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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 8, 2025

Company name: SMK Corporation

Stock exchange listing: Tokyo Stock Exchange Prime Market

Code number: 6798

URL: <https://www.smk.co.jp>

Representative: Yasumitsu Ikeda, President, Chief Executive Officer and Chief Operating Officer

Contact: Itaru Kitahira, Vice President, Chief Financial Officer

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Scheduled date of annual general meeting of shareholders: June 24, 2025

Scheduled date of commencing dividend payments: June 25, 2025

Scheduled date of filing annual securities report: June 23, 2025

Availability of supplementary explanatory materials on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	48,051	3.3	(235)	—	534	136.3	(1,848)	—
March 31, 2024	46,522	(15.2)	(1,243)	—	226	(91.0)	(489)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥(2,245) million [—%]

Fiscal year ended March 31, 2024: ¥1,355 million [(25.4)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	(291.65)	—	(6.0)	0.9	(0.5)
March 31, 2024	(75.00)	—	(1.5)	0.4	(2.7)

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2025: ¥71 million

Fiscal year ended March 31, 2024: ¥1 million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	57,736	29,258	50.7	4,617.79
As of March 31, 2024	58,444	32,143	55.0	5,070.15

(Reference) Equity: As of March 31, 2025: ¥29,258 million

As of March 31, 2024: ¥32,143 million

**(3) Consolidated Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	2,439	(2,216)	286	10,415
March 31, 2024	3,719	(1,617)	(478)	10,197

**2. Dividends**

	Annual dividends					Total cash dividends (Total)	Payout Ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year- end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	—	50.00	—	50.00	100.00	649	—	2.0
Fiscal year ended March 31, 2025	—	50.00	—	90.00	140.00	894	—	2.9
Fiscal year ending March 31, 2026 (Forecast)	—	50.00	—	50.00	100.00		—	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025:

Common dividend: ¥50.00

Commemorative dividend for SMK 100th Anniversary: ¥40.00

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	22,000	(6.8)	(400)	—	(150)	—	(300)	—	(47.35)
Full year	46,000	(4.3)	500	—	1,000	87.1	600	—	94.70

**\* Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes  
 Newly included: Non  
 Excluded: One (Company name: SMK Manufacturing, Inc.)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement  
 1) Changes in accounting policies due to the revision of accounting standards: None  
 2) Changes in accounting policies other than 1) above: None  
 3) Changes in accounting estimates: None  
 4) Retrospective restatement: None
- (3) Total number of issued and outstanding shares (common stock)  
 1) Total number of issued and outstanding shares at the end of the period (including treasury stock):  
     March 31, 2025: 7,200,000 shares  
     March 31, 2024: 7,200,000 shares
- 2) Total number of treasury stock at the end of the period:  
     March 31, 2025: 863,954 shares  
     March 31, 2024: 860,296 shares
- 3) Average number of shares during the period:  
     Fiscal year ended March 31, 2025: 6,337,901 shares  
     Fiscal year ended March 31, 2024: 6,525,280 shares

(Notes) The number of treasury stock includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Board Benefit Trust (BBT).

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	22,973	1.0	(1,434)	—	1,069	—	(6)	—
March 31, 2024	22,743	(8.8)	(1,449)	—	(630)	—	(1,196)	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	(0.96)	—
March 31, 2024	(183.04)	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	46,838	23,680	50.6	3,728.85
As of March 31, 2024	45,926	24,429	53.2	3,845.03

(Reference) Equity: As of March 31, 2025: ¥23,680 million  
 As of March 31, 2024: ¥24,429 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

