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SEMI ANNUAL REPORT 2005
For the six months ended September 30, 2005

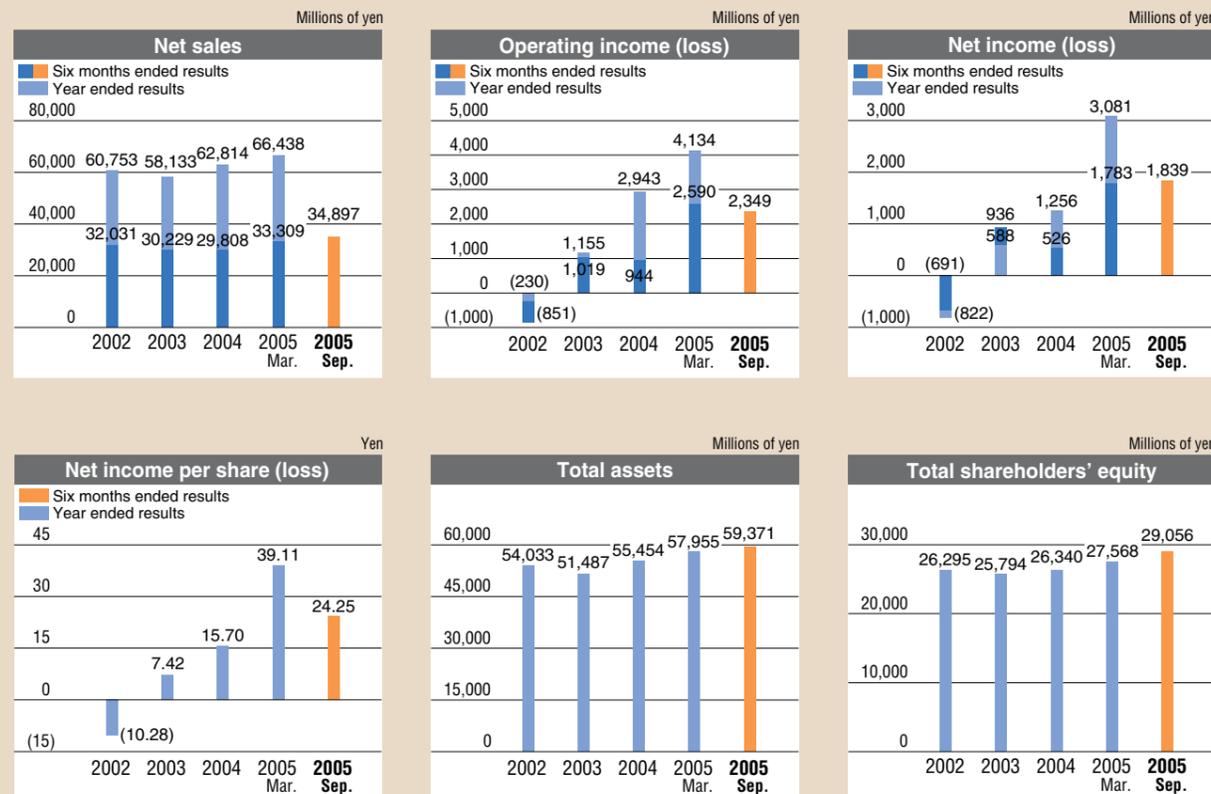


Financial Highlights

SMK Corporation and Consolidated Subsidiaries

Six months ended September 30	Millions of yen		Thousands of U.S. dollars	Millions of yen
	2004	2005	2005	2005 Year ended March 31
Operating Results				
Net sales	¥ 33,309	¥ 34,897	\$ 308,312	¥ 66,438
Operating income	2,590	2,349	20,758	4,134
Net income	1,783	1,839	16,247	3,081
Financial Position				
Total assets	¥ 57,229	¥ 59,371	\$ 524,531	¥ 57,955
Total shareholders' equity	27,390	29,056	256,710	27,568
Per Share Data				
Net income	Yen		U.S. dollars	Yen
Basic	¥ 22.83	¥ 24.25	\$ 0.21	¥ 39.11
Diluted	22.71	24.17	0.21	38.94

Note: The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥113.19 = U.S. \$1.00.



To Our Shareholders and Investors

Performance Overview

Looking at the world economy during the current year, the U.S. economy has continued to grow at a steady clip despite hurricane disasters, and East Asia has also maintained strong growth, chiefly in China. Although there are concerns about soaring prices of oil and other commodities, the economy has exhibited considerable robustness in general. In Japan, the economy is enjoying a sustained rally, with improvement in corporate earnings, capital investment and stock prices. In the electronics industry, inventory adjustment led by the IT market, which commenced in the latter half of 2004, has come to an end. Since the beginning of 2005, the cellular phone market has been humming. The industry is on an expansionary track driven mainly by new digital home appliance sales. In this environment, we focused on increasing product appeal and slashing costs. As a result of these efforts, our consolidated results in this interim period surpassed the impressive sales and income figures that we attained in the same period a year earlier.

