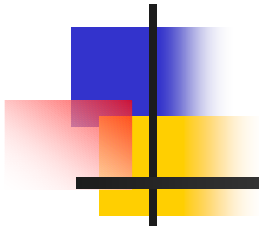


Business Report for

FY2008

From APR 2008 to DEC 2008



SMK Corporation

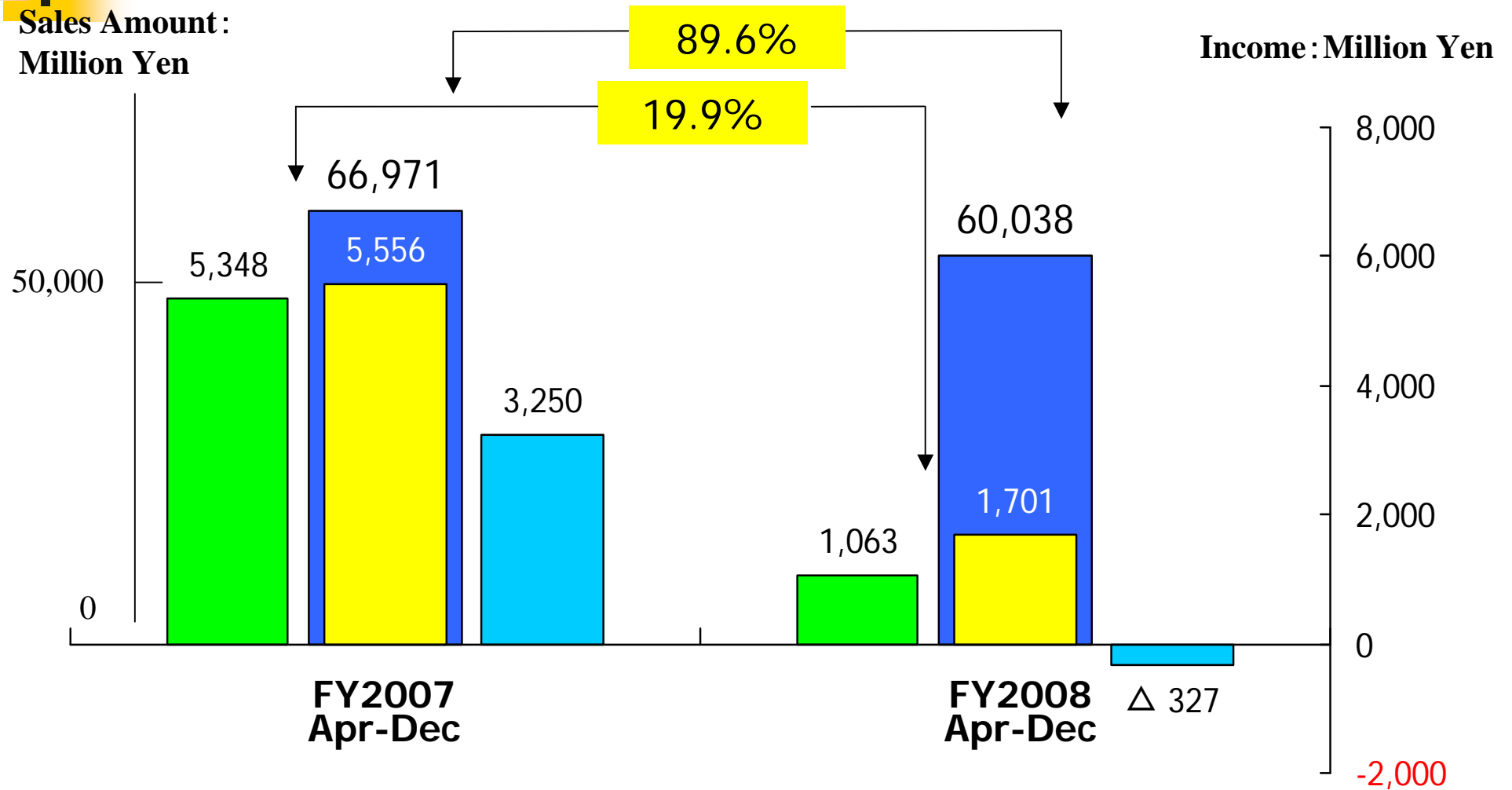
9th FEB 2009



< Consolidated > 3Q Financial Result (Apr-Dec)

Sales Amount:
Million Yen

Income: Million Yen

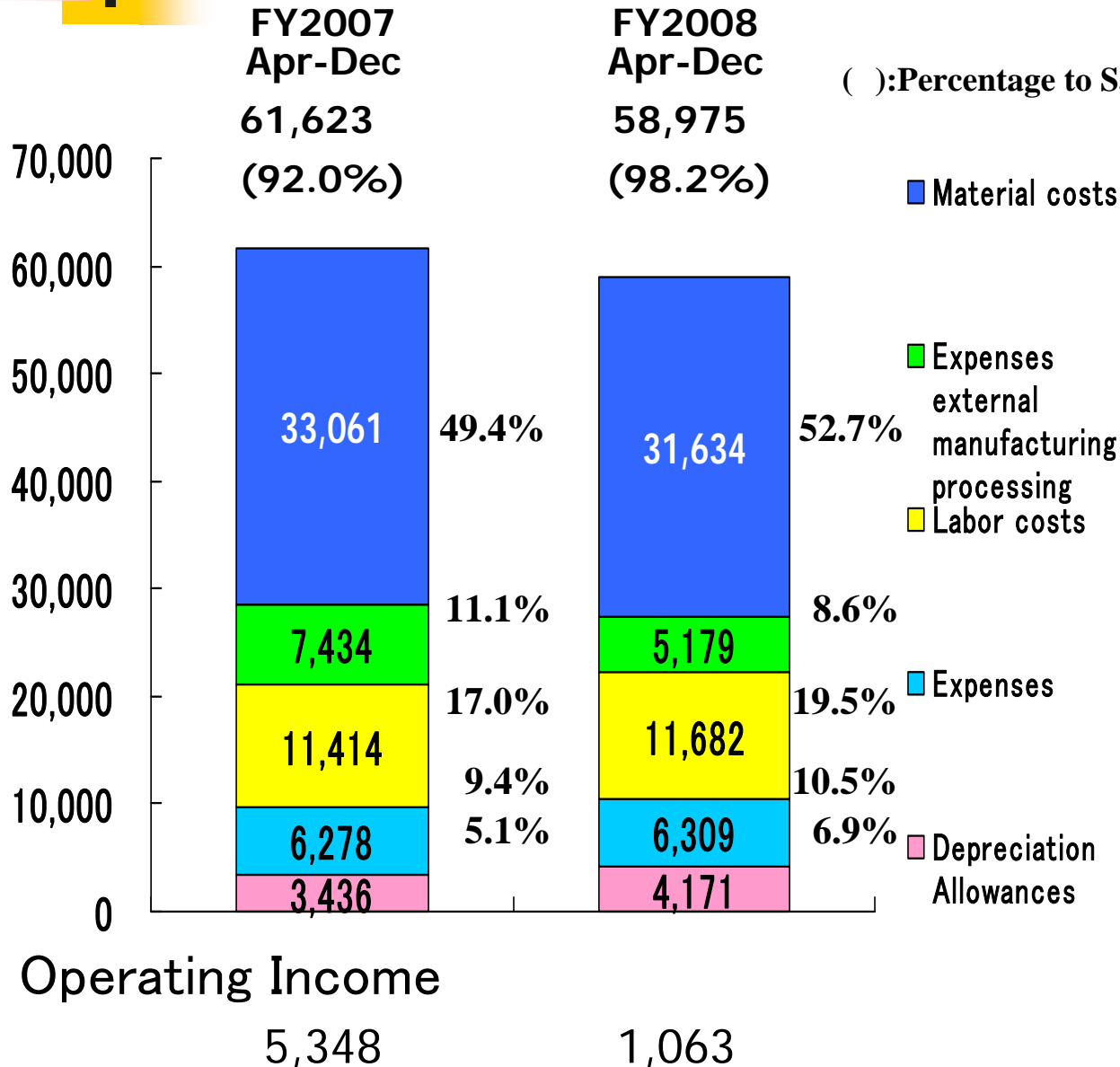


■ Net Sales
 ■ Operating Income
 ■ Ordinary Income
 ■ Net Income

< Consolidated > Sales Expenses

(Unit: Million yen)

