Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

July 28, 2026

Company name: SMK Corporation
Stock exchange listing: Tokyo Stock Exchange Prime Market
Securities code: 6798
URL: https://www.smk.co.jp/ja
Representative: Yasumitsu Ikeda, President, Chief Executive Officer and Chief Operating Officer
Contact: Masanobu Ikeo, Director and Executive Deputy President
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, 2026 (April 1, 2026 - June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	11,472	4.0	6	–	307	–	154	–
June 30, 2025	11,029	(5.9)	(280)	–	(618)	–	(651)	–

(Note) Comprehensive income: Three months ended June 30, 2026: ¥460 million [–%]
Three months ended June 30, 2025: ¥(680) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	24.40	–
June 30, 2025	(102.88)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	59,454	31,298	52.6
As of March 31, 2026	57,625	31,156	54.1

(Reference) Equity: As of June 30, 2026: ¥31,298 million
As of March 31, 2026: ¥31,156 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, 2026	–	50.00	–	50.00	100.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (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, 2027 (April 1, 2026 - March 31, 2027)

(% 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	24,000	3.7	200	–	400	–	200	–	31.60
Full year	49,000	1.7	800	86.0	1,200	(3.5)	800	–	126.41

(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 shares):

June 30, 2026:	7,200,000 shares
March 31, 2026:	7,200,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2026:	871,631 shares
March 31, 2026:	871,521 shares

3) Average number of shares during the period:

Three months ended June 30, 2026:	6,328,421 shares
Three months ended June 30, 2025:	6,336,246 shares

(Note) The number of treasury shares 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.” 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. In addition, based on the “structural reform program” announced on March 25, 2025, the Company has withdrawn or scaled down unprofitable businesses, and has focused its resources on areas with high growth potential and profitability. Additional efforts are also underway to further promote cost structure reforms by optimizing the number of personnel and talent portfolio, as well as improving scale efficiency.

During the three months ended June 30, 2026, the global economy was generally stable against a backdrop of the firmness of the U.S. economy, supported by robust investments in artificial intelligence (AI) related fields. However, the uncertainty about the future outlook has further increased mainly due to concerns over downward risks on the economy arising from the U.S. tariff policy, the rising geopolitical risks caused by the prolonged situation in Ukraine and tensions in the Middle East, as well as a slowdown in the growth of the Chinese economy. Given these factors and the Japan-U.S. interest rate gap, dollar-yen exchange rates also remain on a yen depreciation trend.

In the electronic components industry, the market conditions continued to show a moderate recovery trend, driven primarily by AI-related demand. The mobility market showed signs of stagnation due to sluggish global growth in automobile sales and stalled sales of electric vehicles (EVs). In the ICT market, sales of smartphones and tablets remained sluggish, due to prolonged replacement cycles and higher device prices resulting from rising memory prices. Meanwhile, sales of AI servers and data center-related areas continued to expand. In the home appliance market, sales of gaming-related devices remained firm, and sales of air conditioners also remained firm, supported by rising global temperatures and demand for energy efficiency. In the industry market, sales generally remained firm, underpinned by investments in the semiconductor and AI fields.

In the three months ended June 30, 2026, sales in CS Division exceeded those of the previous fiscal year, supported by strong performance in the mobility, home appliance, and industry markets, although sales in the ICT market decreased year on year. Sales in SCI Division decreased year on year due to a decline in the mobility market, although the home appliance and industry markets remained firm. As a result, net sales amounted to ¥11,472 million (4.0% increase year on year), and operating profit was ¥6 million (compared to operating loss of ¥280 million in the same period of the previous fiscal year). Ordinary profit was ¥307 million (compared to ordinary loss of ¥618 million in the same period of the previous fiscal year), and profit attributable to owners of parent was ¥154 million (compared to loss attributable to owners of parent of ¥651 million in the same period of the previous fiscal year).

Results by segment are as follows.

