

FY 2025 Investor Briefing

CREATIVE CONNECTIVITY
—Challenge, Creativity, Solutions

SMK Corporation (6798)
May 22, 2026

1. Outline of FY2025 Financial Results and FY2026 Forecast P. 3~10
2. Progress of Medium-Term Business Plan “SMK Next100” and Structural Reform Progress P. 11~20
3. Growth Strategies for CS and SCI Divisions P. 21~29

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Yasumitsu Ikeda
President, CEO and COO

- Net sales were ¥48.2 billion, a slight increase of 0.3%. Operating profit was ¥430M, changing from FY2024 operating loss of ¥220M benefited from the reduction of fixed costs through the structural reform program.
- Ordinary profit rose 126.3% YoY to ¥1.24 billion, driven by real estate income and foreign exchange gains. Although impairment losses and the reversal of deferred tax assets were recorded as extraordinary losses, net income remained in the black at ¥56M.

Unit : ¥ Millions

	FY2024 Result	FY2025 Result	YoY
Net Sales	48,051	48,204	+0.3%
Operating Profit (Operating profit margin)	△220 (△0.5%)	430 (0.9%)	—
Ordinary Profit	549	1,243	+126.3%
Extraordinary Loss ※	1,520	391	△74.3%
Income Taxes	921	810	△12.0%
Net Profit	△1,884	56	—
Earnings Per Share (¥)	△297.39	8.87	—
Exchange Rate (1USD=)	¥152.65	¥150.66	

※Main breakdown of extraordinary loss

FY2024 Structural Reform Cost ¥869M、Impairment Loss ¥497M / FY2025 Impairment Loss ¥314M

- CS: Although the automotive, home appliance, and industry markets performed well, Sales increased but profit decreased due to a sluggish ICT market
- SCI: Automotive and home appliance markets remained steady; the deficit narrowed due to reductions in fixed costs at domestic and European/American bases and the recovery of development expenses
- Innovation Center: Performance was sluggish due to the transfer of the communication module business and delays in commercializing voice analysis and electromyography (EMG) sensors

Unit: ¥ Millions

		FY2024 Result	FY2025 Result	YoY		Comment
				Change	%	
CS Division	Net Sales	22,156	22,520	+363	+1.6%	<ul style="list-style-type: none"> ■ Strong performance in automotive battery and motorcycle-related businesses ■ Amusement and renewable energy-related segments expanded ■ Smartphone-related business declined
	Operating profit	1,534	1,187	△346	△22.6%	
SCI Division	Net Sales	25,643	25,621	△21	△0.1%	
	Operating profit	△1,308	△378	+930	—	
Innovation Center	Net Sales	251	62	△189	△75.2%	<ul style="list-style-type: none"> ■ Communications module business transferred to SCI starting in June
	Operating Income	△446	△379	+67	—	
Total	Net Sales	48,051	48,204	+153	+0.3%	
	Operating Income	△220	430	+650	—	
Exchange rate (1USD =)		¥152.65	¥150.66			

- CS: While the automotive, home appliance, and industrial markets remained strong, the ICT market remained sluggish through the second half of the year
- SCI: The company posted a profit in Q3 due to the recovery of development costs and other factors; however, Q4 resulted in a loss due to the recognition of retirement benefit expenses in Mexico, among other factors. The deficit is narrowing due to fixed cost reductions at domestic and European/American locations

Unit: ¥ Millions

		FY2025				Change vs. 3Q	3Q to 4Q Trend
		1Q	2Q	Q3	4Q		
CS Division	Net Sales	5,207	5,884	5,811	5,617	△194	Industrial market is strong, information and communications market is weak; Q4 operating profit down due to reduced operations in China
	Operating profit	229	431	366	160	△206	
SCI Division	Net Sales	5,801	6,238	6,221	7,360	+1,138	Sales increased in Q4 due to inventory sales, etc., while operating profit decreased due to the recognition of retirement benefit expenses in Mexico.
	Operating profit	△365	△168	313	△157	△471	
Innovation Center	Net Sales	20	0	1	39	+38	Operating loss narrowed in Q4 due to increased sales
	Operating profit	△144	△99	△90	△44	+45	
Total	Net Sales	11,029	12,123	12,034	13,017	+982	
	Operating profit	△280	163	590	△42	△632	

- ICT: Sales fell below the previous year due to sluggish demand for smartphone-related connectors
- Automotive: Sales exceeded the previous year due to strong performance in connectors and units for vehicles and e-bikes

Unit: ¥ Millions

	FY2024 Result	FY2025 Result	YoY		Comments
			Change	%	
ICT	6,949	5,824	△1,124	△16.2%	<ul style="list-style-type: none"> ■ Decline in smartphone-related connectors
Home Appliances	19,820	19,920	+99	+0.5%	<ul style="list-style-type: none"> ■ Growth in connectors for the amusement industry ■ Sanitary remote controls are expanding ■ Sales of remote controls and units for housing equipment were sluggish
Automotive	16,100	17,187	+1,087	+6.8%	<ul style="list-style-type: none"> ■ Growth in automotive battery-related and motorcycle-related connectors ■ Growth in units for vehicles and e-bikes
Industry /Others	5,180	5,271	+91	+1.8%	<ul style="list-style-type: none"> ■ Growth in renewable energy-related connectors
Total	48,051	48,204	+153	+0.3%	

