

Environmental Management

Energy and Resource Conservation

Material Balance

Environmental Accounting

Enhance power to overcome changes

What the prevailing financial crisis brought on was not solely a global economic deceleration. Quite possibly, it is calling upon us to reflect on and do some soul-searching over our business setups and lifestyles.

Formulated in 1995, our SMK Environmental Charter demands that we be, first and foremost, a good corporate citizen. A corporate citizen has not only the right to engage in profitable activity but also the responsibility to fulfill its obligations to society.

More specifically, we must redouble our approaches to reducing greenhouse gas emissions in order to prevent global warming, a task facing all humankind in common. And as a manufacturer of electronic components for IT equipment, we must comply with various regulations, including the EU and China Restriction on Hazardous Substances (RoHS) Directive, J-Moss, and the Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Furthermore, we have to provide thorough environmental education in order to point the mindset vector of each and every employee toward environmental preservation activities.

SMK views the present tough times as a precious opportunity for innovation.

To adapt to and survive the upheaval in the economic climate, we are not only pursuing a rigorous elimination of all waste and loss but also taking steps including the promotion and development of design perspectives with consideration

for the global environment, reduction of CO₂ emissions, and materialization of new business prospects in the market associated with the environment. Meanwhile, we remain unwaveringly committed to pursuing the goal of “all quality aspects on the job (zero defects)” until their attainment.

For the future, we shall continue to discharge our responsibilities as a global citizen, and report our achievements to all of our stakeholders through media such as this document.

August 2009



Tetsuya Nakamura
President and
Chief Operating Officer

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About This Report

Reporting period FY2008 (April 1, 2008–March 31, 2009)

Scope of totalization

Sites in Japan	Toyama Works and Toyama Technology Center
Head Office (Togoshi)	Hitachi Works
Gate City Office (Osaki)	Ibaraki Works
Osaka Branch	Yamato Works
Nagoya Branch	Subsidiaries in Japan
Kanagawa Sales Office	Toyama Showa Co., Ltd.
Ibaraki Sales Office	Showa Denshi Co., Ltd.
Hokuriku Sales Office	Yatsuo Denshi Kogyo Co., Ltd.
Fukuoka Sales Office	Ibaraki SMK Co., Ltd.
Overseas Sites	SMK Electronics (Phils.) Corporation
ASIA	SMK Korea Co., Ltd.
SMK High-Tech Taiwan Trading Co., Ltd.	EUROPE
SMK Electronics (H.K.) Ltd.	SMK Europe N.V.
SMK Trading (H.K.) Ltd.	SMK (U.K.) Ltd.
SMK Dongguan Gaobu Factory	SMK Hungary Kft.
SMK Electronics (Shenzhen) Co., Ltd.	NORTH AMERICA
SMK Electronics Trading (Shanghai) Co., Ltd.	SMK Electronics Corporation U.S.A.
SMK Electronics Singapore Pte. Ltd.	SMK Manufacturing, Inc.
SMK Electronics (Malaysia) Sdn. Bhd.	SMK Electronica S.A. de C.V.

CO₂ emissions

Conversion coefficients are subject to the standards of the Federation of Electric Power Companies of Japan for domestic sites, and the GHG Protocol for overseas sites.

Access to corporate information

Our website discloses data profiling our company, IR information, product descriptions, and past environmental reports.

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

Contact: Environmental Protection Department, SMK Corporation
TEL: +81-3-3785-5058 FAX: +81-3-3785-2904

More firm business foundations by reducing environmental burden

The year 2009 is the second year of the commitment period under the Kyoto Protocol. On June 10, the Japanese government announced its medium-term target of a 15 percent reduction by 2020 in greenhouse gas (GHG) emissions compared to 2005. We at SMK are, of course, taking aim at this national target, and shall also continue to make the maximum effort to reduce the CO₂ emissions of our entire Group worldwide.

Based on ISO 14001, our environmental preservation activities are steadily evolving. Every year, each work makes the switch to more energy efficient equipment and improves material efficiency in accordance with systematic plans while implementing training programs to enhance employee environmental awareness.

Since 2005, we have been participating in Team Minus 6%, a national project for prevention of global warming. In the spirit of this project, we have been conducting COOL BIZ and WARM BIZ campaigns (to adjust temperature settings of air conditioners at specified levels in summer and in winter), participating in Black Illumination program (keeping lights off for several hours on the summer solstice), and calling upon employees to take action to reduce CO₂ emissions in the home.

As a result of these activities, we ranked 121st among all Japanese manufacturers participated in the 12th Survey of Environment Oriented Management Index conducted by Nikkei Inc. in 2008 (as compared to 197th in 2007).

On the product front, we intend to expand upon the product assessment we have been making and introduce a scheme of life cycle assessments (LCA) in fiscal 2009. We are also putting resources into the development of components for eco products such as photovoltaic power generation systems, light emitting diodes (LED), and organic electroluminescent (EL) lighting.

Although the business climate is a severe one, we shall press ahead in our endeavors to achieve the ends of both environmental preservation and business profit by returning to our basic conviction that ecology is a type of economy and that business foundation will actually be strengthened by alleviating environmental impact through firm steps to save resources and energy.

August 2009



Yoshio Sakurai
Vice President of
Environment Div.