(): Percentage to Sales Amount



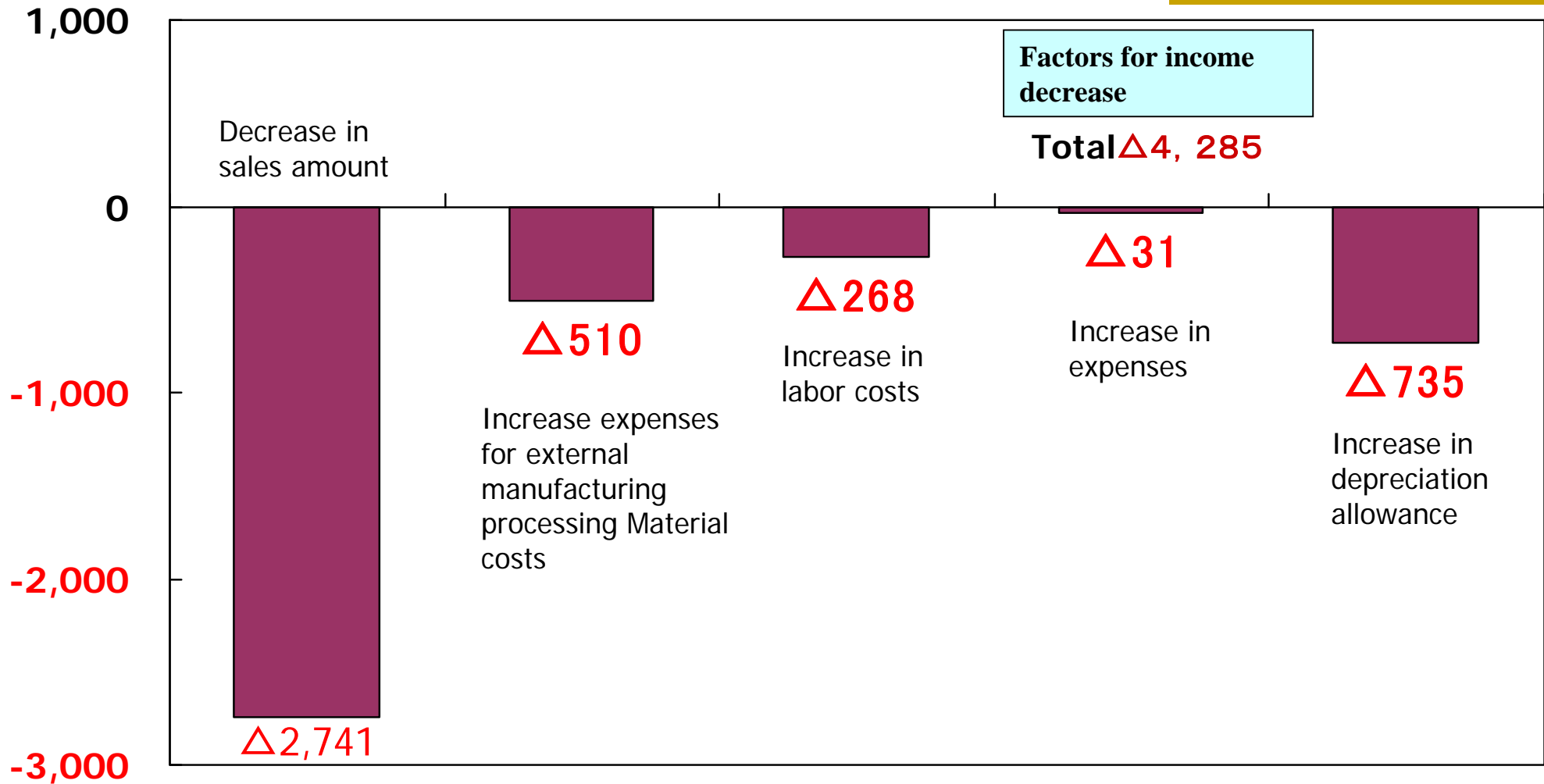
[(Material costs+ expenses for external manufacturing processing) aggravated by 0.8%]
 60.5%→61.3% About 510 million yen
 [Labor Costs increased by 268 million yen]
 Labor Costs increased because due to newly consolidated 3 affiliates
 [Depreciation Allowances increased by 735 million yen]
 Amount of impact due to tax revision in 2007/2008 : About 440 million yen

< Consolidated > Analysis of Sales Expenses

(Unit: Million yen)

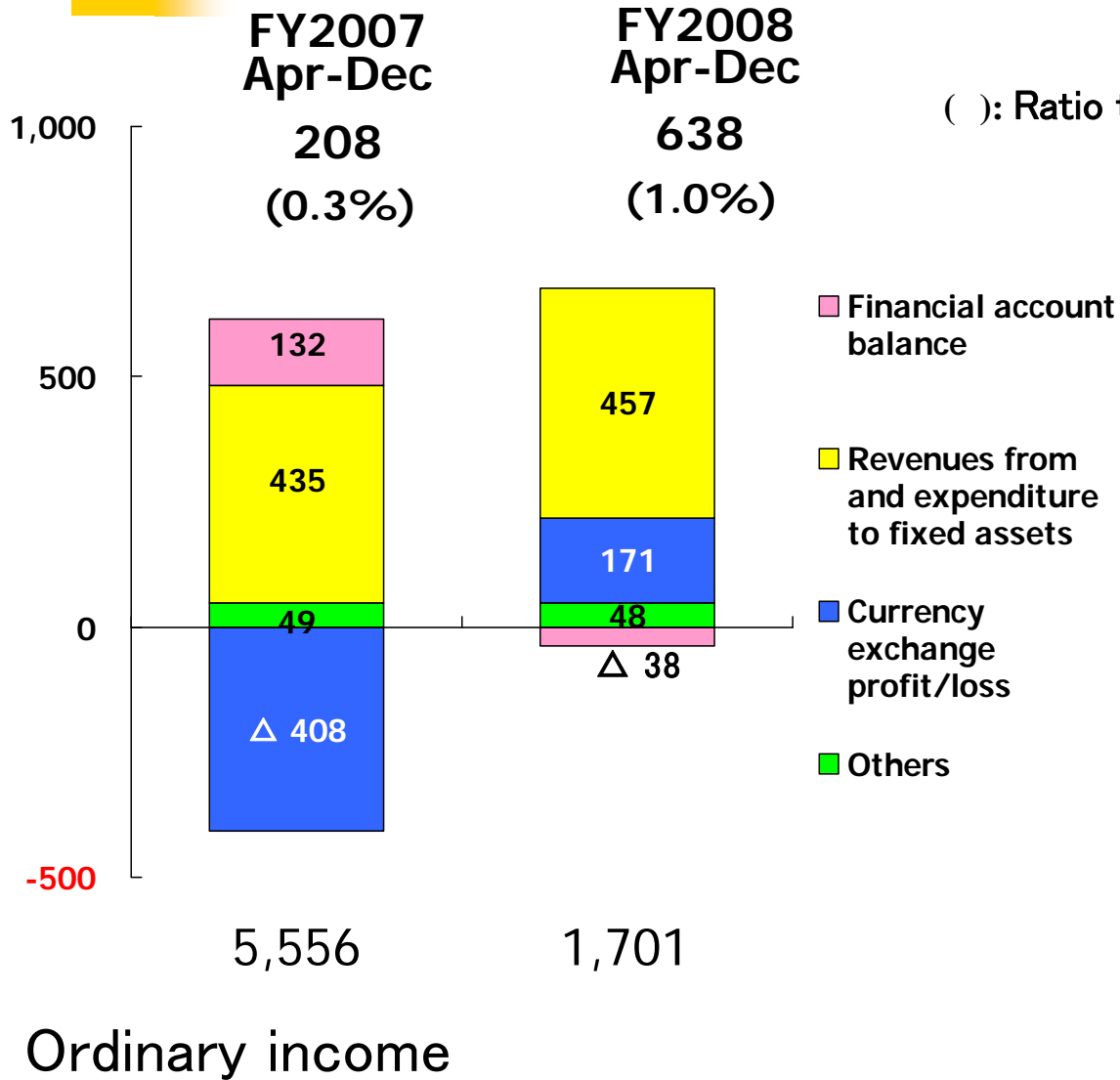
Analysis of Factors Resulting In Increase/Decrease of Consolidated Operating Income[FY2007 4-12 vs. FY2008 4-12]

