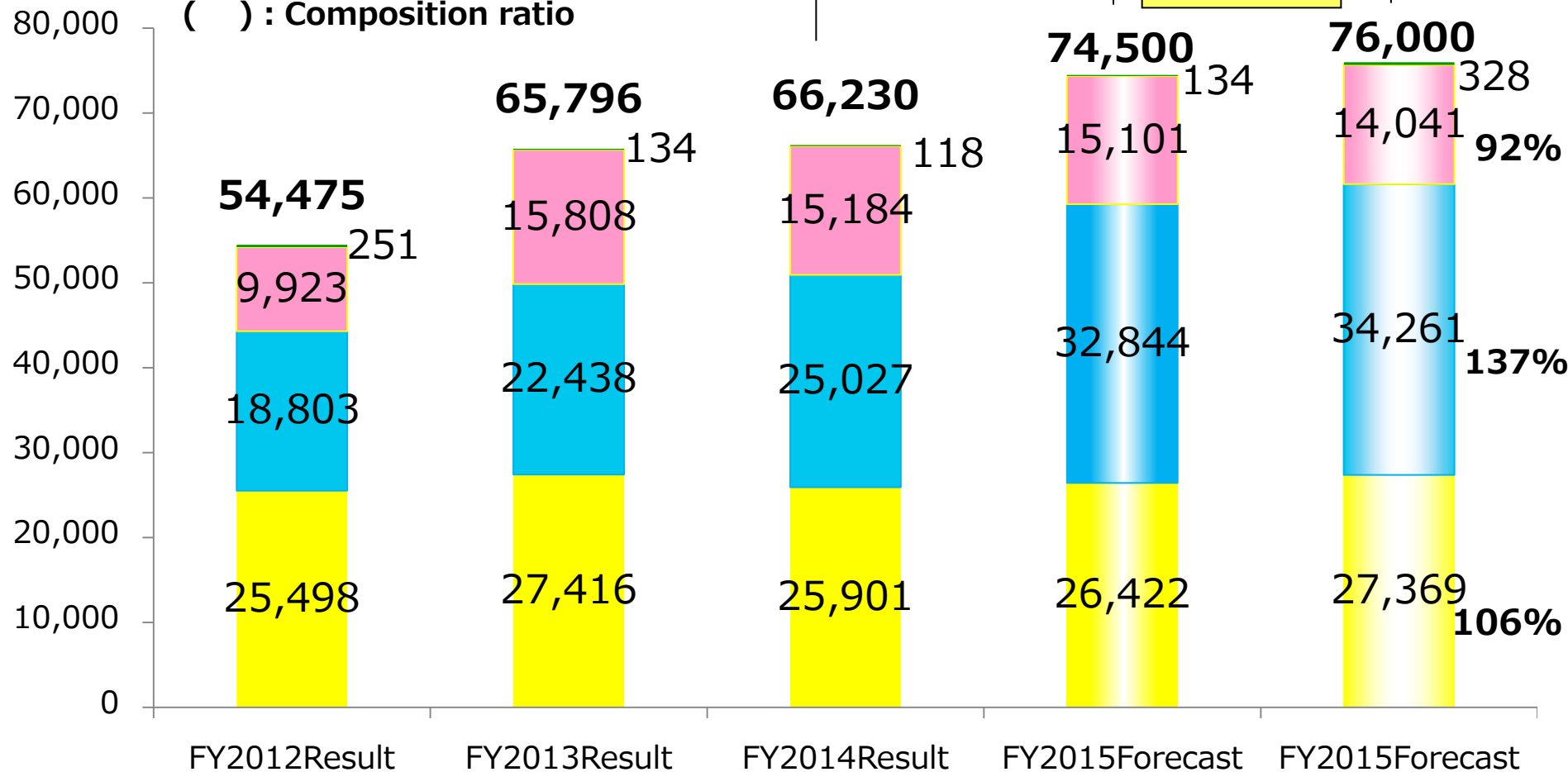
**YASUMITSU IKEDA**



# Net Sales by Product Div. (FY2012-FY2015)

Unit : Million yen

( ) : Composition ratio



FY2012Result

FY2013Result

FY2014Result

FY2015Forecast

FY2015Forecast

(2015/7Revised) (2015/10Revised)