Basic Management Policy

Based on our corporate philosophy, SMK is committed to the advancement of mankind through development of the information society, by integrating its current technological strengths and creating advanced technology. With the aim to "establish its position as the leading supplier for information technology infrastructure in the global information society," we focus all of the resources of the Group to improve our development, production and sales capabilities. Specifically, we set up a technical development center in SMK Electronics Trading (Shenzhen) Co., Ltd, our local affiliate in the Chinese city of Shenzhen, as well as in SMK Electronics Trading (Shanghai) Co., Ltd. in Shanghai. These two developments were designed to bolster technical development and sales activities. As for product development and production, we are focusing on strengthening our corporate brand and improving quality through our "Zero Defect" (ZD) activities, to restructure our manufacturing. In addition, we will be making intensive efforts to establish stable management unaffected by the trend in overall demand and to strengthen our corporate structure, to enable sustainable business development. These initiatives specifically include streamlining manufacturing, sales and logistics, reviewing the market and productivity from a medium- and long-term perspective to reorganize our businesses and



Tetsuya Nakamura
President and Chief Operating Officer

Terutaka Ikeda
Chairman and Chief Executive Officer

looking at business alliances in different areas. Some of these initiatives had already begun to show results in the first half of the fiscal year. We will continue to review the cost structure and to strengthen our organization.

Approach to Environmental Issues

To help achieve environmental conservation, we had already acquired the ISO14001 environmental management certification for all production works in Japan and overseas. With the granting of the certification for our head office area in Shinagawa, Tokyo in September 2005, all of our offices in Japan now have the standard. Going forward, we will be actively introducing a policy of "Green Procurement," responding to growing public demand, and meeting requests to reduce the use of environmentally hazardous substances, according to Europe's RoHS Directive.

Marking Our 80th Anniversary

SMK celebrated its 80th anniversary in April 2005. As we pass this milestone, we remain fully committed to achieving consistent future growth and to increasing our corporate value so that this important year will be remembered as one of substantial achievements.

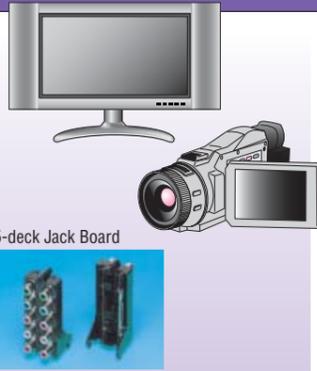
That concludes this summary of our management policy. Your understanding and further support would be greatly appreciated.

December 2005

Tetsuya Nakamura
President and Chief Operating Officer

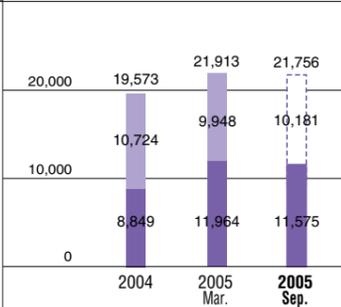
Terutaka Ikeda
Chairman and Chief Executive Officer

Audio-visual

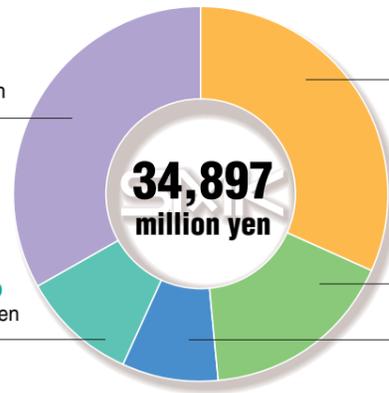


Including LCD and PDP televisions and DVD recorders, the digital audiovisual market is growing on a global scale. Remote control units, pin jacks and internal connectors for this market make a very significant contribution to the Company's sales. SMK will continue to develop new products that incorporate its own technologies and will quickly respond to customer needs.

