

FY2024

# Investor Briefing

**CREATIVE CONNECTIVITY**

—Challenge, Creativity, Solutions

SMK Corporation (6798)

May 23, 2025

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# Outline of FY2024 Financial Results and FY2025 Forecast

Itaru Kitahira

Vice President and CFO

- Net sales were ¥48 billion, a slight increase of 3.3% YoY. Operating loss was ¥220 million, mainly due to weaker demand in the ICT market and retirement benefit expenses at the Mexico subsidiary. Ordinary Profit reached ¥549 million, supported by real estate-related gains.
- Net loss of ¥1.88 billion was recorded, reflecting extraordinary losses from the structural reform program and tax effects on retained earnings at subsidiaries.

Unit: ¥ millions

	FY2023 Result	FY2024 Result	YoY
Net Sales	46,522	48,051	+ 3.3%
Operating Profit (Operating profit margin)	△1,243 (△2.7%)	△220 (△0.5%)	—
Ordinary Profit	226	549	+142.9%
Extraordinary Loss	739	1,520	+ 105.7%
Income Taxes	435	921	+111.5%
Net Profit	△489	△1,884	—
Earnings Per Share (¥)	△75.00	△297.39	—
Exchange rate (1US\$=)	¥144.56	¥152.65	

- CS: Strong performance in the car electronics, home appliance, and industry markets led to higher sales and profits YoY.
- SCI: Sales were flat YoY, but operating loss narrowed due to pricing optimization and cost reduction.  
(Note: Approx. ¥684 million in inventory valuation losses was recorded in FY2023.)
- Innovation Center: Sales and profits declined due to a downturn in the market for Bluetooth® modules.

Unit: ¥ millions

		FY2023 Result	FY2024 Result	YoY		Comments
				Difference	%	
CS Division	Net Sales	20,586	22,156	+1,569	+7.6%	<ul style="list-style-type: none"> <li>■ Strong: Automotive camera and e-bike-related</li> <li>■ Expanding: Amusement, renewable energy, and tablet-related</li> <li>■ Declining: Smartphone-related</li> </ul>
	Operating Profit	1,095	1,534	+438	+40.0%	
SCI Division	Net Sales	25,541	25,643	+101	+0.4%	<ul style="list-style-type: none"> <li>■ Strong: Remote controls for sanitary, air conditioners, smart home appliances</li> <li>■ Steady: Camera modules, control units for e-bikes</li> <li>■ Declining: Automotive touch sensors</li> </ul>
	Operating Profit	△2,145	△1,308	+837	—	
Innovation Center former R&D Center	Net Sales	394	251	△142	△36.2%	<ul style="list-style-type: none"> <li>■ Declining: Bluetooth® modules for mobile printers</li> <li>■ Flat: Sub-GHz communication system for lighting equipment</li> </ul>
	Operating Profit	△193	△446	△252	—	
TOTAL	Net Sales	46,522	48,051	+1,528	+3.3%	
	Operating Profit	△1,243	△220	+1,023	—	
Exchange rate (1US\$=)		¥144.56	¥152.65			

- 1H: Strong performance in tablet, smartphone, and renewable energy-related businesses in CS Division drove overall growth.
- 2H: The slowdown in ICT market-related business in CS Division led to low sales and operating profit. ( ): YoY  
Unit: ¥ millions

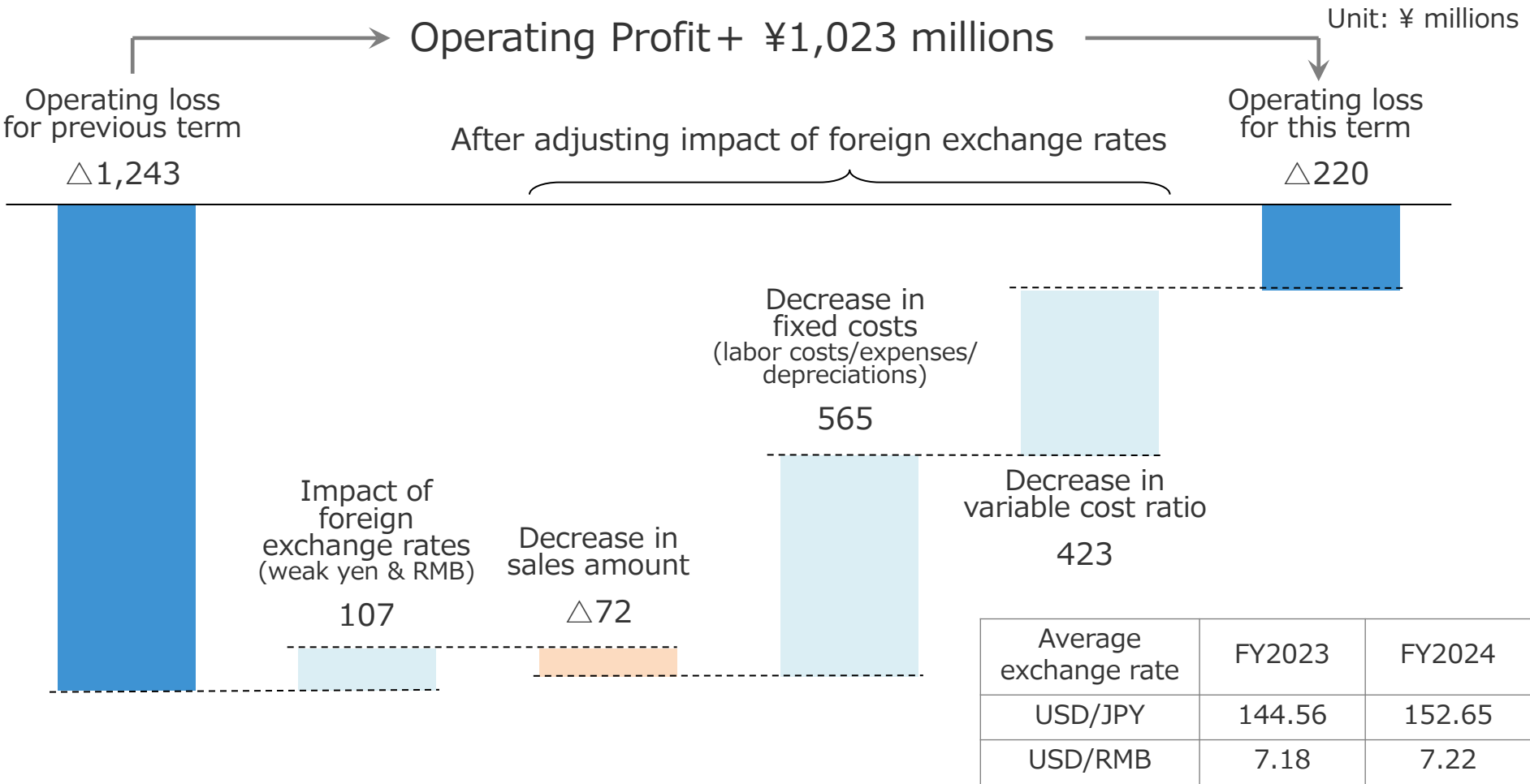
		FY2024				Difference vs. 3Q	3Q to 4Q Trend
		1Q	2Q	3Q	4Q		
CS Division	Net Sales	(+21.1%) 5,717	(+3.1%) 5,801	(+4.9%) 5,322	(+2.9%) 5,314	△8	Tablet and smartphone-related demand remained weak from 3Q.
	Operating Profit	(+1,147.8%) 569	(+23.1%) 591	(△32.0%) 157	(△36.1%) 215	+58	
SCI Division	Net Sales	(△4.4%) 5,944	(△4.1%) 6,037	(△6.4%) 5,642	(+14.6%) 8,018	+2,376	Sales increased in 4Q due to inventory sales and recovery of development costs, but operating profit declined due to retirement benefit expenses in Mexico.
	Operating Profit	(-) △528	(-) △322	(-) △185	(-) △271	△85	
Innovation Center	Net Sales	(△36.0%) 64	(△55.3%) 49	(△26.2%) 50	(△24.0%) 87	+37	Operating loss narrowed in 4Q on higher sales.
	Operating Profit	(-) △104	(-) △95	(-) △155	(-) △89	+66	
TOTAL	Net Sales	(+6.2%) 11,726	(△1.2%) 11,888	(△1.4%) 11,015	(+9.3%) 13,420	+2,405	
	Operating Profit	(-) △64	(△16.0%) 172	(-) △183	(-) △145	+38	