Exchange Rate

1USD=82.83JPY

100.12JPY

109.90JPY

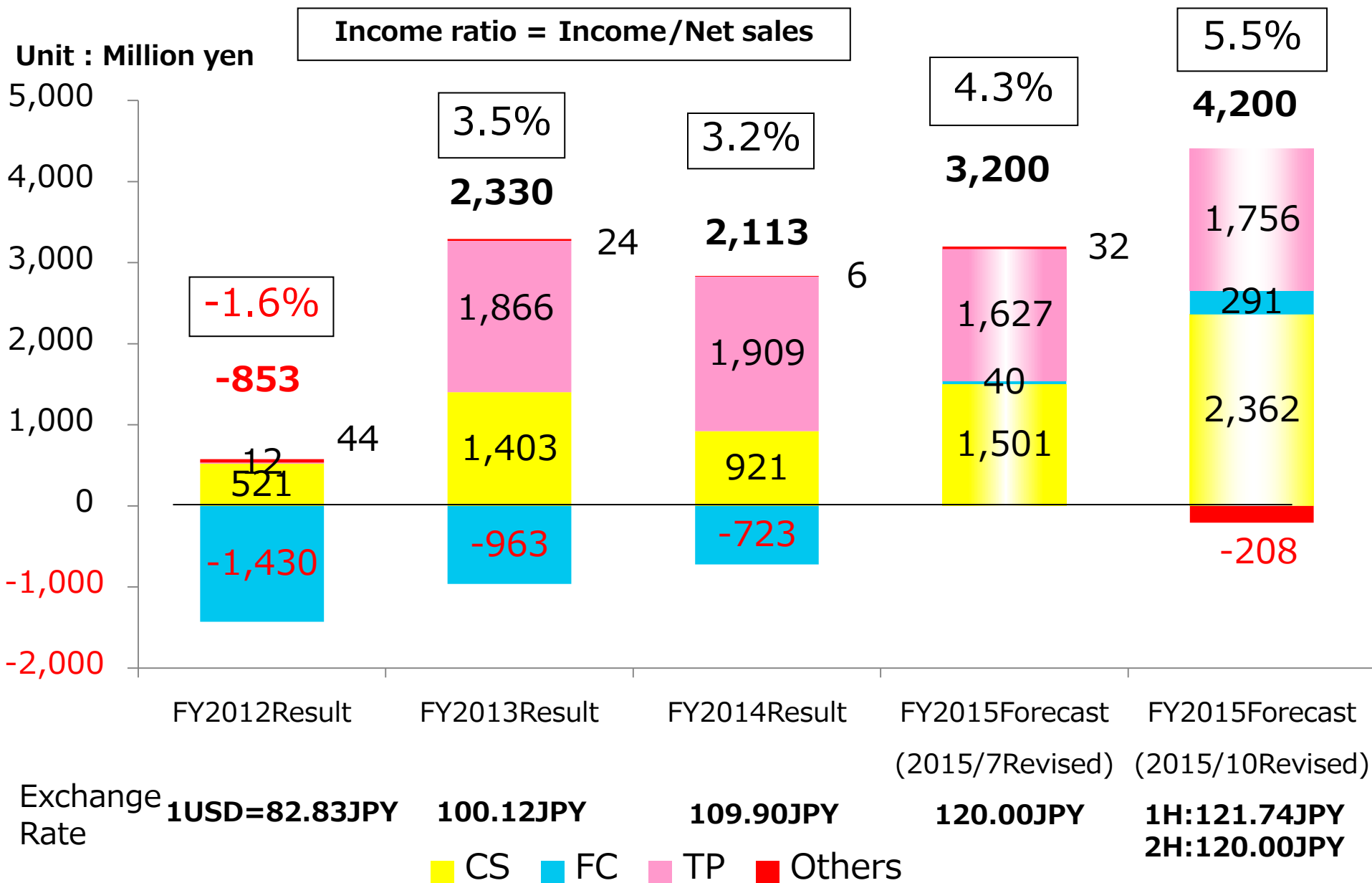
120.00JPY

1H:121.74JPY

2H:120.00JPY

CS FC TP Others

# Operating Income by Product Div. (FY2012-FY2015)

