# FY2025 1st Half Investor Briefing

CREATIVE CONNECTIVITY

—Challenge, Creativity, Solutions

SMK Corporation (6798)

November 6, 2025

# Agenda

# Outline of FY2025 1H Financial Results

Itaru Kitahira

Vice President and CFO

# FY2025 1H Financial Results



- 1H sales decreased 2.0% year-on-year to ¥23.1 billion, partly due to yen appreciation.
  Operating profit declined from ¥108 million to -¥117 million,
  but sales, operating profit, and net profit all exceeded initial forecasts.

Unit: ¥ millions

| | FY2024 1H Result | FY2025 1H Result | YoY | FY2025 1H Forecast |
|---|---|---|---|---|
| Net Sales | 23,614 | 23,152 | -2.0% | 22,000 |
| Operating Profit<br>(Operating profit margin) | 108<br>(0.5%) | -117<br>(-0.5%) | – | -400<br>(-1.8%) |
| Ordinary Profit | 74 | -125 | – | -150 |
| Net Profit | -287 | -193 | – | -300 |
| Earnings per share (¥) | -45.35 | -30.63 | – | -47.35 |
| Exchange rate (1US$=) | ¥153.17 | ¥146.13 | | ¥145.00 |

# FY2025 1H Results | by Segment

- **CS** YoY decline due to weak performance in ICT and Industry markets, despite solid results in Car Electronics and Home Appliance markets.
- **SCI** Loss narrowed thanks to strong performance in Car Electronics and Industry markets, offsetting weakness in the Home Appliance market.
- **IC** Weak due to transfer of communication module business and delays in commercializing speech analysis technologies and EMG sensors.

Unit: ¥ millions

| | | FY2024 1H Result | FY2025 1H Result | YoY | | Comments |
|---|---|---|---|---|---|---|
| | | | | Difference | % | |
| CS Division | Net Sales | 11,519 | 11,091 | -427 | -3.7% | ■ Strong: Amusement-related connectors<br>■ Stable: Connectors for e-bikes and motorcycles<br>■ Weak: Connectors for smartphones<br>■ Weak: Healthcare-related connectors |
| | Operating Profit | 1,160 | 660 | -500 | -43.1% | |
| SCI Division | Net Sales | 11,982 | 12,039 | +57 | +0.5% | ■ Strong: Remote controls for sanitary<br>■ Strong: Camera modules and control units for automobiles and e-bikes<br>■ Weak: Remote controls and units for smart appliances and housing equipment |
| | Operating Profit | -851 | -533 | +317 | — | |
| Innovation Center | Net Sales | 113 | 21 | -92 | -81.2% | ■ Declining: Bluetooth® modules and Sub-GHz communication system<br>■ Transferred communication module business to SCI Division in June |
| | Operating Profit | -200 | -244 | -43 | — | |
| **TOTAL** | Net Sales | 23,614 | 23,152 | -462 | -2.0% | |
| | Operating Profit | 108 | -117 | -226 | — | |
| Exchange rate (1US$=) | | ¥153.17 | ¥146.13 | | | |

# FY2025 Quarterly Results | by Segment

- **CS** Connectors for Car Electronics and Industry markets grew; 2Q sales and profit improved.
- **SCI** Camera modules and control units for automobiles grew; 2Q sales and profit improved.
- **IC** 2Q sales decreased due to transfer of communication module business to SCI Division in June.

( ): YoY
Unit: ¥ millions

| | | FY2025 | | Difference vs. 1Q | 1Q to 2Q Trend |
|---|---|---|---|---|---|
| | | 1Q | 2Q | | |
| CS Division | Net Sales | (-8.9%) 5,207 | (+1.4%) 5,884 | +677 | Steady growth (up from 1Q)<br>■ Expanding: Renewable energy-related connectors<br>■ Expanding: Connectors for motorcycles |
| | Operating Profit | (-59.8%) 229 | (-27.0%) 431 | +202 | |
| SCI Division | Net Sales | (-2.4%) 5,801 | (+3.3%) 6,238 | +436 | Steady growth (up from 1Q)<br>■ Expanding: Camera modules and control units for automobiles<br>■ Stable: Control units and switches for e-bikes |
| | Operating Profit | (—) -365 | (—) -168 | +197 | |
| Innovation Center | Net Sales | (-67.9%) 20 | (-98.7%) 0 | -19 | Transferred communication module business to SCI Division in June to improve overall efficiency. |
| | Operating Profit | (—) -144 | (—) -99 | +44 | |
| **TOTAL** | Net Sales | (-5.9%) 11,029 | (+2.0%) 12,123 | +1,093 | |
| | Operating Profit | (—) -280 | (-5.6%) 163 | +443 | |

# FY2025 1H Results | Sales by Market

- **ICT** Below YoY due to weak performance of connectors for smartphones.
- **Car Electronics** Above YoY on strong performance of connectors, camera modules, and control units.
- **Industry** Below YoY due to healthcare decline, partly offset by renewable energy and infrastructure.