Net Sales Millions of yen
 ■ Year ended results
 ■ Six months ended results □ Plan



Audio-visual 33.2%
 Audio-visual parts 11,575 million yen



Communication 31.7%
 Communications parts 11,059 million yen

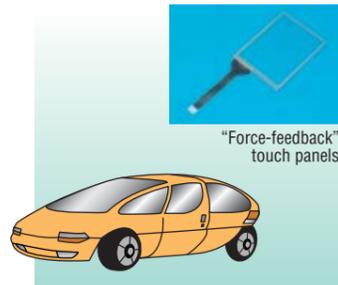
Information 16.8%
 Information parts 5,869 million yen

Home electronics 8.3%
 Electronic toys, home electronics and other parts 2,910 million yen

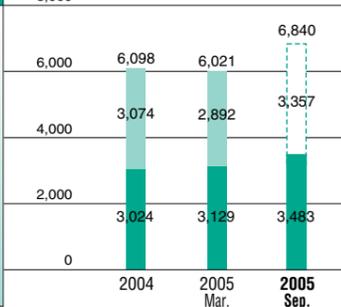
Car electronics 10.0%
 Electronic instruments 3,483 million yen

Car electronics

Sales of touch panels for car navigation systems in the domestic and foreign OEM parts markets steadily increased. In the retail market, "force-feedback" touch panels mounted on car navigation systems contributed to overall sales performance. Demand is also growing for coaxial connectors for digital radios and ETC devices. The Company will endeavor to develop components for vehicle-mount camera systems.



Net Sales Millions of yen
 ■ Year ended results
 ■ Six months ended results □ Plan



Outlook for this Fiscal Year

The electronic component industry is expected to enjoy further growth. The new digital home electronics market is growing rapidly, chiefly in Japan, the United States and Europe. Next-generation high-speed wireless communications with mobile IP phones will emerge. And with oil prices surging, the automobile and other sectors will see rising demand for solutions with higher fuel efficiency such as hybrid cars.

In an increasingly competitive economic climate, we will strive to achieve continued growth, based on our efforts to respond quickly to growth areas and to cultivate new markets, especially in the fields of telecommunications, information technology and digital home electronics. We will integrate the strengths of our Group to bolster results by developing new products and technologies that respond to customer needs, upgrading manufacturing technologies, establishing efficient sales systems and reviewing cost structures.

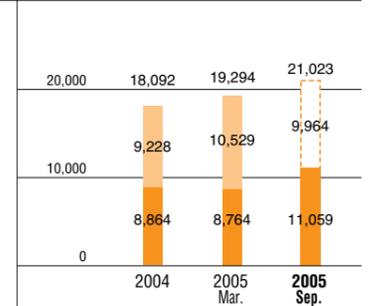
For our consolidated business performance in this fiscal year, we anticipate net sales will increase 3.9% year-on-year to 69.0 billion yen, with ordinary income reaching 5.3 billion yen and net income at 3.4 billion yen.

Communication



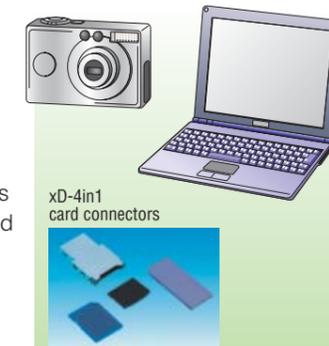
Demand for cellular phones is steadily expanding in global scale, including key markets of North America and Europe. SMK has helped develop lower-profile models, camera-mounted models and multifunctional cellular phones and is boosting sales of camera connectors and earphone-microphones. The Company will bolster its presence in the market for camera modules, PB connectors, FPC connectors, switches and connectors for base stations.

Net Sales Millions of yen
 ■ Year ended results
 ■ Six months ended results □ Plan

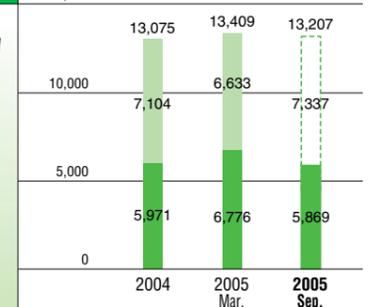


Information

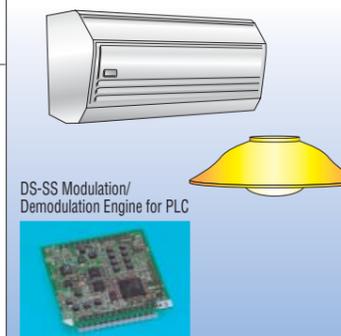
In the digital camera market, demand for single-lens reflex models is expanding, while mainstream compact models face intensifying price declines. Personal computers with audiovisual features are experiencing a temporary period of sluggishness in overseas markets. SMK will market compact products that meet market needs, as well as multifunctional and integrated products. It will also leverage its own technology to propose solutions to the ever-growing broadband network market.