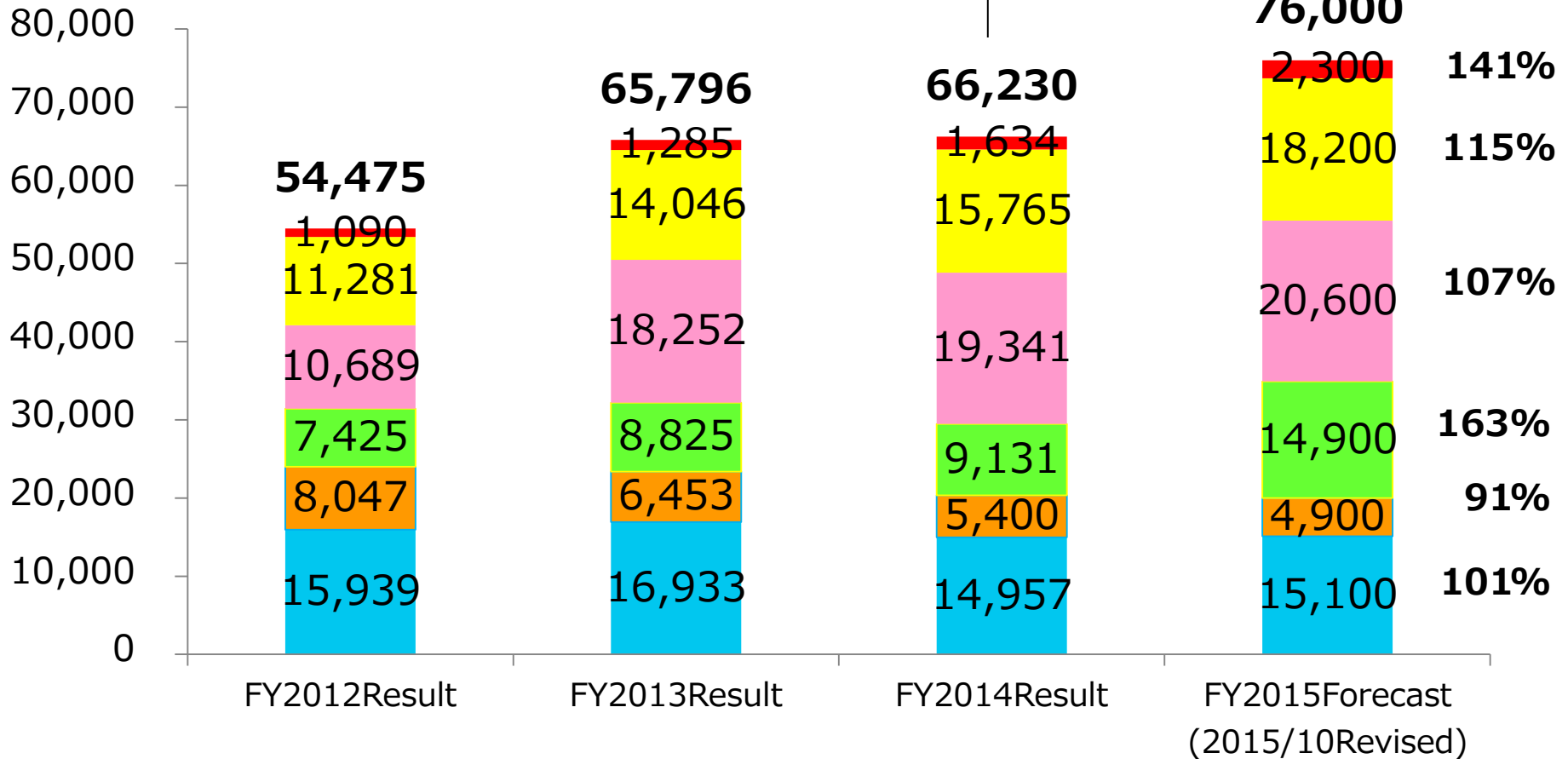


# Reference :Net Sales by Market (FY2012-FY2015)

Unit : Million yen

Income ratio = Income/Net sales

115%



Exchange Rate 1USD=82.83JPY

