
Business Report for FY2013

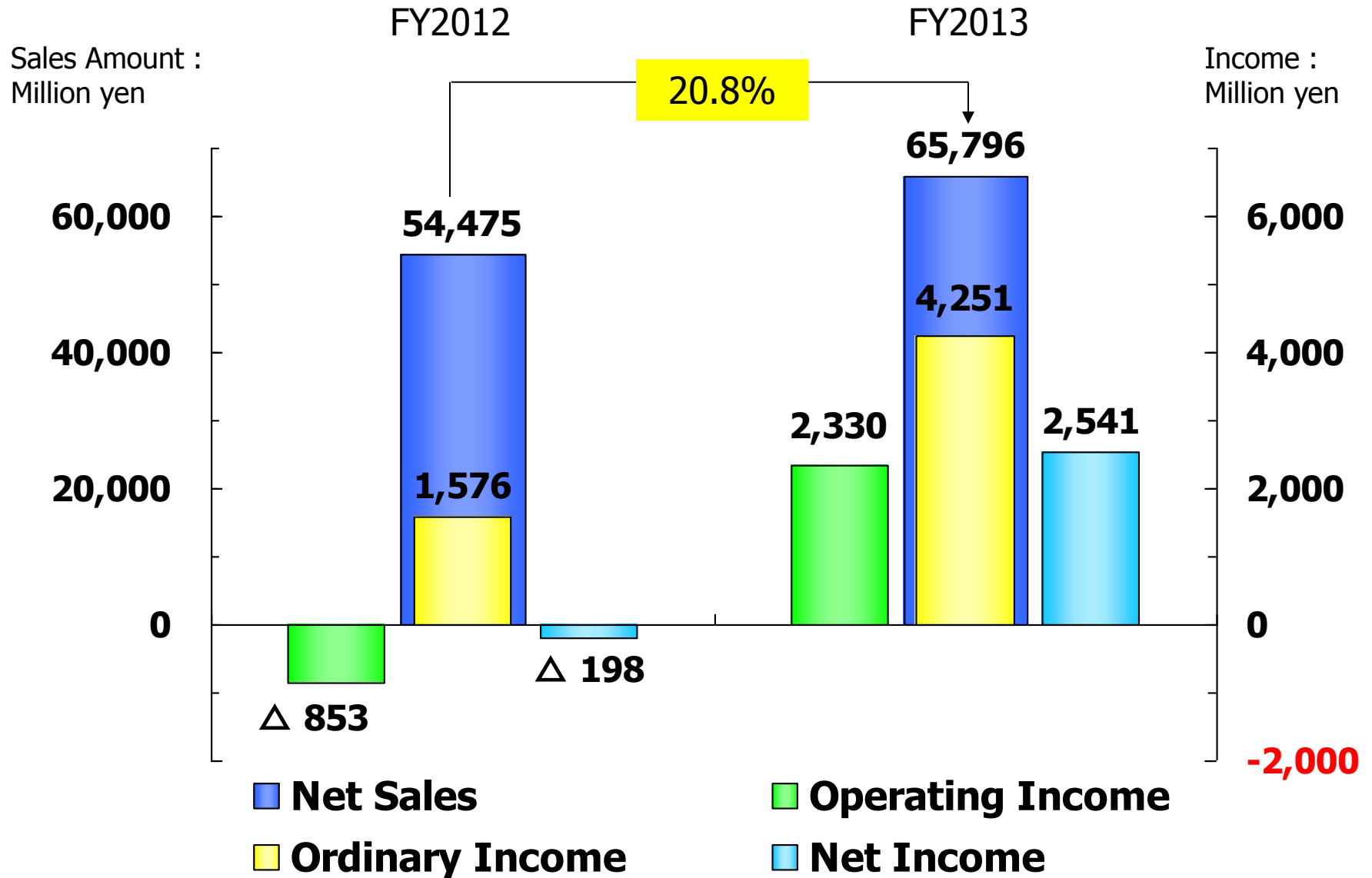
SMK Corporation
April 30, 2014

FY2013 Outline of Financial Statement

Executive Vice President and CFO

KOHEI OHGAKI

< Consolidated > Financial Result

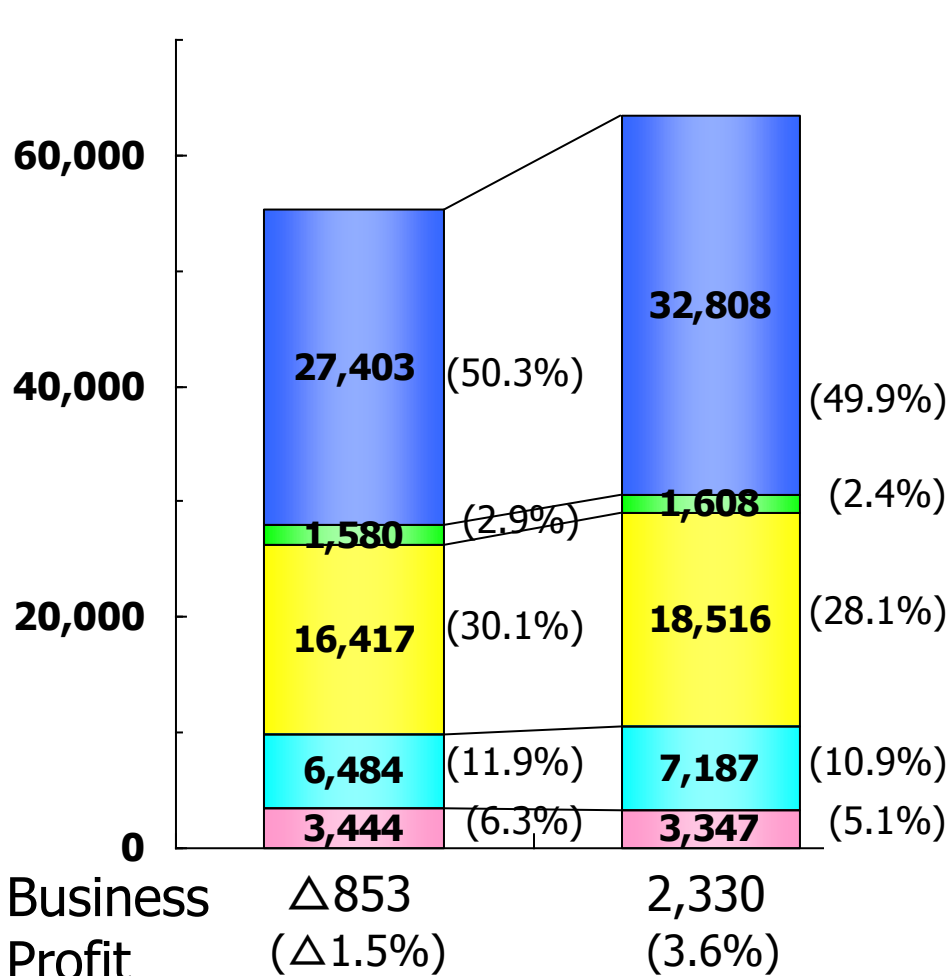


<Consolidated> Operating Expenses

FY2012	FY2013
55,328	63,466
(101.5%)	(96.4%)