Unit: ¥ millions

| | | FY2024 1H Result | FY2025 1H Result | YoY | | Comments |
|---|---|---|---|---|---|---|
| | | | | Difference | % | |
| by Market | ICT | 4,052 | 3,196 | -856 | -21.1% | ■ Weak: Connectors for smartphones |
| | Home Appliance | 10,026 | 10,028 | +2 | +0.0% | ■ Strong: Connectors for amusement and remote controls for sanitary<br>■ Weak: Remote controls and units for smart appliances and housing equipment |
| | Car Electronics | 7,145 | 7,801 | +655 | +9.2% | ■ Strong: Camera modules and control units |
| | Industry/ Others | 2,390 | 2,126 | -263 | -11.0% | ■ Declining: Healthcare (some projects cancelled)<br>■ Stable: Renewable energy and infrastructure-related |
| **TOTAL** | | 23,614 | 23,152 | -462 | -2.0% | |
| Exchange rate (1US$=) | | ¥153.17 | ¥146.13 | | | |

# FY2025 1H Results | Sales by Region

- **Japan** Above YoY on strong performance of remote controls for sanitary and camera modules/control units for automobiles.
- **North America** Below YoY due to weak performance of units for smart appliances and housing equipment.

Unit: ¥ millions

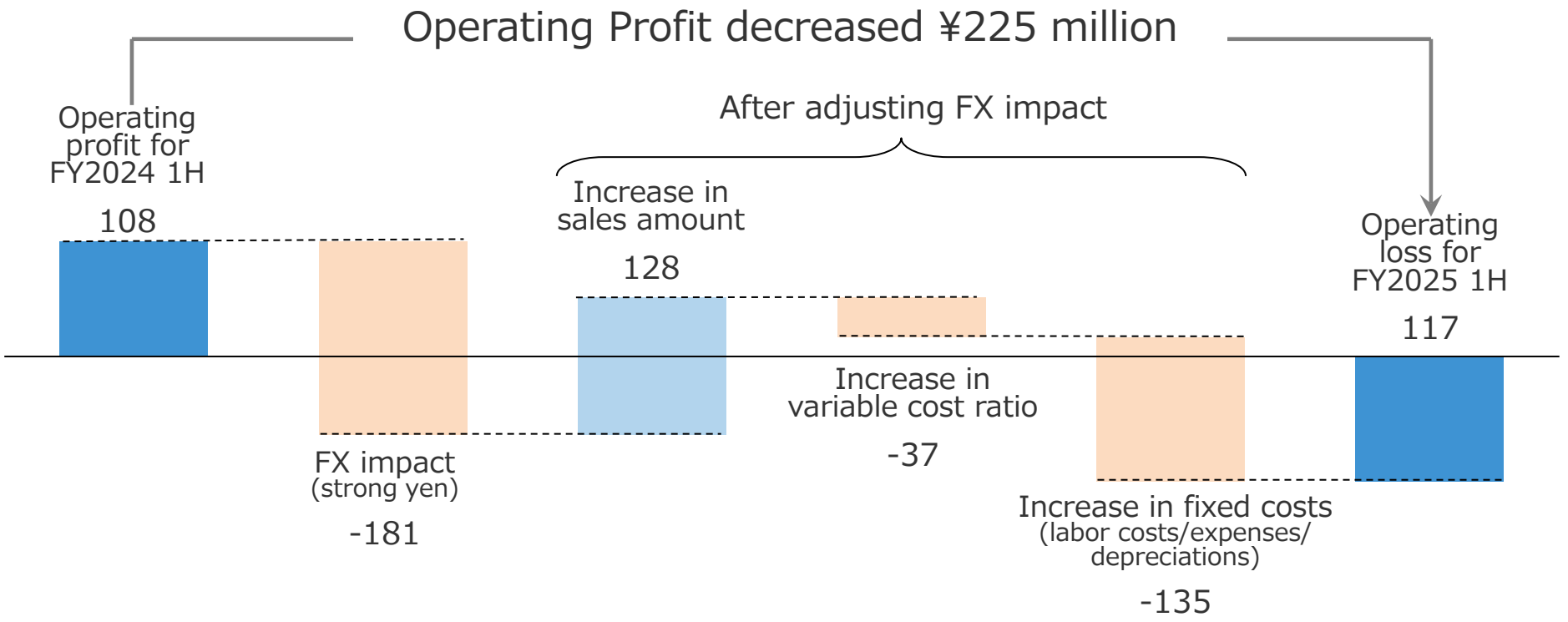
| | | FY2024 1H Result | FY2025 1H Result | YoY | | Comments |
|---|---|---|---|---|---|---|
| | | | | Difference | % | |
| by Region | Japan | 7,201 | 8,214 | +1,012 | +14.1% | ■ <Home> Strong: Remote controls for sanitary<br>■ <Car> Expanding: Camera modules for automobiles and control units for e-bikes |
| | North America | 6,008 | 4,878 | -1,129 | -18.8% | ■ <Car> Strong: Control units for automobiles, Declining: Touch sensors<br>■ <Home> Weak: Units/remote controls for smart appliances and units for housing equipment |
| | China | 5,102 | 4,959 | -143 | -2.8% | ■ <ICT> Declining: Connectors for smartphones<br>■ <Car> Expanding: Connectors for EVs |
| | Rest of Asia (incl. Taiwan) | 4,233 | 4,145 | -87 | -2.1% | ■ <ICT> Declining: connectors for smartphones<br>■ <Home> Stable: Remote controls for air conditioners |
| | Europe | 1,068 | 954 | -114 | -10.7% | ■ <Home> Weak: Remote controls for housing equipment |
| **TOTAL** | | 23,614 | 23,152 | -462 | -2.0% | |
| Exchange rate (1US$=) | | ¥153.17 | ¥146.13 | | | |