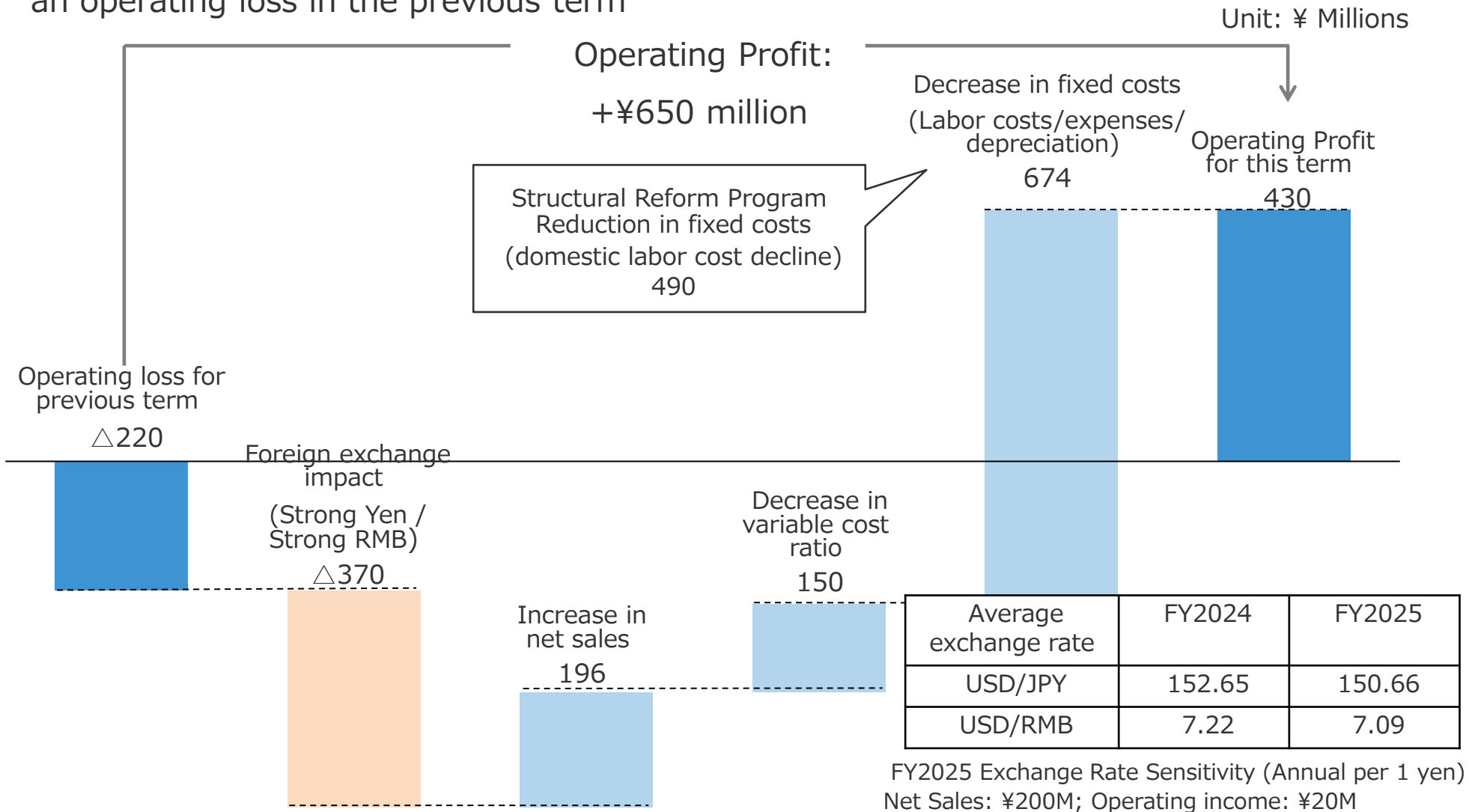
- In Japan, sales of remote controls for sanitary and units for vehicles and e-bikes performed well, exceeding the previous year's figures
- In North America, sales of units for smart home appliances and housing equipment were sluggish, falling below the previous year's levels
- In China, sales of connectors for renewable energy and automotive batteries expanded

Unit: ¥ Millions

	FY2024 Result	FY2025 Result	YoY		Comment
			Change	%	
Japan	17,254	17,944	+690	+4.0%	<ul style="list-style-type: none"> ■ Strong sales of sanitary remote controls ■ Strong sales in automotive and e-bike units
North America	10,976	9,688	△1,287	△11.7%	<ul style="list-style-type: none"> ■ Weak performance in smart home appliances and housing equipment units
China	9,483	10,401	+918	+9.7%	<ul style="list-style-type: none"> ■ Growth in renewable energy-related connectors ■ Connectors for automotive batteries are expanding
Rest of Asia (incl. Taiwan)	8,255	8,130	△125	△1.5%	<ul style="list-style-type: none"> ■ Decline in smartphone Connectors
Europe	2,080	2,039	△41	△2.0%	<ul style="list-style-type: none"> ■ Decline in automotive and home appliance remote controls
Total	48,051	48,204	+153	+0.3%	

*Regional breakdown figures are based on internal management data.