Unit : Million yen

() : Sales ratio



- Material costs
- Amount paid to subcontractors
- Labor costs
- Expenses
- Depreciations

- 0.9% improvement in (material costs + amount paid to subcontractors)

53.2% → 52.3% -488million yen

- 3.0% improvement in (Labor costs + Expenses)

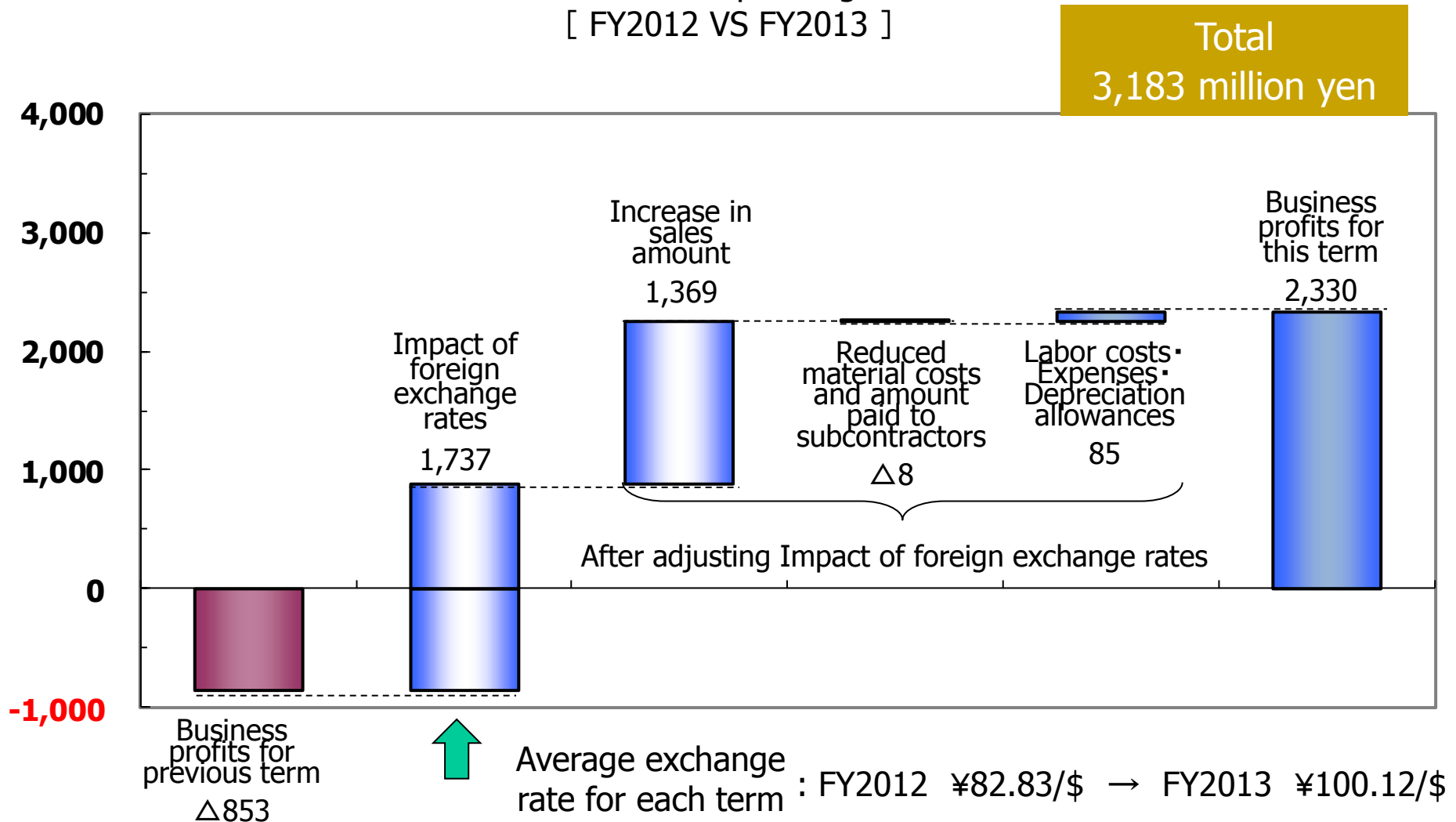
42.0% → 39.0%

Increased expenses due to production increase +2,802 million yen

<Consolidated> Analysis of Sales Expenses

Analysis of factors for increase/decrease
of consolidated operating income
[FY2012 VS FY2013]