- Home appliance: Growth driven by strong sales of remote controls and connectors for amusement equipment.
- Industry: Expansion supported by strong demand for connectors related to renewable energy.
- ICT: Decline due to weaker demand for smartphone-related connectors.
- Car electronics: Flat YoY —strong connector sales and steady performance in camera modules and units offset by a decline in touch sensors.

Unit: ¥ millions

	FY2023 Result	FY2024 Result	YoY		Comments
			Difference	%	
ICT	7,908	6,949	△958	△12.1%	■ Declining: Connectors for smartphones
Home Appliance	17,500	19,820	+2,320	+13.3%	<ul style="list-style-type: none"> <li>■ Expanding: Remote controls for sanitary, air conditioners, and smart home appliances</li> <li>■ Expanding: Amusement-related connectors</li> </ul>
Car Electronics	16,599	16,100	△499	△3.0%	<ul style="list-style-type: none"> <li>■ Expanding: Connectors for cameras and e-bikes</li> <li>■ Steady: Camera modules, control units for e-bikes</li> <li>■ Declining: Touch sensors</li> </ul>
Industry/ Others	4,513	5,180	+666	+14.8%	■ Expanding: Renewable energy-related connectors
TOTAL	46,522	48,051	+1,528	+3.3%	

- Excluding currency impact, operating profit declined due to lower sales, but operating loss narrowed YoY thanks to yen depreciation, improved variable cost ratio from product mix, and fixed cost reductions.





Unit: ¥ millions

Extraordinary Losses	Description	Amount
Business structure reform expenses	Expenses related to domestic workforce optimization under the “structural reform program” announced on March 25. (Extra retirement payments, financial support for career change)	869
Impairment losses	Impairment losses on fixed assets held by SMK Corporation and its manufacturing subsidiary in the Philippines	497

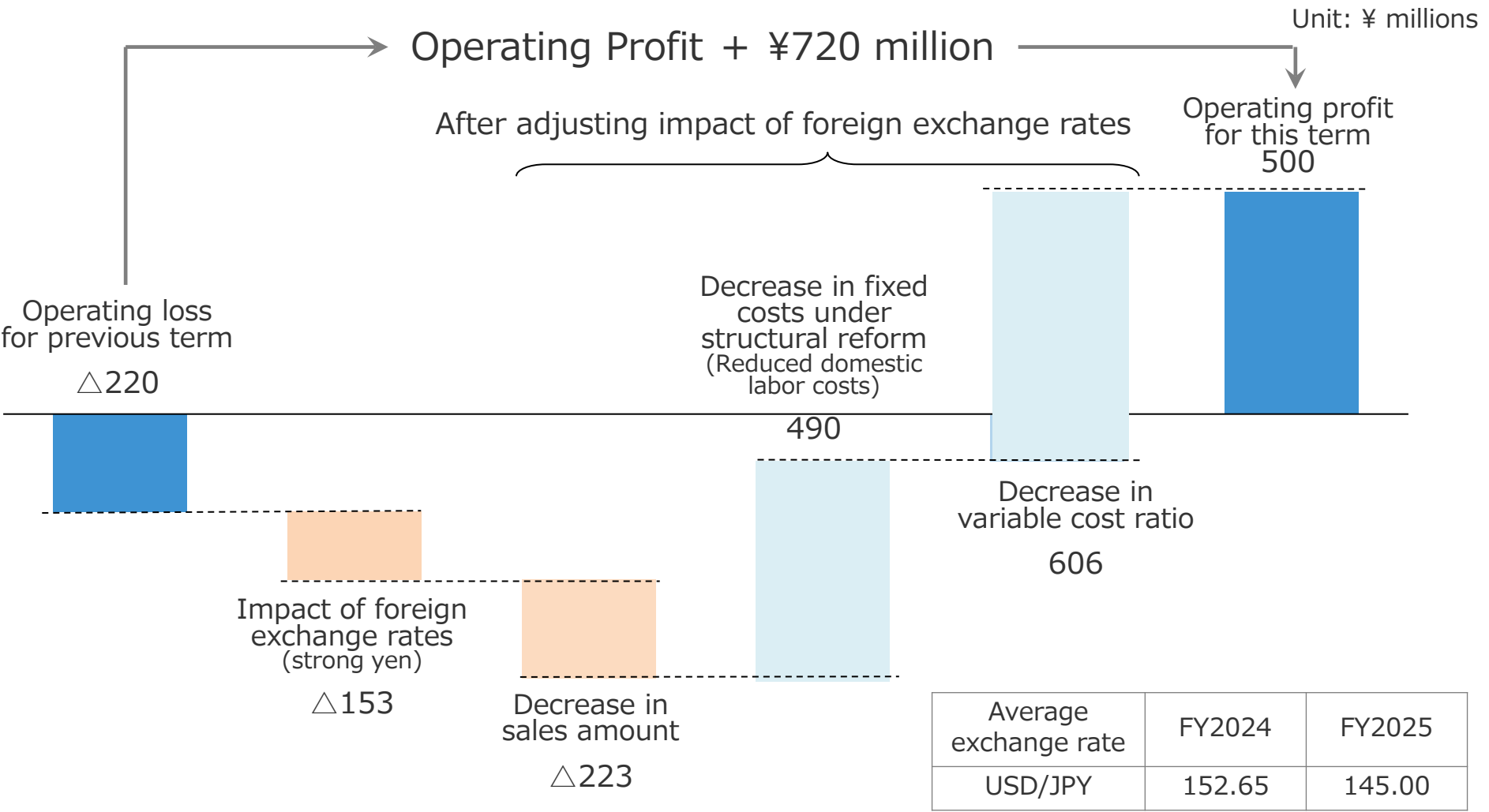
Income Taxes	Description	Amount
Income taxes-deferred	Tax effect recognized on retained earnings due to a change in dividend policy of overseas subsidiaries	414

- Sales are projected to decline, but operating profit is expected to improve through the acceleration of the structural reform program.