- Driven by sales growth on a real basis excluding currency impact, and fixed-cost reductions by the structural reform program, turned a profit of ¥430 million, shifting from an operating loss in the previous term



- Sales is projected to reach ¥49 billion, 1.7% increase from the previous term. Operating profit is expected to rise from ¥430M in the previous term to ¥800M, driven by the effects of fixed-cost reductions from the structural reform program and increased sales.

Unit: ¥ Millions

	FY2025 Results	FY2026 Forecast	YoY
Net Sales	48,204	49,000	+1.7%
Operating Profit (Operating Profit Margin)	430 (0.9%)	800 (1.6%)	+86.0%
Ordinary Profit	1,243	1,200	△3.5%
Net Profit	56	800	—
Net income per share (¥)	8.87	126.41	—
Dividend (¥)	100.00 50/50 (Interim/Final)	100.00 50/50 (Interim/Final)	—
Exchange Rate (1 USD =)	¥150.66	¥155.00	

(Note) As it is difficult to predict the impact of the escalating tensions in the Middle East at this time, it has not been factored into the FY2026 earnings forecast.

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Yasumitsu Ikeda,
President, CEO and COO

- Although market conditions deteriorated in the second half of FY2024 and the challenging environment is continued into FY2025, the implementation of our structural reform program has enabled us to reach a profit of ¥430M.
- For FY2026, compared to our mid-term targets, due to changes in major customer trends resulting from market conditions (such as reduced demand and project delays), Unit: ¥100 million

		FY2024	FY2025			FY2026		
		Result	Mid-term targets	Actual	Change	Mid-term Target	Forecast	Change
Net Sales	CS	221	240	225	△6.2%	289	243	△15.9%
	SCI	256	274	256	△6.5%	310	247	△20.3%
	IC	2	6	0.6	△90.0%	1	0.4	△60.0%
	Total	480	520	482	△7.3%	600	490	△18.3%
Operating Profit	CS	15.3	10.0	11.9	+19.0%	17.5	11.1	△36.5%
	SCI	△13.0	0.0	△3.8	-	7.0	0.4	△94.2%
	IC	△4.4	△3.0	△3.8	-	△3.5	△3.5	-
	Total	△2.2	7.0	4.3	△38.5%	21.0	8.0	△61.9%
	Margin	△0.5%	1.3%	0.9%	-	3.5%	1.6%	-
ROE		△6.1%	-	0.2%	-	5.0%	2.6%	-
Exchange rate (1 USD =)		¥152.65	¥130.00	¥150.66	-	¥130.00	¥155.00	-

*IC: Innovation Center

<Reasons for missing sales target>

- CS: Delays in new product adoption in ICT and automotive market, and changes in major customer trends.
- SCI: Changes in major customer trends in home appliance and automotive market.
- Innovation Center: Delays in commercializing new healthcare business.

Unit: ¥100 million

		FY2026			Comments
		Target	Forecast	Change	
Net Sales	CS	289	243	△15.9%	Delay in new product adoption in ICT market. Changes in trends among major customers in automotive market.
	SCI	310	247	△20.3%	Planning slides for major home appliance customers. Changes in trends among major customers in the automotive market.
	IC	1	0.4	△60.0%	Delays in commercializing healthcare business areas.
	Total	600	490	△18.3%	
Operating Profit	CS	17.5	11.1	△36.5%	Missed profit target due to lower sales.
	SCI	7.0	0.4	△94.2%	Turned profit though missed profit due to lower sales.
	IC	△3.5	△3.5	—	Despite reducing fixed costs, the deficit persists due to lower sales.
	Total	21.0	8.0	△61.9%	
	(Rate)	3.5%	1.6%	—	
Exchange rate(1US\$=)		¥130	¥155	—	

*IC: Innovation Center

[FY2024–FY2026 Mid-Term Target]

- Approx. 80% (¥9 billion) of operating cash flow (¥11 billion) will be allocated to growth investments, and approx. 20% (¥2 billion) will be allocated to shareholder returns

[FY2024–FY2026 Forecast]

- Although operating cash flow (¥9.6 billion) and investing cash flow (growth investments) of ¥7.5 billion fell short of targets, shareholder returns exceeded the target at ¥2.2 billion, driven by a dividend policy based on a 2% dividend on equity (DOE) ratio and including a 100th-anniversary commemorative dividend.

Unit: ¥ 100 million

	FY2024–FY2026 Mid-Term Targets (A)			FY2024–FY2026 Forecast (B)			Variance (B-A)
	FY2024 Actual	FY2025 Actual	FY2026 Plan	FY2024 Actual	FY2025 Actual	FY2026 Plan	
1. Operating CF	110.0	21.5	38.9	↘ 95.9			△14.1
2. Investing CF	△90.0	△22.2	△22.6	↘△74.8			+15.2
FCF (1+2)	20.0	△0.7	16.3	21.1			+1.1
3. Financing CF	△22.0	2.9	△24.5	△27.1			△5.1
Change in interest-bearing debt	△2.0	9.3	△15.6	△5.4			△3.4
Shareholder Returns (Dividend Payments)	△20.0	△6.4	△8.9	↗△21.7			△1.7
Total CF (1+2+3)	△2.0	2.2	△8.2	△6.0			△4.0
Cash Ending Balance	100.0	104.2	96.0	96.0			△4.0

