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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]



October 28, 2025

Company name: SMK Corporation
 Stock exchange listing: Tokyo Stock Exchange Prime Market
 Securities code: 6798
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 Representative: Yasumitsu Ikeda, President, Chief Executive Officer and Chief Operating Officer
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 Scheduled date of filing semi-annual securities report: November 13, 2025
 Scheduled date of commencing dividend payments: November 19, 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 Six Months Ended September 30, 2025 (April 1, 2025 - September 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	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	23,152	(2.0)	(117)	—	(125)	—	(193)	—
September 30, 2024	23,614	2.3	108	—	74	(93.3)	(287)	—

(Note) Comprehensive income: Six months ended September 30, 2025: ¥381 million [—%]

Six months ended September 30, 2024: ¥(684) million [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	(30.63)	—
September 30, 2024	(45.35)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	56,243	29,033	51.6
As of March 31, 2025	57,684	29,221	50.7

(Reference) Equity: As of September 30, 2025: ¥29,033 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	—	50.00			
Fiscal year ending March 31, 2026 (Forecast)			—	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
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 semi-annual 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):

September 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:

September 30, 2025:	869,716 shares
March 31, 2025:	863,954 shares
 - 3) Average number of shares during the period:

Six months ended September 30, 2025:	6,334,193 shares
Six months ended September 30, 2024:	6,338,732 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).

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 Semi-annual Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the attachment.

Table of Contents - Attachments

1. Qualitative Information on Semi-annual Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information ...	3
2. Semi-annual Consolidated Financial Statements and Principal Notes	4
(1) Semi-annual Consolidated Balance Sheets	4
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income	6
(3) Semi-annual Consolidated Statements of Cash Flows	8
(4) Notes to Semi-annual Consolidated Financial Statements	10
(Notes on going concern assumption)	10
(Notes in case of significant changes in shareholders' equity)	10
(Segment information, etc.)	10
3. Supplementary Information	11
Status of Orders Received and Sales (by Market)	11

1. Qualitative Information on Semi-annual 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.” The period of the plan 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 the strengthening of its management base, including resource investment, cost structural reforms, and transition to the integrated production and sales operation system. However, in the current situation, CS Division experienced only modest growth owing in part to sluggish market conditions in the ICT market, and SCI Division remained sluggish due in part to the impact of the prolonged inventory adjustments by clients. In addition, 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 formulated and started implementing the “structural reform program” toward further acceleration of 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 businesses, and focusing and allocating our resources on areas with higher growth potential and profitability. 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 six months ended September 30, 2025, the global economy was generally stable against a backdrop of the firmness of the U.S. economy. However, the uncertainty about the future economic outlook has increased mainly due to concerns over downward pressure on the economy arising from the U.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 having temporarily regained stability by the government’s economic measures. Given these factors and the Japan-U.S. interest rate gap, 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, a moderate recovery trend has emerged in demand for smartphones and tablets, which had been sluggish, and sales of artificial intelligence (AI) servers and data center-related areas continued to expand. In the home appliance market, sales of gaming-related devices performed well, and demand for large home appliances, including air conditioners, also remained firm. In the industry market, inventory gradually moved toward appropriate levels, and it started to show signs of recovery.

In the six months ended September 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 exceeded 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 ¥23,152 million (2.0% decrease year on year), and operating loss was ¥117 million (compared to operating profit of ¥108 million in the same period of the previous fiscal year). Ordinary loss was ¥125 million (compared to ordinary profit of ¥74 million in the same period of the previous fiscal year), and loss attributable to owners of parent was ¥193 million (compared to loss attributable to owners of parent of ¥287 million in the same period of the previous fiscal year).

Results by segment are as follows.

[CS Division]

In the car electronics market, sales exceeded those of the previous fiscal year due to the expansion in products for E-Bike and two-wheeled vehicles, in addition to steady sales of camera-related and electrical component-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 a decrease in products for smartphones. In the industry market, sales decreased year on year due to a decrease in healthcare-related products, despite firm sales of renewable energy-related products.

As a result, sales in CS Division as a whole remained below the level of those of the previous fiscal year. Net sales amounted to ¥11,091 million (3.7% decrease year on year), and operating profit was ¥660 million (43.1% decrease year on year).

[SCI Division]

In the home appliance market, sales of remote control units for smart home appliances and home equipment slightly decreased year on year, although those for sanitation and air conditioners remained firm. Meanwhile, 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.

As a result, sales in SCI Division as a whole exceeded the level of the previous fiscal year. Net sales amounted to ¥12,039 million (0.5% increase year on year), and operating loss was ¥533 million (compared to operating loss of ¥851 million in the same period of the previous fiscal year).