Net Sales Millions of yen
 ■ Year ended results
 ■ Six months ended results □ Plan

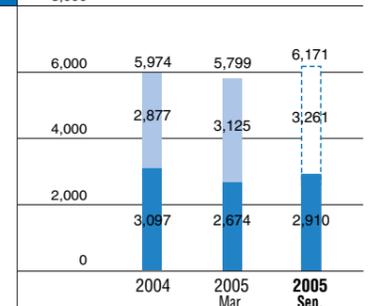


Home electronics



In the home electronics and housing equipment market, SMK enjoyed sales growth in remote control units for air-conditioners and lighting fixtures. It is striving to broaden its line of terminal block connectors, chiefly hot water heaters. The Company will step up the development of high value-added products including communication modules for power line communication and Bluetooth, satisfying wide ranging needs.

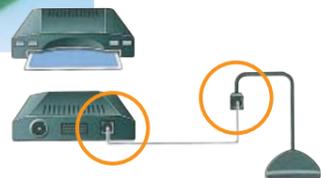
Net Sales Millions of yen
 ■ Year ended results
 ■ Six months ended results □ Plan



High stacking retention force and the industry's smallest board area: SMK has developed the "TC-15 Series" rectangular coaxial connector.



Rectangular coaxial connector, TC-15 Series

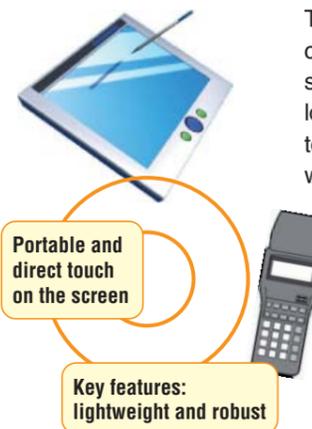


SMK has recently developed and released the TC-15 Series rectangular coaxial connectors. This new product is designed for in-vehicle ETC units.

Features

- Metal locking system employed for the mating of a plug and receptacle. It ensures that the mating has a high mating retention force of 100 Newtons or more both in locking strength and cable connection strength.
- The industry's smallest mounting area for the receptacle for car-mount devices
- An operating frequency range of DC to 6 GHz with excellent high frequency characteristics

SMK develops touch panels with thin, lightweight reinforced glass specification



The recent growth of information networks has increased opportunities for users to carry and use special-purpose information terminals, such as inventory control in shops, credit card payment settlement at customers' offices or residences and order logging at restaurants. Most such devices are equipped with resistance sensitive touch panels, which allows users to directly touch the panel surface in accordance with the on-screen instruction.

Features

- Chemically-reinforced glass is adopted to make the touch panel thinner and lighter without losing robustness
- Screen sizes available up to 10.4 inches
- Customization including anti-reflection coating is optionally available



Resistance sensitive system touch panel featuring a reinforced glass panel

SMK developed remote control equipment (Ver. 2005) for Windows XP Media Center PC* to attain strong sales.

Proving popular since its release in fiscal 2003, the 2005 version of the remote control equipment for Windows XP Media Center PCs have been developed to attain an increase in orders on TN (worldwide).



Remote control equipment for Windows XP Media Center PCs

* A Windows XP Media Center PC is a personal computer powered by Windows XP Media Center Edition, an operating system that enables a PC to perform central control of audiovisual devices at home and that more closely links the PC with audiovisual devices.

Features

- Easy-to-use ergonomic design
- The card type is highly portable and perfect for notebook PCs.
- A smaller photoreceptor requires less space for installation.

SMK completed development of Bluetooth™* Headset Engine and is ready to accept purchase orders for it.

SMK has developed and Bluetooth™ Headset Engine BT202 as its second module installed with Bluetooth profiles, following hard on the heels of Bluetooth™ Serial Port Adapter BT201. BT202 has been launched into SMK's product line-up, as a Bluetooth™ module installed with both Headset Profile (HSP) and Hands-free Profile (HFP) for voice communication.



BT202 Bluetooth™ headset engine

Features

- Equipped with the hardware and software required for volume communication, it serves to reduce cost for development of a wireless headset based on Bluetooth™.
- Two models available, a connector type and a surface mount type.
- Acquired Bluetooth™ logo qualification and Japan Radio Law qualification as a module (the connector type only).
- Compliant to RoHS.