(Note) Translation adjustments related to cash and cash equivalents are included in operating cash flow

Segment	Management Policy	Initiatives
CS Division	<ul style="list-style-type: none"> ◆ Aiming to enhance our presence in the electronics market through sustainable growth and overwhelming product competitiveness. ◆ Strengthening strategic resource allocation, including sales personnel, organizational structure, and investment capital. 	<ul style="list-style-type: none"> ■ Expanding orders with a primary focus on the "automotive" market. <ul style="list-style-type: none"> - xEV, E-Bikes, 4-Wheeled and 2-Wheeled Vehicles ■ Expansion of the ICT and industrial market. <ul style="list-style-type: none"> - Smartphones, tablets, wearable devices - Renewable energy, robotics, machine tools, servers ■ Development of the India market. <ul style="list-style-type: none"> - Opening of an office in India (Feb 2026) - Strengthening product development for the rapidly expanding 4-wheeled and 2-wheeled vehicle markets ■ Sales growth through strategic expansion of sales and design personnel.
SCI Division	<ul style="list-style-type: none"> ◆ Thorough implementation of structural reforms to achieve profitability. ◆ Developing the sensor and sensing business into a new pillar. 	<ul style="list-style-type: none"> ■ Improving profitability through cost reduction and organizational streamlining. <ul style="list-style-type: none"> - Passing on increases in raw material costs and minimum wage to selling prices - Labor savings through the introduction of semi-automatic machines and collaborative robots ■ Maintaining and expanding sales in core businesses (remote controls, switches, and units) <ul style="list-style-type: none"> - Home appliance market (remote controls for sanitary and air conditioners) - Automotive market (e-bike units, camera modules) ■ Commercialization of sensor and sensing-related products <ul style="list-style-type: none"> - SyncBolt, Milweb[®] Sleep, HarvestLoop[®] - LoRaWAN[®] compatible inventory management sensors - LoRaWAN[®] compatible GPS Tracker-Lite

Management Policy

- ◆ Aiming for Early Commercialization
- ◆ Accelerate the business development cycle and strengthen cost management through rapid decisions on whether to continue or discontinue development

Initiatives

■ Selection and Concentration of Business Activities

1. Concentrating Resources on Key Businesses
 - **Speech-based head health analysis technology**
 - **Electromyography (EMG) sensors**

■ Validation Phase for Commercialization

Complete PoC, field trials, and market validation by FY2026 to accumulate success stories and validation data.

This will pave the way for full-scale deployment in FY2027.

■ Strengthen cost management

- Set milestones for development projects
- Comprehensively evaluate development progress, customer acceptance, market potential, differentiating factors, and business models to decide whether to continue development

➤ **Speech-based head health analysis tech**

FY2026: PoC and demonstration phase

① Local Government

Based on a comprehensive partnership agreement with Uda City, Nara Prefecture, we will conduct a 1 year PoC involving a life insurance company, and from the following fiscal year onward, we will roll out the successful model to other local governments.

② Supplement Manufacturer

We will conduct a one-year PoC utilizing our app to promote the sales of cognitive function care supplements, and subsequently roll out the successful model to other manufacturers and related parties.

Sales Target (Unit: ¥millions)		
FY2026	FY2027	FY2028
35	115	239

➤ **EMG sensors**

FY2026: Product Completion and Market Validation Phase

① Training (Sports Gyms, etc.)

We plan to complete development during the first half of the fiscal year and begin operational verification at 10 facilities starting in the second half. We will identify and address issues to pave the way for the expansion phase in the following fiscal year.

② Golf

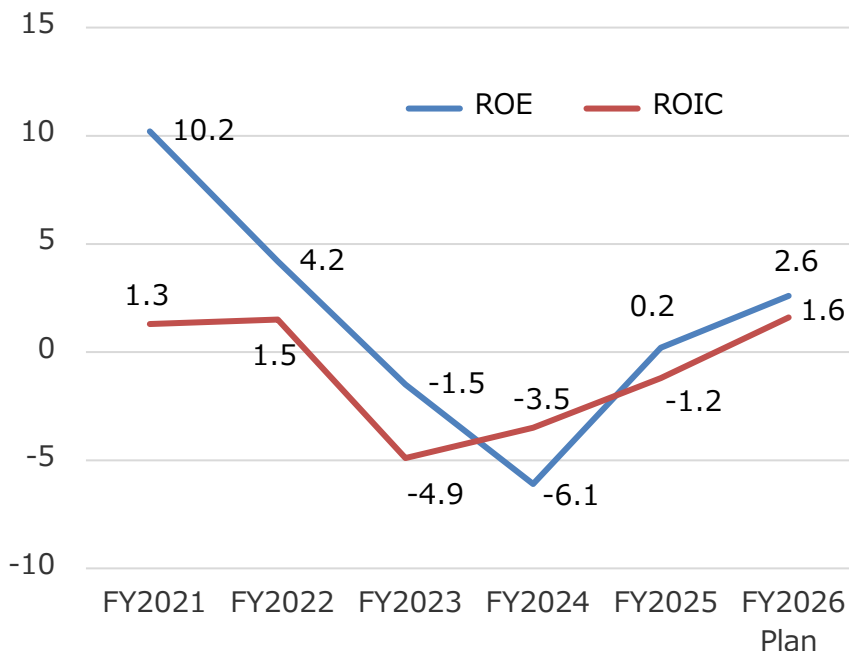
We plan to collect data from professional golfers, build a dataset of correct answers, and develop a classification algorithm.

