



Consolidated Financial Results for the Three Months Ended June 30, 2025 [Under Japanese GAAP]

Company name : SMC Corporation
 Listing : Tokyo Stock Exchange, Prime Market
 Securities code : 6273
 URL : <https://www.smcworld.com/ir/en-jp/>
 Representative : Yoshiaki Takada, President
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 Scheduled date to commence dividend payments : —
 Preparation of supplementary material on financial results : Yes
 Holding of financial results briefing : Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	200,180	(1.3)	44,456	(15.1)	49,115	(28.1)	34,641	(28.9)
June 30, 2024	202,781	1.9	52,354	(6.7)	68,278	(8.7)	48,705	(6.6)

Note: Comprehensive income For the three months ended June 30, 2025 : ¥ 24,796 million (77.2%)
 For the three months ended June 30, 2024 : ¥ 108,862 million (0.7%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	543.79	—
June 30, 2024	759.43	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	2,106,539	1,918,722	91.1
March 31, 2025	2,100,767	1,928,306	91.8

Reference: Equity As of June 30, 2025 : ¥ 1,918,573 million
 As of March 31, 2025 : ¥ 1,928,281 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	500.00	—	500.00	1,000.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		500.00	—	500.00	1,000.00

Note: Revisions to the forecast of cash dividends most recently announced : None

3. Forecasts of consolidated operating results for the year ending March 31, 2026

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Year ending March 31, 2026	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	850,000	7.3	215,000	13.0	232,000	10.5	167,000	6.8	2,620.27

Note: Revisions to the forecast of operating results most recently announced : None

* Notes

- (1) Significant changes in the scope of consolidation during the period : None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 1. Changes in accounting policies due to revisions to accounting standards and other regulations : None
 2. Changes in accounting policies due to other reasons : None
 3. Changes in accounting estimates : None
 4. Restatement : None

(4) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	63,869,359 shares
As of March 31, 2025	67,369,359 shares

2. Number of treasury shares at the end of the period

As of June 30, 2025	254,562 shares
As of March 31, 2025	3,635,534 shares

3. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	63,703,798 shares
Three months ended June 30, 2024	64,133,398 shares

(Note) The Company's shares held by the Board Benefit Trust (BBT) for the Directors' Stock Compensation Plan (11,200 shares) is included in the number of treasury shares, which is excluded in the calculation for the above: 2. Number of treasury shares at the end of the period and 3. Average number of shares outstanding during the period.

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

1. Forecasts are based on information and certain premises that the Company considers to be reasonable at the time these consolidated financial results are released.
Some factors could cause actual results to differ from expectations.
2. The Company is scheduled to hold a financial results briefing for institutional investors and analysts on August 8, 2025. Presentation material will be released on the Company's website on the day.

1. Qualitative information about the quarterly results

(1) Operating results

During the three months of this fiscal year (April 1, 2025 to June 30, 2025), the global economy remained uncertain due to the manifestation of geopolitical risks such as the U.S. tariff policy and prolonged conflicts in Ukraine and in the Middle East.

As for the demand for automatic control equipment, in the semi-conductor and electrical machinery-related industries, even though there was a sign of demand recovery for the electrical machinery-related industry in Greater China, the demand did not reach a full-scale recovery for the semi-conductor-related industry in the regions including Japan, North America, and South Korea. In the automotive-related industry, although EV-related demand recovered in Greater China, capital investments continued to hold back in other regions due to the U.S. tariff effect. Machine tool-related industry showed strength in Greater China, however, other regions remained to be in an adjustment phase. Sales to medical equipment-related, food machinery-related, and other industries remained sluggish, despite new post-covid demand for automation.

Under these circumstances, the SMC Group has continued to make aggressive worldwide capital investments to strengthen its supply capability. The Group has also continued to address issues such as enforcing direct and distributor sales, promoting diversification of products and customers, improving productivity in product development and utilizing its global human resources.

Within the business environment described above, the summary of consolidated business results for the three months ended June 30, 2025 is as follows:

Net sales were 200,180 million yen (decreased by 1.3%, yoy).

Operating profit was 44,456 million yen (decreased by 15.1%, yoy), mainly caused by the increase in cost ratio and depreciation.

Ordinary profit was 49,115 million yen (decreased by 28.1%, yoy), mainly due to the increases in foreign exchange losses.