[Innovation Center]

The Innovation Center has been promoting the selection and concentration of businesses as part of the initiatives to strengthen cost management and has decided to focus its resources on two businesses, “the speech-based head health analysis technology” and “EMG sensors,” but commercialization has been delayed. Meanwhile, the communication module business, which had been a core business, was transferred to SCI Division in June 2025 in consideration of company-wide efficiency.

As a result, net sales in Innovation Center amounted to ¥21 million (81.2% decrease year on year), and operating loss was ¥244 million (compared to operating loss of ¥200 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Current assets decreased 6.3% from the end of the previous fiscal year to ¥31,070 million. This was mainly due to decreases of ¥1,305 million in accounts receivable - trade and ¥669 million in cash and deposits. Non-current assets increased 2.6% from the end of the previous fiscal year to ¥25,172 million. This was mainly due to an increase of ¥606 million in investments and other assets.

As a result, total assets decreased 2.5% from the end of the previous fiscal year to ¥56,243 million.

Current liabilities decreased 0.5% from the end of the previous fiscal year to ¥16,565 million. This was mainly due to a decrease of ¥758 million in accounts payable - other and an increase of ¥400 million in short-term borrowings. Non-current liabilities decreased 9.9% from the end of the previous fiscal year to ¥10,643 million. This was mainly due to decreases of ¥770 million in long-term borrowings and ¥392 million in other non-current liabilities.

As a result, total liabilities decreased 4.4% from the end of the previous fiscal year to ¥27,209 million.

Total net assets decreased 0.6% from the end of the previous fiscal year to ¥29,033 million. This was mainly due to a decrease of ¥767 million in retained earnings and an increase of ¥435 million in foreign currency translation adjustment.

(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 fiscal year ending March 31, 2026, announced on May 8, 2025.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	10,475	9,805
Notes receivable - trade	4	4
Electronically recorded monetary claims - operating	2,710	2,497
Accounts receivable - trade	11,221	9,916
Merchandise and finished goods	2,909	2,897
Work in process	517	533
Raw materials and supplies	4,246	4,199
Other	1,151	1,278
Allowance for doubtful accounts	(85)	(62)
Total current assets	33,149	31,070
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,151	4,085
Land	5,819	5,819
Other, net	4,783	4,826
Total property, plant and equipment	14,754	14,731
Intangible assets		
Other	202	256
Total intangible assets	202	256
Investments and other assets		
Other	9,672	10,296
Allowance for doubtful accounts	(94)	(111)
Total investments and other assets	9,578	10,184
Total non-current assets	24,535	25,172
Total assets	57,684	56,243

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,206	3,278
Electronically recorded obligations - operating	1,005	977
Short-term borrowings	7,040	7,440
Accounts payable - other	2,690	1,931
Income taxes payable	198	180
Provision for bonuses	581	759
Provision for bonuses for directors (and other officers)	3	–
Valuation reserve for inventory purchase commitments	6	6
Other	1,915	1,990
Total current liabilities	16,647	16,565
Non-current liabilities		
Long-term borrowings	7,282	6,511
Provision for retirement benefits for directors (and other officers)	124	120
Retirement benefit liability	297	283
Provision for share awards for directors (and other officers)	24	34
Other	4,086	3,693
Total non-current liabilities	11,815	10,643
Total liabilities	28,462	27,209
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	12,057	12,057
Retained earnings	10,731	9,963
Treasury shares	(3,032)	(3,028)
Total shareholders' equity	27,752	26,988
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	969	1,295
Deferred gains or losses on hedges	16	38
Foreign currency translation adjustment	(812)	(376)
Remeasurements of defined benefit plans	1,296	1,088
Total accumulated other comprehensive income	1,469	2,044
Total net assets	29,221	29,033
Total liabilities and net assets	57,684	56,243

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	23,614	23,152
Cost of sales	18,955	18,781
Gross profit	4,658	4,371
Selling, general and administrative expenses	4,550	4,488
Operating profit (loss)	108	(117)
Non-operating income		
Interest income	89	73
Dividend income	25	32
Rental income from real estate	510	518
Other	220	163
Total non-operating income	846	787
Non-operating expenses		
Interest expenses	107	122
Rental costs on real estate	284	283
Foreign exchange losses	466	367
Other	22	23
Total non-operating expenses	880	795
Ordinary profit (loss)	74	(125)
Extraordinary income		
Gain on sale of non-current assets	5	–
Gain on sale of investment securities	–	7
Total extraordinary income	5	7
Extraordinary losses		
Loss on sale of non-current assets	–	1
Loss on retirement of non-current assets	5	3
Impairment losses	80	–
Loss on valuation of investment securities	2	–
Total extraordinary losses	88	4
Loss before income taxes	(7)	(122)
Income taxes - current	176	289
Income taxes - deferred	103	(218)
Total income taxes	279	71
Loss	(287)	(193)
Loss attributable to owners of parent	(287)	(193)