Sales Target (Unit: ¥millions)		
FY2026	FY2027	FY2028
5	125	248

- Through the optimization of domestic headcount and the rationalization of European and U.S. operations, we reduced fixed costs by ¥220 million in the first half and ¥450 million in the second half of FY2025.

Initiatives	Progress
Optimization of Domestic Workforce	<ul style="list-style-type: none"> Voluntary Retirement: 118 <ul style="list-style-type: none"> CS: 23, SCI: 38, Innovation Center: 17, Administrative Division: 40 Cost Savings from Workforce Reduction <ul style="list-style-type: none"> FY2025: ¥490 million (¥140 million/first half, ¥350 million/second half) FY2026 and beyond: ¥700 million/year
Rationalization of Domestic Operations	<ul style="list-style-type: none"> Closure of the Ibaraki Sales Office (June 30) Reorganization and downsizing of administrative departments <ul style="list-style-type: none"> Integration of Public Relations Office into the Financial Planning Dept (July 1) Merged the Production Management Dept and Sales Operations Dept into the Supply Chain Management Dept (July 1) Merged the Human Resources Dept and General Affairs Dept into the Human Resources and General Affairs Dept (October 1)
Rationalization of European and North American Operations	<ul style="list-style-type: none"> Closed the Detroit Office Closed (December 31) Closed the UK South Office (March 31) Cost-saving effects from staff reductions and expense cuts at European and U.S. locations <ul style="list-style-type: none"> FY2025: ¥180 million (¥80 million/first half, ¥1.0 million/second half) FY2026 and beyond: ¥200 million/year

- Strengthen initiatives to address the factors causing the low PBR: (1) sluggish sales and profits, and (2) low ROE and the underlying low operating profit margin to return to a growth trajectory
- We will also gradually expand initiatives aimed at improving capital efficiency and our dialogue with investors

ROE and ROIC Trends Unit: %


Challenges	Current Initiatives
Measures to Drive Business Growth and Improve Profit Margins Initiatives	<ul style="list-style-type: none"> Through the Structural Reform Program (March 2025), review the cost structure To achieve steady growth in sales and profits, accelerating structural reform through implementing "selection and concentration" of business operations
Improving capital efficiency	<ul style="list-style-type: none"> Internal adoption and implementation of ROIC <ul style="list-style-type: none"> - Measurement of ROIC by division - Initiatives to improve CCC (*)
Enhancing shareholder returns	<ul style="list-style-type: none"> FY 2024: ¥140 dividend, including commemorative dividend FY2025: ¥100 dividend In FY2026, we will continue to pay dividends targeting a dividend on equity (DOE) ratio of approximately 2%
Strengthening Investor Engagement	<ul style="list-style-type: none"> Enhancing External Disclosure Materials (Expansion of integrated reports, quarterly disclosure materials, etc.) Further strengthen dialogue with institutional investors (21 engagements in FY2025) Further strengthen

*CCC: Cash Conversion Cycle

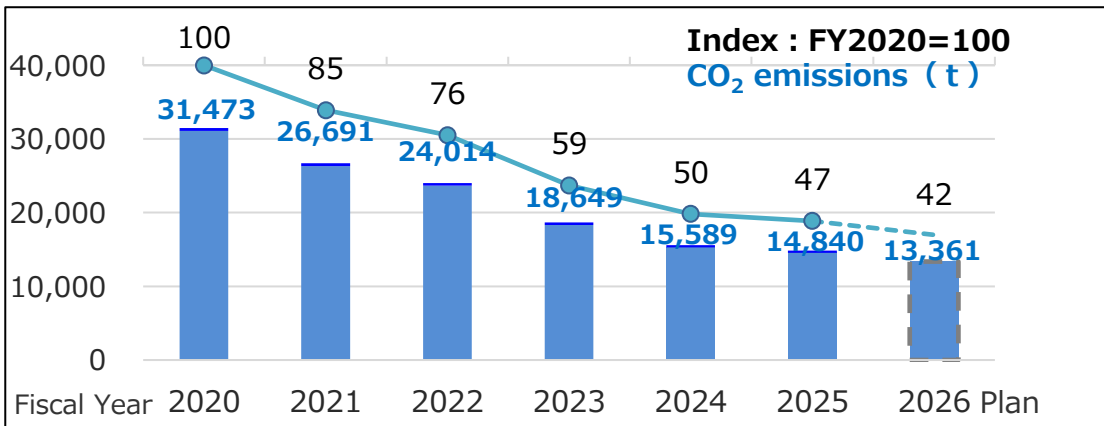
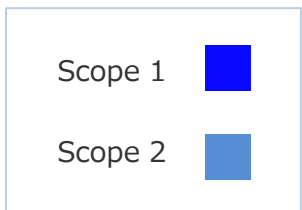
Challenges