Unit : Million yen



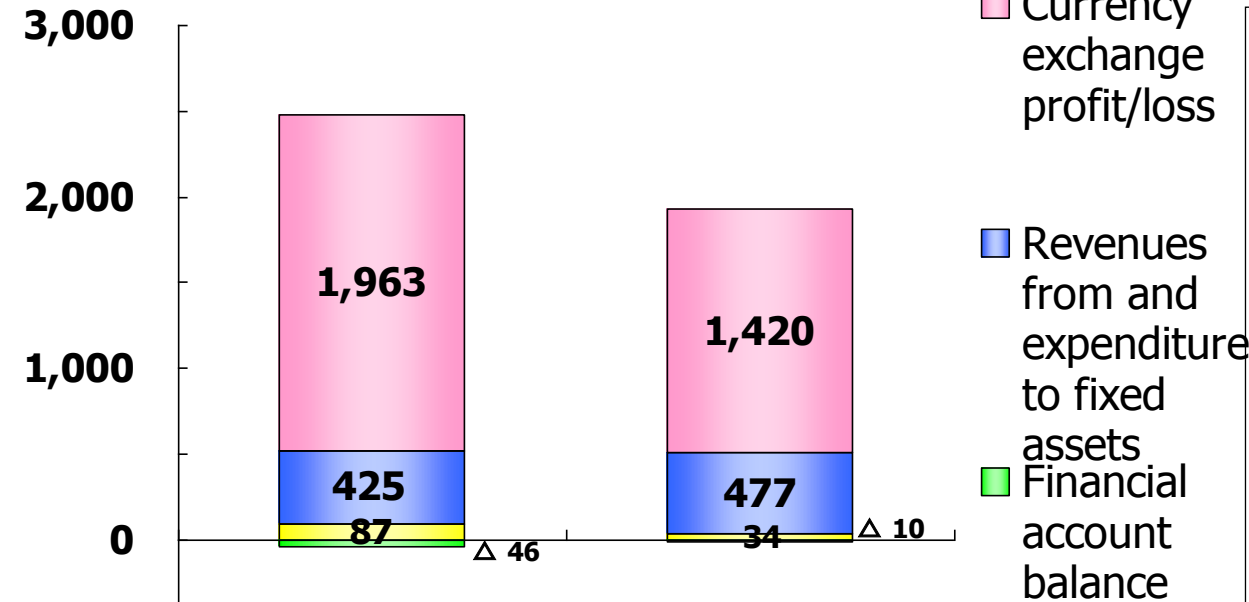
<Consolidated> Non-operating Profit and Loss ^{6/23}

Unit : Million yen

FY2012
2,429
(4.5%)

FY2013
1,921
(3.0%)

() : percentage to
sales amount



- Currency exchange profit/loss
- Revenues from and expenditure to fixed assets
- Financial account balance
- Others

<Exchange profit>

543 million yen

1. FY2012

2012/3 ¥ 82.19/\$
2013/3 ¥ 94.05/\$

Yen weakened by 11.86 yen

2. FY2013

2013/3 ¥ 94.05/\$
2014/3 ¥ 102.92/\$

Yen weakened by 8.87 yen

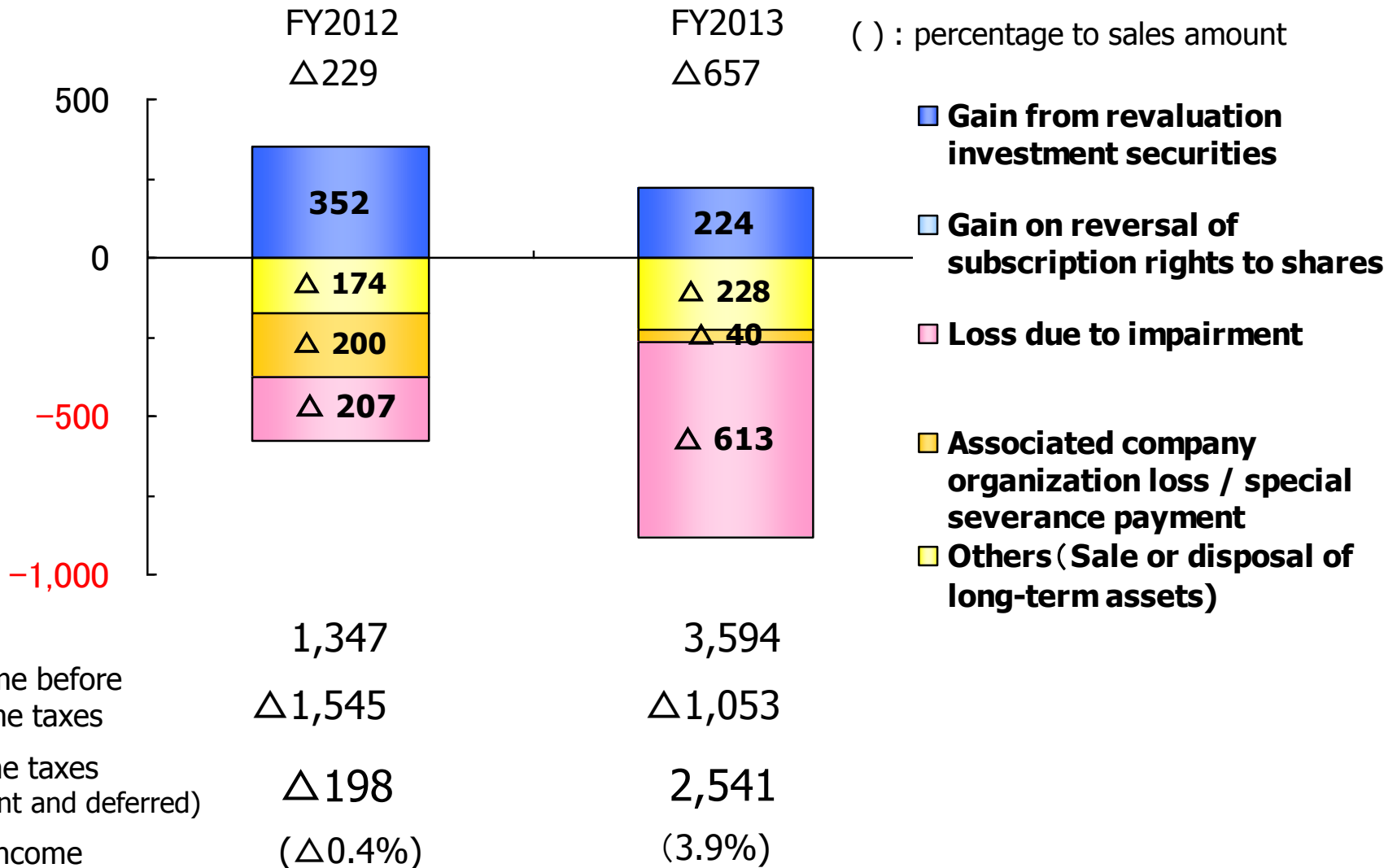
Ordinary
Income 1,576
 (3.0%)

 4,251
 (6.6%)

< Consolidated > Non-operating profit and loss^{7/23}

Unit : Million yen

() : percentage to sales amount



< Consolidated > Segment Information

8/23

FY2013

Unit : Million yen

	Reporting Segment				Others (*)	TOTAL (Consolidated gain and loss exhibit)
	CS Div.	FC Div.	TP Div.	Total		
Net Sales	27,416	22,438	15,808	65,662	134	65,796
Segment gain or loss (Operating Income)	1,403	△963	1,866	2,306	24	2,330