Unit: ¥ millions

	FY2024 Result	FY2025 Forecast	YoY
Net Sales	48,051	46,000	△4.3%
Operating Profit (Operating profit margin)	△220 (△0.5%)	500 (1.1%)	—
Ordinary Profit	549	1,000	+82.0%
Net Profit	△1,884	600	—
Earnings per share (¥)	△297.39	94.70	—
Dividend per share (¥)	140.00 50/90* (Interim/Final) * incl. commemorative dividend of 40 yen	100.00 50/50 (Interim/Final)	
Exchange rate (1US\$=)	¥152.65	¥145.00	

- Fixed cost reductions and improved variable cost ratio under the structural reform program are expected to offset the impact of yen appreciation and lower sales, resulting in an operating profit of ¥500 million.



Unit: ¥ millions

	March 2024 A	March 2025 B	Difference B – A
<b>Assets</b>	58,444	57,684	△759
Cash and cash equivalents	10,258	10,475	+ 216
Accounts receivable	13,222	13,935	+713
Inventories	9,257	7,673	△1,584
Fixed assets	24,619	24,535	△84
<b>Liabilities</b>	26,300	28,462	+ 2,162
Accounts payable and accrued expenses	6,503	6,901	+ 397
Interest-bearing debt	14,365	15,616	+ 1,250
<b>Net assets</b>	32,143	29,221	△2,921
Common stock	7,996	7,996	—
<b>Equity Ratio</b>	55.0%	50.7%	△4.3%

Unit: ¥ millions

	FY2023	FY2024
<b>Cash flow from operating activities</b>	3,719	2,439
Working capital	1,610	245
Profit before taxes	△53	△963
Depreciation	2,451	2,347
Others	△289	809
<b>Cash flow from investing activities</b>	△1,617	△2,216
<b>Free cash flow</b>	2,102	222
<b>Cash flow from financing activities</b>	△478	286
Increase/decrease in interest-bearing debt	1,005	924
Increase/decrease in treasury stock	△498	△1
Dividends paid	△984	△636
<b>Initial balance</b>	8,915	10,197
<b>Final balance</b>	10,197	10,415

# Progress of Medium-Term Business Plan “SMK Next100” and Structural Reform Program

Yasumitsu Ikeda

President, CEO and COO

## SMK's Vision **CREATIVE CONNECTIVITY** —Challenge, Creativity, Solutions

Previous Medium-Term  
Business Plan  
FY2021-FY2023

**Medium-Term Business Plan**  
FY2024-FY2026

**Long-Term Vision**  
FY2035

**SMK 100th Anniversary in April 2025**

**Toward  
New Growth**

Confidence & Transformation

**Accelerating structural reforms  
for sustainable growth**

Looking toward the next 100 years,  
we aim to maximize corporate value by  
pursuing sustainable growth in sales  
and profits, and by improving the  
sophistication of our management base,  
capital and financial strategies.

**SMK Next100**

**What SMK should be**

We will contribute to the next  
100 years with our  
***Manufacturing Capabilities***  
that realize all kinds of needs.

— We provide products and services  
that solve the challenges faced by  
customers who use electronics,  
contributing to the creation of a  
prosperous society. —

	<b>FY2023 Result</b>	<b>FY2026 Target</b> (Final year of the Medium-Term Business Plan)	<b>FY2035 Target</b> (Long-Term Vision)
<b>Net Sales</b>	¥46.5 billion	¥60.0 billion	¥150.0 billion
<b>Operating Profit Margin</b>	△2.7 %	3.5 %	10.0 %
<b>ROE</b>	△1.5 %	5.0 %	10.0 %

- In preparation for great progress in the next 100 years, we will accelerate **structural reforms for sustainable growth**.
- Based on the promotion of sustainable management, we will work to achieve sustainable growth in sales and profits, advance the sophistication of our management base, capital and financial strategies, all aimed at maximizing corporate value.

## Improving Corporate Value

Achieving sustainable  
growth in sales and profit

=> pp. 20-23

Strengthening management  
base that supports business

=> pp. 20-21, 24

Sophisticating capital  
and financial strategies

=> p. 25

Promoting ESG & sustainability management

=> p. 26



- FY2024 targets missed due to 2H market downturn; tough conditions to continue in FY2025.
- We will enhance competitiveness by accelerating structural reforms through the program announced in March 2025.
- FY2026 total target unchanged, but breakdown revised due to delays in commercialization at Innovation Center.

Unit: ¥ billions

		FY2024			FY2025			FY2026
		Target	Result	Result/Target	Target	Forecast	Forecast/Target	Target
Net Sales	CS	23.4	22.1	△5.5%	24.0	21.6	△10.0%	28.9
	SCI	26.3	25.6	△2.7%	27.4	24.3	△11.3%	31.0
	Innovation Center	0.3	0.3	0%	0.6	0.2	△66.7%	0.1
	<b>TOTAL</b>	<b>50.0</b>	<b>48.1</b>	△3.8%	<b>52.0</b>	<b>46.0</b>	△11.5%	<b>60.0</b>
Operating Profit	CS	0.97	1.53	57.7%	1.00	0.81	△20.0%	1.75
	SCI	△0.71	△1.31	△84.5%	0	0.10	—	0.70
	Innovation Center	△0.46	△0.44	4.3%	△0.30	△0.41	△33.3%	△0.35
	<b>TOTAL</b>	<b>△0.20</b>	<b>△0.22</b>	△10.0%	<b>0.70</b>	<b>0.50</b>	△28.6%	<b>2.10</b>
	Margin	△0.40%	△0.46%		1.3%	1.1%		3.5%
ROE		5.0% in the final fiscal year						
Exchange rate (1US\$=)		¥150	¥152.65	—	¥130	¥145	—	¥130

## &lt;Reasons for missing sales target&gt;

- CS: Growth in car electronics, e-bike, and amusement markets, but weakness in ICT market.
- SCI: Prolonged inventory adjustment in housing equipment and car electronics markets, and delays in commercialization of new sensing products.
- Innovation Center: Delays in commercialization of new healthcare business

Unit: ¥ billions

		FY2025			Comments
		Target	Forecast	Forecast/Target	
Net Sales	CS	24.0	21.6	△10.0%	Weak: Smartphone and tablet-related
	SCI	27.4	24.3	△11.3%	Weak: Housing equipment and automotive-related units
	Innovation Center	0.6	0.2	△66.7%	Weak: Bluetooth® modules Delays in commercializing new healthcare business.
	<b>TOTAL</b>	<b>52.0</b>	<b>46.0</b>	△11.5%	
Operating Profit	CS	1.00	0.81	△20.0%	Missed profit target due to lower sales
	SCI	0	0.10	—	Profitability improvement through structural reforms
	Innovation Center	△0.30	△0.41	△33.3%	Widening loss from lower sales
	<b>TOTAL</b>	<b>0.70</b>	<b>0.50</b>	△28.6%	
	Margin	1.3%	1.1%		
Exchange rate (1US\$=)		¥130	¥145	—	

- Direct impact is limited.
- Indirect effects from market deterioration remain uncertain and are not reflected in this forecast.
- Taking appropriate actions, including price optimization negotiations with key customers and supply chain optimization, such as shifting production locations.