Profit before income taxes was 49,512 million yen (decreased by 27.3%, yoy) , and profit attributable to owners of parent was 34,641 million yen (decreased by 28.9%, yoy).

(2) Financial position

Financial position as of the end of the three months of this fiscal year (June 30, 2025) are as follows:

Total assets were 2,106,539 million yen (a 5,772 million yen or 0.3% increase from the previous fiscal year end), mainly due to a 13,359 million yen increase in cash and deposits, a 6,194 million yen decrease in inventories and a 46,744 million yen increase in property, plant and equipment.

Total liabilities were 187,816 million yen (a 15,355 million yen or 8.9% increase from the previous fiscal year end), mainly due to a 5,089 million yen increase in trade payables.

Total net assets were 1,918,722 million yen (a 9,583 million yen or 0.5% decrease from the previous fiscal year end), mainly due to a 10,423 million yen decrease in foreign currency translation adjustment.

(3) Consolidated forecasts and other forward-looking information

There is no change to the consolidated forecast for the fiscal year 2025, announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Under Japanese GAAP]" issued on May 14, 2025.

2. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	655,779	669,138
Notes and accounts receivable-trade	207,969	207,736
Securities	29,770	42,466
Merchandise and finished goods	173,938	176,437
Work in process	31,245	29,750
Raw materials and supplies	284,477	277,279
Other	39,896	39,458
Allowance for doubtful accounts	(1,236)	(1,035)
Total current assets	1,421,842	1,441,232
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	176,837	181,416
Machinery, equipment and vehicles, net	75,144	77,407
Land	105,475	109,843
Other, net	121,258	156,794
Total property, plant and equipment	478,717	525,461
Intangible assets	16,110	15,460
Investments and other assets		
Investment securities	145,267	83,477
Other	40,296	42,449
Allowance for doubtful accounts	(1,466)	(1,540)
Total investments and other assets	184,097	124,385
Total non-current assets	678,925	665,307
Total assets	2,100,767	2,106,539

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	46,898	51,988
Short-term borrowings	5,041	5,000
Income taxes payable	18,223	17,757
Provision for bonuses	3,730	8,910
Other	61,745	63,403
Total current liabilities	135,639	147,059
Non-current liabilities		
Provision for retirement benefits for directors	620	605
Provision for share awards for directors	440	487
Retirement benefit liability	7,957	8,053
Other	27,803	31,611
Total non-current liabilities	36,821	40,757
Total liabilities	172,461	187,816
Net assets		
Shareholders' equity		
Share capital	61,005	61,005
Capital surplus	74,473	73,779
Retained earnings	1,808,633	1,608,465
Treasury shares	(219,814)	(14,828)
Total shareholders' equity	1,724,298	1,728,420
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,492	11,279
Foreign currency translation adjustment	178,700	168,276
Remeasurements of defined benefit plans	10,789	10,596
Total accumulated other comprehensive income	203,983	190,153
Non-controlling interests	25	149
Total net assets	1,928,306	1,918,722
Total liabilities and net assets	2,100,767	2,106,539

(2) Quarterly consolidated statement of income and Quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2024 From April 1, 2024 to June 30, 2024	Three months ended June 30, 2025 From April 1, 2025 to June 30, 2025
Net sales	202,781	200,180
Cost of sales	106,095	111,527
Gross profit	96,686	88,652
Selling, general and administrative expenses	44,331	44,195
Operating profit	52,354	44,456
Non-operating income		
Interest income	4,672	3,951
Foreign exchange gains	9,981	—
Gain on sale of securities	—	1,283
Other	1,315	871
Total non-operating income	15,969	6,106
Non-operating expenses		
Interest expenses	16	39
Foreign exchange losses	—	1,382
Other	28	25
Total non-operating expenses	45	1,447
Ordinary profit	68,278	49,115
Extraordinary income		
Gain on sale of non-current assets	162	153
Gain on sale of investment securities	50	279
Total extraordinary income	212	433
Extraordinary losses		
Loss on retirement of non-current assets	418	28
Other	4	8
Total extraordinary losses	423	36
Profit before income taxes	68,067	49,512
Income taxes	19,353	14,868
Profit	48,713	34,644
Profit attributable to non-controlling interests	8	2
Profit attributable to owners of parent	48,705	34,641