FY2012

	Reporting Segment				Others (*)	TOTAL (Consolidated gain and loss exhibit)
	CS Div.	FC Div.	TP Div.	Total		
Net Sales	25,498	18,803	9,923	54,224	251	54,475
Segment gain or loss (Operating Income)	521	△1,430	12	△897	44	△853

(*) Other: research and development, lease, real-estate rental, factoring

< Consolidated > Cash Position

9/23

Unit : Million yen

	2013/3 (A)	2014/3 (B)	Differential (B-A)
Assets	52,498	56,235	3,737
Cash and cash equivalents	8,713	11,227	2,514
Accounts receivable	14,551	14,681	130
Inventories	5,466	5,904	438
Fixed assets	19,864	21,010	1,146
Liabilities	24,293	24,759	466
Accounts payable and accrued expenses	9,851	9,660	△191
Interest-bearing dept	11,488	10,566	△922
Net assets	28,204	31,476	3,272
Common stock	7,996	7,996	—
Capital adequacy ratio	53.6%	55.9%	2.3%

< Consolidated > Cash Flow Position

10/23

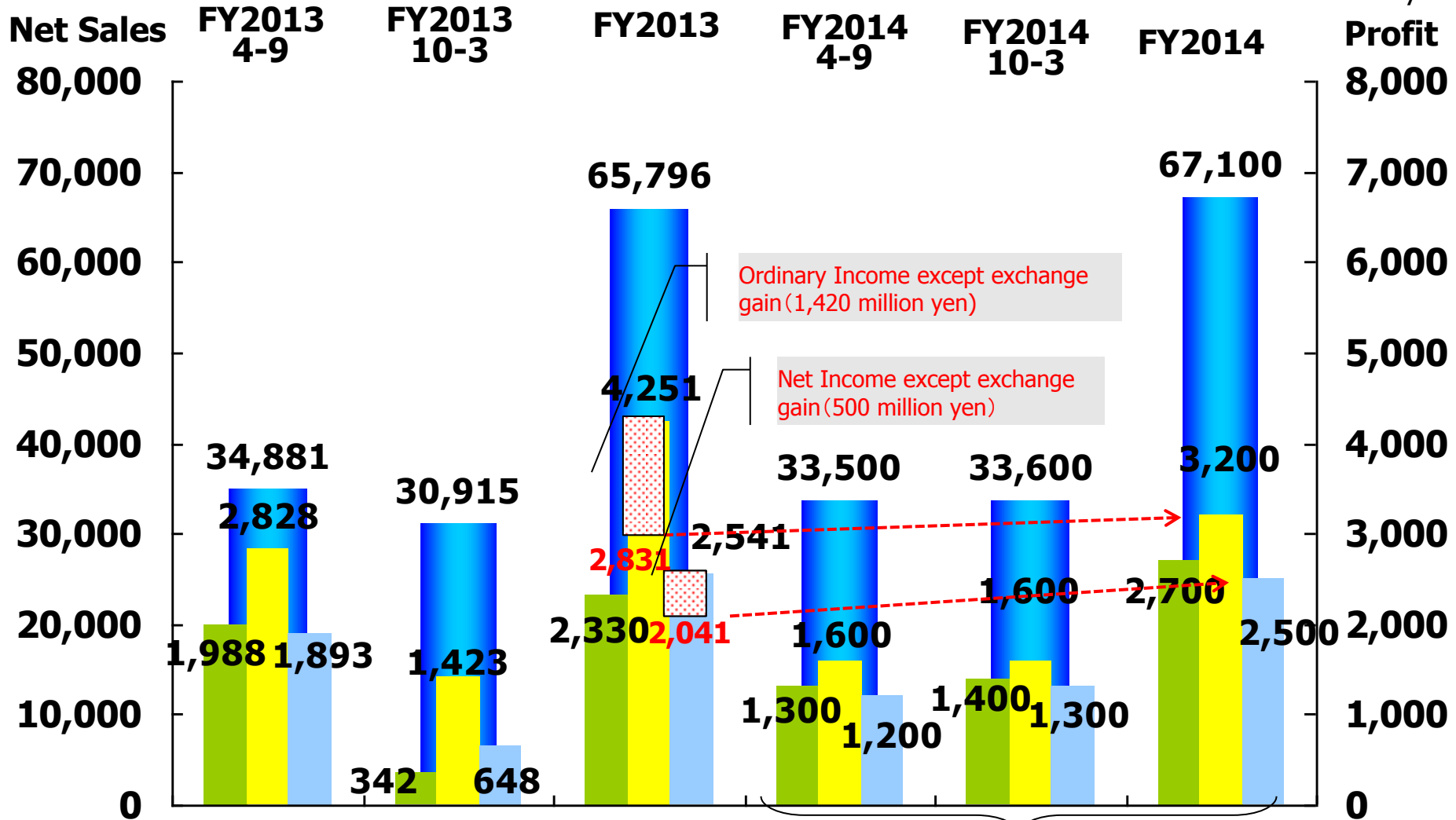
Unit : Million yen

	FY2012	FY2013
Cash Flow from operating activities	5,310	7,645
Working capital	△99	△731
Income before income taxes	1,347	3,594
Depreciation	3,438	3,377
Others	624	1,405
Cash Flow from investing activities	△3,402	△3,420
Free Cash Flow	1,908	4,225
Cash Flow from financing activities	△1,360	△1,521
Increase (decrease) in interest-bearing dept.	△788	△1,010
Purchases of treasury stock	△142	198
Dividends paid	△430	△709
Initial balance	8,389	8,630
Final balance	8,630	11,134

<Consolidated> Financial Highlights (Half-Period) Compared with Expectations

11/23

Unit : Million yen



Consolidated performance forecast

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

Annual Dividend

12/23

	End of the second quarter	End of year	Annual
FY2014(Plan)	—	—	10.00 yen
FY2013	5.00 yen	5.00 yen	10.00 yen