CS Division (manufacture and sale of connectors (coaxial, board-to-board, FPC) and jacks)

For connectors, sales in the mobility market exceeded those of the previous fiscal year due to the expansion in battery-related and electrical component-related products, in addition to strong sales of camera-related products. In the home appliance market, sales exceeded those of the previous fiscal year due to steady sales in amusement-related and digital camera-related products, and in the industry market, sales also exceeded those of the previous fiscal year due to the continued strong sales of renewable energy-related products. Meanwhile, in the ICT market, sales decreased year on year due to a decrease in products for tablets and smartphones.

As a result, net sales in CS Division amounted to ¥5,877 million (12.9% increase year on year), and operating profit was ¥269 million (17.7% increase year on year).

SCI Division (manufacture and sale of remote control units, camera modules, sensors and sensing products, and units)

In the home appliance market, sales of remote control units for residential use decreased year on year, although those for sanitation and air conditioners remained firm, and sales as a whole remained almost unchanged from those of the previous fiscal year.

In the mobility market, sales decreased year on year due to a decrease in automotive applications units and E-Bike units, and switches, despite the strong performance in camera modules.

As a result, sales in SCI Division amounted to ¥5,592 million (3.6% decrease year on year), and operating loss was ¥188 million (compared to operating loss of ¥365 million in the same period of the previous fiscal year).

Innovation Center (development and sale of speech-based analysis technology and EMG sensors)

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." In addition, 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 ¥2 million (86.9% decrease year on year), and operating loss was ¥74 million (compared to operating loss of ¥144 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Current assets increased 5.1% from the end of the previous fiscal year to ¥32,422 million. This was mainly due to increases of ¥1,347 million in cash and deposits, ¥810 million in raw materials and supplies, and ¥365 million in merchandise and finished goods, and a decrease of ¥1,370 million in accounts receivable - trade. Non-current assets increased 0.9% from the end of the previous fiscal year to ¥27,032 million. This was mainly due to an increase of ¥254 million in investments and other assets.

As a result, total assets increased 3.2% from the end of the previous fiscal year to ¥59,454 million.

Current liabilities increased 13.8% from the end of the previous fiscal year to ¥16,410 million. This was mainly due to increases of ¥1,108 million in notes and accounts payable - trade and ¥970 million in short-term borrowings. Non-current liabilities decreased 2.5% from the end of the previous fiscal year to ¥11,745 million. This was mainly due to a decrease of ¥309 million in long-term borrowings.

As a result, total liabilities increased 6.4% from the end of the previous fiscal year to ¥28,156 million.

Total net assets increased 0.5% from the end of the previous fiscal year to ¥31,298 million. This was mainly due to an increase of ¥334 million in foreign currency translation adjustment, and a decrease of ¥163 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, 2026 and the fiscal year ending March 31, 2027, announced on May 12, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	9,673	11,020
Notes receivable - trade	1	4
Electronically recorded monetary claims - operating	2,427	2,360
Accounts receivable - trade	10,872	9,502
Merchandise and finished goods	2,715	3,080
Work in process	625	768
Raw materials and supplies	3,400	4,211
Other	1,191	1,544
Allowance for doubtful accounts	(62)	(69)
Total current assets	30,845	32,422
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,066	4,003
Land	5,819	5,819
Other, net	4,537	4,609
Total property, plant and equipment	14,423	14,433
Intangible assets		
Other	242	230
Total intangible assets	242	230
Investments and other assets		
Other	12,231	12,421
Allowance for doubtful accounts	(117)	(53)
Total investments and other assets	12,114	12,368
Total non-current assets	26,780	27,032
Total assets	57,625	59,454

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,887	3,996
Electronically recorded obligations - operating	317	314
Short-term borrowings	6,140	7,110
Accounts payable - other	2,246	2,323
Income taxes payable	209	176
Provision for bonuses	628	387
Provision for bonuses for directors (and other officers)	18	–
Other	1,967	2,102
Total current liabilities	14,417	16,410
Non-current liabilities		
Long-term borrowings	7,141	6,832
Provision for retirement benefits for directors (and other officers)	133	134
Retirement benefit liability	362	357
Provision for share awards for directors (and other officers)	49	55
Other	4,365	4,365
Total non-current liabilities	12,051	11,745
Total liabilities	26,468	28,156
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	12,057	12,057
Retained earnings	9,894	9,731
Treasury shares	(3,030)	(3,030)
Total shareholders' equity	26,918	26,754
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,545	1,638
Deferred gains or losses on hedges	96	100
Foreign currency translation adjustment	643	977
Remeasurements of defined benefit plans	1,952	1,827
Total accumulated other comprehensive income	4,238	4,543
Total net assets	31,156	31,298
Total liabilities and net assets	57,625	59,454