Total
 $\Delta 4,285$ Million yen



< Consolidated > Non-operating income and loss

(Unit: Million yen)



Comparison with performance in FY2007
1Q-3Q : +430 million yen

Exchange Increase +579 million yen

▪ **Quotation in foreign currency of exchange loss Δ 805 million yen**

FY2007 1-3Q Yen appreciated by 3.90 yen (as of Dec.31/2007)

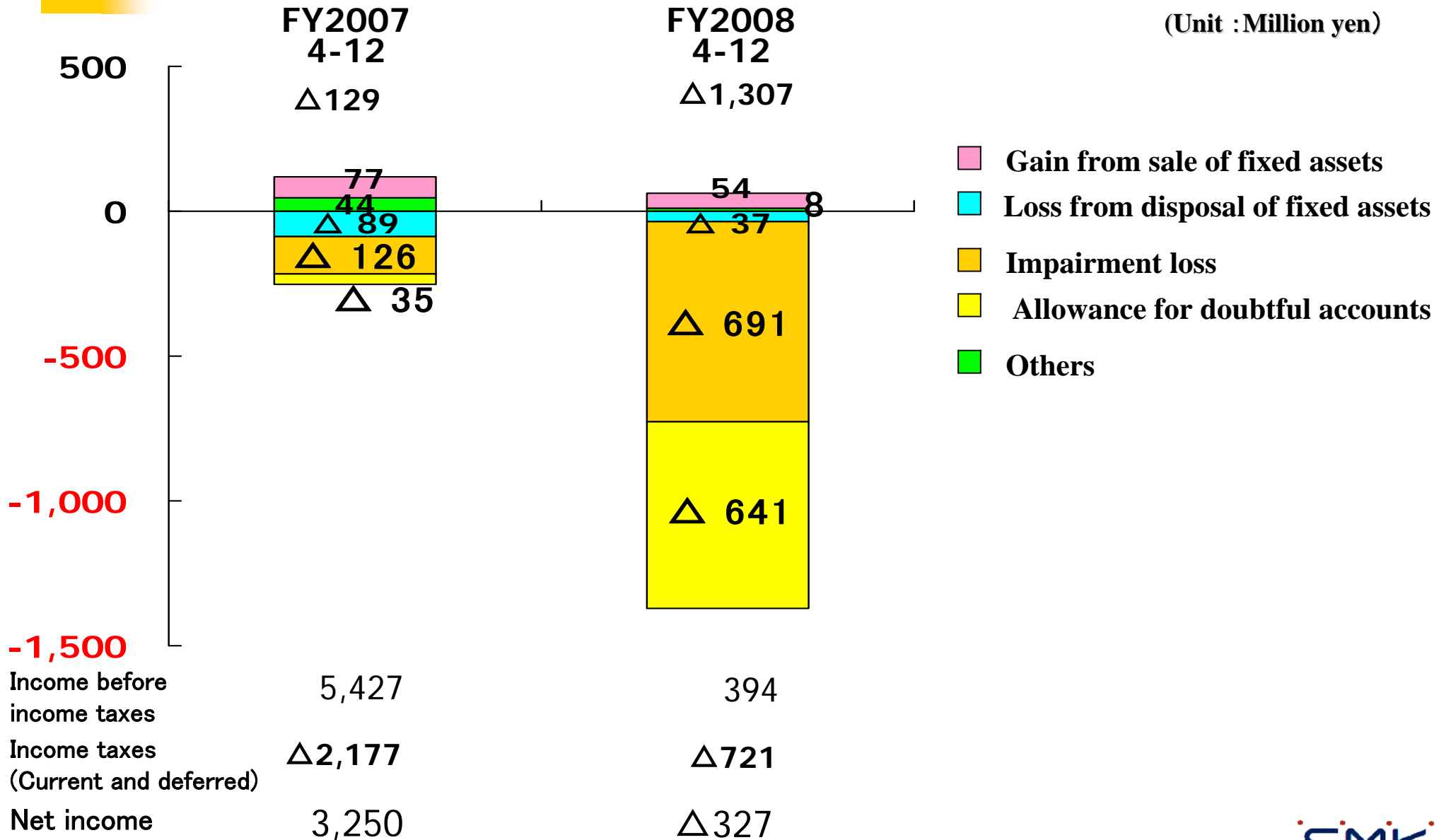
[118.05(07/Mar) — 114.15(07/Dec)]

FY2008 1-3Q Yen appreciated by 9.35 yen (as of Dec.31/2008)

[100.19(08/Mar) — 90.84(08/Dec)]

▪ **Appraisal gain due to currency exchange reservation +1,384 million yen**

< Consolidated > Extraordinary gain or loss



FY 2008 Trends in Performance (Quarterly)

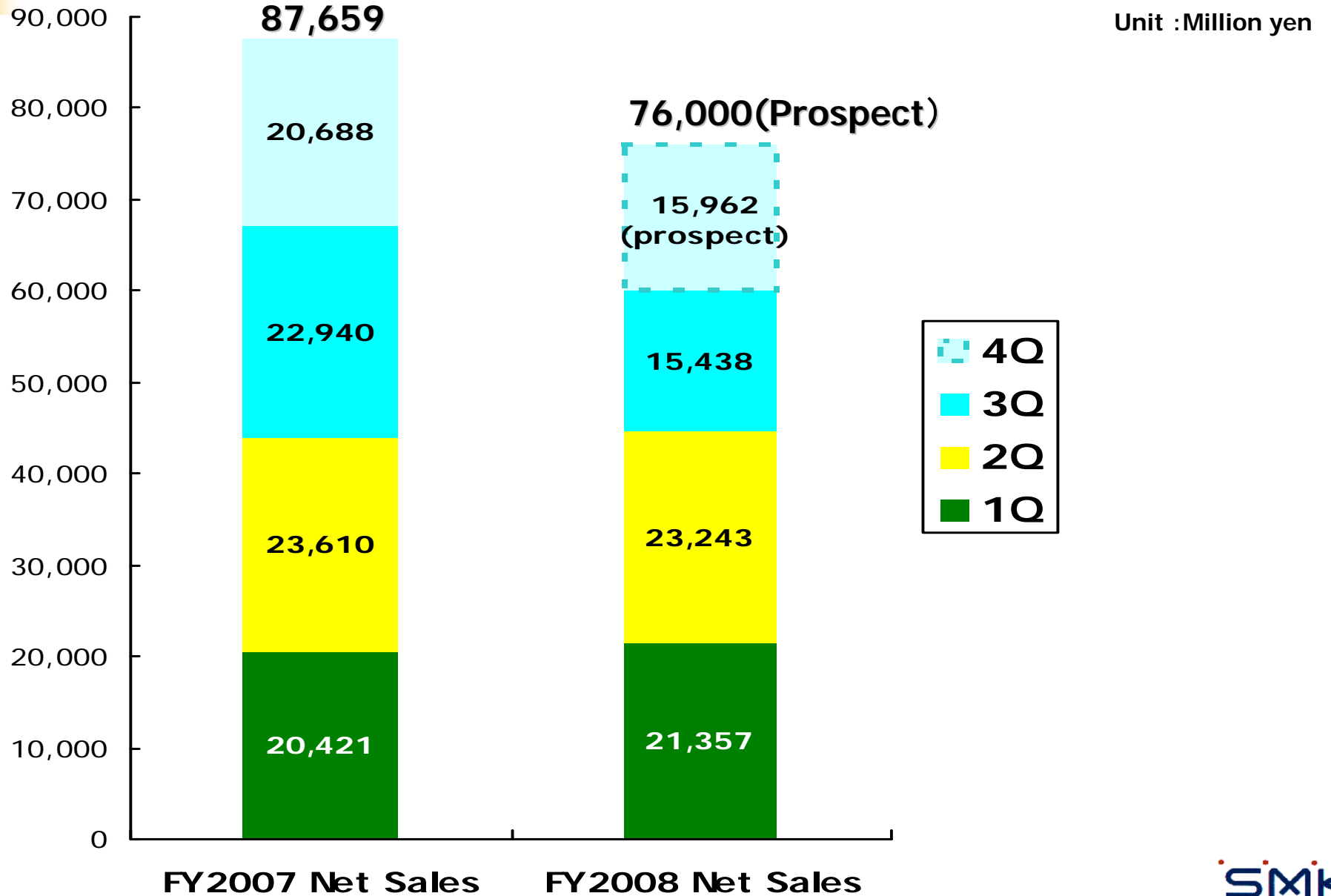
(Unit : Million yen)