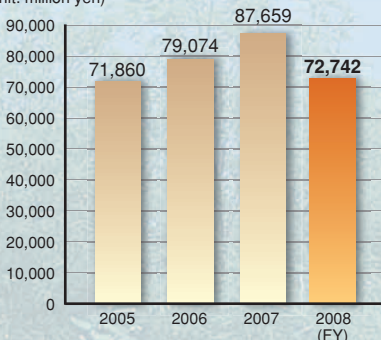
Corporate Profile (as of March 31, 2009)

<ul style="list-style-type: none"> • Name • Established • Registered • Primary Businesses 	<p>SMK Corporation April 1925 January 15, 1929 Manufacturing and sales of electronic components for use in electrical equipment, communications equipment, electronic equipment, industrial machinery, IT equipment and other applications.</p>
<ul style="list-style-type: none"> • Capital • Number of Employees • Head Office 	<p>7,996 million yen 11,482 (in the Group) 5-5, Togoshi 6-chome, Shinagawa-ku, Tokyo 142-8511, Japan TEL: +81-3-3785-1111 FAX: +81-3-3785-1878 URL: http://www.smk.co.jp/</p>

<ul style="list-style-type: none"> • Major Products 	<p>Switches / Remote control units / Keyboards / Control panel units / Electret condenser microphones / Earphone-microphone assemblies / Camera modules / AC adaptors / Cradles / Antennas / Crimp connectors / FPC and FFC connectors / Board-to-board connectors / RF coaxial connectors / Interface connectors / Card connectors / Power connectors / Jacks and pin jacks / DC power supply plugs/jacks / Fuse holders / Connectors for solar cell modules / Resistance sensitive touch panels / Optical touch panels / Capacitive touch panels / Bluetooth modules</p>
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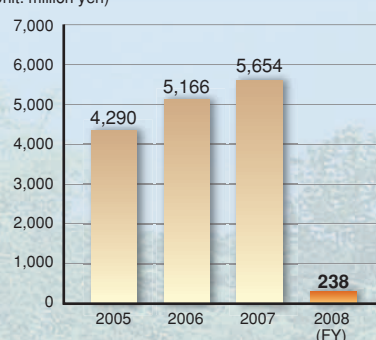
Consolidated Net Sales

(Unit: million yen)



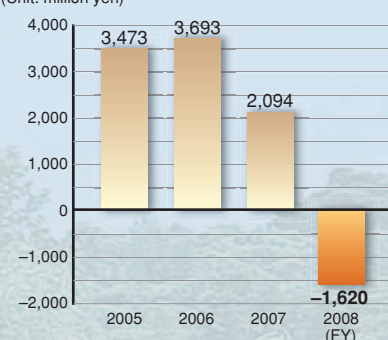
Consolidated Operating Income

(Unit: million yen)



Consolidated Net Income (Loss)

(Unit: million yen)



SMK Environmental Charter

1. Basic Philosophy

The SMK Group pursues environmental preservation as well as economic development, by integrating its current technological strengths and creating advanced technology. As a good corporate citizen, every one of us will contribute to the promotion of sustainable global development.

2. Action Guidelines

- (1) Develop environmentally friendly products
- (2) Reduce waste by using everything to its fullest extent
- (3) Preserve natural resources and save energy
- (4) Encourage 3R (reduce, reuse and recycle)
- (5) Realize waste-free procurement and manufacturing

Organization to Promote Environmental Preservation

In SMK, the Group policies, targets, and initiatives related to environmental preservation are deliberated upon and determined by the Corporate Environmental Preservation Committee, which is chaired by the Vice President of the Environment Division. Major items are subject to deliberation and determination at the Executive Officer's Meeting. Upon determination, they are deployed at all Japan and overseas sites. At each business site, the local Environmental Preservation Committee decides local policies, targets, and initiatives in accordance with the Group policies, targets, and initiatives taking locally specific issues into consideration and puts them into practice.

Environmental Management Systems

SMK's environmental management systems are in accordance with ISO 14001, the international standard for EMS. We have obtained ISO 14001 certification at all of our Japan sites and overseas works. Since fiscal 2007, in addition to individual activities at each site, we have been setting targets and themes to be shared by all members of the SMK Group, reinforcing linkage among our sites, and working to heighten group-wide systemic arrangements.

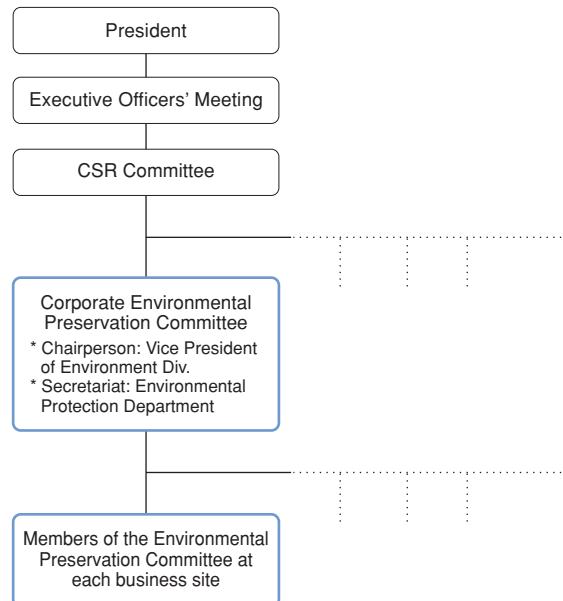
Our environmental preservation activities are by no means confined to within the Group; in 2004, we released the SMK Green Procurement Guidelines and widened the circle of such activities to include our suppliers. In particular, we asked our suppliers to promise to halt use of environmentally hazardous substances we have prohibited and to construct setups based on ISO 14001. In fiscal 2009, we are going to begin making visits to suppliers which have not yet been certified under ISO 14001 to determine the state of their environmental preservation activities and to offer advice.

