

Consolidated Financial Results for the Second Quarter of FY2016

October 25, 2016

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 Code no : 6798
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 Scheduled date of filing quarterly securities report : November 11, 2016
 Scheduled date of payment of cash dividends : November 21, 2016
 The additional materials of the Financial Results for the Second Quarter : Yes
 The briefing session of the Financial Results for the Second Quarter : Yes (for institutional investors and analysts)

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(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for the Second Quarter of FY2016 (April 1, 2016 through September 30, 2016)

<1> Consolidated operating results

(Percent indications show increase (decrease) from the same period of the previous year.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2016 2nd quarter	31,708	(19.3)	747	(71.0)	(853)	-	(1,079)	-
FY2015 2nd quarter	39,315	22.2	2,572	128.4	2,879	19.0	2,077	23.7

(Note): Comprehensive income (loss): (2,473) million yen for the 2Q of FY2016, - % and 1,604 million yen for the 2Q of FY2015, (30.3)%

	Net income (loss) per share-basic	Net income per share-diluted
FY2016 2nd quarter	yen (15.87)	yen -
FY2015 2nd quarter	29.18	29.13

<2> Consolidated financial position

	Total assets	Net assets	Net assets excluding share subscription rights and non-controlling interests as a percentage of total assets
	Millions of yen	Millions of yen	%
FY2016 2nd quarter	65,255	28,676	43.6
FY2015	67,606	33,287	48.8

(Reference): Net assets excluding share subscription rights and non-controlling interests: 28,432 million yen as of September 30, 2016 and 32,995 million yen as of March 31, 2016

2. Dividends

	Annual cash dividends per share				
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total
FY2015	yen -	yen 6.00	yen -	yen 8.00	yen 14.00
FY2016	-	5.00			
FY2016 forecast			-	5.00	10.00

(Note): Change in dividends forecast from the latest disclosure: None

3. Forecast of consolidated operating results for FY2016 (April 1, 2016 through March 31, 2017)

(Percent indications show increase (decrease) from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2016	65,700	(14.9)	2,600	(37.7)	1,300	(63.3)	1,100	(58.9)	16.64

(Note): Change in forecast of consolidated operating results from the latest disclosure: Yes

※ Notes

<1> Significant changes in scope of consolidation : None

<2>Adoption of specific accounting policies for quarterly consolidated financial statements: None

<3>changes in accounting policies, accounting estimation change and restatement

<3>-1 Changes in accounting policies due to the revision of the accounting standards : Applicable

<3>-2 Changes in accounting policies except for those in <3>-1 : None

<3>-3 Changes due to accounting estimation change : None

<3>-4 Restatement : None

<4> Number of shares issued

<4>-1 Number of shares issued at the end of each period (including treasury stocks)

FY2016 2Q	75,000,000 shares	FY2015	79,000,000 shares
FY2016 2Q	8,878,415 shares	FY2015	8,947,853 shares
FY2016 2Q	68,011,758 shares	FY2015 2Q	71,172,806 shares

<4>-2 Number of treasury shares at the end of each period

<4>-3 The average number of shares issued in each period (cumulative quarterly consolidated accounting period)

※ Implementation status of quarterly review

This Financial Results report for the second quarter is exempt from quarterly review which is based on Financial Instruments and Exchange Law of Japan. As of the second quarter disclosing, quarterly review procedures for the quarterly financial statement is in progress.

※ Explanation regarding the appropriate use of forecasts of business results and special notes

1. This document contains forward-looking statements based on judgments and estimates derived from information available to the Company at the time of this release. Actual future results may differ materially from any projections presented here due to a variety of factors.
2. SMK Corporation plans to hold a briefing of the quarterly financial results for institutional investors and analysts on November 7, 2016. Relevant financial explanatory documents to be handed out at the briefing will be posted on our corporate website immediately after the briefing.