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



July 29, 2025

Company name: SMK Corporation

Stock exchange listing: Tokyo Stock Exchange Prime Market

Code number: 6798

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

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

Contact: Itaru Kitahira, Vice President, Chief Financial Officer

Telephone: +81-3-3785-1111

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on financial results: Available

Schedule of financial results briefing session: Not scheduled

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

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 - June 30, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	11,029	(5.9)	(280)	–	(618)	–	(651)	–
June 30, 2024	11,726	6.2	(64)	–	952	37.1	801	54.0

(Note) Comprehensive income: Three months ended June 30, 2025: ¥(680) million [–%]

Three months ended June 30, 2024: ¥1,324 million [14.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	(102.88)	–
June 30, 2024	126.47	–

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	56,795	27,965	49.2
As of March 31, 2025	57,684	29,221	50.7

(Reference) Equity: As of June 30, 2025: ¥27,965 million

As of March 31, 2025: ¥29,221 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	50.00	—	90.00	140.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		50.00	—	50.00	100.00

(Note) Revision to the forecast for dividends announced most recently: None

## 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	82.0	600	—	94.70

(Note) Revision to the financial results forecast announced most recently: None

**\* Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) 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
- (4) 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):

June 30, 2025:	7,200,000 shares
March 31, 2025:	7,200,000 shares
  - 2) Total number of treasury stock at the end of the period:

June 30, 2025:	865,662 shares
March 31, 2025:	863,954 shares
  - 3) Average number of shares during the period:

Three months ended June 30, 2025:	6,336,246 shares
Three months ended June 30, 2024:	6,338,953 shares

(Note) 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).

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

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

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. For preconditions for the financial results forecast, notes on the use thereof, etc., please refer to "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the attachment.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

The Group established the Medium-Term Business Plan “SMK Next 100” that covers the period from FY2024 to FY2026 as the first milestone for achieving the Long-Term Vision FY2035 “Contribute to the next 100 years with our manufacturing capability that meets all manner of needs.” This period was positioned as a “period to accelerate structural reforms toward sustainable growth,” with the Group aiming to return to a growth trajectory in sales and profits through resource investment, cost structural reforms, and strengthening of its management base, including integrated production and sales operations. However, the current situation remained challenging, as CS Division performed well but experienced only modest growth, SCI Division remained sluggish due in part to the prolonged inventory adjustments by clients, and Innovation Center continued facing persisting losses caused by delays in the development of new products and new businesses.

As announced on March 25, 2025, the Company, in light of this situation, has decided to formulate and implement the “structural reform program” in order to further accelerate structural reforms. Aiming to achieve the targets under the Long-Term Vision and the Medium-Term Business Plan, we accelerate our return to a growth trajectory by withdrawing or scaling down unprofitable products in each division and focusing our resources on areas with higher profitability and efficiency. Additional efforts are also underway to optimize the number of personnel and talent portfolio, as well as improvements in the scale efficiency of administrative functions.

During the three months ended June 30, 2025, the global economy was generally stable against a backdrop of the firmness of the U.S. economy. However, the future business climate remains uncertain mainly due to the future direction of the Trump administration’s tariff policy, the continued geopolitical risks caused by the prolonged Ukraine crisis and tensions in the Middle East, as well as the continued sluggishness of the Chinese economy, albeit temporarily stabilized by the government’s economic measures. Given these factors, dollar-yen exchange rates also remain unstable.

In the electronic components industry, the market conditions showed a moderate recovery trend overall. The car electronics market showed signs of stagnation due to the global slowdown in automobile sales and stalled sales of electric vehicles (EVs). In the ICT market, while sales of smartphones and tablets remained sluggish, sales of artificial intelligence (AI) servers and data center-related products expanded. In the home appliance market, sales of gaming-related devices and white goods showed firm momentum. In the industry market, although sales of products, particularly semiconductor manufacturing equipment, showed some signs of recovery, the overall situation still remained sluggish.

In the three months ended June 30, 2025, sales in CS Division decreased year on year due to sluggish performance in the ICT and industry markets, although sales in the car electronics and home appliance markets remained strong. Sales in SCI Division remained almost unchanged from those of the previous fiscal year, supported by strong performance in the car electronics market, although sales in the home appliance market decreased year on year. As a result, net sales amounted to ¥11,029 million (5.9% decrease year on year), and operating loss was ¥280 million (compared to operating loss of ¥64 million in the same period of the previous fiscal year). Ordinary loss was ¥618 million (compared to ordinary profit of ¥952 million in the same period of the previous fiscal year) by recording foreign exchange losses of ¥514 million due to the yen appreciation, and loss attributable to owners of parent was ¥651 million (compared to profit attributable to owners of parent of ¥801 million in the same period of the previous fiscal year).