Unit: ¥ millions

	FY2024 Result	FY2025 Forecast	YoY		Comments
			Difference	%	
Japan	17,255	17,100	△155	△0.9%	<ul style="list-style-type: none"> <li>■ Declining: Automotive camera modules</li> <li>■ Expanding: Connectors for e-bikes</li> </ul>
North America	10,976	11,200	+224	+2.0%	<ul style="list-style-type: none"> <li>■ Expanding: Connectors for tablets</li> <li>■ Expanding: Remote controls and units for home appliances.</li> </ul>
China	9,484	8,200	△1,284	△13.5%	<ul style="list-style-type: none"> <li>■ Declining: Connectors for smartphones</li> <li>■ Declining: Amusement-related connectors</li> </ul>
Rest of Asia (incl. Taiwan)	8,255	7,400	△855	△10.4%	<ul style="list-style-type: none"> <li>■ declining after temporary demand spike: Remote controls for air conditioners</li> <li>■ Declining: Automotive connectors</li> </ul>
Europe	2,081	2,100	+19	+0.9%	<ul style="list-style-type: none"> <li>■ Expanding: Remote controls for home appliances</li> </ul>
<b>TOTAL</b>	<b>48,051</b>	<b>46,000</b>	△2,051	△4.3%	

Note: Regional breakdown figures are based on internal management data.

Medium-Term  
Business Plan  
“SMK Next100”  
(FY2024-FY2026)

Accelerate structural reforms for sustainable growth

- Invest resources and reform cost structure to return to a growth trajectory in sales and profit.
- Strengthen management base through integrated operations of production and sales.

Current Situation  
and Challenges

- CS Division Maintaining sales and profit, but with limited growth
- SCI Division Ongoing losses due to prolonged inventory adjustments
- Innovation Center Continued losses due to delays in commercialization of new businesses



We Need to Enhance Competitiveness by Further Accelerating Structural Reforms

Policy of the  
Structural Reform  
Program

- Exit or scale down unprofitable businesses and focus resources on more profitable and efficient areas.
- Streamline administrative functions to support sales and profit recovery.
- Strengthen competitiveness through fundamental cost structure reform via business selection and concentration, and fixed cost reduction.

Acceleration of  
business strategies  
for growth

=> pp.22-23

- Review business structure and shift to growth areas.

Restructuring of  
the cost base

- Optimize domestic workforce.
- Streamline domestic operations.  
(close Ibaraki Sales Office, reorganize and resize administrative functions)
- Reduce fixed costs and enforce cost control.
- Optimize workforce at sales offices in the U.S. and Europe.

Optimization of  
talent portfolio

=> p. 24

- Strengthen human capital management.
- Support individual employee growth and drive behavioral transformation to foster a forward-looking organizational culture of learning and co-creation.

### Company-wide Strategy

Considering the expanding applications of electronics and the growing market potential, we designate CS Division as a key growth area and increase resource investment.

### SCI Division

- Review product portfolio and reduce unprofitable areas to shift toward a profitable structure.
- Focus on sensor and sensing business as a new core pillar.

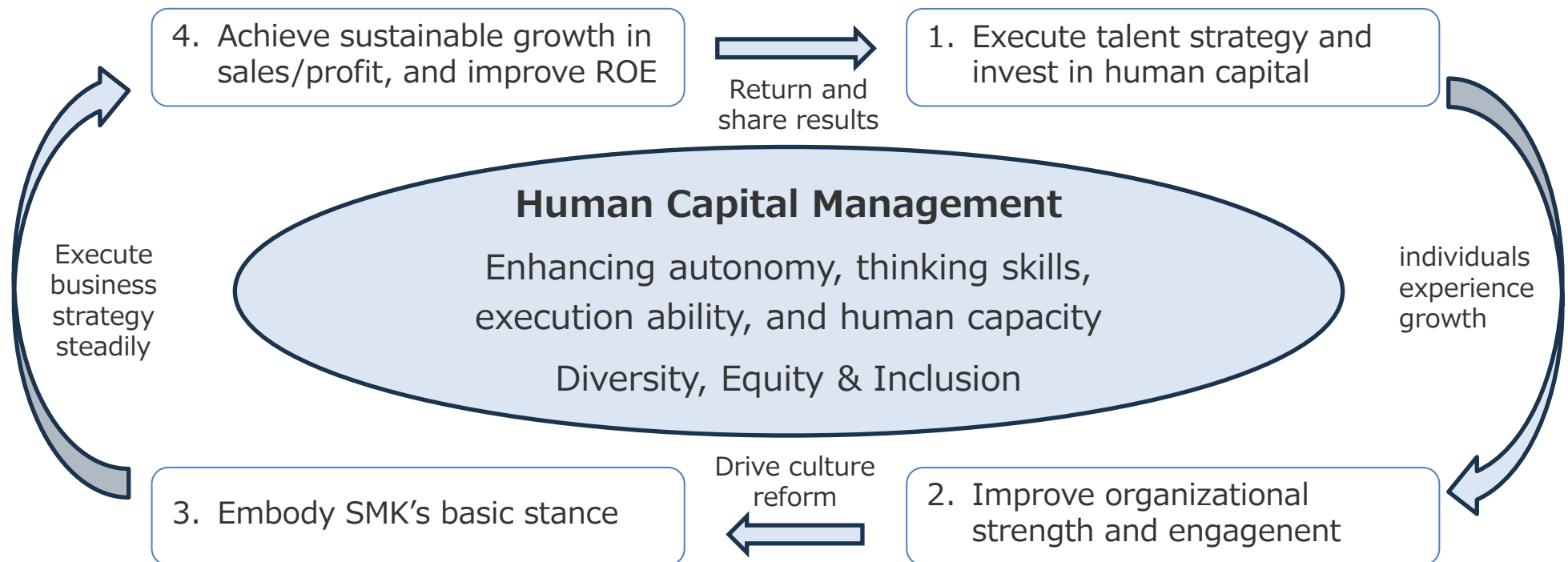
### Innovation Center

- Concentrate resources through business selection and focus, and accelerate commercialization.
- Withdraw from areas unlikely to become commercialized.