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

# FY2025 1H Results (YoY) | Changes in Operating Profit

- Impact of approx. ¥7 appreciation and increased fixed costs (mainly for technology exposition) led to lower operating profit YoY.
- Improvement expected in 2H from fixed cost reduction under structural reform program (domestic labor cost savings).

Unit: ¥ millions

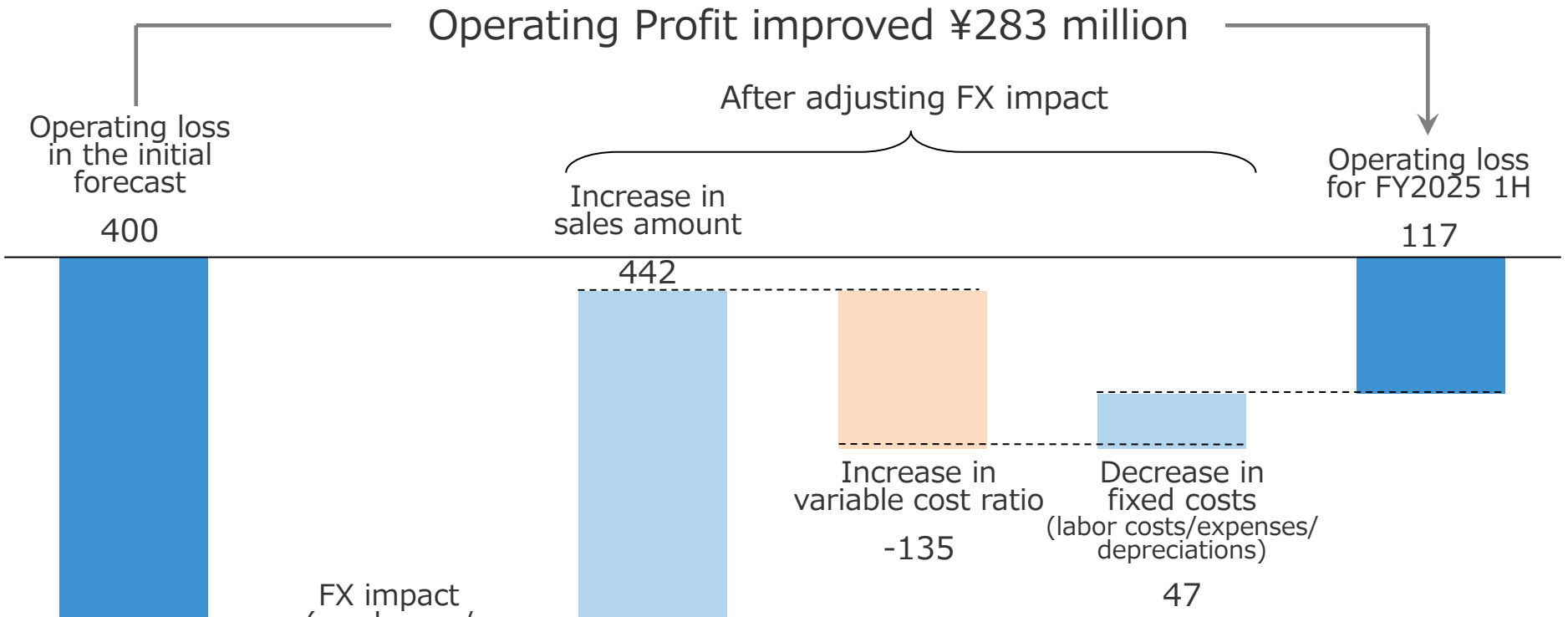



FX sensitivity: annual impact per ¥1 change
- Sales ¥200 million
- Operating Profit ¥50 million

| Average exchange rate | FY2024 Apr - Sept | FY2025 Apr - Sept |
|---|---|---|
| USD/JPY | 153.17 | 146.13 |

- Operating profit improved vs. initial forecast due to higher sales.