FY2013 Result and FY2014 Prospect

President and COO

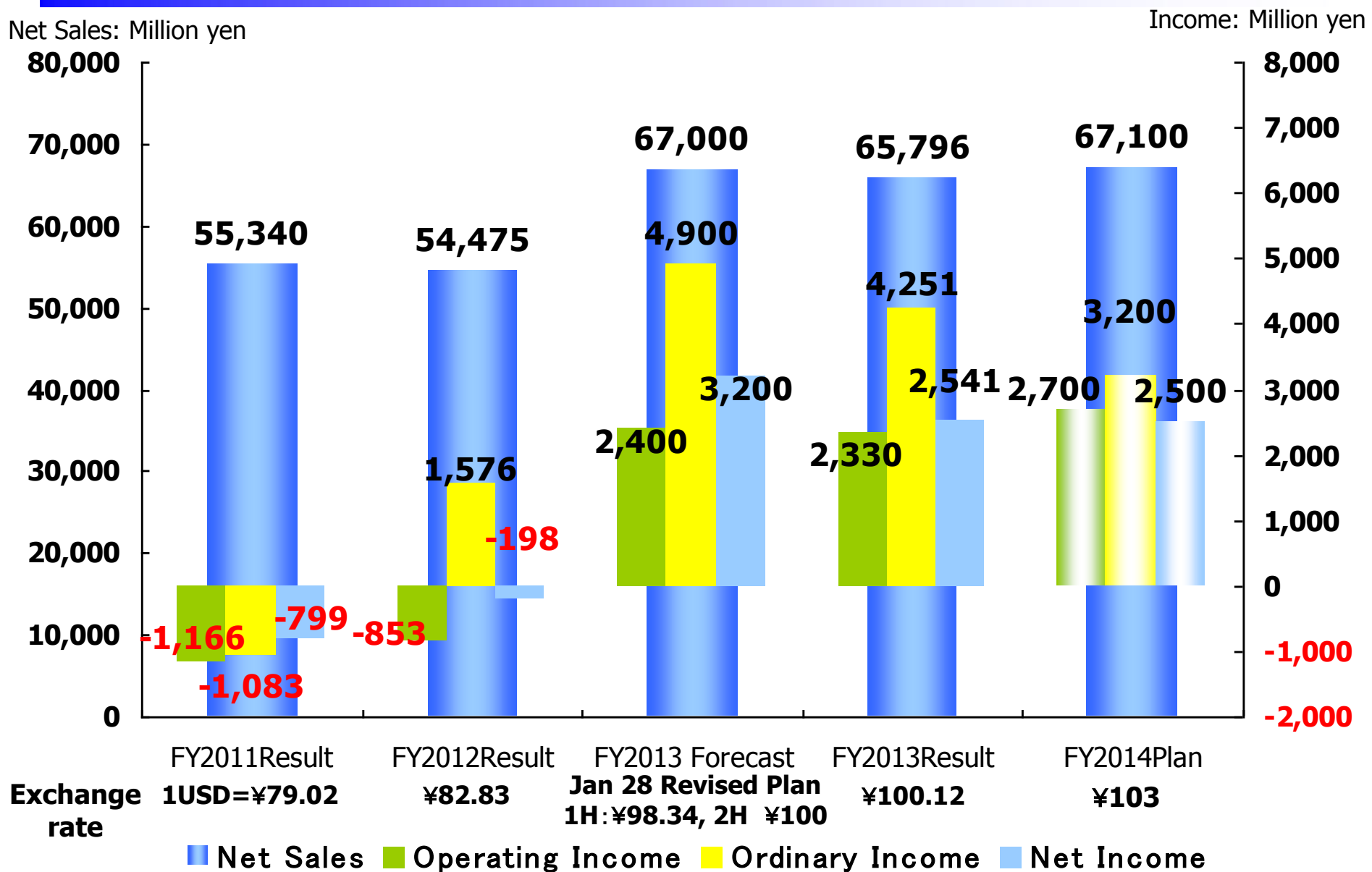
Yasumitsu Ikeda

SMK Executive Appointment June 24, 2014

14/23

Name	Present Post	New Post
☆ Transfer Representative director		
Tetsuya Nakamura	Chairman and CEO	Senior Adviser
Yoshio Sakurai	Director, Executive Deputy President and CIO	Representative Director, Executive Deputy President and CIO
☆ New Director candidate		
Mikio Wakabayashi	Executive Vice President Sales Div. Director	Director, Executive Vice President Sales Div. Director
☆ New Vice President		
Mitsuhiko Goto	Quality Assurance Center General Manager, Environmental Production Dept. General Manager, Technology Management Dept. General Manager	Vice President Quality Assurance Center General Manager, Environmental Production Dept. General Manager, Technology Management Dept. General Manager
Tetsuo Hara	Car Electronics Market Dept. General Manager Marketing Dept. General manager	Vice President Car Electronics Market Dept. General Manager Marketing Dept. General manager

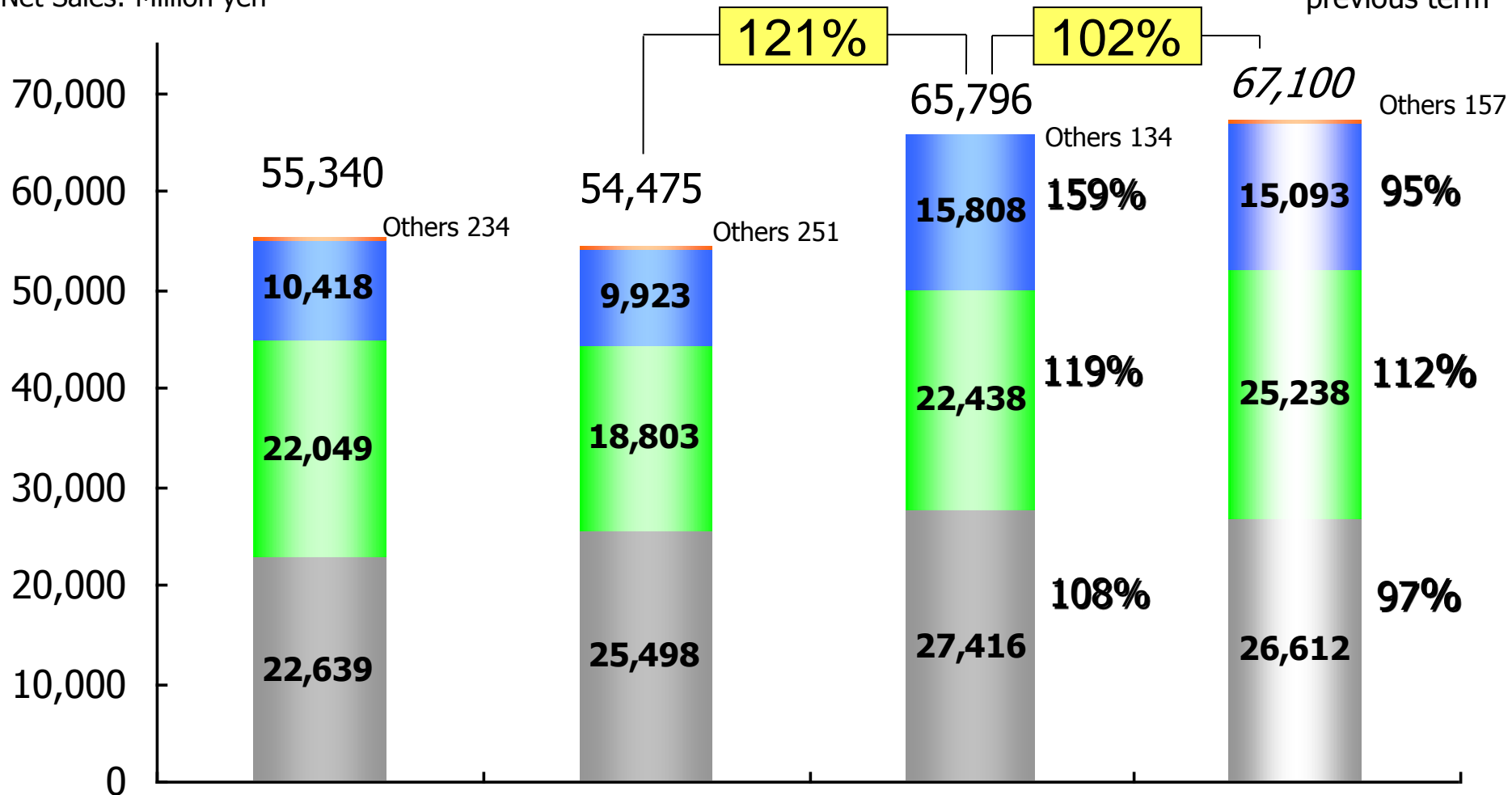
Full Fiscal Term Performance (FY2011- FY2014)^{15/23}