Environmental Education

SMK implements environmental education by levels of employees throughout the Group, and as a part of the professional education curriculums. In addition, each business site makes its own annual education plans.

We also encourage our employees to take the Certification Test for Environmental Specialists (also known as the Eco Test) held by the Tokyo Chamber of Commerce and Industry. Every year since the first test in 2006, we have recruited candidates, purchased textbooks, and provided assistance with the burden of exam fees. The cumulative number of SMK employees who had passed the test and been certified reached 26 in 2008. These employees are directing and driving the environmental preservation activities at each workplace.

Organization for Environmental Preservation



Environmental education at SMK Electronics (Phils.) Corporation



In-House training of internal auditors (Head Office)

Environmental Preservation Activities

SMK sets targets for environmental preservation activities and promotes programs for improvement aimed at reaching these targets by all members of the Group, including overseas sites. The table below presents the actual results of the major activities in fiscal 2008.

• Reduction of CO₂ Emissions

We were unable to attain the target for CO₂ emissions per unit of production value, due to the influence of a decline in the production volume of overseas works deriving from the simultaneous shrinkage of production worldwide and the yen's appreciation. We managed to decrease the total CO₂ emissions by replacing facilities with more energy efficient ones and revising modes of energy utilization, but nevertheless failed to attain the reduction target.

• Reduction of Waste

For the reasons noted above, industrial waste discharge per unit

of production value also increased, but we were able to reduce the overall industrial waste discharge amount and the landfill waste amount, thanks to improvement of production processes and promotion of sorting and recycling.

• Control of Environmentally Hazardous Substances Contained in Products

We completed compiling basic information on purchased parts and materials (data on constituents etc.). Our next task is to build an in-house system enabling adaptation to the EU REACH Regulation.

• Strengthening of Environmentally Friendly Design

Activities for product assessment took root and were reflected in an increase in the implementation rate. In fiscal 2009, we intend to introduce life cycle assessment (LCA).

Self-assessment A: attained B: insufficiently-attained C: not attained

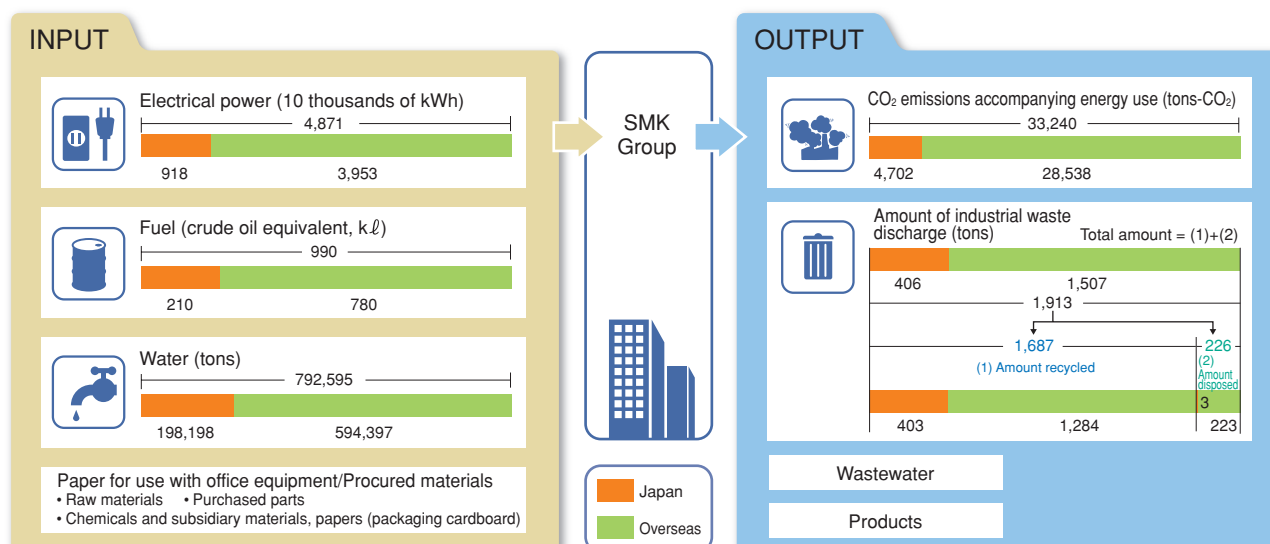
Task items	Target for FY 2009	FY2008		Self-assessment
		Target	Achievement	
Reduction of CO ₂ emissions	CO ₂ emissions per unit of production value* ¹ : The same level as FY2008 Target: 0.44 tons-CO ₂ /million yen	18% reduction relative to FY2007 Target: 0.30 tons-CO ₂ /million yen	19% increase 0.44 tons-CO ₂ /million yen	C
	Total CO ₂ emissions: 1% reduction relative to FY2008 Target: 32,961 tons-CO ₂	10% reduction relative to FY2007 Target: 30,927 tons-CO ₂	3% reduction 33,241 tons-CO ₂	B
Reduction of waste	Industrial waste discharge per unit of production value* ² : 1% reduction relative to FY2008 Target: 0.0254 tons/million yen	9% reduction relative to FY2007 Target: 0.0215 tons/million yen	8% increase 0.0256 tons/million yen	C
	Total industrial waste discharge amount: 2% reduction relative to FY2008 Target: 1,880 tons	19% reduction relative to FY2007 Target: 1,784 tons	13% reduction 1,913 tons	B
	Landfill waste amount: 18% increase relative to FY2005 Target: 90 tons	14% reduction relative to FY2007 Target: 111 tons	41% reduction 76 tons	A
Control of environmentally hazardous substances contained in products	Establishment of a system to respond to the EU REACH Regulation	Compilation of basic information guaranteeing absence of environmentally hazardous substances (data on the constituents of parts and materials)	Compilation of basic information on each purchased parts and materials completed	A
Strengthening of environmentally friendly design	Trial life cycle assessment	Rooting of product assessment	Improvement of assessment implementation rate	B