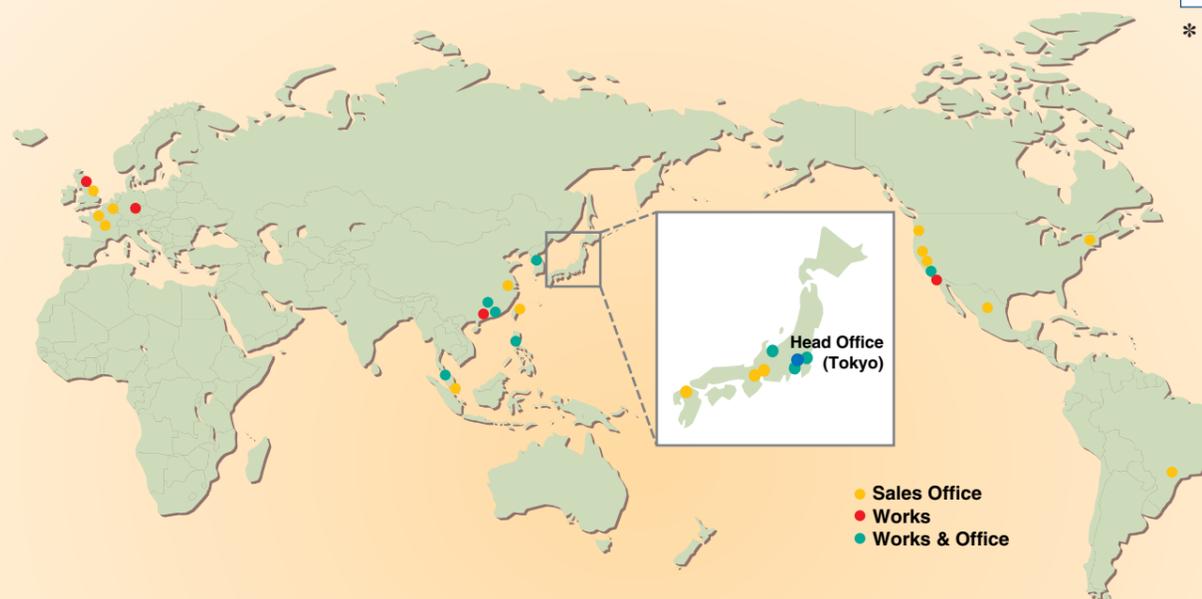
* Bluetooth™ is a trademark owned by Bluetooth SIG Inc.

ASIA

- SMK High-Tech Taiwan Trading Co., Ltd.
- SMK Electronics (H.K.) Ltd.
- SMK Trading (H.K.) Ltd.
- SMK Dongguan Gaobu Factory
- SMK Electronics (Shenzhen) Co., Ltd.
- SMK Electronics Trading (Shanghai) Co., Ltd.
- SMK Electronics Singapore Pte. Ltd.
- SMK Electronics (Malaysia) Sdn. Bhd.
- SMK Electronics (Philis.) Corporation
- SMK Korea Co., Ltd.

EUROPE

- SMK Europe N.V.
- SMK Europe N.V., U.K. Branch
- SMK Europe N.V., France Branch
- SMK Europe N.V., German Office
- SMK (U.K.) Ltd.
- SMK Hungary Kft.



NORTH AMERICA

- SMK Electronics Corporation U.S.A.
- SMK Electronics Corporation U.S.A., East Office
- SMK Electronics Corporation U.S.A., San Jose Office
- SMK Electronics Corporation U.S.A., Los Angeles Office
- SMK Electronics Corporation U.S.A., Seattle Office
- SMK Electronics Corporation U.S.A., Guadalajara Office
- SMK Manufacturing, Inc.
- SMK Electronica S.A. de C.V.

SOUTH AMERICA

- SMK São Paulo Indústria Eletrônica Ltda.

Environment

All domestic facilities have acquired ISO14001 certification.

All SMK facilities are endeavoring to obtain ISO14001 certification, which demonstrates compliance with international standards on environmental conservation. All works in Japan and overseas have already obtained the certification. In September 2005, seven additional spots (SMK's head office, Osaki Gate City office, Yamato Works, Osaka branch, Nagoya branch, Fukuoka branch, and SMK R&D Co., Ltd.) were also officially certified, concluding the work to achieve the certification in all facilities in Japan.



On the occasion of earning this qualification by the Head Office area operations, environmental preservation activities will be enhanced not only with production division but with office work division, with integration and unification of such environmental preservation activities placed under focus for elevated environmental management.



Employees responding to the examination

Social Activities

The SMK Group donates 30,000 dollars to support victims of Hurricane Katrina.

The SMK Group has made a contribution of 30,000 dollars to the American Red Cross to help victims of Hurricane Katrina in the United States and to help reconstruct the afflicted area. The contribution, consisting of 20,000 dollars from SMK Electronics Corporation U.S.A., our local affiliate in the United States, and 10,000 dollars from SMK Corporation, has been offered to the American Red Cross in the name of the SMK Group. The SMK Group would like to take this opportunity to offer its heartfelt condolences to the victims of the Katrina disaster and prays for the quickest possible recovery.