Results by segment are as follows.

#### [CS Division]

In the car electronics market, sales remained unchanged from those of the previous fiscal year due to the continued strong sales of camera-related and E-Bike-related products. In the home appliance market, sales exceeded those of the previous fiscal year due to the expansion in amusement-related products. Meanwhile, in the ICT market, sales decreased year on year due to decreases in smartphones and tablet-related products. In the industry market, sales decreased year on year due to a decrease in healthcare-related products, despite strong

sales of renewable energy-related products.

As a result, sales in CS Division as a whole fell below the level of those of the previous fiscal year. Net sales amounted to ¥5,207 million (8.9% decrease year on year), and operating profit was ¥229 million (59.8% decrease year on year).

[SCI Division]

In the home appliance market, sales of remote control units decreased year on year due to a decrease in those for smart home appliances, although those for sanitation and air conditioners remained strong. In the car electronics market, sales exceeded those of the previous fiscal year due to the strong performance in camera modules for automotive applications, control units, E-Bike control units, and switches. In SCI Division as a whole, sales remained almost at the same level year on year.

However, as a result, sales in SCI Division as a whole fell slightly below the previous fiscal year's level. Net sales amounted to ¥5,801 million (2.4% decrease year on year), and operating loss was ¥365 million (compared to operating loss of ¥528 million in the same period of the previous fiscal year).

[Innovation Center]

Sales of Bluetooth® modules decreased year on year due to a decrease in those for mobile printers. In addition, sales of Sub-GHz communication modules for lighting equipment also decreased, and sales in Innovation Center as a whole decreased year on year. Through the selection and concentration of businesses as part of the structural reform program, the Innovation Center focused its' resources on two businesses, the speech-based head health analysis technology and EMG sensors. Accordingly, the communication module business was transferred to SCI Division in June in consideration of company-wide efficiency.

As a result, net sales in Innovation Center amounted to ¥20 million (67.9% decrease year on year), and operating loss was ¥144 million (compared to operating loss of ¥104 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Current assets decreased 2.5% from the end of the previous fiscal year to ¥32,320 million. This was mainly due to a decrease of ¥1,329 million in accounts receivable - trade, and increases of ¥229 million in cash and deposits and ¥194 million in merchandise and finished goods. Non-current assets decreased 0.2% from the end of the previous fiscal year to ¥24,474 million. This was mainly due to a decrease of ¥59 million in property, plant and equipment.

As a result, total assets decreased 1.5% from the end of the previous fiscal year to ¥56,795 million.

Current liabilities increased 5.7% from the end of the previous fiscal year to ¥17,594 million. This was mainly due to increases of ¥450 million in notes and accounts payable - trade, ¥300 million in short-term borrowings, and ¥161 million in electronically recorded obligations - operating. Non-current liabilities decreased 4.9% from the end of the previous fiscal year to ¥11,234 million. This was mainly due to a decrease of ¥339 million in long-term borrowings.

As a result, total liabilities increased 1.3% from the end of the previous fiscal year to ¥28,829 million.

Total net assets decreased 4.3% from the end of the previous fiscal year to ¥27,965 million. This was mainly due to a decrease of ¥1,226 million in retained earnings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

No change has been made to the consolidated financial results forecast for the six months ending September 30, 2025 and the fiscal year ending March 31, 2026, announced on May 8, 2025.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	10,475	10,704
Notes receivable - trade	4	7
Electronically recorded monetary claims - operating	2,710	2,690
Accounts receivable - trade	11,221	9,892
Merchandise and finished goods	2,909	3,103
Work in process	517	679
Raw materials and supplies	4,246	4,162
Other	1,151	1,151
Allowance for doubtful accounts	(85)	(71)
Total current assets	33,149	32,320
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,151	4,135
Land	5,819	5,819
Other, net	4,783	4,739
Total property, plant and equipment	14,754	14,695
Intangible assets		
Other	202	195
Total intangible assets	202	195
Investments and other assets		
Other	9,672	9,693
Allowance for doubtful accounts	(94)	(109)
Total investments and other assets	9,578	9,584
Total non-current assets	24,535	24,474
Total assets	57,684	56,795

(Million yen)