*1: CO₂ emissions per unit of production value = CO₂ emissions divided by production value

*2: Industrial waste discharge per unit of production value = industrial waste discharge divided by production value

Material Balance

SMK strives to reduce environmental burden in each process from design, development production to sales by identifying and analyzing the material balance of the entire Group.



Environmental Accounting

SMK strives to reduce environmental burden by identifying and analyzing the costs of environmental preservation incurred in the course of its business operations, and resultant benefits.

Environmental Preservation Costs and Benefits

(Unit: million yen)

Category	Major Activities	Environmental Preservation Costs				Economic Benefits Accrued		Environmental Preservation Benefits (Quantity)	
		Investments		Expenses		Amount	YoY	Consumption/Output Savings	YoY
		Amount	YoY	Amount	YoY				
Business area costs	Pollution prevention	2.5	25%	27.8	83%	0.0	—	Use of Environmentally Hazardous Substances: 9.7 tons	—
	Global environmental preservation	21.8	48%	41.8	135%	14.2	601%	CO ₂ emissions per unit of production value: -0.07 tons-CO ₂ /million yen	—
	Resource circulation	0.0	—	38.6	78%	189.2	101%	Landfill waste amount: 53.2 tons Industrial waste discharge per unit of production value: -0.002 tons/million yen	49%
	Sub-total	24.3	44%	108.2	95%	203.4	107%		
Upstream/downstream	Green procurement	0.0	—	1.1	27%	0.0	—		
Administration	Elimination of environmentally hazardous substances Education and operation of environmental management	1.1	—	184.8	94%	0.0	—		
R&D	Development of environmentally friendly products	0.0	—	54.0	80%	0.0	—		
Social activity	Initiatives to expand green space of works	0.0	—	8.6	103%	0.0	—		
Environmental remediation		0.0	—	0.0	—	0.0	—		
Total		25.4	46%	356.8	91%	203.4	107%		

Environmental Preservation Costs

The environmental preservation costs in fiscal 2008 consisted of 25 million yen for capital investments (13 million yen for Japan and 12 million yen for overseas sites) and 357 million yen for expenses (261 million yen for Japan and 96 million yen for overseas sites), both of which have declined from fiscal 2007 level.

© Major topics

- The major factors behind the decrease in investments and expenses were the curtailment of investment, review of business content, and increase in efficiency in response to the drastic downturn in the business climate in the second half.
- Most of the investments went for replacement of air conditioning systems, air compressors, lighting, and other equipment with the latest models making more efficient use of electrical energy.

Economic Benefits

In fiscal 2008, the economic benefits increased to 203 million yen (53 million yen from Japan and 150 million yen from overseas sites) from fiscal 2007 level.

© Major topics

- The total economic benefits increased because the results in the previous fiscal year were outstripped by the effects of the reduction in utility costs due to installation of energy saving facilities, and curtailment of purchasing to use idle production facilities and reuse tools instead.
- The profit on sale of waste, which occupies a particularly large part of the overall economic benefits, declined along with the reduction in the amount of industrial waste discharge per se.

Environmental Preservation Benefits

- There were increases in both the levels of CO₂ emissions and industrial waste discharge per unit of production value, which rose by 0.07 tons-CO₂ and 0.002 tons per million yen respectively. This was because the effects of improvement were not able to compensate for the worsening of efficiency levels per unit of production value under the influence of the production drop accompanying the economic downturn.
- The landfill waste amount, which fell in fiscal 2007, was reduced again in fiscal 2008 by 53 tons as a result of recycling. One task for the future is to take steps overseas to address sludge, for which the recycling infrastructure is not in place.

Totalization Procedure

1. SMK's environmental accounting practices adhere to the Environmental Accounting Guidelines 2005 published by Japan's Ministry of the Environment.
2. Figures are based on data on capital investments and other expenses (including depreciation cost) required for the environmental preservation activities, as well as data on the benefits accrued from them in terms of money and quantity, from all Japan and overseas sites of the SMK Group.
3. Data for environmental preservation benefits indicated a decrease in amount compared with the previous fiscal year. A year-on-year comparison is not presented for data without any reduction or comparable results with the previous fiscal year.
4. Economic benefits accrued are clearly demonstrable and do not include speculative benefits.
5. For the environmentally hazardous substances in the category of environmental preservation benefits, the totalization subjects were the substances regulated under the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (Pollutant Release and Transfer Register, or PRTR Law).