Initiatives

Promoting ESG and Sustainability Management

- Strengthening Corporate Governance
 - Appointment of a female outside director (June 24, 2025)
 - Structure to be changed from 2 to 3 outside directors and 4 to 3 inside directors
 - Plan to reduce director terms (from 2 years to 1 year)
 - Partial amendment to the Articles of Incorporation (June 23, 2026)
- Formulation and Revision of Various Policies (April 2025)
 - Formulation of a Basic Policy on Human Rights
 - Revision of regulations in accordance with amendments to the Child Care and Family Care Leave Act
 - Formulation of the Anti-Bribery and Anti-Cartel Policy
 - Revision of the Privacy Policy
- Completion of measures in response to recommendations under the former Subcontracting Act (December 2025)

■ Status of CO₂ E Emissions Reduction



| Opening of India Representative Office

- Date of Establishment: February 13, 2026
- Location: Gurugram
- Promoting marketing activities with a focus on connectors for the mobility sector



Exterior Photo



Opening Ceremony

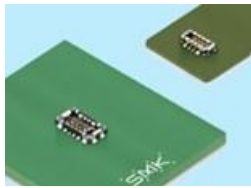
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[Main Products] Various Connectors

ICT

Automotive

Home Appliances / Industry
& Others



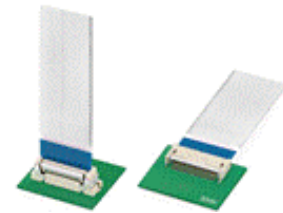
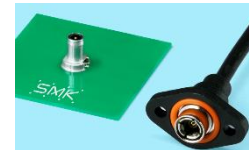
High-frequency board-to-board connectors

High-current small board to board connectors

FPC/FFC Connectors With locking feature

Coaxial FAKRA Connectors

Connectors for photovoltaic module



USB Type-C™ receptacle

φ3.5mm mini jacks

High performance pogo pin[®] terminals

Automotive camera connectors

0.5mm pitch one action FPC/FFC connectors

Executive Officer, Head of CS Division: Hideo Sugano

<FY2025 Results>

• Sales: ¥22.5 billion (4% over forecast) • Operating Profit: ¥1.2 billion (7% below forecast)

- Excluding the ICT market, sales in the automotive, home appliance, and industrial machinery markets exceeded forecasts

<FY2026 Forecast>

• Sales: ¥24.3 billion (16% below mid-term target) • Operating profit: ¥1.1 billion (37% below mid-term target)

- While falling short of the FY2026 mid-term target, sales is expected to increase compared to FY2025 results, while operating profit is forecast to remain flat due to soaring raw material costs and uncertain global conditions

Unit: ¥ millions		FY2025 Forecast (Oct. 2025)	FY2025 Result	FY2026 Mid-term Target	FY2026 Forecast	Change from Previous Term	vs. Mid-Term Target Change
Net Sales		21,573	22,520	28,867	24,286	+8%	△16%
By Market	ICT	6,068	5,744	11,900	7,325	+28%	△38%
	Home Appliances	3,447	3,585	3,000	3,538	△1%	+18%
	Automotive	10,108	10,562	12,300	10,912	+3%	△11%
	Industry / Others	1,951	2,628	1,667	2,511	△4%	+51%
Operating profit		1,275	1,187	1,752	1,112	△6%	△37%
1 USD =		1H: 146.13 2H: 145.00	¥150.66	¥130.00	¥155.00	-	-

Management Policy

- ◆ **Aiming to Enhance Our Presence in the Electronics Market Through Sustainable Growth and Overwhelming Product Competitiveness**
- ◆ **Strengthening strategic resource allocation, including sales personnel, organizational structure, and investment capital**

Initiatives	Progress
<ul style="list-style-type: none"> ■ Expanding orders with a primary focus on the "automotive" market <ul style="list-style-type: none"> - xEV, E-Bikes, Four-Wheeled Vehicles, Two-Wheeled Vehicles 	<ul style="list-style-type: none"> ➤ Four-wheeled vehicles <ul style="list-style-type: none"> • Strengthening development of high-speed, high-frequency, and high-current connectors • Expanding product offerings for batteries and inverters ➤ E-Bikes, two-wheeled <ul style="list-style-type: none"> • Strengthening sales expansion into mobility sectors other than automobiles
<ul style="list-style-type: none"> ■ Expansion of the ICT Market and Industry Market 	<ul style="list-style-type: none"> ➤ ICT Market <ul style="list-style-type: none"> • Smartphones, tablets • Strengthening development of ultra-compact, thin, and high-speed transmission connectors • Providing optimal solutions in line with the evolution of wearable devices ➤ Expansion of the Industry Market <ul style="list-style-type: none"> • Expansion into the renewable energy market • New business development for robots, machine tools, and servers
<ul style="list-style-type: none"> ■ Development of the high-growth Indian market 	<ul style="list-style-type: none"> ➤ Opening of an office in India (February 2026) and strengthening of sales capabilities <ul style="list-style-type: none"> • Strengthening product development for the rapidly expanding four-wheeled and two-wheeled vehicle markets
<ul style="list-style-type: none"> ■ Expanding Sales Through Strategic Expansion of Sales and Design Staff 	<ul style="list-style-type: none"> ➤ Expanding Sales and Development Staff <ul style="list-style-type: none"> • Accelerating the speed of responding to market needs

Automotive

Strengthening Product Development for BMS and Inverters

- Expanding sales of EV battery-related connectors → **Active business negotiations**