100.12JPY

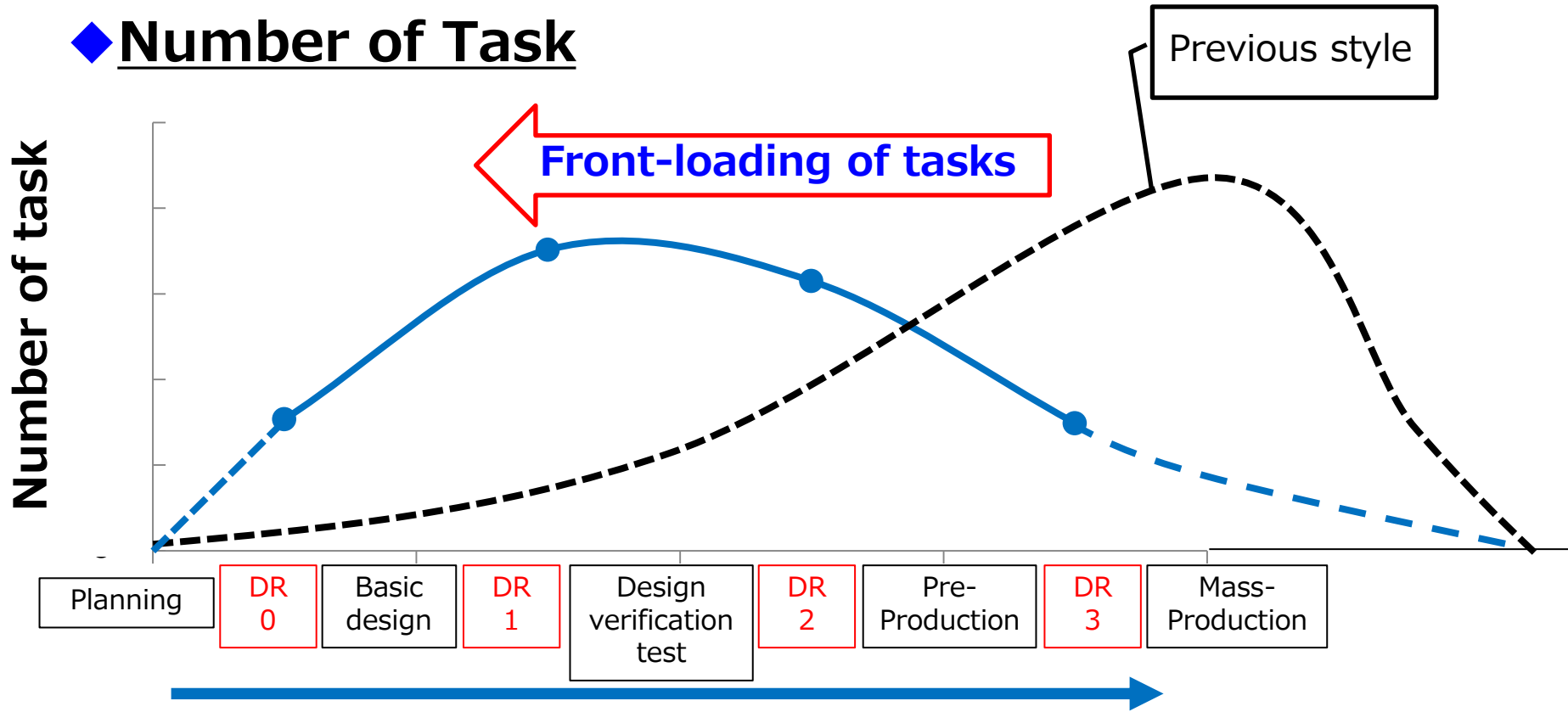
109.90JPY

1H:121.74JPY  
2H:120.00JPY

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

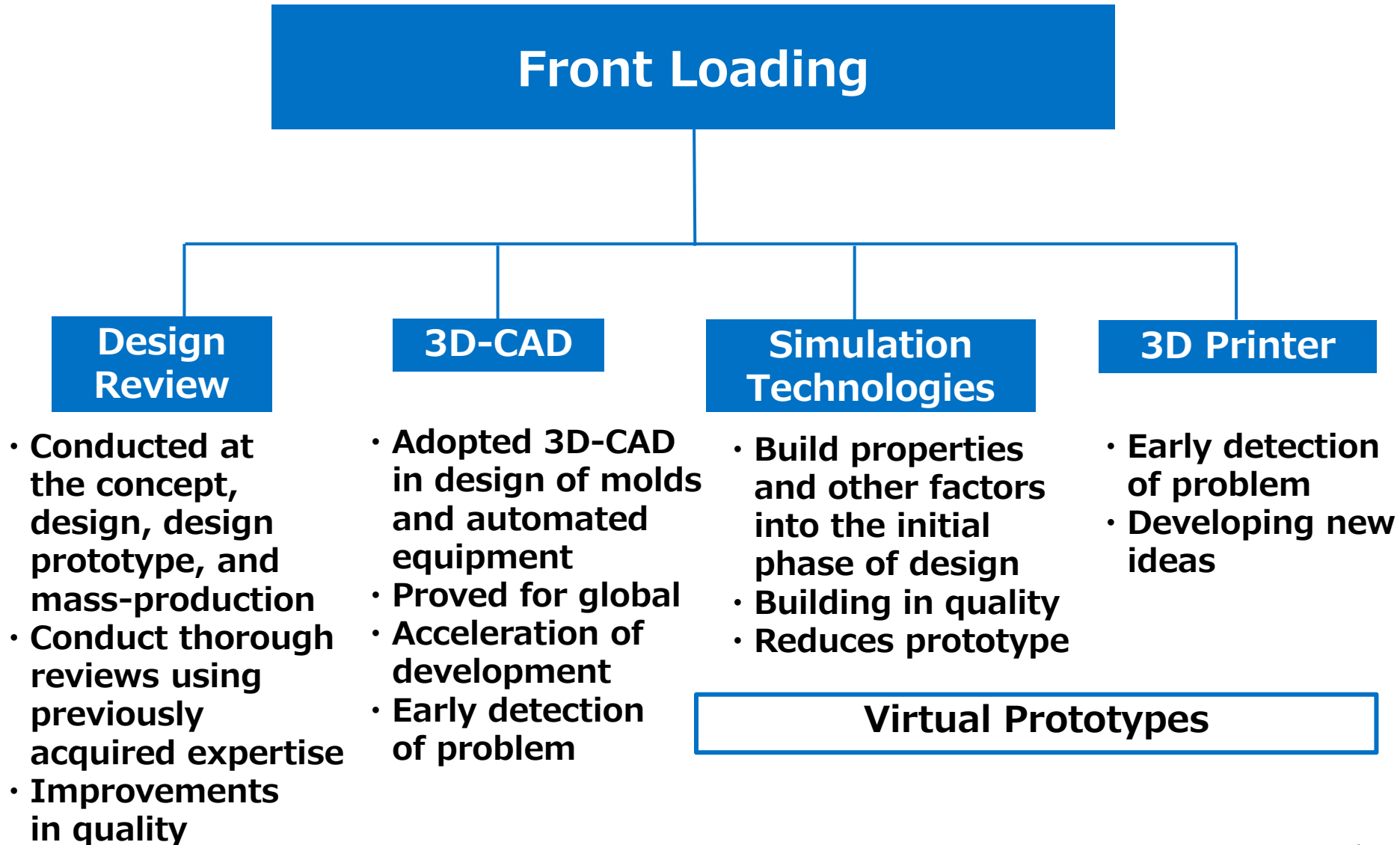
# Topics 1: Implementation of Front Loading

## ◆ Number of Task



※DR...Design Review

# Topics 1: Implementation of Front Loading



# Topics 2 : TEXPO2015

Term: Nov.4 2015(Wed) – Nov.6 2015(Fri)