Unit: ¥ millions




| Average exchange rate | Initial Forecast | FY2025 Apr - Sept |
|---|---|---|
| USD/JPY | 145.00 | 146.13 |
| USD/RMB | 7.25 | 7.19 |

# FY2025 Forecast



- Unchanged from the initial forecast announced on May 8, 2025.
- 2H sales are expected to be in line with 1H, with profit supported by fixed cost reductions and improved cost efficiency from structural reforms.

Unit: ¥ millions

| | FY2024 Result | FY2025 Forecast | YoY |
|---|---|---|---|
| Net Sales | 48,051 | 46,000 | -4.3% |
| Operating Profit<br>(Operating profit margin) | -220<br>(-0.5%) | 500<br>(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<br>50/90* (Interim/Final)<br>* incl. commemorative dividend of 40 yen | 100.00<br>50/50 (Interim/Final) | |
| Exchange rate (1US$=) | ¥152.65円 | 1H ¥146.13<br>2H ¥145.00 | |

# Appendix | Cash Position (FY2025 1H)



Unit: ¥ millions

| | March 2025 [A] | September 2025 [B] | Difference [B – A] |
|---|---|---|---|
| **Assets** | 57,684 | 56,243 | -1,441 |
| Cash and cash equivalents | 10,475 | 9,805 | -669 |
| Accounts receivable | 13,935 | 12,418 | -1,517 |
| Inventories | 7,673 | 7,630 | -42 |
| Fixed assets | 24,535 | 25,172 | +637 |
| **Liabilities** | 28,462 | 27,209 | -1,253 |
| Accounts payable and accrued expenses | 6,901 | 6,187 | -714 |
| Interest-bearing debt | 15,616 | 15,052 | -563 |
| **Net assets** | 29,221 | 29,033 | -188 |
| Common stock | 7,996 | 7,996 | – |
| **Equity Ratio** | 50.7% | 51.6% | +0.9% |

# Appendix | Cash Flow Position (FY2025 1H)

Unit: ¥ millions

| | FY2024 Apr - Sept | FY2025 Apr - Sept |
|---|---|---|
| **Cash flow from operating activities** | 1,570 | 1,068 |
| Working capital | 920 | 1,228 |
| Profit before taxes | -7 | -122 |
| Depreciation | 1,146 | 1,134 |
| Payment for business restructuring expenses | – | -743 |
| Others | -488 | -428 |
| **Cash flow from investing activities** | -1,012 | -1,125 |
| **Free cash flow** | 558 | -57 |
| **Cash flow from financing activities** | 324 | -1,188 |
| Increase/decrease in interest-bearing debt | 643 | -616 |
| Increase/decrease in treasury stock | -1 | -1 |
| Dividends paid | -318 | -571 |
| **Initial balance** | 10,197 | 10,415 |
| **Final balance** | 10,882 | 9,734 |

# FY2025 Forecast
and
# Progress of Medium-Term Business Plan “SMK Next100” and Structural Reform Program

Yasumitsu Ikeda
President, CEO and COO

# FY2025 Forecast | Sales & Profit by Segment



Unit: ¥ millions

| | | FY2024 Result | FY2025 | | | Comments on 2H Forecast |
|---|---|---|---|---|---|---|
| | | | 1H Result | 2H Forecast | Full-year Forecast | |
| CS Division | Net Sales | 22,156 | 11,091 | 10,482 | 21,573 | Connector sales for smartphones and amusement down; operating profit to stay near 1H level thanks to fixed-cost reduction |
| | Operating Profit | 1,534 | 660 | 615 | 1,275 | |
| SCI Division | Net Sales | 25,643 | 12,039 | 12,325 | 24,364 | Automotive-related sales up; fixed-cost cuts and better cost ratio to turn profit positive |
| | Operating Profit | -1,308 | -533 | 197 | -336 | |
| Innovation Center | Net Sales | 251 | 21 | 41 | 62 | Fixed-cost reduction from structural reforms to narrow losses |
| | Operating Profit | -446 | -244 | -196 | -440 | |
| **TOTAL** | Net Sales | 48,051 | 23,152 | 22,848 | 46,000 | |
| | Operating Profit | -220 | -117 | 617 | 500 | |
| Exchange rate (1US$=) | | ¥152.65 | ¥146.13 | ¥145.00 | 1H ¥146.13<br>2H ¥145.00 | |

# Sales & Profit by Market | CS Division

## FY2025 1H Result

**Sales:** ¥11 billion (-4% YoY) **Operating profit:** ¥660 million (-43% YoY)

- Despite strong Car Electronics and Home Appliance markets, weak performance in ICT and Industry markets led to lower sales and profit.