Segment	Management Policy	Initiatives
CS Division	<ul style="list-style-type: none"> <li>◆ Aim for growth that outperforms competitors.</li> <li>◆ Focus resources, including sales personnel, organization, and investment.</li> </ul>	<ul style="list-style-type: none"> <li>■ Expand orders focusing on the highest priority market: Car Electronics <ul style="list-style-type: none"> <li>- xEV, e-bike, 4-wheel, 2-wheel</li> </ul> </li> <li>■ Expand businesses in the ICT and renewable energy markets.</li> <li>■ Develop the promising Indian market. <ul style="list-style-type: none"> <li>- Open India office (scheduled Dec. 2025)</li> </ul> </li> <li>■ Grow sales by strategically increasing sales and design staff.</li> </ul>
SCI Division	<ul style="list-style-type: none"> <li>◆ Thoroughly implement structural reforms for profitability.</li> <li>◆ Develop sensor and sensing business as a new core pillar.</li> </ul>	<ul style="list-style-type: none"> <li>■ Withdraw from touch sensor business.</li> <li>■ Improve profitability through cost reduction and streamline organization.</li> <li>■ Maintain and expand core businesses (remote controls, switches, units) <ul style="list-style-type: none"> <li>- Housing equipment, car electronics, e-bike</li> </ul> </li> </ul>
Innovation Center	<ul style="list-style-type: none"> <li>◆ Aim for early commercialization.</li> <li>◆ Identify and exit difficult-to-commercialize areas to enforce cost control.</li> </ul>	<ul style="list-style-type: none"> <li>■ Concentrate resources on priority businesses: <ul style="list-style-type: none"> <li>- Speech-based head health analysis technology</li> <li>- EMG sensors</li> </ul> </li> <li>■ Enhance cost management and optimize workforce.</li> </ul>

1. Maximize individual potential through talent strategy and human capital investment aligned with business strategy.
2. Improve organizational strength by shining a spotlight on each employee and fostering a culture of learning and co-creation.
3. Embody SMK's basic stance to enhance contribution to society.
4. Create a virtuous cycle that drives sustainable growth in sales/profit and improves ROE.

## Virtuous cycle of business strategy, talent strategy, and human capital investment



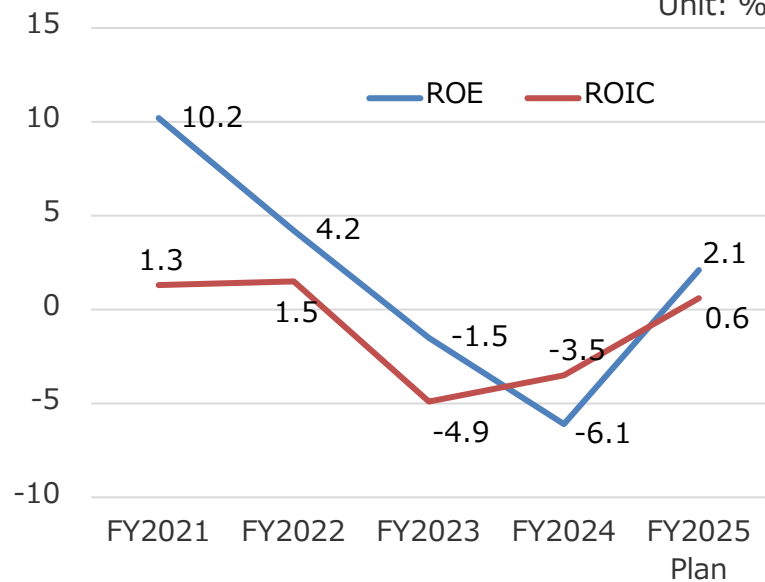


# Toward Management Conscious of Cost of Capital and Stock Price <sup>25/39</sup>

- Strengthen initiatives to address key factors behind low PBR: (1) Weak sales and profit and uncertainty in growth potential (2) High profit volatility (3) Low ROE and operating profit margin
- Gradually enhance efforts to improve capital efficiency and deepen engagement with investors.

**ROE/ROIC Trends**

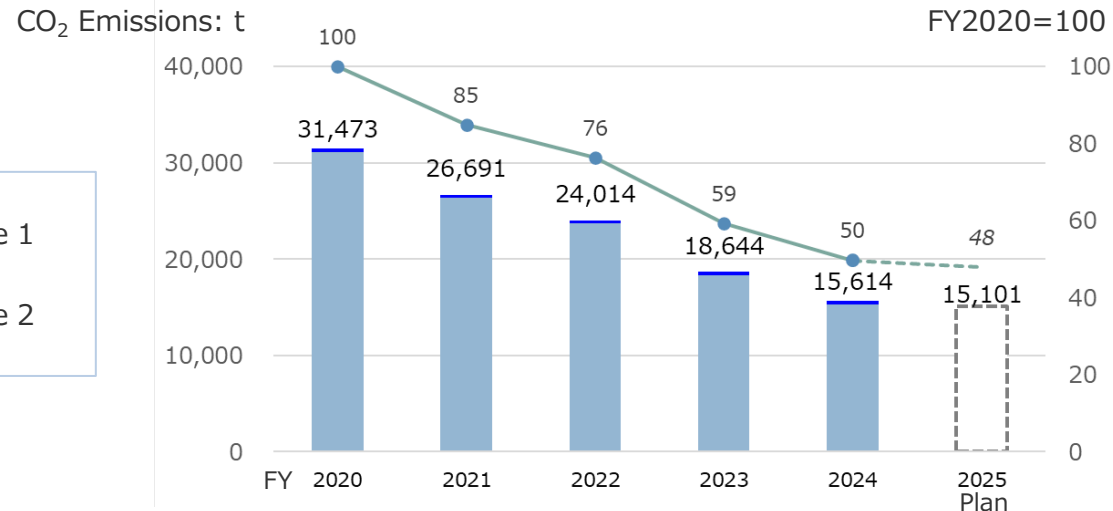
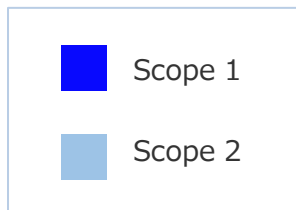
Unit: %



Challenges	Initiatives
Business growth and profitability improvement	<ul style="list-style-type: none"> <li>■ Restructure cost base through the structural reform program.</li> <li>■ Accelerate structural reforms through business focus for steady sales and profit growth.</li> </ul>
Capital efficiency enhancement	<ul style="list-style-type: none"> <li>■ Introduce and embed ROIC across the company.                             <ul style="list-style-type: none"> <li>- Measure ROIC by segment</li> <li>- Improve cash conversion cycle (CCC).</li> </ul> </li> </ul>
Enhanced shareholder returns	<ul style="list-style-type: none"> <li>■ FY2024: Dividend of ¥140, including commemorative dividend.</li> <li>■ FY2025: Continue dividend based on DOE target of around 2%.</li> </ul>
Strengthening investor engagement	<ul style="list-style-type: none"> <li>■ Enhance disclosure materials. (Integrated Report, quarterly disclosures, etc.)</li> <li>■ Deepen dialogue with institutional investors. (24 meetings held in FY2024)</li> <li>■ Invite shareholders to TEXPO.</li> </ul>

Challenge	Initiatives
Promoting ESG & sustainability management	<ul style="list-style-type: none"> <li>Strengthen corporate governance.                             <ul style="list-style-type: none"> <li>Appoint female outside director. (scheduled for June 24, 2025)</li> <li>New board structure: 2 → 3 outside directors, 4 → 3 inside directors</li> </ul> </li> <li>Established and revised policies. (April 2025)                             <ul style="list-style-type: none"> <li>Established basic policy on human rights.</li> <li>Revised internal regulations in line with amendments to Act on Childcare Leave/Caregiver Leave.</li> <li>Established anti-bribery policy.</li> <li>Established anti-cartel policy.</li> <li>Revised privacy policy.</li> </ul> </li> </ul>