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Loss	(287)	(193)
Other comprehensive income		
Valuation difference on available-for-sale securities	117	326
Deferred gains or losses on hedges	12	21
Foreign currency translation adjustment	(360)	435
Remeasurements of defined benefit plans, net of tax	(166)	(207)
Total other comprehensive income	(396)	575
Comprehensive income	(684)	381
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(684)	381

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Loss before income taxes	(7)	(122)
Depreciation	1,146	1,134
Impairment losses	80	–
Increase (decrease) in provision for bonuses	127	172
Increase (decrease) in valuation reserve for inventory purchase commitments	(64)	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(11)	(4)
Increase (decrease) in provision for share awards for directors (and other officers)	4	9
Increase (decrease) in net defined benefit asset and liability	(197)	(273)
Interest and dividend income	(115)	(106)
Interest expenses	107	122
Loss (gain) on sale of investment securities	–	(7)
Loss (gain) on sale of non-current assets	(5)	1
Loss (gain) on valuation of investment securities	2	–
Loss on retirement of non-current assets	5	3
Loss (gain) on investments in investment partnerships	(134)	(22)
Decrease (increase) in trade receivables	1,164	1,317
Decrease (increase) in inventories	235	157
Increase (decrease) in trade payables	(249)	(108)
Decrease (increase) in accounts receivable - other	33	17
Increase (decrease) in accounts payable - other	(263)	(156)
Other, net	(7)	(62)
Subtotal	1,851	2,072
Interest and dividends received	116	109
Interest paid	(104)	(119)
Income taxes paid	(293)	(281)
Income taxes refund	–	31
Payment for business restructuring expenses	–	(743)
Net cash provided by (used in) operating activities	1,570	1,068
Cash flows from investing activities		
Payments into time deposits	(23)	(32)
Proceeds from withdrawal of time deposits	23	23
Purchase of property, plant and equipment	(996)	(1,067)
Proceeds from sale of property, plant and equipment	6	0
Purchase of intangible assets	(18)	(71)
Purchase of investment securities	(4)	(0)
Proceeds from sale of investment securities	–	19
Loan advances	(8)	(9)
Proceeds from collection of loans receivable	8	11
Net cash provided by (used in) investing activities	(1,012)	(1,125)

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	500	400
Proceeds from long-term borrowings	1,000	–
Repayments of long-term borrowings	(570)	(770)
Repayments of lease liabilities	(286)	(246)
Purchase of treasury shares	(0)	(0)
Dividends paid	(318)	(571)
Net cash provided by (used in) financing activities	324	(1,188)
Effect of exchange rate change on cash and cash equivalents	(198)	564
Net increase (decrease) in cash and cash equivalents	684	(681)
Cash and cash equivalents at beginning of period	10,197	10,415
Cash and cash equivalents at end of period	10,882	9,734

(4) Notes to Semi-annual 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)

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

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Million yen)

	Reportable segment				Amount recorded in Semi-annual Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communications and Interface) Division	Innovation Center	Total	
Net sales					
Net sales to outside customers	11,519	11,982	113	23,614	23,614
Inter-segment net sales or transfers	—	—	—	—	—
Total	11,519	11,982	113	23,614	23,614
Segment profit (loss) (operating profit)	1,160	(851)	(200)	108	108

For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment				Amount recorded in Semi-annual Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communications and Interface) Division	Innovation Center	Total	
Net sales					
Net sales to outside customers	11,091	12,039	21	23,152	23,152
Inter-segment net sales or transfers	—	—	—	—	—
Total	11,091	12,039	21	23,152	23,152
Segment profit (loss) (operating loss)	660	(533)	(244)	(117)	(117)

3. Supplementary Information

Status of Orders Received and Sales (by Market)

1) Orders received

(Million yen)

Market	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)		Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	3,812	16.0	3,064	12.8	(747)	(19.6)
Home appliance	9,901	41.6	10,119	42.4	218	2.2
Car electronics	7,584	31.8	8,150	34.1	565	7.5
Industry and other	2,516	10.6	2,543	10.7	26	1.1
Total	23,814	100.0	23,878	100.0	63	0.3

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	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)		Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	4,052	17.2	3,196	13.8	(856)	(21.1)
Home appliance	10,026	42.5	10,028	43.3	2	0.0
Car electronics	7,145	30.3	7,801	33.7	655	9.2
Industry and other	2,390	10.0	2,126	9.2	(263)	(11.0)
Total	23,614	100.0	23,152	100.0	(462)	(2.0)

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