## FY2025 Forecast

**Sales:** ¥21.5 billion (-3% YoY) **Operating profit:** ¥1.27 billion (-17% YoY)

- Although sales and profit remain below YoY, strong Car Electronics and Home Appliance markets are expected to drive results above the initial forecast.

Unit: ¥ millions

| | | FY2024 1H Result | FY2025 1H Result | FY2025 2H Forecast | 2H/1H | FY2024 Result | FY2025 Forecast | YoY |
|---|---|---|---|---|---|---|---|---|
| Net Sales | | 11,519 | 11,091 | 10,482 | 94% | 22,156 | 21,573 | 97% |
| by Market | ICT | 3,824 | 3,169 | 2,899 | 91% | 6,592 | 6,068 | 92% |
| | Home Appliance | 1,613 | 1,917 | 1,530 | 80% | 3,314 | 3,447 | 104% |
| | Car Electronics | 4,919 | 5,052 | 5,056 | 100% | 9,798 | 10,108 | 103% |
| | Industry/Others | 1,163 | 954 | 997 | 105% | 2,452 | 1,951 | 80% |
| Operating Profit | | 1,160 | 660 | 615 | 93% | 1,534 | 1,275 | 83% |
| 1US$= | | ¥153.17 | ¥146.13 | ¥145.00 | - | ¥152.65 | 1H ¥146.13<br>2H ¥145.00 | - |

# Sales & Profit by Market | SCI Division

## FY2025 1H Result

**Sales:** ¥12 billion (flat YoY) **Operating loss:** ¥533 million (improved by ¥320 million YoY)

- Strong performance in Home Appliance (sanitary and air-conditioning) and Car Electronics markets. Lower cost ratio through cost pass-through, combined with fixed-cost reduction from the structural reform program, narrowed the operating loss.

## FY2025 Forecast

**Sales:** ¥24.3 billion (-5% YoY) **Operating loss:** ¥336 million (improved by ¥970 million YoY)

- Car Electronics market remains strong. Continued cost-reduction measures expected to turn operating profit positive in 2H.

Unit: ¥ millions

| | | FY2024 1H Result | FY2025 1H Result | FY2025 2H Forecast | 2H/1H | FY2024 Result | FY2025 Forecast | YoY |
|---|---|---|---|---|---|---|---|---|
| Net Sales | | 11,982 | 12,039 | 12,325 | 102% | 25,643 | 24,364 | 95% |
| by Market | ICT | 230 | 40 | 39 | 98% | 337 | 79 | 23% |
| | Home Appliance | 8,415 | 8,136 | 7,392 | 91% | 16,499 | 15,522 | 94% |
| | Car Electronics | 2,217 | 2,717 | 3,614 | 133% | 6,318 | 6,335 | 100% |
| | Industry/Others | 1,120 | 1,146 | 1,280 | 112% | 2,490 | 2,427 | 97% |
| Operating Profit | | -851 | -533 | 197 | – | -1,308 | -336 | – |
| 1US$= | | ¥153.17 | ¥146.13 | ¥145.00 | – | ¥152.65 | 1H ¥146.13<br>2H ¥145.00 | – |

## FY2025 1H Result

- Sales declined due to transfer of communication module business to SCI Division in June and reallocation of resources to priority businesses.

## FY2025 Forecast

- Sales below initial forecast (announced in May) due to withdrawal from the NFC antenna business.
- Although sales from speech-based head health analysis technology is expected in 2H, overall delays in commercialization lead to a full-year outlook of ¥62 million in sales and an operating loss of ¥440 million.