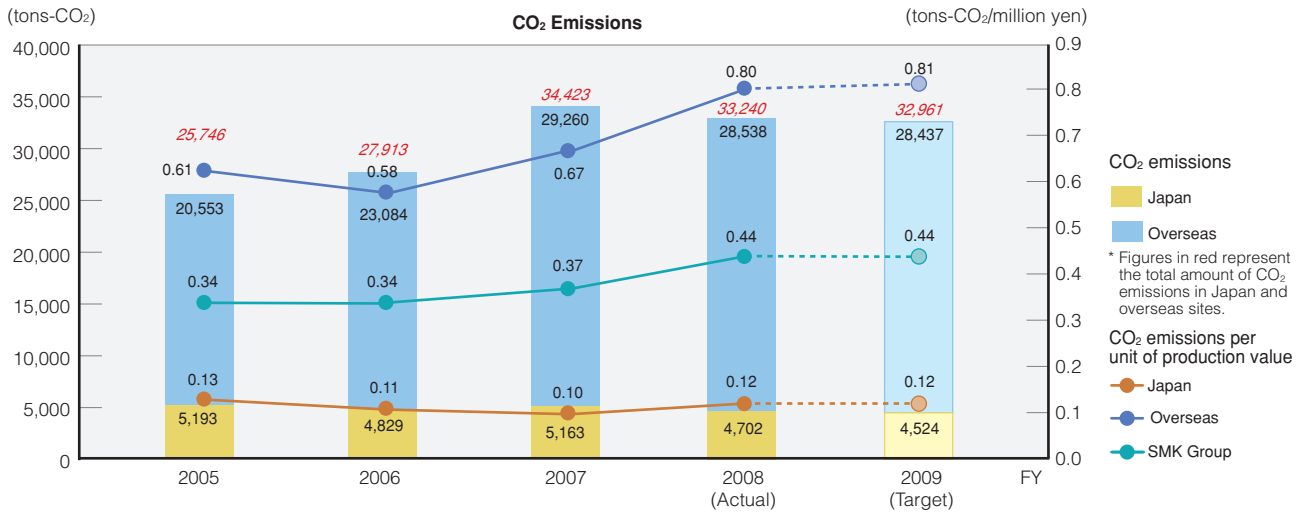
Energy and Resource Saving Results

We at SMK have posted prevention of global warming as a major business challenge and are working to improve energy efficiency. Under our campaign for reducing industrial waste discharge amount and "zero emissions" (reduction of landfill waste amount to zero), we are striving to make more effective use of resources. For fiscal 2009, our overseas targets for CO₂ emissions and industrial waste discharge per unit of production value are both on a par with those in fiscal 2008, but this is because production value is translated into yen. In terms of the levels in local currencies with the influence of exchange rate fluctuation excluded, the targets per unit of production value at each overseas site are reductions.

Energy Saving Results

	Year on Year	
	Japan	Overall SMK Group
CO ₂ emissions per unit of production value	120%	119%
CO ₂ emissions	91%	97%

©Up to fiscal 2007, our overseas works expanded along with sales growth, and this was reflected in a steady increase in CO₂ emissions. In fiscal 2008, emission levels increased (119 percent of fiscal 2007 level) per unit of production value, but the absolute amount dipped (97 percent of the same year level), as noted in the Summary of Environmental Preservation Activities.

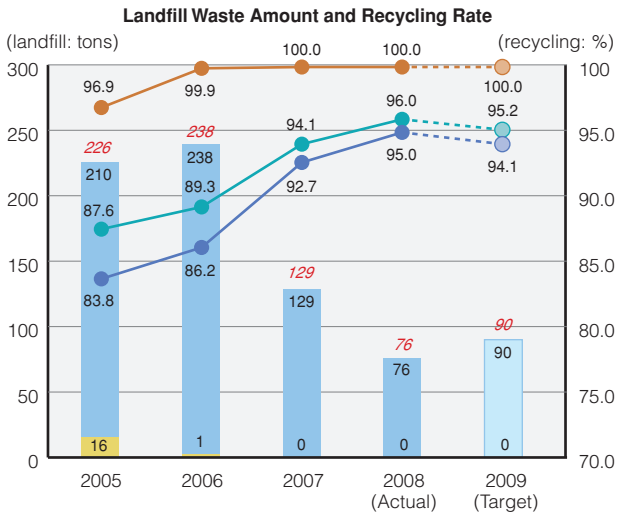
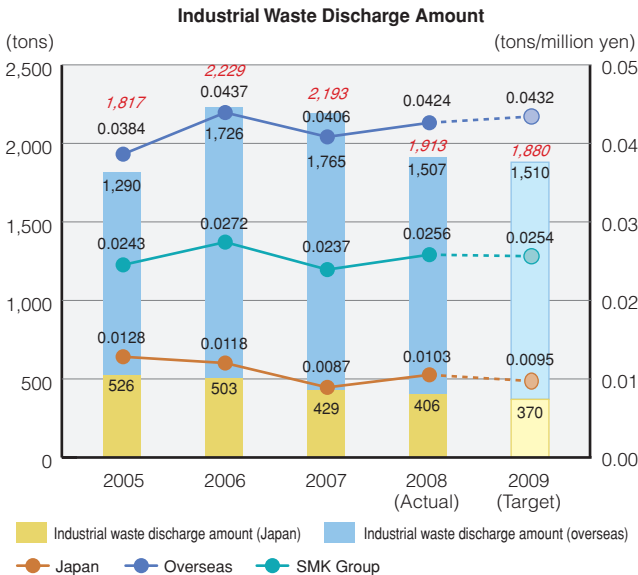


Resource Saving Results

	Year on Year	
	Japan	Overall SMK Group
Industrial waste discharge per unit of production value	118%	108%
Overall industrial waste discharge amount	95%	87%
Recycling amount	95%	89%
Landfill waste amount	—%	59%

©For Japan sites, we attained the goal of zero emissions of landfill waste in fiscal 2007. In fiscal 2008, again we were able to achieve a substantial decrease to 59% of fiscal 2007 level in the landfill waste amount in the overall SMK Group.