Net Sales by Product Division (FY2011-FY2014)^{16/23}

Net Sales: Million yen

%: Compared to previous term



FY2011 Results
1USD=¥79.02

FY2012 Results
¥82.83

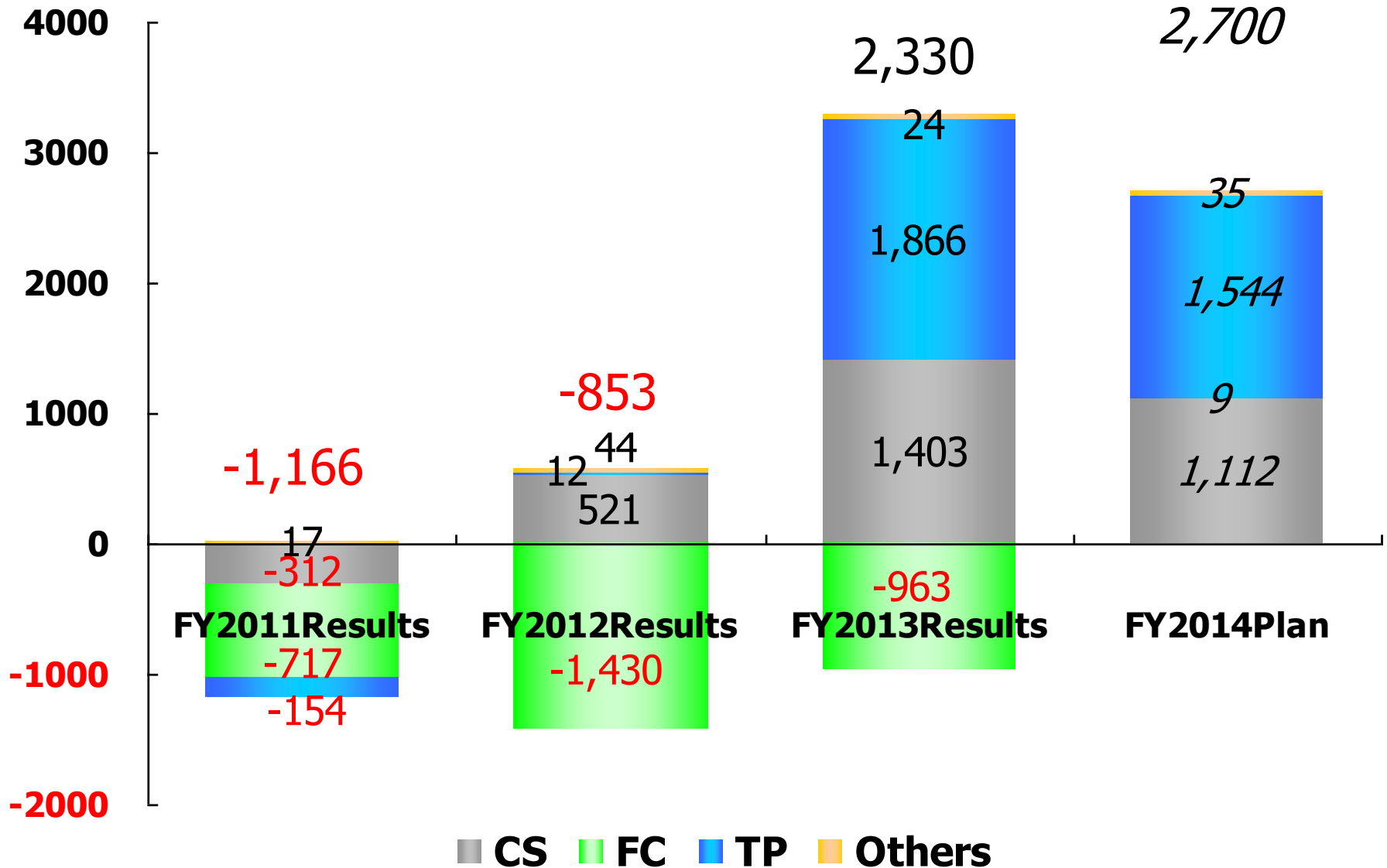
FY2013 Results
¥100.12

FY2014 Plan
¥103

■ CS ■ FC ■ TP ■ Others

Operating Income by Product Division (FY2011~FY2014)^{17/23}

Net Sales: Million yen



Net Sales by Market (FY2011 ~ FY2014)