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2024 From April 1, 2024 to June 30, 2024	Three months ended June 30, 2025 From April 1, 2025 to June 30, 2025
Profit	48,713	34,644
Other comprehensive income		
Valuation difference on available-for-sale securities	5,675	(3,213)
Deferred gains or losses on hedges	12	—
Foreign currency translation adjustment	54,590	(6,441)
Remeasurements of defined benefit plans, net of tax	(129)	(193)
Total other comprehensive income	60,149	(9,847)
Comprehensive income	108,862	24,796
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	108,948	24,793
Comprehensive income attributable to non-controlling interests	(85)	2

(3) Notes to quarterly consolidated financial statements

(Notes on changes in scope of consolidation or equity method)

(Changes in scope of consolidation)

From the beginning of the three months ended June 30, 2025, the Group has consolidated 27 small-sized subsidiaries which were previously out of the scope of consolidation.

(Notes on special accounting methods for presenting quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses were calculated by multiplying profit before income taxes by the estimated effective tax rates (effective tax rates were calculated by reasonably estimating effective tax rate of profit before income taxes of consolidated fiscal year, including the consolidated three months of this fiscal year, after the application of tax effect accounting).

Tax expenses for some subsidiaries were calculated with effective statutory tax rates instead of the estimated effective tax rates. Recoverable amount for deferred tax assets were reasonably estimated.

(Notes on segment information)

The Company and its consolidated subsidiaries are composed of a single business segment, Automatic control equipment business. The disclosure of segment information is thereby omitted.

(Notes in the event of significant changes in shareholders' equity)

During the three months ended June 30, 2025, the Company repurchased 119,000 shares amounting 6,330 million yen, based on the resolution of the Board of Directors' Meeting held on May 14, 2025. Also, as of May 30, 2025, the Company cancelled 3,500,000 treasury shares amounting 211,317 million yen.

As a result, as of the end of the three months, capital surplus decreased by 694 million yen, retained earnings decreased by 210,622 million yen, and treasury shares decreased by 204,985 million yen, from the previous fiscal year end.

(Notes on going-concern assumption)

N/A

(Notes on the quarterly consolidated cash flow statement)

There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2025.

Depreciation for the three months ended June 30, 2025 is as follows:

	(Millions of yen)	
	Three months ended June 30, 2024 From April 1, 2024 to June 30, 2024	Three months ended June 30, 2025 From April 1, 2025 to June 30, 2025
Depreciation	6,523	9,495

3. Supplementary information

(1) Sales by region - customer location

(Millions of yen)

Japan	U.S.	China	Asia (excl. China)	Europe	Other	Total
38,454	20,875	57,134	36,520	37,185	10,008	200,180

(Note) Net sales of Japan, U.S., and China (including Hong Kong) are individually disclosed since they consist 10% or above the consolidated net sales respectively.

(2) Sales by region - Group company location

(Millions of yen)

Japan	North America	Greater China	Other Asia	Europe	Other	Total
39,202	26,490	61,387	30,829	36,548	5,721	200,180

(Note) Net sales of “North America” includes U.S., Canada, and Mexico, and “Greater China” includes China, Hong Kong, and Taiwan.

(3) Consolidated Capital expenditures, Depreciation and R&D expenses

(Millions of yen)

	Three months ended June 30, 2025 (cumulative)		Year ending March 31, 2026 (Forecast)	
Capital expenditures	47,086	96.6%	180,000	67.0%
Depreciation	9,495	45.6%	42,300	23.3%
R&D expenses	9,066	11.0%	37,000	10.9%

(4) Foreign currency exchange rates

	Three months ended June 30, 2025		Year ending March 31, 2026 (Forecast)
	(average)	(at end)	(average)
U S \$	¥ 144.60	¥ 144.82	¥ 141.00
E U R	¥ 163.81	¥ 169.64	¥ 157.00
C N Y	¥ 19.98	¥ 20.20	¥ 19.50

(5) Consolidated Full-time employees and Temporary employees

(Number of personnel)

	Three months ended June 30, 2025	Difference from last year end
Full-time employees (at end)	24,256	1,142
Temporary employees (average)	5,494	13

(Note) The increase in the number of employees is mainly due to the inclusion of the 27 previously non-consolidated subsidiaries in the scope of consolidation from the beginning of this fiscal year.