1. The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and actual results may differ significantly from these forecasts due to various factors.
2. The Company plans to hold a briefing session on financial results for institutional investors and analysts on May 23, 2025. The explanatory materials on financial results to be used on the day of the session will be posted on the Company's website promptly after the meeting.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	10,258	10,475
Notes receivable - trade	50	4
Electronically recorded monetary claims - operating	3,132	2,710
Accounts receivable - trade	10,039	11,221
Merchandise and finished goods	3,424	2,909
Work in process	592	517
Raw materials and supplies	5,240	4,246
Other	1,150	1,202
Allowance for doubtful accounts	(64)	(85)
Total current assets	33,824	33,201
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,697	21,036
Accumulated depreciation and impairment	(16,451)	(16,885)
Buildings and structures, net	4,245	4,151
Machinery, equipment and vehicles	25,851	22,609
Accumulated depreciation and impairment	(23,020)	(19,960)
Machinery, equipment and vehicles, net	2,830	2,649
Tools, furniture and fixtures	18,966	17,031
Accumulated depreciation and impairment	(18,011)	(16,009)
Tools, furniture and fixtures, net	954	1,022
Land	5,819	5,819
Leased assets	39	3
Accumulated depreciation and impairment	(35)	(0)
Leased assets, net	3	3
Right of use assets	2,314	2,257
Accumulated depreciation and impairment loss	(880)	(1,308)
Right of use assets, net	1,434	948
Construction in progress	39	159
Total property, plant and equipment	15,328	14,754
Intangible assets		
Other	130	202
Total intangible assets	130	202
Investments and other assets		
Investment securities	4,327	4,205
Long-term loans receivable	90	87
Retirement benefit asset	3,788	4,247
Deferred tax assets	149	241
Other	900	890
Allowance for doubtful accounts	(94)	(94)
Total investments and other assets	9,160	9,578
Total non-current assets	24,619	24,535
<b>Total assets</b>	<b>58,444</b>	<b>57,736</b>

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,643	3,206
Electronically recorded obligations - operating	2,058	1,005
Short-term borrowings	5,840	7,040
Lease liabilities	504	462
Accounts payable - other	1,801	2,690
Income taxes payable	270	198
Provision for bonuses	572	581
Provision for bonuses for directors (and other officers)	1	3
Valuation reserve for inventory purchase commitments	107	6
Other	1,571	1,467
Total current liabilities	15,371	16,662
Non-current liabilities		
Long-term borrowings	7,022	7,282
Lease liabilities	997	830
Deferred tax liabilities	2,005	2,575
Provision for retirement benefits for directors (and other officers)	132	124
Retirement benefit liability	37	297
Provision for share awards for directors (and other officers)	27	24
Other	705	679
Total non-current liabilities	10,929	11,815
Total liabilities	26,300	28,477
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	12,057	12,057
Retained earnings	13,253	10,767
Treasury shares	(3,030)	(3,032)
Total shareholders' equity	30,276	27,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,159	969
Deferred gains or losses on hedges	(70)	16
Foreign currency translation adjustment	(497)	(812)
Remeasurements of defined benefit plans	1,274	1,296
Total accumulated other comprehensive income	1,866	1,469
Total net assets	32,143	29,258
Total liabilities and net assets	58,444	57,736

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	46,522	48,051
Cost of sales	39,094	38,800
Gross profit	7,427	9,250
Selling, general and administrative expenses	8,671	9,486
Operating loss	(1,243)	(235)
Non-operating income		
Interest income	102	172
Dividend income	64	52
Rental income from real estate	987	1,023
Foreign exchange gains	1,089	54
Other	201	362
Total non-operating income	2,445	1,665
Non-operating expenses		
Interest expenses	156	221
Rental costs on real estate	581	593
Loss on investments in investment partnerships	112	–
Provision of allowance for doubtful accounts	5	–
Other	119	80
Total non-operating expenses	975	895
Ordinary profit	226	534
Extraordinary income		
Gain on sale of non-current assets	183	7
Gain on sale of investment securities	273	–
Other	1	–
Total extraordinary income	459	7
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	72	83
Impairment losses	562	497
Loss on valuation of investment securities	1	69
Extra retirement payments	102	–
Business structure reform expenses	–	869
Total extraordinary losses	739	1,520
Loss before income taxes	(53)	(978)
Income taxes - current	233	315
Income taxes for prior periods	–	65
Income taxes - deferred	201	489
Total income taxes	435	870
Loss	(489)	(1,848)
Loss attributable to owners of parent	(489)	(1,848)

# Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Loss	(489)	(1,848)
Other comprehensive income		
Valuation difference on available-for-sale securities	385	(190)
Deferred gains or losses on hedges	(70)	86
Foreign currency translation adjustment	652	(315)
Remeasurements of defined benefit plans, net of tax	876	21
Total other comprehensive income	1,844	(397)
Comprehensive income	1,355	(2,245)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,355	(2,245)



### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	7,996	12,057	14,730	(2,531)	32,252
Changes during period					
Dividends of surplus			(987)		(987)
Loss attributable to owners of parent			(489)		(489)
Purchase of treasury shares				(500)	(500)
Disposal of treasury shares				1	1
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(1,476)	(498)	(1,975)
Balance at end of period	7,996	12,057	13,253	(3,030)	30,276

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	773	–	(1,149)	397	21	32,274
Changes during period						
Dividends of surplus						(987)
Loss attributable to owners of parent						(489)
Purchase of treasury shares						(500)
Disposal of treasury shares						1
Net changes in items other than shareholders' equity	385	(70)	652	876	1,844	1,844
Total changes during period	385	(70)	652	876	1,844	(131)
Balance at end of period	1,159	(70)	(497)	1,274	1,866	32,143

Fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	7,996	12,057	13,253	(3,030)	30,276
Changes during period					
Dividends of surplus			(637)		(637)
Loss attributable to owners of parent			(1,848)		(1,848)
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				2	2
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(2,486)	(1)	(2,487)
Balance at end of period	7,996	12,057	10,767	(3,032)	27,789

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,159	(70)	(497)	1,274	1,866	32,143
Changes during period						
Dividends of surplus						(637)
Loss attributable to owners of parent						(1,848)
Purchase of treasury shares						(3)
Disposal of treasury shares						2
Net changes in items other than shareholders' equity	(190)	86	(315)	21	(396)	(396)
Total changes during period	(190)	86	(315)	21	(396)	(2,884)
Balance at end of period	969	16	(812)	1,296	1,469	29,258

#### (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Loss before income taxes	(53)	(978)
Depreciation	2,451	2,347
Impairment losses	562	497
Restructuring expenses	–	869
Increase (decrease) in provision for bonuses	(33)	10
Increase (decrease) in valuation reserve for inventory purchase commitments	103	(100)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	(8)
Increase (decrease) in provision for share awards for directors (and other officers)	(1)	(2)
Increase (decrease) in net defined benefit asset and liability	(187)	(133)
Interest and dividend income	(167)	(224)
Interest expenses	156	221
Loss (gain) on sale of investment securities	(273)	–
Loss (gain) on sale of non-current assets	(183)	(6)
Loss (gain) on valuation of investment securities	1	69
Loss on retirement of non-current assets	72	83
Loss (gain) on investments in investment partnerships	112	(112)
Extra retirement payments	102	–
Decrease (increase) in trade receivables	1,321	(932)
Decrease (increase) in inventories	1,440	1,599
Increase (decrease) in trade payables	(1,209)	(420)
Decrease (increase) in accounts receivable - other	78	4
Increase (decrease) in accounts payable - other	(20)	(4)
Other, net	(92)	(59)
Subtotal	4,180	2,835
Interest and dividends received	169	226
Interest paid	(169)	(228)
Income taxes paid	(387)	(387)
Income taxes refund	28	–
Extra retirement payments	(102)	–
Payment for Business restructuring expenses	–	(7)
Net cash provided by (used in) operating activities	3,719	2,439
Cash flows from investing activities		
Payments into time deposits	(52)	(40)
Proceeds from withdrawal of time deposits	48	40
Purchase of property, plant and equipment	(2,379)	(2,080)
Proceeds from sale of property, plant and equipment	260	19
Purchase of intangible assets	(58)	(126)
Purchase of investment securities	(87)	(34)
Proceeds from sale of investment securities	634	–
Loan advances	(8)	(9)
Proceeds from collection of loans receivable	23	16
Other, net	2	0
Net cash provided by (used in) investing activities	(1,617)	(2,216)

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,200	800
Proceeds from long-term borrowings	3,300	2,000
Repayments of long-term borrowings	(3,991)	(1,340)
Repayments of lease liabilities	(504)	(535)
Purchase of treasury shares	(498)	(1)
Dividends paid	(984)	(636)
Net cash provided by (used in) financing activities	(478)	286
Effect of exchange rate change on cash and cash equivalents	(341)	(291)
Net increase (decrease) in cash and cash equivalents	1,282	217
Cash and cash equivalents at beginning of period	8,915	10,197
Cash and cash equivalents at end of period	10,197	10,415