%: Compared to previous term

Net Sales: Million yen

80,000

70,000

60,000

50,000

40,000

30,000

20,000

10,000

0

FY2011Results

FY2012Results

FY2013Results

FY2014Plan

■ Audio & Visual

■ Telecom

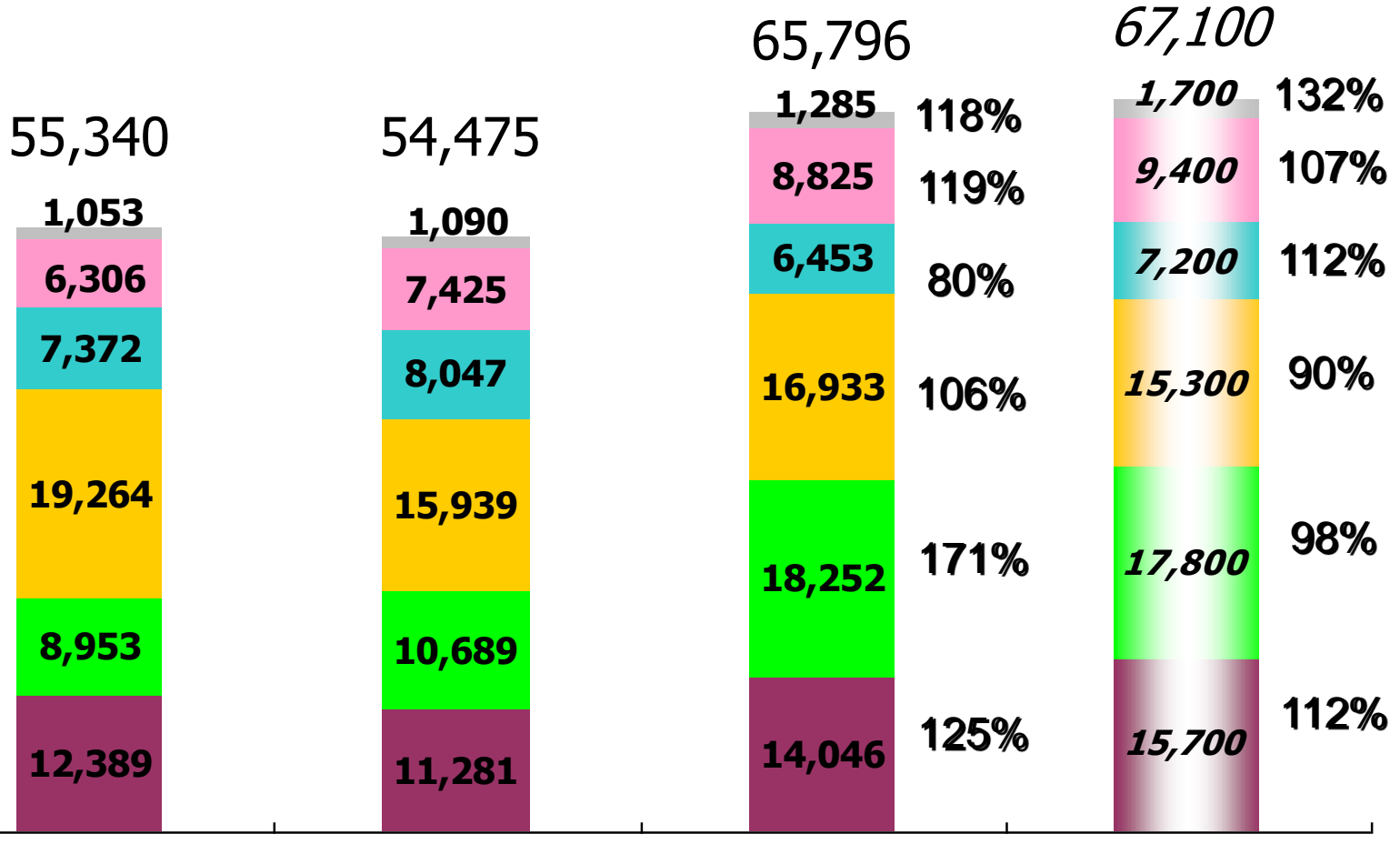
■ Amusement & Home Appliance

■ Car Electronics

■ Computer

■ Others

Business Report for FY2013 April 30, 2014



Positive aspects

- ✓ Recovery of the global economy
- ✓ Growth of the electronics industry
- ✓ Business potential in New markets and Emerging nations market has increased