Unit: ¥ millions

| | | FY2024 1H Result | FY2025 1H Result | FY2025 2H Forecast | 2H/1H | FY2024 Result | FY2025 Forecast | YoY |
|---|---|---|---|---|---|---|---|---|
| Net Sales | | 113 | 21 | 41 | 195% | 251 | 62 | 25% |
| by Market | ICT | 0 | 0 | 0 | - | 0 | 0 | - |
| | Home Appliance | 0 | 0 | 0 | - | 0 | 0 | - |
| | Car Electronics | 5 | 0 | 0 | - | 6 | 0 | - |
| | Industry/Others | 108 | 21 | 41 | 195% | 245 | 62 | 25% |
| Operating Profit | | -200 | -244 | -196 | - | -446 | -440 | - |
| 1US$= | | ¥153.17 | ¥146.13 | ¥145.00 | - | ¥152.65 | 1H ¥146.13<br>2H ¥145.00 | - |

# FY2025 Forecast | Sales by Market



Unit: ¥ millions

| | | FY2024 Result [A] | FY2025 Forecast | | YoY | Comments |
|---|---|---|---|---|---|---|
| | | | May [B] | Oct [C] | [C/A] | |
| by Market | ICT | 6,949 | 6,700 | 6,147 | -11.5% | Below YoY due to decline in connector sales for smartphones |
| | Home Appliance | 19,820 | 18,300 | 18,975 | -4.3% | Below YoY due to weak performance of remote controls/units for housing equipment/smart appliances, despite strong sales of amusement-related connectors |
| | Car Electronics | 16,100 | 16,400 | 16,439 | +2.1% | Above YoY thanks to strong sales of connectors for cameras/electrical devices, camera modules, and control units |
| | Industry/Others | 5,180 | 4,600 | 4,439 | -14.3% | Below YoY due to decline in healthcare connectors and remote controls/units for solar power systems |
| **TOTAL** | | 48,051 | 46,000 | 46,000 | -4.3% | |
| Exchange rate (1US$=) | | ¥152.65 | ¥145.00 | 1H ¥146.13<br>2H ¥145.00 | | |

# FY2025 Forecast | Sales by Region



Unit: ¥ millions

| | | FY2024 Result [A] | FY2025 Forecast | | YoY | Comments |
|---|---|---|---|---|---|---|
| | | | May [B] | Oct [C] | [C/A] | |
| by Region | Japan | 17,255 | 17,100 | 16,900 | -2.1% | Below YoY due to absence of recovery of R&D costs for automotive units seen in FY2024 and decline in remote controls/ units for solar power systems |
| | North America | 10,976 | 11,200 | 10,400 | -5.2% | Below YoY due to lower sales of units for housing equipment/smart appliance and automotive touch sensors |
| | China | 9,484 | 8,200 | 8,900 | -6.2% | Below YoY as growth in connectors for EVs offset by decline in those for smartphones |
| | Rest of Asia (incl. Taiwan) | 8,255 | 7,400 | 7,700 | -6.7% | Below YoY due to decline in connectors for smartphones and remote controls for air conditioners/smart appliances. |
| | Europe | 2,081 | 2,100 | 2,100 | +0.9% | Flat YoY due to growth in remote controls for home appliances offset by decline in automotive remote controls. |
| **TOTAL** | | 48,051 | 46,000 | 46,000 | -4.3% | |
| Exchange rate (1US$=) | | 152.65円 | 145.00円 | 1H ¥146.13<br>2H ¥145.00 | | |

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

- Challenging market conditions continue from FY2024 2H into FY2025.
- Structural reforms announced in March 2025 enhance competitiveness.
- FY2025 sales forecast below target amid ICT slowdown, yet ¥500 million profit expected through reforms.

Unit: ¥ billions

| | | FY2024 | FY2025 | | | | FY2026 |
|---|---|---|---|---|---|---|---|
| | | Result | Target [A] | Initial Forecast May [B] | Revised Forecast Oct [C] | Forecast/Target [C/A] | Target |
| Net Sales | CS | 22.1 | 24.0 | 21.5 | 21.5 | -10.4% | 28.9 |
| | SCI | 25.6 | 27.4 | 24.2 | 24.3 | -11.3% | 31.0 |
| | IC* | 0.2 | 0.6 | 0.1 | 0.1 | -83.3% | 0.1 |
| | **TOTAL** | **48.0** | **52.0** | **46.0** | **46.0** | -11.5% | **60.0** |
| Operating Profit | CS | 1.53 | 1.00 | 0.80 | 1.27 | 27.0% | 1.75 |
| | SCI | -1.30 | 0 | 0.10 | -0.33 | - | 0.70 |
| | IC* | -0.44 | -0.30 | -0.40 | -0.44 | - | -0.35 |
| | **TOTAL** | **-0.22** | **0.70** | **0.50** | **0.50** | -28.6% | **2.10** |
| | Margin | -0.5% | 1.3% | 1.1% | 1.1% | | 3.5% |
| ROE | | 5.0% in the final fiscal year | | | | | |
| Exchange rate (1US$=) | | ¥152.65 | ¥130.00 | ¥145.00 | 1H ¥146.13<br>2H ¥145.00 | | ¥130.00 |