"I Will Talk About My Passion"—The Second Shinagawa Terakoya School was held.

On September 20, the Second Shinagawa Terakoya School was held at the Shinagawa Municipal Ebara Daiichi Junior High School, near SMK's head office, under the auspices of Tokyo Junior Chamber Shinagawa Committee. Titled "I Will Talk About My Passion," Shinagawa Terakoya School is an activity launched last year with the aim of conveying to junior high school pupils the infinite future potential through the opportunity of directly communicating with entrepreneurs and specialists who are enthusiastic about their careers and their ways of life, with the view to developing excellent human resources with a clear vision about the future. As part of its social contribution activities, SMK Chairman Mr. Ikeda delivered a lecture to junior high school students. With the title of "Japan's Future and You," Mr. Ikeda spoke about the current situation and challenges facing Japan from the perspective of international competitiveness and about the direction Japan should take in the future.



Some of the comments received from the students who participated in the event were as follows:
 "I was able to learn about the current position of Japan in the world."
 "The talk was interesting and helpful to me, as I would like to study engineering at a higher level."
 The talk seems to have offered the students an excellent opportunity to think about their future careers.

A resting place offered for a local annual festival

Every September, there is a festival at a local Shinto shrine in the Togoshi district of Shinagawa-ku, Tokyo, where SMK Head Office is located. Despite the scorching weather, you can hear the brisk cheers and shouts of people as they come to pray for the well-being of their family and the success of their business. SMK opens up the backyard of its head office building to miniature shrine carriers as a resting place.



At the backyard of SMK's head office

Consolidated Balance Sheets

SMK Corporation and Consolidated Subsidiaries

As of September 30

Assets	Millions of yen		Thousands of U.S. dollars	Millions of yen
	2004	2005	2005	As of March 31 2005
Current assets				
Cash and cash equivalents	¥ 7,719	¥ 7,243	\$ 63,990	¥ 7,314
Time deposits	240	282	2,489	178
Notes and accounts receivable, trade	18,836	20,523	181,318	19,945
Allowance for doubtful accounts	(16)	(19)	(167)	(17)
Inventories	6,457	5,674	50,130	5,319
Deferred tax assets	556	546	4,820	674
Other current assets	1,008	783	6,916	835
	34,800	35,032	309,496	34,248
Investments and long-term loans				
Investment securities	2,734	3,767	33,281	3,517
Long-term loans receivable	681	1,137	10,047	1,127
Other investments	1,611	1,699	15,010	1,553
Allowance for doubtful accounts	(437)	(395)	(3,488)	(406)
	4,589	6,208	54,850	5,791
Property, plant and equipment				
Land	3,593	3,594	31,755	3,590
Buildings	15,718	15,614	137,944	15,750
Machinery and equipment	36,505	38,012	335,823	37,262
Construction in progress	132	—	—	19
	55,948	57,220	505,522	56,621
Less-Accumulated depreciation	(39,636)	(40,566)	(358,388)	(40,154)
	16,312	16,654	147,134	16,467
Other assets				
Deferred tax assets	1,379	1,350	11,930	1,309
Intangible assets	149	127	1,121	140
	1,528	1,477	13,051	1,449
Total assets	¥ 57,229	¥ 59,371	\$ 524,531	¥ 57,955

Note: The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥113.19 = U.S.\$1.00.

Liabilities and shareholders' equity	Millions of yen		Thousands of U.S. dollars	Millions of yen
	2004	2005	2005	As of March 31 2005
Current liabilities				
Short-term loans payable	¥ 7,309	¥ 7,756	\$ 68,520	¥ 7,713
Notes and accounts payable, trade	6,546	5,252	46,398	5,000
Accrued income taxes	811	675	5,962	496
Accrued bonuses	731	804	7,103	931
Account payable-non trade	6,788	8,077	71,356	7,907
Other current liabilities	1,299	1,011	8,932	1,038
	23,484	23,575	208,271	23,085
Long-term liabilities				
Corporate bond	300	300	2,650	300
Long-term debt	3,914	4,369	38,600	4,775
Accrued employees' retirement benefits	1,509	1,380	12,191	1,546
Accrued directors' and officers' retirement benefits	296	336	2,972	312
Other long-term liabilities	336	355	3,137	369
	6,355	6,740	59,550	7,302
Shareholders' equity				
Common stock				
Authorized: 195,961,274 shares				
Issued and outstanding: 79,000,000 shares	7,996	7,996	70,650	7,996
Capital surplus	12,057	12,057	106,521	12,058
Retained earnings	9,385	11,589	102,386	10,683
Foreign currency translation adjustments	(1,632)	(1,537)	(13,579)	(1,808)
Net unrealized gains on other securities	2	425	3,754	275
Treasury stock	(418)	(1,474)	(13,022)	(1,636)
	27,390	29,056	256,710	27,568
Total liabilities and shareholders' equity	¥ 57,229	¥ 59,371	\$ 524,531	¥ 57,955