	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,206	3,656
Electronically recorded obligations - operating	1,005	1,166
Short-term borrowings	7,040	7,340
Accounts payable - other	2,690	2,760
Income taxes payable	198	140
Provision for bonuses	581	414
Provision for bonuses for directors (and other officers)	3	–
Valuation reserve for inventory purchase commitments	6	6
Other	1,915	2,108
Total current liabilities	16,647	17,594
Non-current liabilities		
Long-term borrowings	7,282	6,942
Provision for retirement benefits for directors (and other officers)	124	128
Retirement benefit liability	297	266
Provision for share awards for directors (and other officers)	24	32
Other	4,086	3,863
Total non-current liabilities	11,815	11,234
Total liabilities	28,462	28,829
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	12,057	12,057
Retained earnings	10,731	9,504
Treasury shares	(3,032)	(3,032)
Total shareholders' equity	27,752	26,525
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	969	1,018
Deferred gains or losses on hedges	16	9
Foreign currency translation adjustment	(812)	(777)
Remeasurements of defined benefit plans	1,296	1,190
Total accumulated other comprehensive income	1,469	1,440
Total net assets	29,221	27,965
Total liabilities and net assets	57,684	56,795



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

## Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	11,726	11,029
Cost of sales	9,477	9,095
Gross profit	2,248	1,933
Selling, general and administrative expenses	2,312	2,214
Operating loss	(64)	(280)
Non-operating income		
Interest income	25	28
Dividend income	24	28
Rental income from real estate	254	259
Foreign exchange gains	887	–
Other	22	91
Total non-operating income	1,214	407
Non-operating expenses		
Interest expenses	49	56
Rental costs on real estate	137	141
Foreign exchange losses	–	514
Other	11	33
Total non-operating expenses	198	745
Ordinary profit (loss)	952	(618)
Extraordinary income		
Gain on sale of non-current assets	5	–
Total extraordinary income	5	–
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	3	0
Loss on valuation of investment securities	2	–
Total extraordinary losses	5	0
Profit (loss) before income taxes	951	(619)
Income taxes - current	75	75
Income taxes - deferred	74	(42)
Total income taxes	150	32
Profit (loss)	801	(651)
Profit (loss) attributable to owners of parent	801	(651)

Quarterly Consolidated Statements of Comprehensive Income  
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit (loss)	801	(651)
Other comprehensive income		
Valuation difference on available-for-sale securities	259	48
Deferred gains or losses on hedges	29	(7)
Foreign currency translation adjustment	310	34
Remeasurements of defined benefit plans, net of tax	(77)	(105)
Total other comprehensive income	523	(29)
Comprehensive income	1,324	(680)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,324	(680)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

(Segment information)

I. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information on amounts of net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment				Amount recorded in Quarterly Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communications and Interface) Division	Innovation Center	Total	
Net sales					
Net sales to outside customers	5,717	5,944	64	11,726	11,726
Inter-segment net sales or transfers	—	—	—	—	—
Total	5,717	5,944	64	11,726	11,726
Segment profit (loss) (operating loss)	569	(528)	(104)	(64)	(64)

II. For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information on amounts of net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment				Amount recorded in Quarterly Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communications and Interface) Division	Innovation Center	Total	
Net sales					
Net sales to outside customers	5,207	5,801	20	11,029	11,029
Inter-segment net sales or transfers	—	—	—	—	—
Total	5,207	5,801	20	11,029	11,029
Segment profit (loss) (operating loss)	229	(365)	(144)	(280)	(280)

(Notes on consolidated statements of cash flows)

Quarterly consolidated statements of cash flows are not prepared for the three months ended June 30, 2025.  
Depreciation (including amortization of intangible assets) for the three months ended June 30 is as follows.

	(Million yen)	
	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	569	549

### 3. Supplementary Information

#### Status of Orders Received and Sales (by Market)

##### 1) Orders received

(Million yen)

Market	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)		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	2,270	18.1	1,621	13.5	(648)	(28.6)
Home appliance	5,203	41.5	5,174	43.2	(28)	(0.5)
Car electronics	3,663	29.2	4,034	33.7	371	10.1
Industry and other	1,411	11.2	1,159	9.6	(251)	(17.8)
Total	12,548	100.0	11,990	100.0	(557)	(4.4)

Market	(Reference) Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	
	Amount	Contribution (%)
ICT	6,552	13.9
Home appliance	19,745	41.8
Car electronics	16,242	34.4
Industry and other	4,675	9.9
Total	47,215	100.0

##### 2) Sales

(Million yen)

Market	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)		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	2,185	18.6	1,554	14.1	(630)	(28.9)
Home appliance	4,917	41.9	4,961	45.0	44	0.9
Car electronics	3,378	28.8	3,532	32.0	154	4.6
Industry and other	1,244	10.6	979	8.9	(264)	(21.3)
Total	11,726	100.0	11,029	100.0	(696)	(5.9)

Market	(Reference) Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	
	Amount	Contribution (%)
ICT	6,949	14.5
Home appliance	19,820	41.2
Car electronics	16,100	33.5
Industry and other	5,180	10.8
Total	48,051	100.0