*IC: Innovation Center

**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

| | |
|---|---|
| **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. |
| **Management Policy** | ◆ **Aim for growth that outperforms competitors**<br>◆ **Focus resources, including sales personnel, organization, and investment** |

| Initiatives | Progress | |
|---|---|---|
| ■ Expand orders targeting key focus market:<br>Car Electronics<br>(xEV, e-bike, 4-wheel, motorcycles) | ■ 4-Wheel | • Actively developing high-speed, high-frequency, high-current connectors<br>• Pursuing compact, slim, and efficient designs |
| | ■ E-Bike/ Motorcycles | • Expanding into non-car mobility |
| ■ Expand businesses in the ICT and renewable energy markets | ■ ICT | • Actively developing ultra-small, slim, high-speed connectors for smartphones and tablets<br>• Proposing optimal solutions for evolving wearable devices |
| | ■ Renewable Energy | • Expanding into solar power and energy storage systems<br>• Developing new business in industrial and medical fields |
| ■ Develop the promising Indian market | • India office opening scheduled for January 2026<br>• Strengthening sales in fast-growing 4-wheel and motorcycle markets | |
| ■ Grow sales by strategically increasing sales and design staff | • Increasing sales and design staff to accelerate response to market needs | |

**Management Policy**

- **Thoroughly implement structural reforms for profitability**
- **Develop sensor and sensing business as a new core pillar**

| Initiatives | Progress |
|---|---|
| ■ Maintain and expand core businesses (remote controls, switches, units)<br>・Deploy existing technologies and products across applications<br>・Focus on key customers and approach overseas customers | ■ Strong sales growth in Home Appliance and Car Electronics markets<br>・Home Appliance<br>Strong: Remote controls for sanitary<br>Weak: Remote controls for smart appliances<br>・Car Electronics<br>Strong: Camera modules, control units |
| ■ Commercialize sensor and sensing-related products<br>・Accelerate commercialization of new businesses<br>・Expand markets through cross-sector deployment | ■ Strengthening promotion of focus products<br>・SyncBolt (Bolt axial force monitoring system)<br>=> Preparing for service launch in January 2027<br>・Milweb (Millimeter wave sensors)<br>=> Announced a press release in October for Milweb Sleep, a contactless sleep solution, aiming for sales launch in 2027<br>・HarvestLoop (Self-contained power supply coin battery module)<br>=> Increasing new business negotiations<br>■ Showcasing them at TEXPO2025 and other exhibitions worldwide<br>■ Seeking new business deals in new markets |
| ■ Improve profitability through cost reduction and streamline organization | ■ Reducing fixed costs through structural reform program<br>■ Automating operations with semi-automated machines and collaborative robots |

**Management Policy**

- **Aim for early commercialization**
- **Accelerate the business development cycle to ensure strict cost control through quick decisions on continuation or exit**

| Initiatives | Progress |
|---|---|
| ■ Concentrate resources on focus areas:<br>• Speech-based head health analysis technology<br>• EMG sensors<br>■ Enhance cost management and optimize workforce | Accelerating business development toward profitability by FY2027<br>• Speech: Developing stress model (by Jan. 2026) and depression model (by Mar. 2026)<br>• EMG: Collaborating with golf school on algorithm development<br>• Exited IoT business (communication modules, NFC antennas)<br>• Headcount reduced from 49 (Mar. 2025) to 27 (Sep. 2025) |

## ■ Highlights

SMK signed a comprehensive partnership agreement to promote dementia prevention, collaborating with:

- Taiyo Life Insurance
- Taiyo Life Research Institute on Aging Society
- National Cerebral and Cardiovascular Center
- National Center for Geriatrics and Gerontology
- TEPCO Power Grid
- Uda City
- Uda Municipal Hospital

- A holistic approach to cognitive health: **Detect**, **Intervene**, and **Monitor**.
- Bridging sectors—government, healthcare, private companies, and research institutions—to combine science with community action.
- Launching an end-to-end dementia prevention model in Uda City, from early detection to continuous care.

(Powered by advanced speech analysis technologies from SMK and Canary Speech)

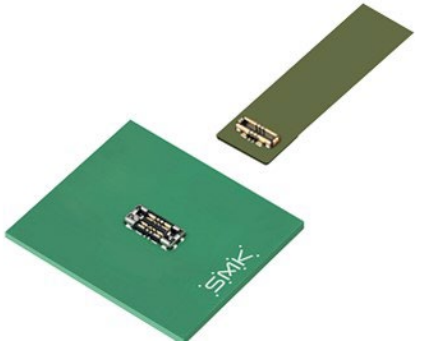
Press Release announced on Oct. 27, 2025 (available only in Japanese) https://www.smk.co.jp/ja/newsroom/press-release-product/2025/20251027185ic

- Reducing fixed costs by ¥310 million in FY2025 1H and ¥560 million in 2H through workforce optimization in Japan and sales structure streamlining in the U.S. and Europe.