ADAS, Infotainment

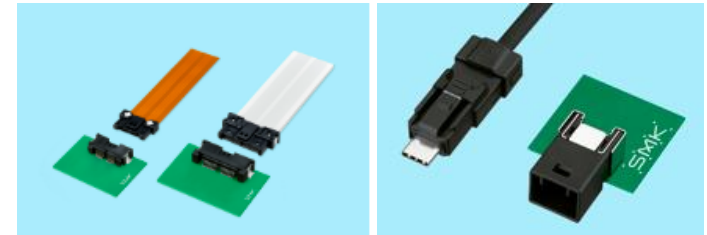
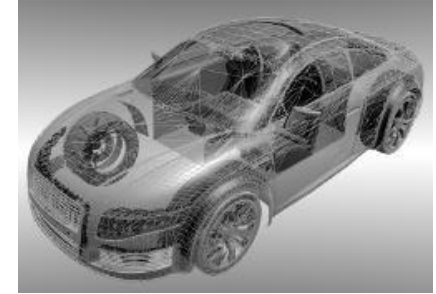
- In-vehicle camera connectors

Expanding applications and increasing installation numbers of in-vehicle 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™ with locking feature

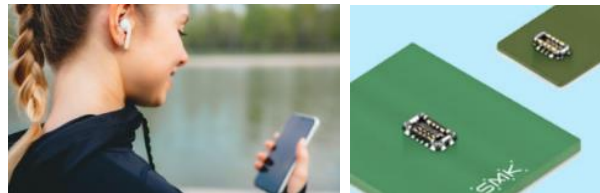


ICT

- Connectors for smartphones/tablets with advanced spec
Small, high-speed, high-current

→ **High-current and high-speed transmission support**
Expand line up of board-to-board connectors

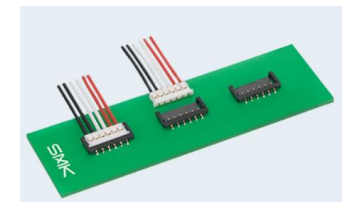
- Aggressive introduction of connectors for wearables
Watches, VR/AR (XR)



Industry

- Growing demand for small, slim, and high-current solutions

→ **Strengthening development and expanding orders**



[Major Products] Switches, In-Vehicle Cameras, Wireless Modules, Remote Controls, Touch Sensors

SW - Switch -

CU - Composite Unit



HCF[®] Switches



Mini 1-Dome Switches



In-vehicle camera modules



Milweb[®]
(Millimeter-wave sensors)



HarvestLoop[®]
(Self-powered coin cell module)



Rubber Push
Switches



Top-push Switches

RC - Remote Control -

TS - Touch Sensor -

Main Applications



Standard Voice
Remote Controls



SMK Standard
Remote Controls for
Android TV™



Remote Controls
for Sanitary



Capacitive Touch Switches

- ▶ Control Switches
- ▶ Switches for Smartphones
- ▶ In-vehicle cameras
- ▶ Wireless Modules
- ▶ Various Remote Controls
- ▶ In-vehicle touch sensors
- ▶ Touch Sensors for Industrial and Consumer Applications

Executive Officer, Head of SCI Division: Takashi Ito

<FY2025 Results>

- Net Sales: ¥25.6 billion (5% increase vs. forecast) • Operating Income: △¥380 million (¥40 million decrease vs. forecast)
- Net Sales exceeded forecasts in all markets, with the home appliance market performing particularly well due to strong sales of remote controls for sanitary fixtures
- Operating profit decreased compared to the forecast due to higher costs resulting from foreign exchange impacts and the recognition of retirement benefit expenses at the Mexican manufacturing subsidiary

<FY2026 Forecast>

- Net Sales: ¥24.7 billion (20% below mid-term target) • Operating profit: ¥40 million (94% below mid-term target)
- Net Sales is expected to fall short of the mid-term target in the home appliance and automotive markets due to changes in major customer trends
- Operating profit is expected to remain in the black due to improved profit margins resulting from cost reductions and appropriate pricing, as well as the effects of fixed cost reductions at each location

Unit: ¥ millions		FY2025 Forecast (Oct 2025)	FY2025 Result	FY2026 Mid-term target	FY2026 Forecast	YoY	vs. Mid-Term Target Change
Net Sales		24,364	25,621	31,000	24,675	△4%	△20%
By Market	ICT	79	92	800	15	△84%	△98%
	Home Appliances	15,522	16,535	18,600	15,432	△7%	△17%
	Automotive	6,335	6,488	8,900	6,572	+1%	△26%
	Industry/ Others	2,427	2,506	2,700	2,656	+6%	△2%
Operating profit		△336	△378	700	40	–	△94%
1 USD =		1H: ¥146.13 2H: ¥145.00	¥150.66	¥130.00	¥155.00	–	–

Management Policy

- ◆ Thoroughly Implement Structural Reforms to Achieve Profitability
- ◆ Developing the Sensor and Sensing Business into a New Pillar