©We recorded a decrease to 87 percent of fiscal 2007 level in the absolute amount of industrial waste discharge and increase to 108 percent of the same year level in terms of per unit of production value.



* Figures in red represent the total amount of industrial waste in Japan and overseas sites.

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Energy and Resource Saving Activities

Head Office Group

Switch to energy saving lighting fixtures at the 1F entrance

In step with the renewal of the entrance on the first floor of our Head Office in Togoshi, we replaced the lighting fixtures in the lobby, reception room, and conference room with energy saving versions including ball and inverter type fluorescent bulbs. This will reduce consumption of power for lighting and is projected to lower our CO₂ emissions by about 6.8 tons per year. The replacement also improved the workplace environment by nearly tripling the luminosity and giving each room a bright and expansive atmosphere. The Head Office Group is going to continue with its efforts to prevent global warming while planning measures for the initiative based on capital investments, in parallel with its activities to save energy in the operating aspect through COOL BIZ campaign and control of air conditioning settings etc.



Toyama Group

Toyama Works*, Hokuriku Sales Office*, Toyama Showa Co., Ltd.*, Showa Denshi Co., Ltd.*, and Yatsuo Denshi Kogyo Co., Ltd.* *ISO 14001 certified sites

Renovation of air conditioning facilities

Toyama Works is taking action to increase the efficiency of energy utilization every year. In fiscal 2008, it renovated the air conditioning facilities for about 800 square meters of space on the first floor of its main building. Before the renovation, the entire first floor was cooled and heated with a single large unit. This was wasteful, because certain areas were air conditioned needlessly. The renovation installed inverter type units in each room for more efficient cooling and heating. As a result, it brought a yearly power savings of 3,390 kWh (about 1 million yen).

In addition, the new system enabled the Works to reduce consumption of A-type fuel oil, which was used in the heating mode, by a remarkable 6,400 liters (about 500,000 yen), and also delivered a CO₂ emission reduction of 30.55 tons per year along with more effective energy utilization. The Group plans to renovate the rest of the air conditioning facilities in the Works and implement other initiatives to save energy.



Inverter type air conditioning facilities

Hitachi-Ibaraki Group

Hitachi Works*, Ibaraki Works*, Ibaraki Sales Office.*, and Ibaraki SMK Co., Ltd.*

*ISO 14001 certified sites

Switch to energy saving lighting fixtures

Hitachi Works switched to energy saving lighting fixtures in fiscal 2008 and realized the following benefits as a result.

1) Change of outdoor fluorescent bulbs (from 40 W to 32 W)

Energy saving effect: about 20% in terms of power consumption

CO₂ reducing effect: 160 kg-CO₂/year

2) Change from incandescent bulbs to fluorescent bulbs (from 100 W/bulb to 20 W/bulb)

Energy saving effect: about 80% in terms of power consumption

CO₂ reducing effect: 208 kg-CO₂/year

Construction of flower beds on the grounds of Hitachi Works

The Group built flower beds on the grounds of the Works to reduce CO₂ emissions by absorbing them and to serve as a place for employee relaxation. The bed is planted with fragrant olive in the middle and flowers of the season around it. The following flowers bloom in each season.

Spring: narcissus, azalea, tulip

Summer: morning glory, sunflower, scarlet sage

Autumn: cosmos

Winter: pansy

Hitachi-Ibaraki Group is located in a beautiful natural setting, and the construction of flower beds will enable further contribution to preservation of the natural environment.

The Group is determined to continue installing or replacing the existing facilities with environmentally friendly ones that help to lower CO₂ emissions and save energy.



SMK Electronics (Malaysia) Sdn. Bhd (SMK Malaysia)

SMK Malaysia attaches great importance to environmental problems and took vigorous actions for improvement on this front in fiscal 2008.

Replacement of lighting fixtures and reduction of intermediate lighting

Previously, the plant lighting arrangement was an unsystematic combination of overall, intermediate, and close lighting, and it was quite inefficient. In response, lighting fixtures were readjusted to maintain and improve brightness in line with regulations while the number of bulbs on the manufacturing floor was reduced by 468.

This reduction represented 34 percent of the total number. Besides obviously being good for the environment, it reduced the number of bulbs used for indirect lighting in the entire plant by 558. The measure made the plant arrangement more orderly even as the overall brightness was significantly improved as compared to before the reduction.

The company also derived substantial effects for environmental preservation from measures such as a switch to natural gas

vehicles for company cars, increase in electrical efficiency through installation of capacitors, and promotion of recycling by switching to general purpose jigs.

For fiscal 2009, it is considering a switch to LEDs for plant lights and is going to continue reinforcing its environmental approaches.



Dramatic improvement in brightness for the manufacturing floor

SMK Electronics (Phils.) Corporation (SMK Philippines)

SMK Philippines continues to expand common use facilities for production of touch panels, which is steadily rising, while providing for harmonization with the environment.

Its main approaches in fiscal 2008 were as given below.

Improvement of the pure water system for etching

Pure water system is indispensable for production of touch panels. Ideas for improvement born by employees greatly reduced the level of alkali acid while substantially increasing the production of pure water.