| Initiatives | Progress |
|---|---|
| Optimize domestic workforce | ■ Voluntary retirement: 118 employees<br>• CS 23, SCI 38, IC 17, administrative departments 40<br>■ Fixed-cost reduction from workforce downsizing<br>• FY2025 ¥490 million (1H ¥140 million, 2H ¥350 million)<br>• From FY2026 ¥700 million annually |
| Streamline domestic operations | ■ Closed Ibaraki Sales Office (June 30) |
| | ■ Reorganized and streamlined administrative functions<br>• Public Relations Dept. integrated into Financial Planning Dept. (July 1)<br>• Production Management and Sales Business Affairs merged into Supply Chain Management Dept. (July 1)<br>• Human Resources and General Affairs merged into Human Resources & General Affairs Dept. (Oct 1) |
| Optimize workforce at sales offices in the U.S. and Europe | ■ Fixed-cost reduction from downsizing (U.S. 12, Europe 2) and expense cuts<br>• FY2025 ¥380 million (1H ¥170 million, 2H ¥210 million)<br>• From FY2026 ¥420 million annually |

## FB-12 Series Board to FPC Connector for Battery Connection Added to the Lineup

- Large current capacity
  Rated current: 15A—about twice that of the previous FB-8 Series.
- Space-saving design
  Compact size (0.6 mm height, 1.9 × 4.4 mm), reducing the occupied area on the board by approx. 16% vs. FB-8 Series.
- Highly reliable contact structure
  Double-contact terminals ensure stable mating.



Announced on Sept. 10, 2025 https://www.smk.co.jp/en/newsroom/press-release-product/2025/0910_1183cs

## Contactless Sleep Depth Estimation Solution “Milweb Sleep”

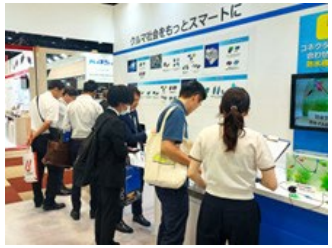
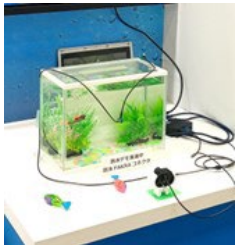
**— No internet connection required; just place it bedside to estimate sleep states —**

- Contactless and wear-free
  24 GHz millimeter-wave radar detects minute body movements—simply place it bedside.
- Sleep detection algorithm
  Proprietary algorithm visualizes four stages: awake, REM, light, and deep sleep.
- Real-time processing
  No cloud connection needed; the sensor alone determines sleep depth instantly.
- Matter compatible
  Works with smart home devices compliant with the Matter standard for automatic lighting and blind control based on sleep state.

Announced on Oct. 22, 2025 (available only in Japanese) https://www.smk.co.jp/ja/newsroom/press-release-product/2025/1022_1184sci

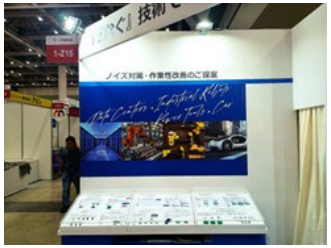
## Automotive Engineering Exposition 2025

Date May 21–23, 2025
Venue PACIFICO Yokohama
Main Exhibits
- Right angle low profile FAKRA connectors
- Ultra small coaxial connectors with lock
- Waterproof 4P connectors
- Washable Textile connectors

## Motor Technology Exhibition 2025

Date July 23–25, 2025
Venue Tokyo Big Sight
Main Exhibits
- Active Floating
- USB Type-C® connectors with lock
- One action FPC/FFC connectors
- 3D floating board to board connectors (vertical type)

## Sensors Converge 2025

Date June 24–26, 2025
Venue Sant Clara Convention Center
Main Exhibits
- HarvestLoop
- Milweb Sleep
- Milweb
- Automotive key fobs & receivers



## Health Management EXPO 2025

Date Sept. 10–12, 2025
Venue Makuhari Messe
Main Exhibits
- Speech Analysis Technology (Canary Speech)
- Sleep visualization through breathing sounds



## SMK Technology Exposition TEXPO2025

Date July 2–4, 2025
Venue Tokyo International Forum E2
Theme From Electronic Components to Solutions

- Showcasing SMK's 100-year journey and cutting-edge technologies and services
- Number of Exhibits: 225


## Integrated Report 2025

- Japanese: Published on Oct. 24 (English version in preparation)
- https://www.smk.co.jp/en/ir/library/integrated_report
- Major updates
  - Messages from the President, CTO, CFO, and HR officer
  - History of value creation
  - Progress of the structural reform program and growth strategy

# Notice

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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