Consolidated Statements of Income

SMK Corporation and Consolidated Subsidiaries

Six months ended September 30

	Millions of yen		Thousands of U.S. dollars	Millions of yen
	2004	2005	2005	Year ended March 31 2005
Net sales	¥ 33,309	¥ 34,897	\$ 308,312	¥ 66,438
Cost of sales	27,111	29,064	256,772	55,577
Selling, general and administrative expenses	3,608	3,484	30,782	6,727
Operating income	2,590	2,349	20,758	4,134
Other income				
Interest and dividend income	82	65	577	154
Rent income	346	393	3,470	734
Foreign exchange gain, net	339	328	2,900	179
Gain on sales of fixed assets	3	17	153	46
Other	168	55	483	255
Total other income	938	858	7,583	1,368
Other expenses				
Interest expenses	78	74	658	141
Loss on disposal of fixed assets	157	97	857	276
Loss on devaluation of investment securities	—	—	—	2
Bad debt expenses	0	0	4	—
Provision for directors' and officers' retirement benefits	279	—	—	279
Special retirement benefits	4	—	—	—
Amortization of the effect of the adoption of the new standard for retirement benefits	236	—	—	472
Other	127	152	1,343	311
Total other expenses	881	323	2,862	1,481
Income before income taxes	2,647	2,884	25,479	4,021
Income taxes				
Current	1,065	1,050	9,275	1,371
Deferred	(201)	(5)	(43)	(431)
Net income	¥ 1,783	¥ 1,839	\$ 16,247	¥ 3,081
	Yen		U.S. dollars	Yen
Per share data				
Net income				
Basic	¥ 22.83	¥ 24.25	\$ 0.21	¥ 39.11
Diluted	22.71	24.17	0.21	38.94

Note: The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥113.19 = U.S.\$1.00.

Consolidated Statements of Cash Flows

SMK Corporation and Consolidated Subsidiaries

Six months ended September 30

	Millions of yen		Thousands of U.S. dollars	Millions of yen
	2004	2005	2005	Year ended March 31 2005
Cash flows from operating activities				
Income before income taxes	¥ 2,647	¥ 2,884	\$ 25,479	¥ 4,021
Depreciation and amortization	1,405	1,482	13,093	3,239
Increase (decrease) in accrued employees' retirement benefits	206	(166)	(1,465)	240
Increase in accrued directors' and officers' retirement benefits	296	24	217	312
Interest and dividend income	(82)	(65)	(577)	(154)
Interest expenses	78	74	658	141
Foreign exchange gain, net	(9)	(0)	(1)	(10)
Special retirement benefits	4	—	—	—
Loss on disposal of fixed assets	157	97	857	276
Increase in notes and accounts receivable, trade	(70)	(131)	(1,161)	(1,411)
Increase in inventories	(1,061)	(206)	(1,821)	(7)
Decrease in notes and accounts payable, trade	(424)	(41)	(365)	(597)
Other, net	359	(105)	(921)	126
Subtotal	3,506	3,847	33,993	6,176
Interest and dividend received	76	75	663	147
Interest paid	(81)	(74)	(653)	(144)
Payments of directors' and officers' retirement benefits	(12)	—	—	(15)
Payments of special retirement benefits	(4)	—	—	—
Income taxes paid	(876)	(887)	(7,840)	(1,610)
Net cash provided by operating activities	2,609	2,961	26,163	4,554
Cash flows from investing activities				
Payments for time deposits	(151)	(176)	(1,553)	(255)
Proceeds from time deposits	277	77	680	454
Purchases of fixed assets	(1,776)	(1,862)	(16,452)	(3,812)
Proceeds from sale of fixed assets	81	110	970	225
Purchases of intangible fixed assets	(2)	(5)	(42)	(14)
Purchases of investment securities	(1)	(5)	(47)	(32)
Proceeds from sale of investment securities	—	3	28	11
Purchases of subsidiaries' stock	(1)	(67)	(594)	(1)
Payment for loans receivable	(509)	(80)	(709)	(862)
Collection of loans receivable	218	4	37	126
Other, net	27	4	40	27
Net cash used in investing activities	(1,837)	(1,997)	(17,642)	(4,133)
Cash flows from financing activities				
Increase (decrease) in short-term loans payable	(207)	(50)	(442)	212
Proceeds from long-term debt	—	—	—	1,253
Payments of long-term debt	(382)	(320)	(2,830)	(779)
Purchases of treasury stock	(173)	(36)	(322)	(1,478)
Proceeds from sale of treasury stock	124	91	809	209
Dividends paid	(467)	(752)	(6,647)	(469)
Other, net	—	6	53	—
Net cash used in financing activities	(1,105)	(1,061)	(9,379)	(1,052)
Effect of exchange rate changes on cash and cash equivalents	110	35	309	3
Decrease in cash and cash equivalents	(223)	(62)	(549)	(628)
Cash and cash equivalents at beginning of year	7,792	7,314	64,621	7,792
Increase in cash and cash equivalents arising from inclusion of a subsidiary in consolidation	150	—	—	150
Decrease in cash and cash equivalents due to exclusion of a subsidiary from consolidation	—	(9)	(82)	—
Cash and cash equivalents at end of six months and year	¥ 7,719	¥ 7,243	\$ 63,990	¥ 7,314