	1 st to 2 nd QTR			3 rd to 4 th QTR			1 st to 4 th QTR
	1st QTR (08/Apr- Jun) (result)	2nd QTR (08/Jul- Sep) (result)	1st and 2nd total (08/Apr-Sep) (result)	3rdQTR (08/Oct- Dec) (result)	4thQTR (09/Jan- Mar) (Plan)	3rd and 4th total (08/Oct- 09/Mar) (Plan)	Sum Total (08/Apr- 09/Mar) (Plan)
Net Sales	21,357 104.6	23,243 98.4	44,600 101.3	15,438 67.3	15,962 77.2	31,400 72.0	76,000 86.7
Operating income	1,067 62.1	929 44.5	1,996 52.4	△933 —	△1,713 —	△2,646 —	△650 —
Ordinary income	2,141 90.5	1,024 66.6	3,165 81.1	△1,464 —	△1,551 —	△3,015 —	150 3.5
Net income	1,493 93.4	217 29.4	1,710 73.2	△2,037 —	△1,273 —	△3,310 —	△1,600 —
Comparison with FY2007 (%)							

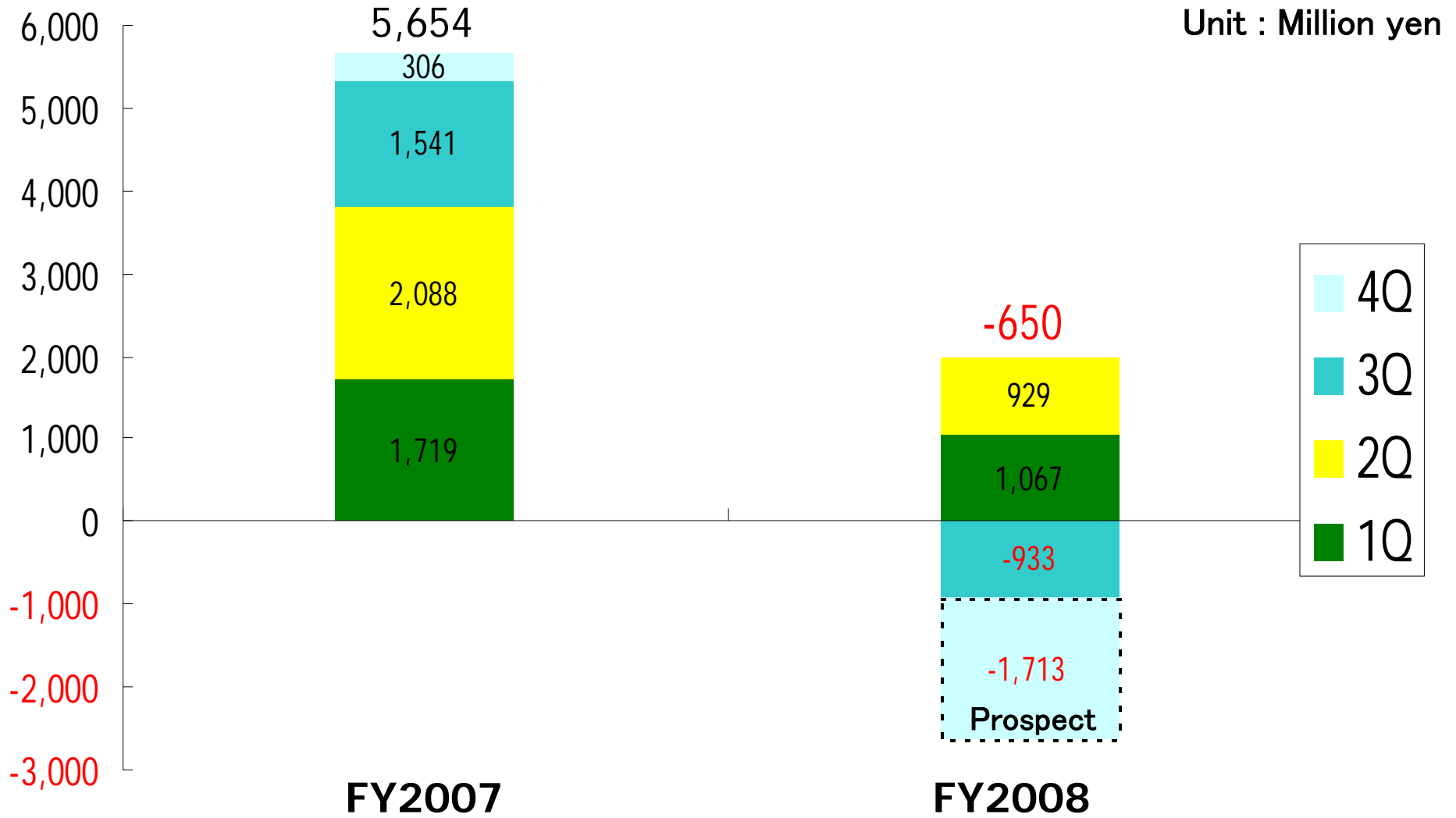
<Consolidated> FY2008 Quarterly Trends

8/23

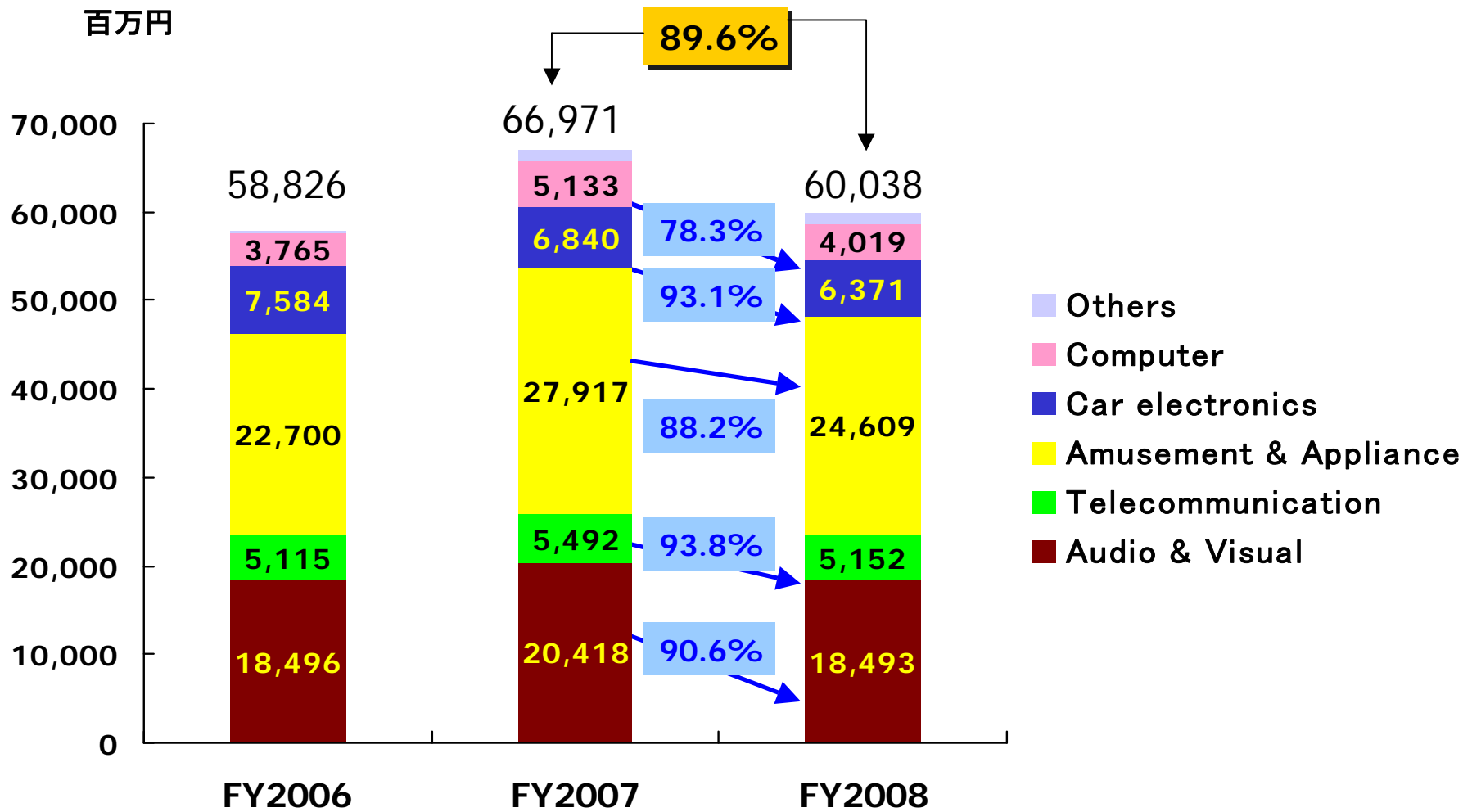
in performance (Net Sales)



< Consolidated > Operating Income (Quarterly)



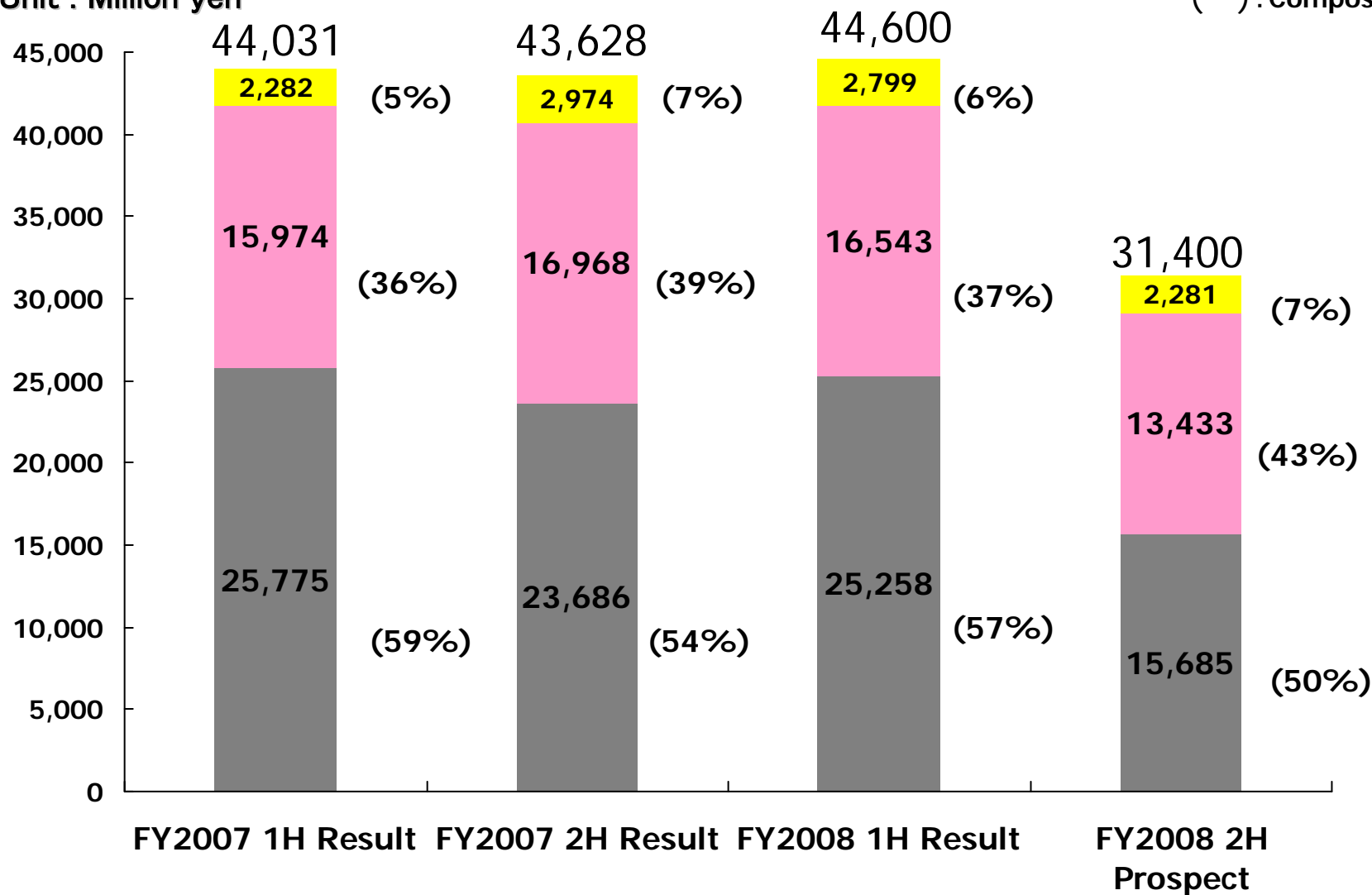
< Consolidated > Sales by Market 3Q Comparison