(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, 2025	For the three months ended June 30, 2026
Net sales	11,029	11,472
Cost of sales	9,095	9,193
Gross profit	1,933	2,278
Selling, general and administrative expenses	2,214	2,271
Operating profit (loss)	(280)	6
Non-operating income		
Interest income	28	20
Dividend income	28	32
Share of profit of entities accounted for using equity method	23	111
Rental income from real estate	259	272
Foreign exchange gains	–	25
Other	67	68
Total non-operating income	407	531
Non-operating expenses		
Interest expenses	56	69
Rental costs on real estate	141	155
Foreign exchange losses	514	–
Other	33	5
Total non-operating expenses	745	230
Ordinary profit (loss)	(618)	307
Extraordinary income		
Gain on sale of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	0	0
Impairment losses	–	20
Total extraordinary losses	0	20
Profit (loss) before income taxes	(619)	286
Income taxes - current	75	112
Income taxes - deferred	(42)	19
Total income taxes	32	132
Profit (loss)	(651)	154
Profit (loss) attributable to owners of parent	(651)	154

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit (loss)	(651)	154
Other comprehensive income		
Valuation difference on available-for-sale securities	48	92
Deferred gains or losses on hedges	(7)	3
Foreign currency translation adjustment	34	334
Remeasurements of defined benefit plans, net of tax	(105)	(124)
Total other comprehensive income	(29)	305
Comprehensive income	(680)	460
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(680)	460

(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, 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)

II. For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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	5,877	5,592	2	11,472	11,472
Inter-segment net sales or transfers	–	–	–	–	–
Total	5,877	5,592	2	11,472	11,472
Segment profit (loss) (operating profit)	269	(188)	(74)	6	6

(Notes on consolidated statements of cash flows)

Quarterly consolidated statements of cash flows are not prepared for the three months ended June 30, 2026. 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, 2025	For the three months ended June 30, 2026
Depreciation	549	649

3. Supplementary Information

Status of Orders Received and Sales (by Market)

1) Orders received

(Million yen)

Market	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)		Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	1,621	13.5	1,146	8.5	(474)	(29.3)
Home appliance	5,174	43.2	5,499	41.0	324	6.3
Mobility	4,034	33.7	4,752	35.4	717	17.8
Industry and other	1,159	9.6	2,025	15.1	866	74.7
Total	11,990	100.0	13,423	100.0	1,433	12.0

Market	(Reference) Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)	
	Amount	Contribution (%)
ICT	5,710	11.9
Home appliance	19,728	41.0
Mobility	17,098	35.6
Industry and other	5,536	11.5
Total	48,074	100.0

2) Sales

(Million yen)

Market	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)		Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	1,554	14.1	1,156	10.1	(398)	(25.6)
Home appliance	4,961	45.0	4,938	43.1	(23)	(0.5)
Mobility	3,532	32.0	3,832	33.4	299	8.5
Industry and other	979	8.9	1,544	13.5	564	57.6
Total	11,029	100.0	11,472	100.0	442	4.0

Market	(Reference) Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)	
	Amount	Contribution (%)
ICT	5,824	12.1
Home appliance	19,920	41.3
Mobility	17,187	35.7
Industry and other	5,271	10.9
Total	48,204	100.0

(Note) From the fiscal year ending March 31, 2027, the name of the market classification has been changed from “Car electronics” to “Mobility.” In addition, the market classifications for certain applications have been revised to more appropriately reflect the actual market information. As the impact of these changes is immaterial, the figures for the fiscal year ended March 31, 2026 have not been reclassified.