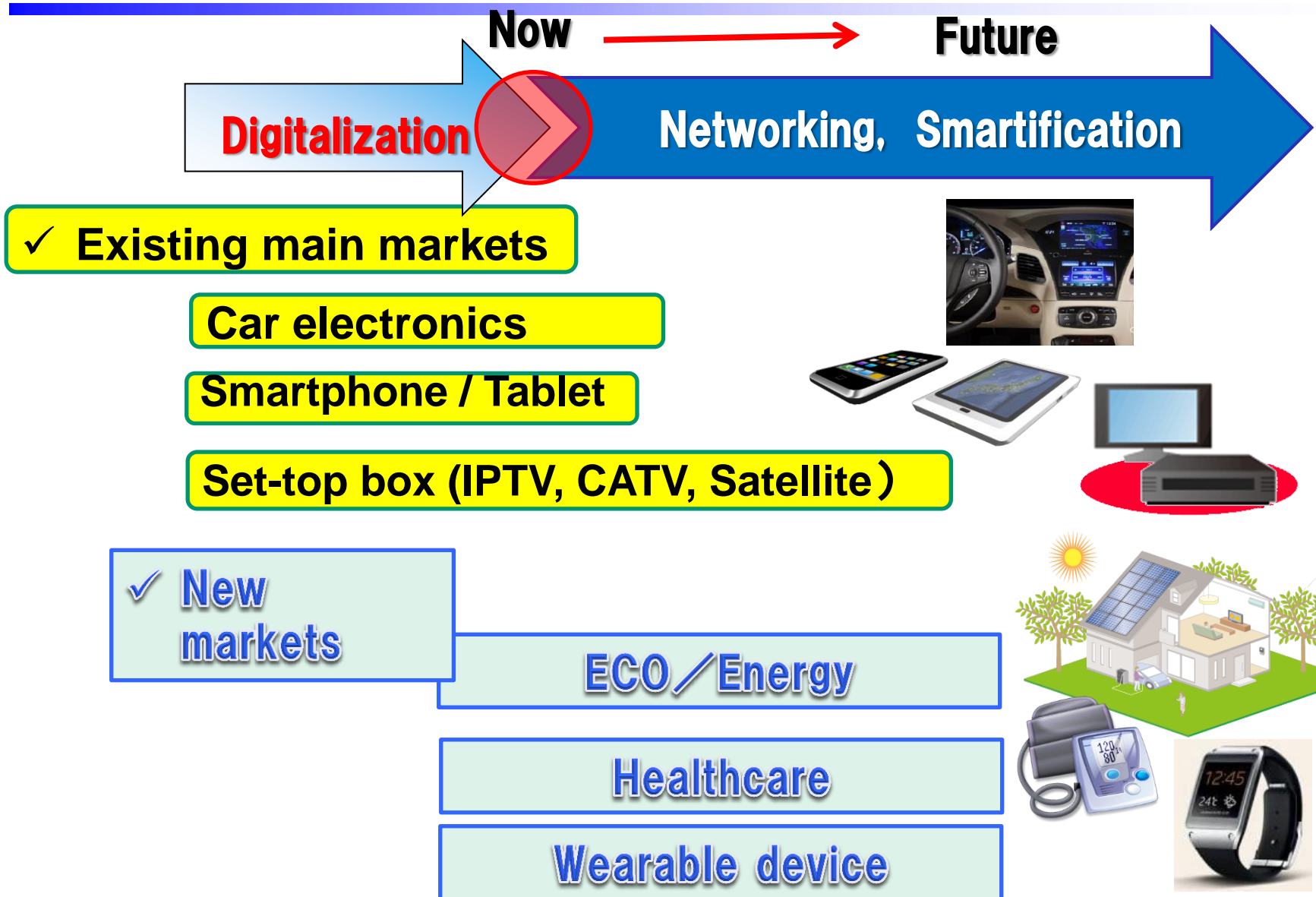
Negative aspects

- ✓ Concern over emerging nations' economic slowdown
- ✓ Commoditization of electronics products
- ✓ Rising labor costs in China and ASEAN
- ✓ Emergence of political and social risks globally



1. Reclaiming existing markets and cultivating new markets
2. Increase effort to develop new business
3. Evolution of management of TN group
(Production, Development, Sales)
4. Reinforcement of CSR and Risk management

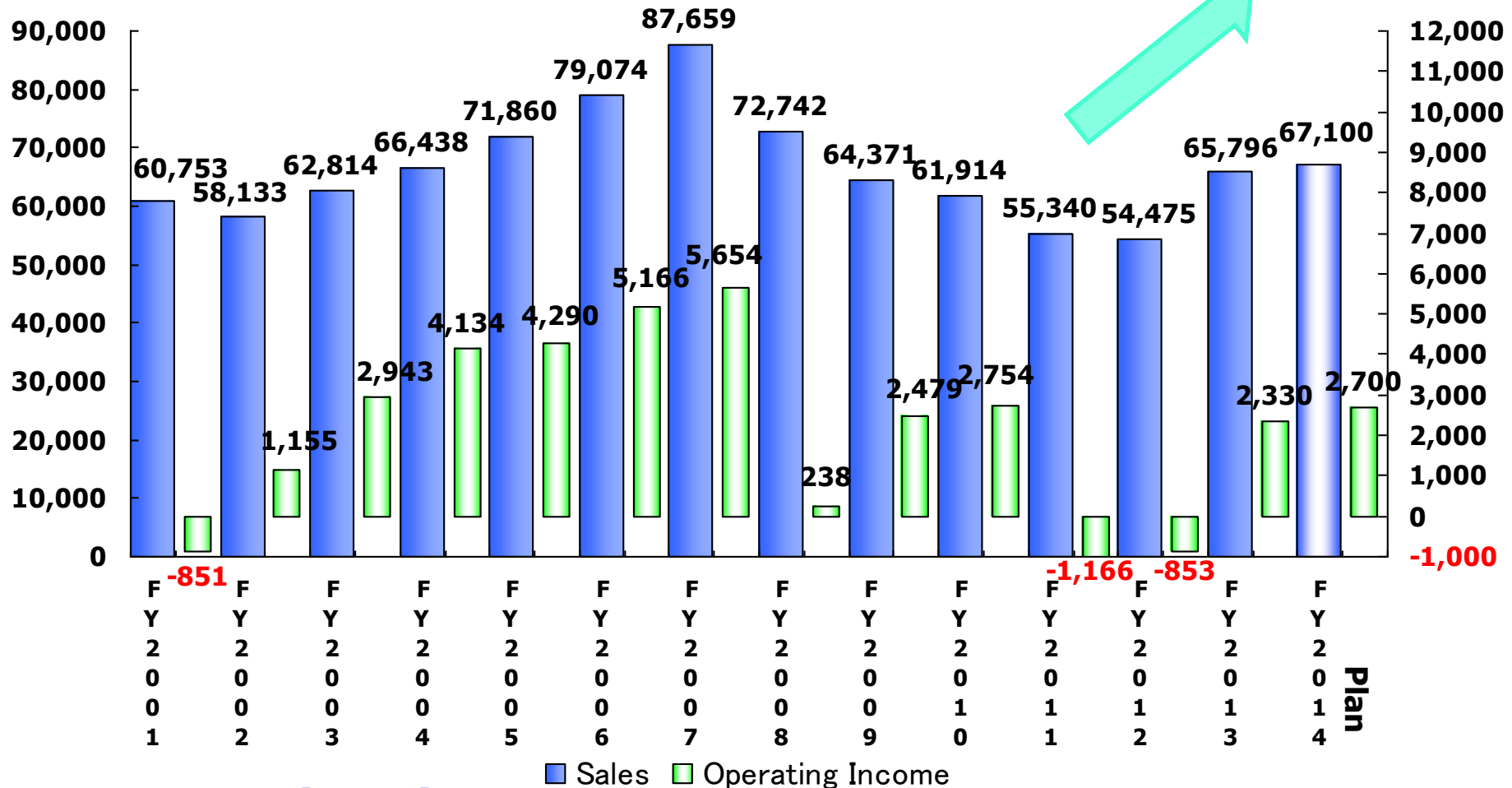
FY2014 important markets



Sales & Operating Income Chart (FY2001 ~ FY2014)^{22/23}

Income: Million yen

Net Sales: Million yen



-FY2014 Basic Policy-

**IMPLEMENT NEW GROWTH STRATEGY AND
BUILD CORPORATE SYSTEMS TO COPE WITH CHANGING MARKETS**

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/>