Note: The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥113.19 = U.S.\$1.00.

Board of Directors and Corporate Auditors

(As of November 1, 2005)

DIRECTORS



Mikio Ito
Executive Deputy President and CTO

Tetsuya Nakamura
President and COO

Terutaka Ikeda
Chairman and CEO



Kenji Kobayashi
Director, Senior Executive Vice President
Sales Division

Tadashi Yamoto
Director, Senior Executive Vice President
Functional Components Division
Research and Development

Yuji Tanahashi
Director

AUDITORS



Auditor
Jun Sugimoto



Auditor
Shigenobu Oyashiki



Auditor
Yoshio Tada



Auditor
Takeshi Nakamura

CORPORATE EXECUTIVE OFFICERS



Tetsuo Murase
Senior Executive Vice President



Hajime Yamada
Executive Vice President
Chief Financial Officer



Yasumitsu Ikeda
Executive Vice President
Corporate Planning



Makoto Irisawa
Executive Vice President
Human Resources
and General Affairs



Mitsuru Ito
Vice President
Chief Information Officer
(Computer and Network)



Toru Kaneyoshi
Vice President
Touch Panel Division
and Quality Assurance



Yu Hosoya
Vice President
Production Management



Hirozumi Kawabata
Vice President
Business Affairs



Hideo Matsumoto
Vice President
Sales Division, China



Yoshiyuki Kaku
Vice President
Connection System Division

Corporate Data

(As of September 30, 2005)

Name:	SMK Corporation
Established:	January 15, 1929
Primary business:	Manufacture and sale of various electronic machinery and parts used in power, communications and electronic equipment, other industrial machinery, information equipment, etc.
Capital:	7,996,828,021 yen
Stock exchange listing:	Tokyo Stock Exchange
Transfer agent:	Mitsubishi UFJ Trust and Banking Corporation
Independent auditors:	Shin Nihon & Co. Tokyo, Japan
Employees (SMK-Group):	10,995
Head office:	5-5, Togoshi 6-chome, Shinagawa-ku, Tokyo 142-8511, Japan TEL 81-3-3785-1111 FAX 81-3-3785-1878

Subsidiaries & Affiliates:	
Domestic:	Subsidiaries - 10 companies Affiliates - 3 companies
Overseas:	Subsidiaries - 20 companies

Website: <http://www.smk.co.jp/>

Shares and Shareholders

Authorized shares:	195,961,274
Issued shares:	79,000,000
Number of shareholders:	11,958

Major Shareholders (top ten)	Shares Owned (1,000 shares)	Percentage of Shares (%)
Japan Trustee Services Bank, Ltd.	7,329	9.28
Nippon Life Insurance Company	4,001	5.06
Mizuho Corporate Bank, Ltd.	3,815	4.83
The Master Trust Bank of Japan, Ltd.	3,073	3.89
The Mitsubishi Trust and Banking Corporation	2,512	3.18
Terutaka Ikeda	1,970	2.49
Dai Nippon Printing Co., Ltd.	1,795	2.27
The Bank of Tokyo-Mitsubishi, Ltd.	1,760	2.23
SMK Cooperating Company Share Holding Association	1,726	2.19
Trust & Custody Services Bank, Ltd.	1,669	2.11

Note: 1. The Company owns 2,920 thousand shares of treasury stock which are excluded from the above list.
2. Of the above shares owned by major shareholders, the following number of shares are held in trust operations:
Japan Trustee Service Bank, Ltd. : 7,329 thousand shares
The Master Trust Bank of Japan, Ltd. : 3,073 thousand
The Mitsubishi Trust and Banking Corporation : 575 thousand
Trust & Custody Services Bank, Ltd. : 1,669 thousand