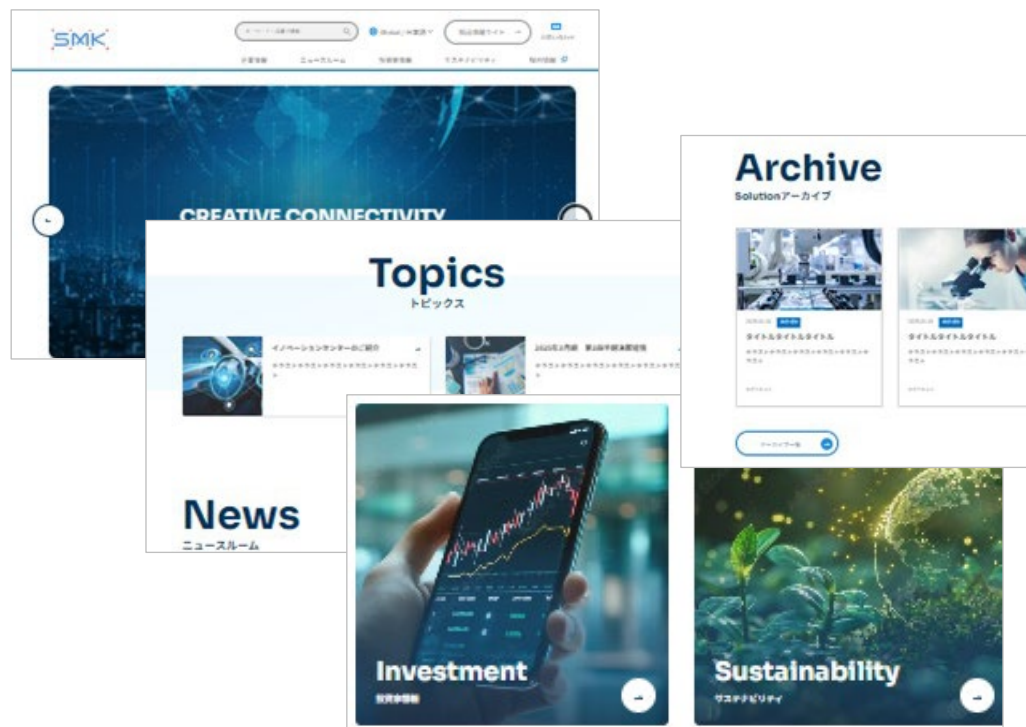
## CO<sub>2</sub> Emission Reduction Status



Launch: May 2025

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

- ◆ Completely redesigned layout and structure
  - Improve navigation for easier access to the right information for each visitor
- ◆ Enhanced product and investor relations content
  - Provide useful information for all stakeholders



100th Anniversary Site launched on April 1, ahead of the website renewal.

<https://www.smk.co.jp/en/100th>

- ◆ Introduce SMK's 100-year journey through photos and videos
- ◆ Showcase our initiatives toward the next 100 years of progress



- ◆ Date: July 2 to 4, 2025 10:00 to 18:00 (until 17:00 on the final day)
- ◆ Venue: Tokyo International Forum Hall E2 (2,000m<sup>2</sup>)
- ◆ Theme: Turning Electronic Components into Solutions
  - Showcasing SMK's 100-year journey and cutting-edge components, technologies, and solutions
  - Approx. 250 products to be exhibited

Please note: TEXPO 2025 is an invitation-only private exposition.  
We look forward to welcoming our investors and shareholders.



Tokyo International Forum



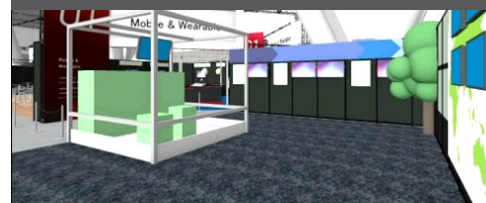
Industry &amp; Energy



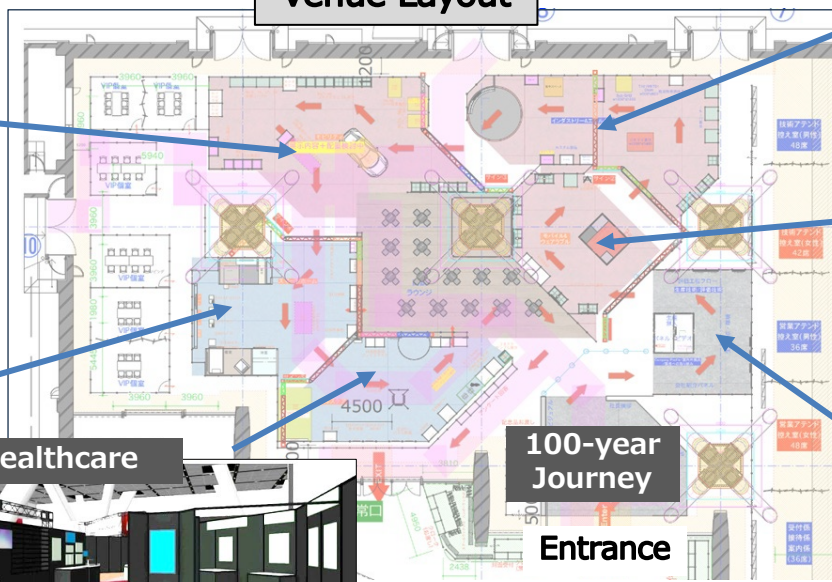
Mobile &amp; Wearable



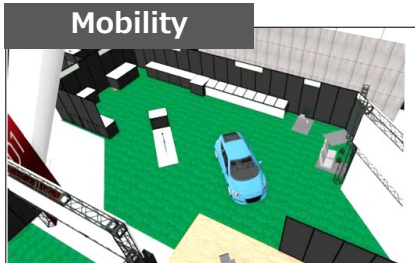
Global Network, Environmental Initiatives, Production and Evaluation Technologies



Venue Layout



Mobility



Smart Home



Healthcare



We aim to further expand into the Indian market through the establishment of a representative office.



- ◆ **Location** Delhi
- ◆ **Opening** December 2025
- ◆ **Target Markets and Customers**  
Car electronics market:  
Local two-wheeler and four-wheeler  
customers

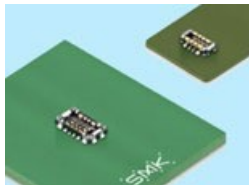


[Major Products] Connectors

## Information & Communication Technology



High frequency  
board to board  
connectors



High-current  
small board to board  
connectors



USB Type-C®  
receptacles



φ3.5mm mini jacks



FPC/FFC connectors  
with locking feature



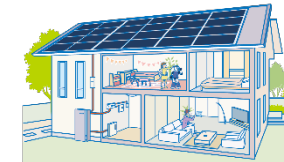
Coaxial FAKRA  
connectors



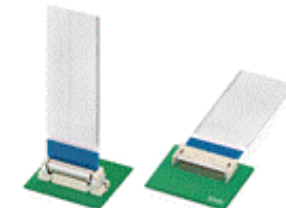
High performance pogo  
pin Type terminals



Automotive  
camera connectors



Connectors for  
photovoltaic module



0.5mm pitch one action  
FPC/FFC connectors

Hideo Sugano, Vice President, CS's Senior General Manager

**FY2024 Result**

Full-year sales were ¥22.2 billion, 4% below forecast; operating profit was ¥1.5 billion, 14% below forecast.