Reduction in the use of alkali acid relative to fiscal 2007:
-46% (from 200 l to 108 l)

Increase in the production of pure water relative to fiscal 2007:
81% (from 25.37 m³ to 46 m³)

Installation of inverter type compressors

The company increased the supply of air while reducing its power costs by a wide margin (18 percent on the year). Employees also made proposals for improvement of the fluorescent bulbs used in production processes. The company is making a gradual shift to high efficiency bulbs and further

efforts to cut the level of power consumption in the plant. In fiscal 2009, it is going to undertake the following activities in order to make the plant even more environmentally friendly.

- Reduction of power costs by studying more efficient operation of air conditioners in clean rooms
- Switch air conditioners to inverter type in office space



Pure water system for etching

SMK Dongguan Gaobu Factory (SMK Dongguan Gaobu Factory in China)

At SMK Dongguan Gaobu Factory, increased production of plastic molds and the start of full fledged operations in the rubber mold and painting divisions could make it more difficult to implement environmental measures with the existing emission treatment system. For this reason, the Factory installed a new emission treatment system on the roof, where the exhaust ducts from all floors converge. In advance of the installation, it made sure to select system that meets the atmospheric emission standards of Guangdong Province, at the advice of China's environmental protection agency. The new system puts the exhaust from each floor through first a

cotton fabric filter and then an activated charcoal adsorber for adsorption of hazardous constituents contained in it, before expelling air that meets the standards into the atmosphere.

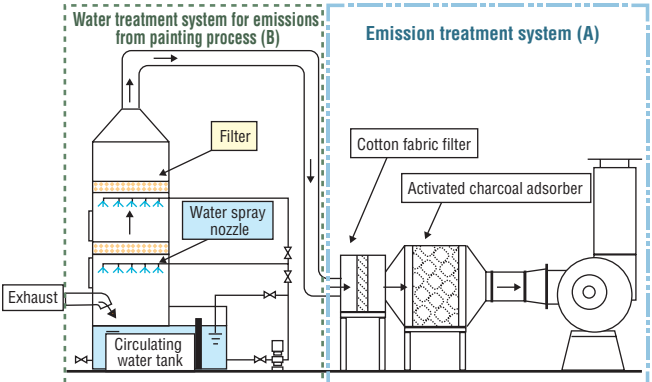
Painting residue used to be contained in exhaust from painting facilities. The exhaust is now treated by putting it through a shower type water spray, filter, and activated charcoal adsorber, in that order.

As shown in Table 1, the emission figures after installation of the treatment system are far below the standards set forth in "Guangdong Province Discharge Limits of Atmospheric Pollutants" (DB44/27-2001). The Factory emissions are now clean.

<Table 1> (Unit: mg/m³)

Unit	Measurement location (3 buildings of Dongguan Gaobu Factory)	Measurement items and results					
		Benzene	Toluene	Xylene	Other solvents	Pb & compounds	Zn & compounds
A	Molding printing, 2nd floor	0.01	0.81	0.01	1.31	—	—
	Rubber printing, 2nd floor	0.01	1.7	0.01	2.25	—	—
	SMT solder bath, 1st floor (No.1)	—	—	—	2.12	0.21	0.049
	SMT solder bath, 1st floor (No.2)	—	—	—	2.23	0.05	0.071
	Drying furnace for molding/painting, 2nd floor	0.01	4.43	0.01	2.98	—	—
B	Equipment for molding/painting, 2nd floor (No.2)	0.54	1.42	0.47	10.02	—	—
	Standard value	≤12	≤40	≤70	≤120	≤0.7	≤8.5

*Measurement items are subject to "Guangdong Province Discharge Limits of Atmospheric Pollutants" (DB44/27-2001).

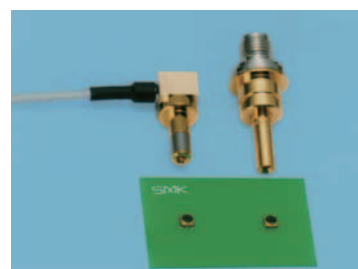


Creation of Environmentally Friendly Products

SMK has introduced an environmental management system based on ISO 14001, the international standard, at all of our Japan sites and overseas works. Throughout the entire cycle from material use to disposal of waste, SMK makes thorough reviews from the standpoint of environmental preservation and is promoting development and design premised on the 3Rs of Reduce, Reuse, and Recycle.

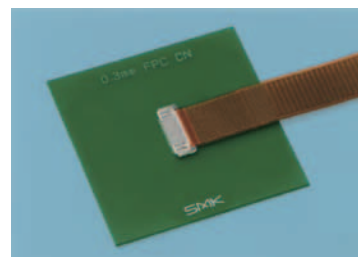
RF Coaxial Connectors with Switch: TS-11 Series

These connectors are able to cope with ultra small surface mount technology (SMT) used for inspection and measurement of high-frequency characteristics of mobile phones and other mobile communications devices. They are the smallest in the industry, with a height of 0.95 mm, a mounting area of 2.4 mm x 2.4 mm, and weight of 0.015 g. It covers a frequency range of DC to 6 GHz, and delivers a good high frequency performance with compatibility. They are designed with materials that are RoHS Directive and halogen-free compliant.