Place: SHINAGAWA GOOS

Theme: **CREATIVE CONNECTIVITY**

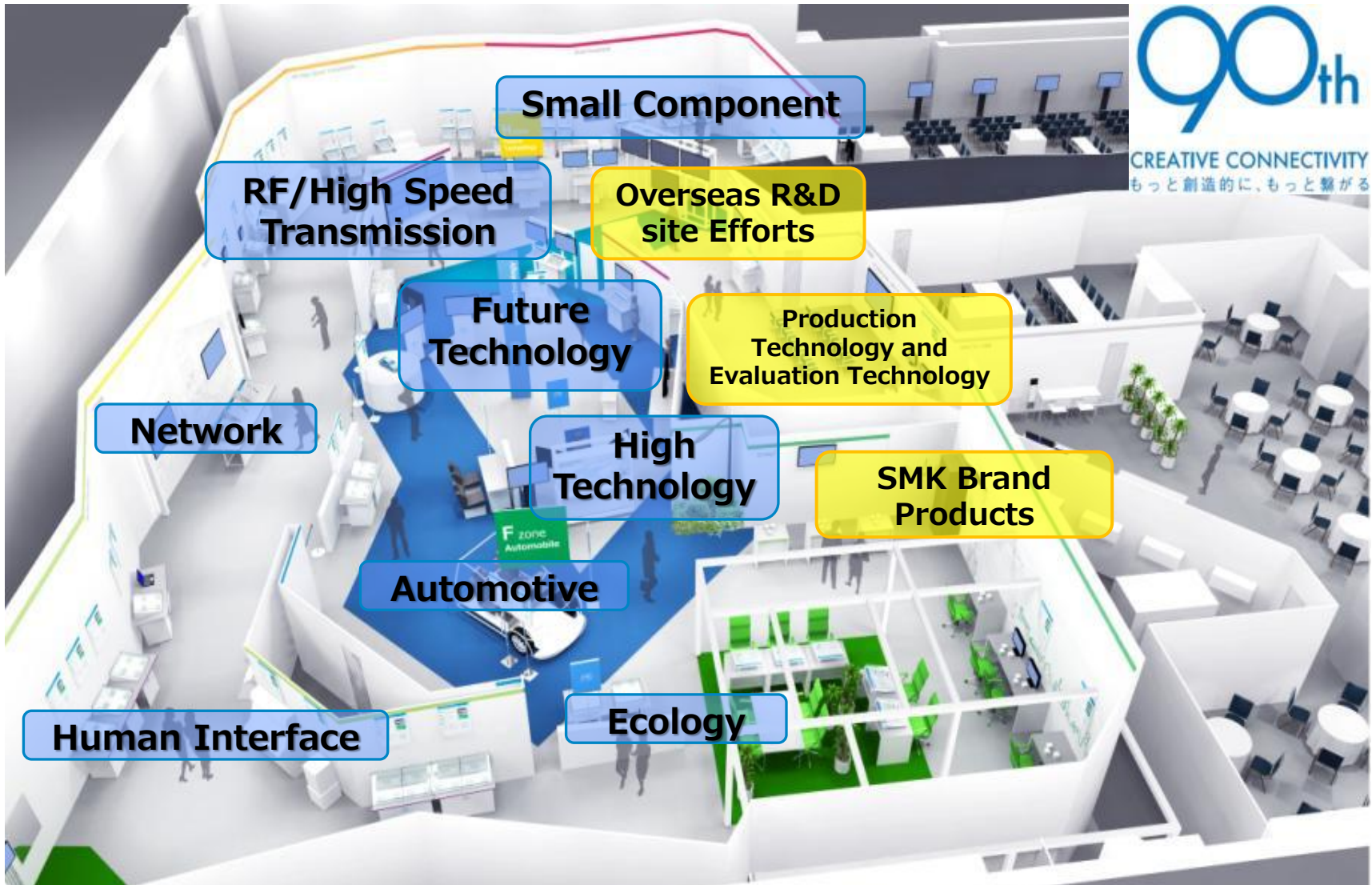
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**更富创意 更多连通**

**TEXPO**  
**2015**



# Topics 2:TEXPO2015



# 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/>