- Sales fell short of forecast in the car electronics, ICT, and industry markets, except for home appliances.

**FY2025 Forecast**

Full-year sales are projected at ¥21.6 billion, down 3% YoY; operating profit is expected to decline 47% YoY to ¥808 million.

- Sales in car electronics and ICT markets are expected to remain flat; home appliance and industry markets are forecast to decline.

Unit: ¥ millions		FY2024 Forecast (Oct. 2024)	FY2024 Result	FY2025 Target	FY2025 Forecast	YoY	FY2026 Target
Net Sales		23,158	22,156	24,000	21,565	97%	28,867
by Market	ICT	7,775	6,592	9,800	6,588	100%	11,900
	Home Appliance	2,978	3,314	2,600	3,170	96%	3,000
	Car Electronics	9,910	9,798	10,300	9,746	99%	12,300
	Industry/Others	2,495	2,452	1,300	2,061	84%	1,667
Operating Profit		1,775	1,534	1,000	808	53%	1,752
1USD=		1H: ¥153.17 2H: ¥145.00	¥152.65	¥130.00	¥145.00	–	¥130.00

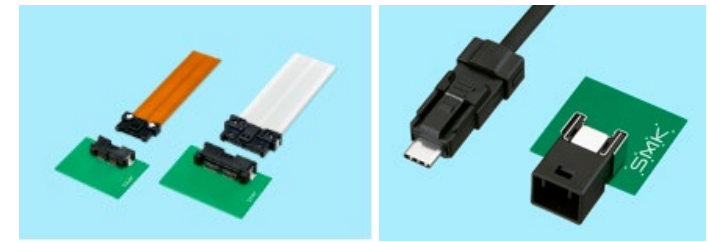
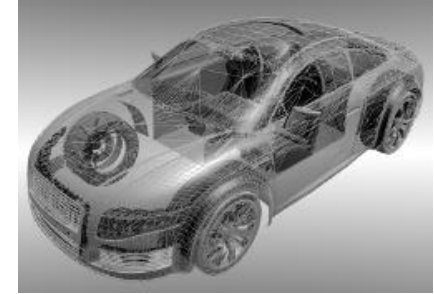
## Car Electronics

### Strengthen product development for xEV and BMS

- Expand sales of connectors for EV batteries → **Active business negotiations**

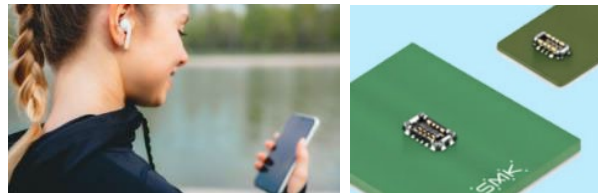
### ADAS, Infotainment

- Automotive camera connectors  
**Growing demand due to increased applications and number of automotive cameras**  
Support for higher resolution: Expand lineup of high-speed transmission-supported connectors
- Mass production started for high-speed interface connectors**  
Ethernet connectors, USB Type-C® connectors with locking feature



## ICT

- Connectors for smartphones/tablets with advanced specifications  
Small, high-speed, and high-current  
→ **Expand lineup of high-current board-to-board connectors**
- Active development of connectors for wearables  
Watch, VR/AR (XR)



## Renewable Energy

- Growing demand for small, slim, and high-current solutions  
→ **Strengthen development and expand orders**





[Major Products] Switches, automotive cameras, wireless modules, remote controls, touch sensors

## SW - Switch -



HCF



Mini 1-Dome switches



Rubber push  
Switches



Top push  
switches

## CU - Composite Unit -



Automotive  
camera modules



Milweb™  
(Millimeter wave  
sensors)



HarvestLoop  
(Self-contained power supply  
coin battery module)

## RC - Remote Control -



Standard voice  
remote controls



SMK standard remote  
controls for Android TV™



Remote controls  
for sanitary

## TS - Touch Sensor -



Capacitive  
touch switches

## Main Applications

- ▶ Control switches
- ▶ Switches for smartphones
- ▶ Automotive cameras
- ▶ Wireless modules
- ▶ Remote controls
- ▶ Automotive touch sensors
- ▶ Touch sensors for industrial and consumer applications

Takashi Ito, Vice President, SCI's Senior General Manager

## FY2024 Result

Net sales exceeded the forecast by 4% at ¥25.6 billion; operating profit fell short by ¥222 million.

- Strong performance in the home appliance and industry/other markets drove sales, but higher costs due to continued yen depreciation and retirement benefit expenses at the Mexico subsidiary impacted profits.

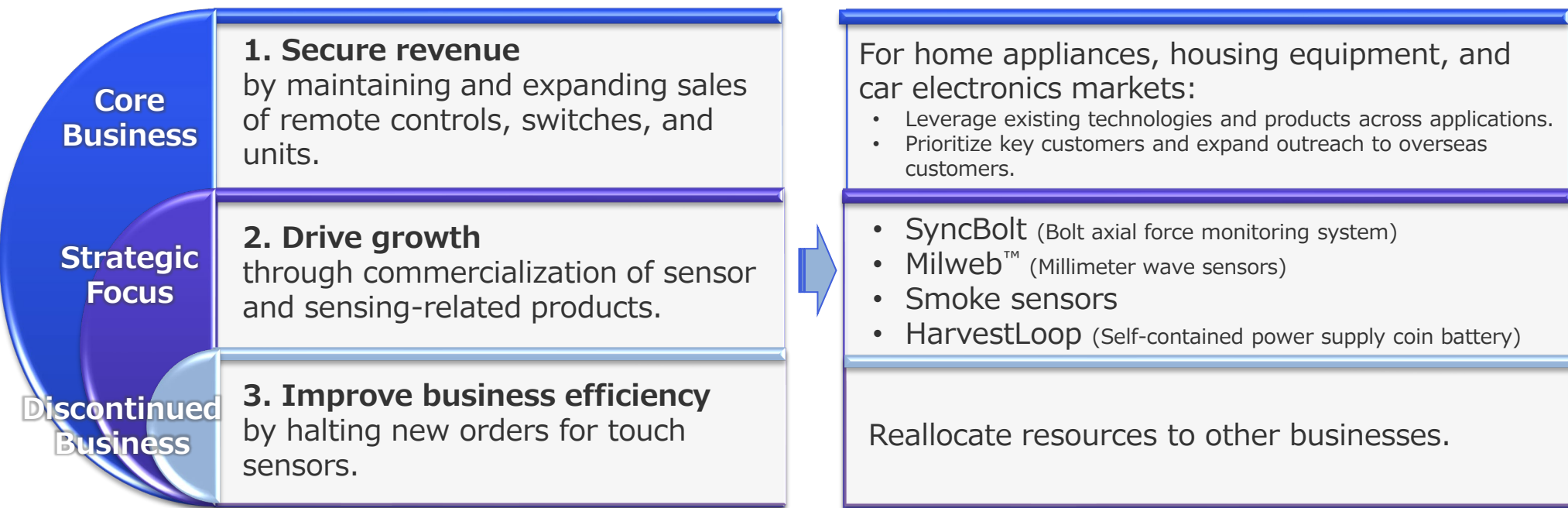
## FY2025 Forecast

Net sales are expected to decline by 5% YoY to ¥24.3 billion, with operating profit returning to the black at ¥101 million.