Reference: <Consolidated> Net Sales by Product Division

Unit : Million yen

() : Composition ratio

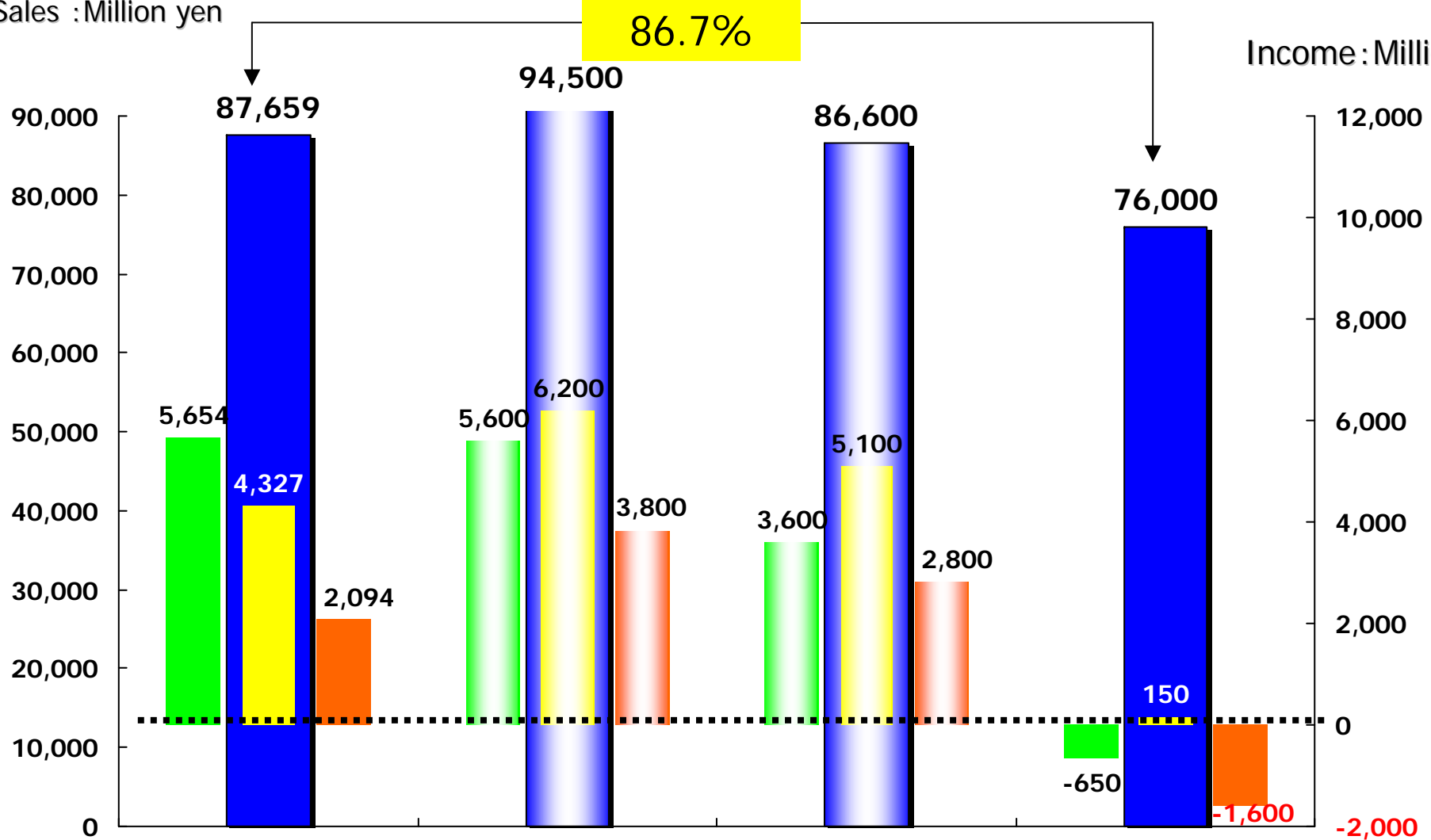


■ CS ■ FC ■ TP

<Consolidated> Forecast of fiscal term (FY2007, FY2008)

Net Sales : Million yen

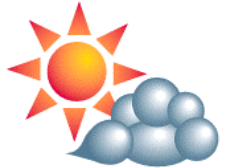


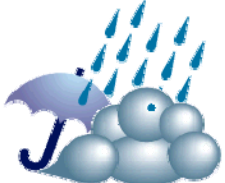


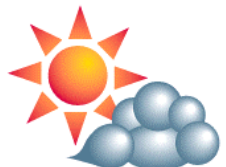



Income : Million yen



FY2007 Result FY2008 Prospect FY2008 Revised at Oct FY2008 Revised at Feb

■ Net Sales ■ Operating income ■ Ordinary income ■ Net income

Surrounding SMK Market Environment

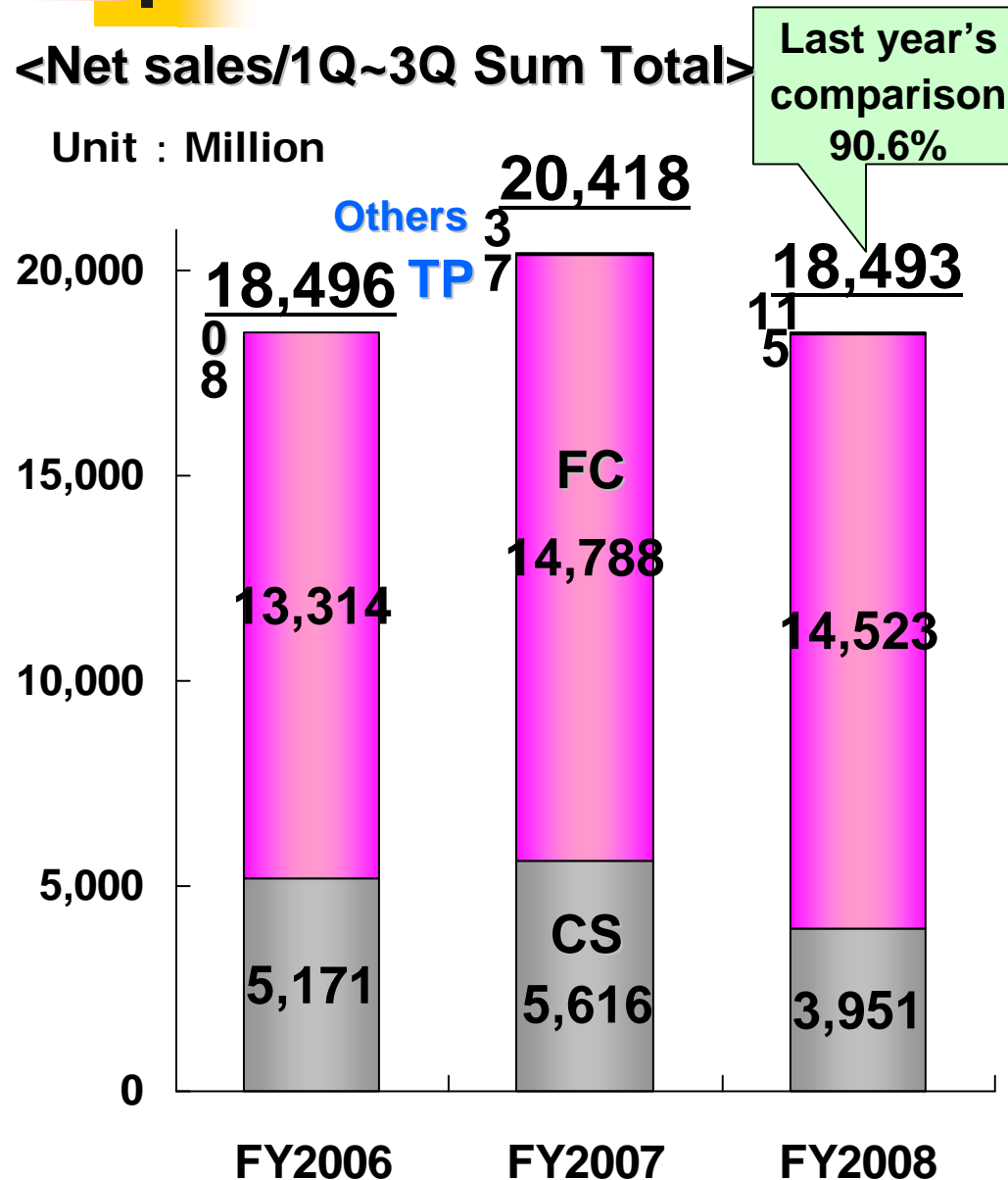
Markets	CY2008	CY2009
Audio & Visual		
Car Electronics		
Telecommunication		
Computer		
Amusement & Appliance		

Trend of our major markets-1

Audio & Visual market

<Net sales/1Q~3Q Sum Total>

Unit : Million



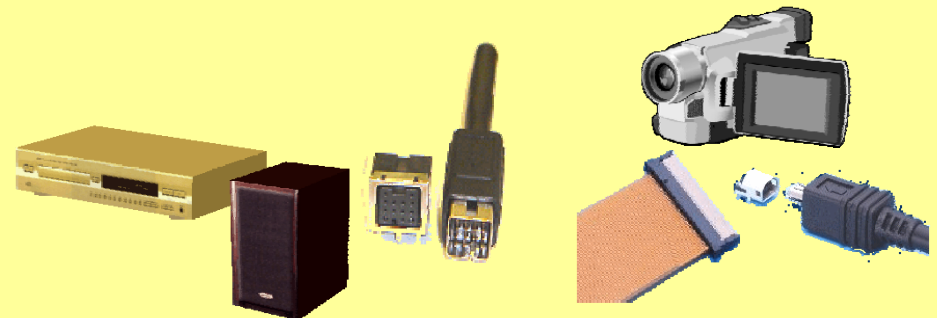
Decrease sales of remote control units

⇒ Especially “set top box” and “remote control for DVD”