	Initiatives	Progress
Sales Growth	<ul style="list-style-type: none"> ■ Maintain and expand sales in core businesses (remote controls, switches, Units) <ul style="list-style-type: none"> • Horizontal expansion of existing technologies and products • Focused engagement with key customers and outreach to overseas customers 	<ul style="list-style-type: none"> ➤ Securing new product sales opportunities, primarily with existing customers <ul style="list-style-type: none"> • Home Appliance Market: Remote controls for sanitary fixtures, remote controls for air conditioners • Automotive market: Camera modules, e-bike units, switches + lighting units, key fobs, and other product lines ➤ Accelerating the shift toward product development incorporating communication technology and beyond <ul style="list-style-type: none"> • Wireless communication × sensors × energy harvesting technology, etc.
	<ul style="list-style-type: none"> ■ Commercialization of sensor and sensing-related products Commercialization <ul style="list-style-type: none"> • Early development of new businesses • Market expansion through horizontal expansion • Participation in various trade shows (domestic and international) 	<ul style="list-style-type: none"> ➤ Accelerating sales of key products [Previously] <ul style="list-style-type: none"> • SyncBolt (Bolt Tension Monitoring System) • Milweb® /Milweb® Sleep (millimeter-wave sensor) • HarvestLoop® (Self-powered coin cell module) [New] Second half of FY2025– <ul style="list-style-type: none"> • LoRaWAN® -compatible inventory management sensor …2/25 press release • LoRaWAN® -compatible GPS Tracker -Lite …April 23 press release →Expanding related product lineup
Improved Profitability	<ul style="list-style-type: none"> ■ Selling at appropriate prices 	<ul style="list-style-type: none"> ➤ Passing on increases in raw material costs and minimum wage to selling prices ➤ Hedging exchange rate risk by applying exchange rate-linked selling prices
	<ul style="list-style-type: none"> ■ Promoting cost reduction 	<ul style="list-style-type: none"> ➤ Labor savings through the introduction of semi-automatic machines and collaborative robots ➤ Controlling fixed costs through organizational streamlining

Commercialization of sensor and sensing-related products

— Accurately addressing increasingly sophisticated market needs to create next-generation value

Strength: Product development capabilities that integrate wireless communication and power-saving technologies

Diverse Wireless Communication Technologies

- Bluetooth® Low Energy (LE), LoRaWAN® , Sigfox (low-power communication)
- Infrared, UWB, Wi-Fi®

Power-Saving Technologies

- Ultra-low-power design
- Power supply design utilizing energy harvesting

Field DX solutions pioneered by sensors and sensing Capable of scalable deployment across industries

LoRaWAN® -compatible inventory management sensors

Automatically "visualize" inventory to achieve zero stockouts

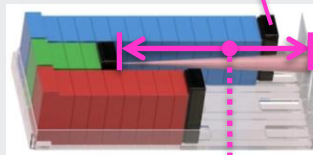
Using infrared ToF sensors and LoRaWAN® communication, track inventory fluctuations on shelves in real time. Optimize restocking timing to



High-precision
Inventory detection via high-precision

Energy-efficient
Communicates only when necessary via vibration detection

Long battery life
Approx. 8-year battery life & retrofit installation



Measures the distance from the sensor to the reference plate using infrared and automatically converts it to the remaining count

LoRaWAN® -compatible GPS Tracker - Lite

Reliable monitoring even over wide areas, Location Tracking

Utilizing GNSS and LoRaWAN® , this tracker accurately tracks the locations of workers and assets.

This tracker also supports SOS alerts, enabling both safety management and operational efficiency.



High accuracy
Accurate outdoor positioning via GNSS

Long-range communication
Low power consumption with wide-area coverage

Safety Management
Immediate detection of abnormalities via SOS notifications

Appendix

Unit: ¥ millions

	March 2025 (A)	March 2026 (B)	Change (B) – (A)
Assets	57,684	57,625	△59
Cash and cash equivalents	10,475	9,673	△801
Accounts receivable	13,935	13,301	△634
Inventories	7,673	6,741	△931
Tangible and Intangible Fixed Assets	14,956	14,666	△290
Investments and other assets	9,578	12,114	+2,535
Liabilities	28,462	26,468	△1,994
Accounts payable and accrued liabilities	6,901	5,452	△1,449
Interest-bearing debt	15,616	14,213	△1,402
Net assets	29,221	31,156	+1,934
Capital	7,996	7,996	—
Equity Ratio	50.7%	54.1%	+3.4%

Unit: ¥ millions

	FY2024	FY2025
Operating Cash Flow	2,439	2,023
Working capital	245	401
Income before taxes	△963	867
Depreciation	2,347	2,626
Change in assets and liabilities related to retirement benefits	△133	△460
Payments for business restructuring expenses	△7	△820
Other	950	△589
Investing cash flows	△2,216	△2,262
Free cash flow	222	△238
Financial cash flow	286	△2,452
Change in interest-bearing debt	924	△1,560
Change in treasury stock	△1	△1
Dividends paid	△636	△890
Cash and cash equivalents translation adjustment	△291	1,869
Cash and cash equivalents at beginning of period	10,197	10,415
Cash and cash equivalents at end of period	10,415	9,594

Important Notice

The earnings forecasts and other information regarding future projections and strategies contained in this document are based on judgments made within the scope of what is normally foreseeable, using information reasonably available to the Company at the time of preparation. However, in reality, results may differ from the earnings forecasts set forth in this document due to the occurrence of special circumstances that cannot normally be foreseen. While we strive to actively disclose information that we believe is important to investors, we strongly urge you to refrain from making decisions based solely on the performance forecasts contained in this document.

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