- Despite lower sales in all markets except car electronics, profit is projected due to cost reductions and organizational streamlining.

Unit: ¥ millions		FY2024 Forecast (Oct. 2024)	FY2024 Result	FY2025 Target	FY2025 Forecast	YoY	FY2026 Target
Net Sales		24,563	25,643	27,400	24,277	95%	31,000
by Market	ICT	451	337	700	66	20%	800
	Home Appliance	15,515	16,499	16,200	15,179	92%	18,600
	Car Electronics	6,229	6,318	7,900	6,630	105%	8,900
	Industry/Others	2,368	2,490	2,600	2,403	97%	2,700
Operating Profit		△1,086	△1,308	10	101	–	700
1USD=		1H: ¥153.17 2H: ¥145.00	¥152.65	¥130.00	¥145.00	–	¥130.00

## ■ Clarify “Core Business,” “Strategic Focus,” and “Discontinued Business”



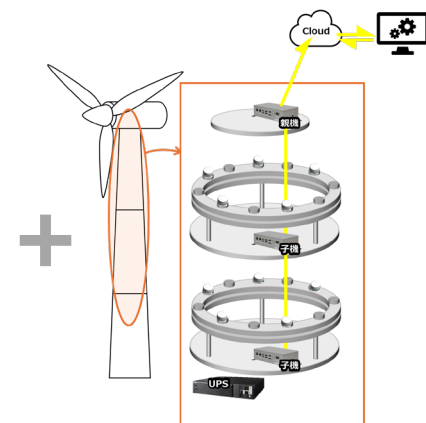
## <New Market & Product Development>

### SyncBolt (Bolt axial force monitoring system)

- Measures bolt axial force (loosening) in real time for wind turbine tower connection bolts and automatically sends data to the cloud.
- Enables 24/7 remote monitoring of bolt conditions from any location.
- Offered as a packaged solution combining IoT devices and a monitoring system.
- Preparing for service launch in the next fiscal year.



IoT devices



monitoring system

The mission of Innovation Center remains unchanged under the structural reform program, but we will strengthen our focus and selection.

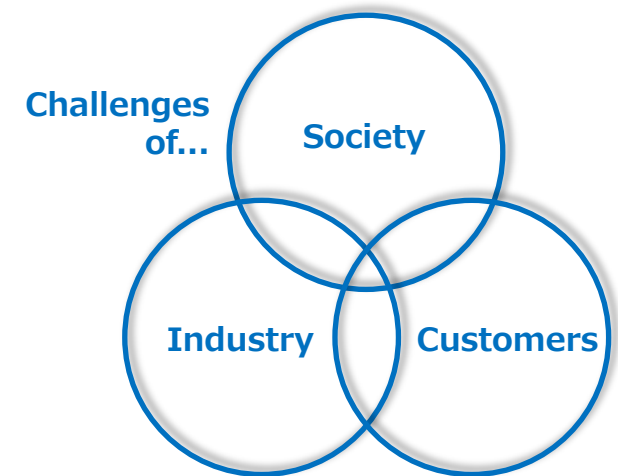
## Missions of Innovation Center

1. Create solution businesses addressing social challenges.
2. Create the next pillars of revenue through unique, high-value-added technologies and products.
3. Develop new business models combining hardware, software (algorithms), and services.

Innovation Center actively integrates internal R&D with external cutting-edge technologies through open innovation, with the aim of addressing social, industry, and customer challenges.

## Themes of Innovation Activities

- **Healthcare**
- **AI**



**Tetsuo Hara**, Director and Executive Vice President, IC's General Manager

FY2024 Result

Net sales were ¥251 million, 9% below forecast; operating loss narrowed by ¥41 million.

- Delays in the launch of the fall detection system and a well-being app that visualizes head health through speech analysis.

FY2025 Forecast

Net sales are projected to decline 37% YoY to ¥158 million; operating loss expected to reach ¥409 million.

- Continued delay in market launch of the fall detection system.

Unit: ¥ millions		FY2024 Forecast (Oct. 2024)	FY2024 Result	FY2025 Target	FY2025 Forecast	YoY	FY2026 Target
Net Sales		278	251	600	158	63%	133
by Market	ICT	33	17	0	42	247%	0
	Home Appliance	0	0	0	6	-	0
	Car Electronics	5	6	0	17	283%	0
	Industry/Others	240	229	600	93	41%	133
Operating Profit		△487	△446	△300	△409	91%	△352
1USD=		1H: ¥153.17 2H: ¥145.00	¥152.65	¥130.00	¥145.00	-	¥130.00

## ■ Business Selection and Focus

1. Allocate resources to priority businesses
  - **Speech-based head health analysis technology**
  - **EMG sensors**
2. Transfer communication module business to SCI Division
3. Exit from IoT businesses (cancel development projects)

## ■ Strengthen Cost Management

- Set clear milestones for development projects
- Evaluate continuation based on achievement of development goals, customer acceptance, market potential, differentiation, and business model

## ■ Optimize Workforce Allocation

Adjust headcount to match the needs of focused businesses

### Speech-based Head Health Analysis Technology

#### Target Fields and Sales Strategy

1. Life Insurance Companies  
Partner with life insurers to provide value-added services that detect early changes in policyholders' mental wellness, head health, and overall well-being using speech analysis.
2. Local Governments  
Contribute to seniors' well-being and community quality of life by using the app at local events and by providing it to residents.

Sales Target Unit: ¥ millions		
FY2025	FY2026	FY2027
41	123	257

### EMG Sensors

#### Target Fields and Sales Strategy

1. Golf  
Analyze muscle activity during swings and compare with expert and past data to visualize body mechanics, improving coaching and training effectiveness.
2. Workout (e.g., gyms)  
Use real-time muscle data to boost training effectiveness and efficiency.
  - Initial target: Gyms and personal training with trainers skilled in sensor use.

Sales Target Unit: ¥ millions		
FY2025	FY2026	FY2027
1	10	127

All information in this material concerning the forecast of business achievements, projections of general business conditions and our business strategies is dependent on our conclusion made to a normally foreseeable extent applying information reasonably accessible to us at the time of preparation of this material.

However, the reality is that it contains risks and uncertainties which may cause result to materially differ from business projections, stated or implied, due to situations which are unforeseeable under normal conditions, or of results which are beyond a reasonably foreseeable outcome at that time.

Despite our active efforts to disclose information which is considered to be important to investors of our company, total dependence on the business projections in this material, stated or implied, must be refrained from when decisions of any kind are made regarding our company.

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