Decrease sales of connectors

⇒ Especially “set stereo” and “cam corder”

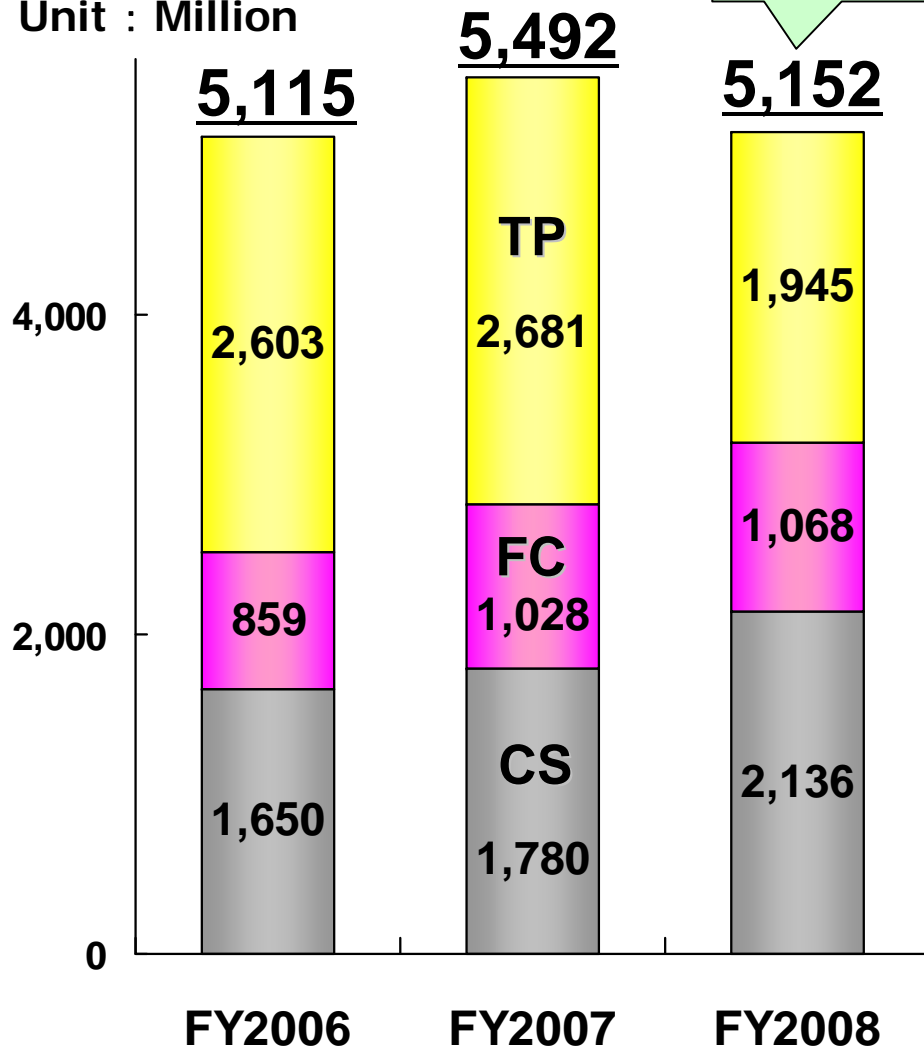


Trend of our major markets-2

<Net sales/1Q~3Q Sum Total>

Last year's comparison
93.8%

Unit : Million



■ Increase sales of connectors



Expanded sales of earth terminal which for domestic surface wave tuner

■ Further sales expansion of remote control units



⇒ Especially for domestic remote control unit models (genuine&after market)

■ Decrease sales of touch panels

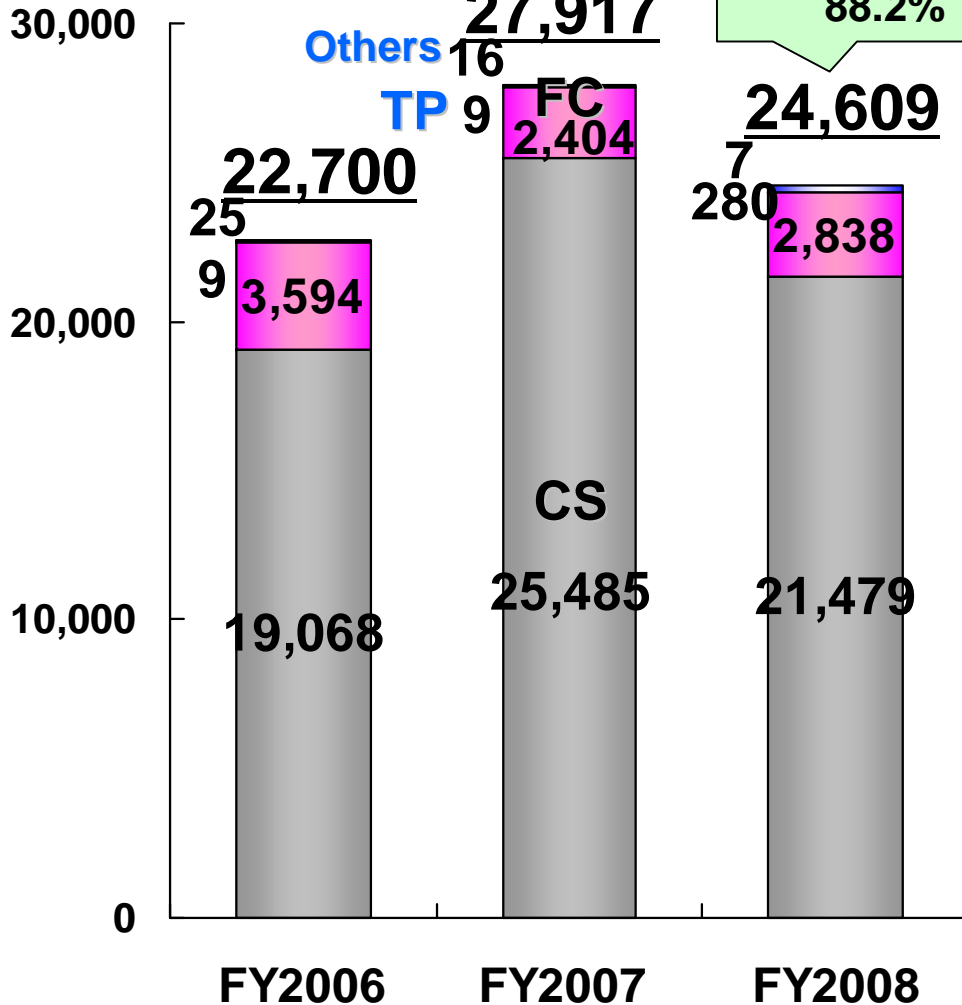


⇒ Both models of domestics and overseas

Trend of our major markets-3

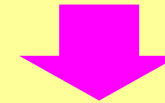
<Net sales/1Q~3Q Sum Total>

Unit : Million

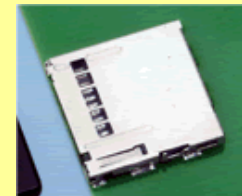


Decrease sales of connectors

In mobile phone market, decrease in demand of "High-end model"(After 3Q)



Clients decreasing and adjusting production leading to reduced sales from connectors.



Increase sales of switches

Gain of sales for all sorts of small switches.



