March 7, 2014

Announcement concerning Establishment of Sponsored ADR (American Depositary Receipt) Program

Company name :	**SMC Corporation**
Stock exchange listing :	Tokyo Stock Exchange first section
Security code :	6273
URL :	http://www.smcworld.com/ir/en/
Representative :	Katsunori Maruyama, President
Contact person :	Ikuji Usui, Executive Managing Director

SMC Corporation (SMC) hereby announces that SMC has established a sponsored Level Ⅰ American Depositary Receipt (ADR) program in the United States with The Bank of New York Mellon acting as the depositary bank.
This sponsored ADR program will not be accompanied by raising new capital such as in the form of a public listing in the U.S. or an issuance of new shares. Consequently, the total number of outstanding shares of SMC will not increase and there will be no dilution of share value.

1. Purpose of establishing a sponsored ADR program

The purpose of establishing s sponsored ADR program is to develop new investors, thus expanding the overall investor base, by enhancing convenience to investors and broadening the choices of available investment instruments in the U.S. capital markets.
SMC also expects that the establishment of a sponsored ADR program will lead to greater name recognition and reputation for SMC in the U.S.

2. Details of the sponsored ADR program

(1) Type of ADR program:	Sponsored Level Ⅰ ADR program
(2) Trading market:	OTC (Over the counter)
(3) Trading effective date:	March 7, 2014 (U.S. Eastern standard time)
(4) ADR ratio:	20ADRs : 1 share of common stock (20 : 1)
(5) Ticker symbol:	SMCAY
(6) CUSIP number:	78445W306
(7) Depositary bank:	The Bank of New York Mellon
(8) Local custodian:	Mizuho Bank, Ltd.

<For Reference>

1. ADRs (American Depositary Receipts) are receipts which are issued by a designated depositary bank in the U.S., and represent ownership interest in the underlying securities of a non-U.S. company. When registered with the U.S. Securities and Exchange Commission (SEC) as a negotiable security in the U.S., an ADR may, like the securities of U.S. companies, be traded, settled, and held.

2. Sponsored ADRs are issued by a specified depositary bank under a depositary agreement that defines the rights and obligations of the issuer, ADR holders and the depositary bank.
Sponsored ADR programs are classified into three types; Level I,Level II, and Level III, depending on whether the program is listed, or public offering (an initial or secondary public offering). The level of disclosure required by the SEC changes based upon these types. Level I ADR programs are unlisted programs, Level II ADR programs are listed programs (e.g., on the New York Stock Exchange), and Level III ADR programs are listed programs accompanied by raising new capital with public offering in the form of an issuance of new shares.

3. SMC's ADRs have so far been traded in the U.S. securities markets as unsponsored ADRs without the involvement of SMC. All of such unsponsored ADRs will be transferred to the newly-established sponsored ADR program.

<Note>

Nothing herein shall be deemed to constitute an offer to sell or a solicitation of an offer to buy securities.