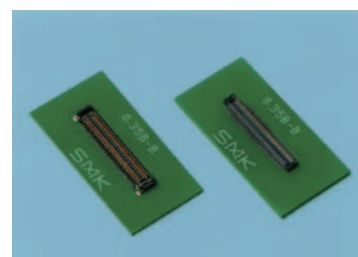
0.3mm Pitch Shielded FPC Connectors: EN-32 Series

These connectors have a height of 0.8 mm and are designed for high speed signal transmission. They are covered in a metal shield, and the grounding performance of the flexible printed circuit (FPC) and the connector is enhanced. The N-ZIF structure enables easy insertion of the FPC by a single action and is equipped with a lever for holding it securely. They are designed with materials that are RoHS Directive and halogen-free compliant.



0.35mm Pitch Board-to-Board Connectors: PB-35 Series

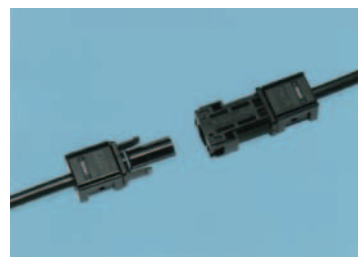
These connectors feature the smallest mounting area in the industry. They have a height of 0.7 mm when mated, and the small size and space saving design enable mobile devices to be made thinner and smaller. They also offer a high retention force and good click feeling when inserting/removing. They are designed with materials that are RoHS Directive and halogen-free compliant.



Connectors for Photovoltaic Modules

These connectors link photovoltaic modules with cables. The original multi-point contact structure assures an excellent contact performance. The original water-tightness structure (top and bottom cover system) facilitates cable waterproofing with easy operation without tools. The connectors have UL and TUV certifications.

We are also developing various other components for use in eco devices such as LEDs, and thereby contributing to reduction of CO₂ emissions and energy savings.



Environmentally Friendly Production

~ Approaches to an end-to-end production line for small switches ~

FC Division is developing and researching new manufacturing methods for environmentally friendly production.

The line uses small molding machines to put component molding and automatic assembly on the same floor.

1. Environmental benefits

- 1) Resource savings: 10% reduction in use of resources as compared to previous SMK molded components * Less spool runners
- 2) CO₂ emission reduction
(Reduction from 3.1 tons/month with the previous SMK system to 0.9 tons/month with the small molding machines, for a decrease of 2.2 tons/month)
- 3) Space savings (the machine can be placed on a table)

2. Integrated control of the molding and assembly processes

- 1) Ability for production with molding and assembly on the same floor (better visibility of the entire sequence from component production to assembly)
- 2) Reduction in the total processing cost
- 3) Direct input of molded components, enabling eradication of secondary defects (due to packing etc.) and inventory reduction



Small molding machine that can be placed on a table



Comparison with the previous component (left)

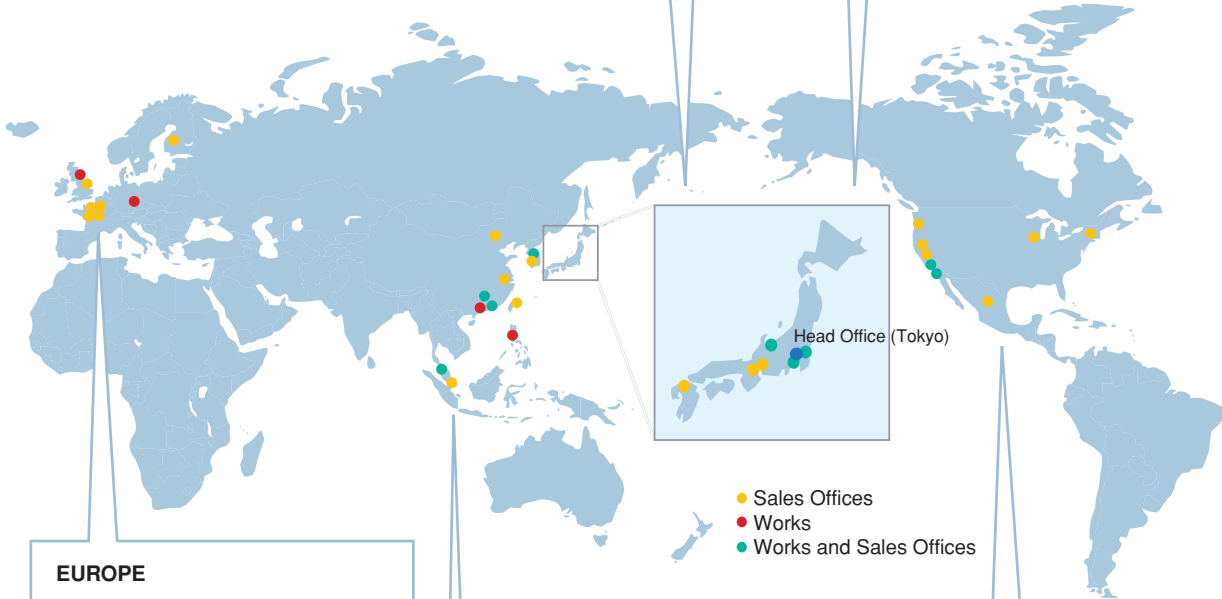
SMK Networks

Sites in Japan

Head Office (Togoshi)	Hokuriku Sales Office
Gate City Office (Osaki)	Fukuoka Sales Office
Osaka Branch	Toyama Works and Toyama Technology Center
Nagoya Branch	Hitachi Works
Kanagawa Sales Office	Yamato Works
Ibaraki Sales Office	

Major Subsidiaries in Japan

Toyama Showa Co., Ltd.
 Showa Denshi Co., Ltd.
 Yatsuo Denshi Kogyo Co., Ltd.
 Ibaraki SMK Co., Ltd.



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