Trend of our major markets-4

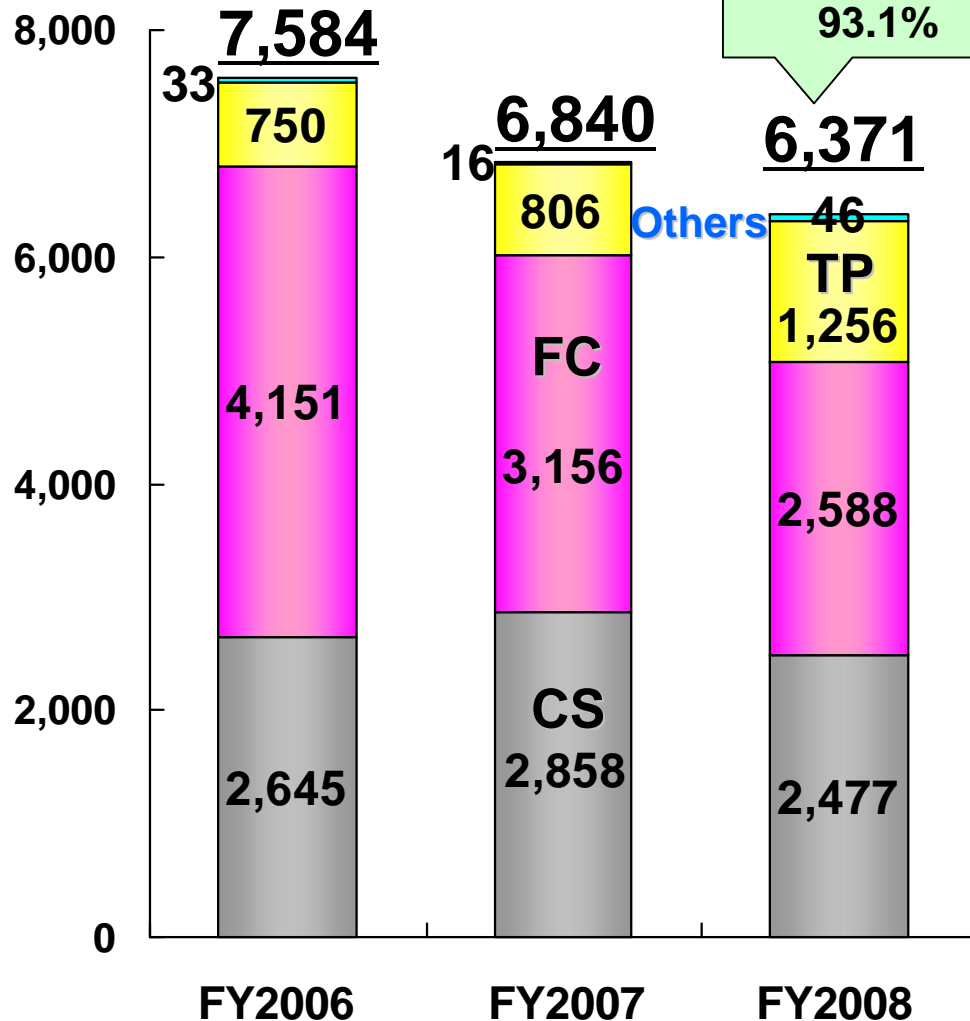
Computer market

17/23

<Net sales/1Q~3Q Sum Total>

Unit : Million

Last year's comparison
93.1%



Increase sales of touch panels



⇒ Especially optical touch panels for over seas ATM

Decrease sales of units



Reduced sales from digital camera cradles because they are no longer always sold together.

Decrease sales of connectors



⇒ Especially power connector for notebook computer.

Short-term countermeasures

- Finding new clients
- Strengthening relationships with clients
- New and further tillage

- Enhanced development efforts for new products and technologies and subsequent investment

Mid- and long-term countermeasures

Short-term defensive tactics

- Inventory reduction
- Labor cost reduction
- Restraining recruitment
- Zero overtime and 20% cut in expenditure

- Organizational streamlining
- Pertinent management resource distribution

Mid- and long-term defensive tactics

Basic attitude: Expand business come along with fair profit

Inefficiency
Inconsistency
Impossible

**3[I]'s completely
elimination**



Our target →

- *Technology, product development**
- *Active capital investment**
- *Environmental management**
- *New business**



Survival

and

Innovation

“Enhance power to
overcome changes”

SMK Topics

Business merger project

The SMK logo consists of the letters 'SMK' in a bold, blue, sans-serif font. Each letter is surrounded by a cluster of small red dots, giving it a digital or network-like appearance.The YAMAICHI ELECTRONICS logo features a stylized 'A' symbol inside a circle, followed by the text 'YAMAICHI ELECTRONICS' in a white, sans-serif font on a dark blue rectangular background.

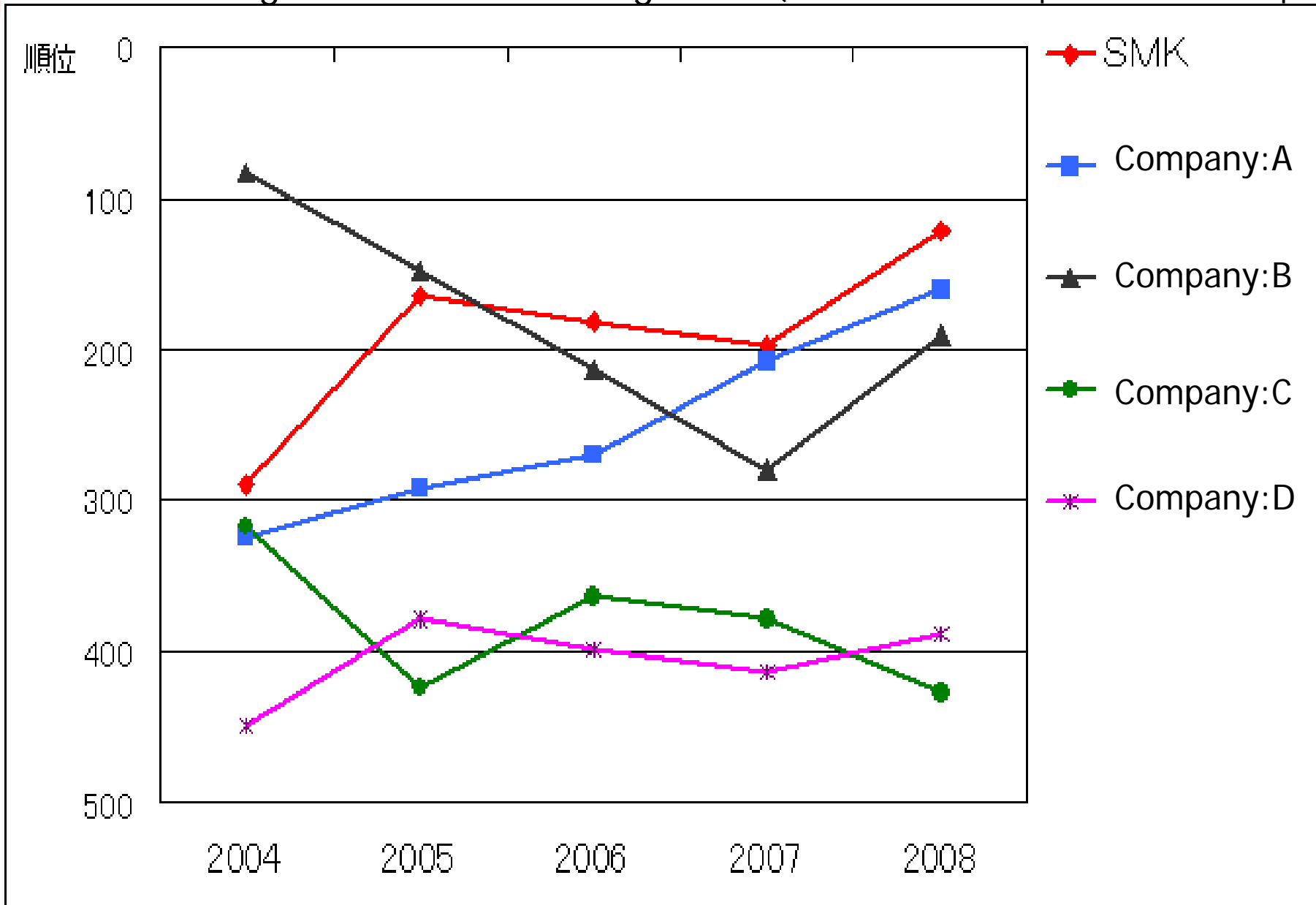
HP renewal



Refurbishing the entrance

Quote from Nikkei industrial newspaper

Findings environment management (2008Dec, total respondent 510 company)





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/>.