FY2026 1st Half Investor Briefing

CREATIVE CONNECTIVITY
—Challenge, Creativity, Solutions

SMK Corporation (6798)
November 6, 2026

Agenda

1. Outline of FY2026 1H Financial Results and FY2026 Forecast P. 3–13
2. Progress of Medium-Term Business Plan “SMK Next100” and Structural Reform Progress P. 14–19
3. Growth Strategies for CS and SCI Divisions P. 20–28

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3. Growth Strategies for CS and SCI Divisions P. 20–28

Yasumitsu Ikeda,

President, CEO and COO

Financial Results | FY2026 1H

- Net Sales rose 7.1% year-on-year to ¥24.7 billion, partly due to the weak yen, while Operating Profit due to the decrease in fixed cost and improvement in cost ratio, resulting in a shift from a loss of ¥110 million in the same period of the previous year to a profit of ¥390 million.
- Ordinary Profit was ¥560 million, driven by real estate income, and Net Profit was ¥250 million; both sales and profits exceeded the same period last year and the initial forecasts for the period

Unit: ¥ Millions

	FY2025 1H Result	FY2026 1H Result	YoY	FY2026 1H Forecast
Net Sales	23,152	24,793	+7.1%	24,000
Operating Profit (Operating Profit Margin)	△117 (△0.5%)	397 (1.6%)	–	200 (0.8%)
Ordinary Profit	△125	561	–	400
Net Profit for the Interim Period	△193	257	–	200
Earnings per share (¥)	△30.63	40.71	–	31.60
Exchange rate (1 US$ =)	¥146.13	¥160.25		¥155.00

By Segment | FY2026 1H

- CS: Revenue and profits increased as the mobility and industry markets performed well
- SCI: Strong performance in the home appliance and mobility markets, coupled with a decrease in fixed cost and improvements in the cost-to-sales ratio, narrowed the loss
- Innovation Center: Focused development resources on voice analysis and EMG sensors; decreased the loss through a decrease in fixed cost

Unit: ¥ Millions

		FY2025 1H Results	FY2026 1H Results	YoY Change	YoY %	Comment
CS Division	Net Sales	11,091	12,500	+1,408	+12.7%	■ Growth in Car Electronics batteries and electrical systems ■ Renewable energy-related products are performing well ■ Smartphone and tablet-related products decreased
	Operating Profit	660	668	+7	+1.1%	
SCI Division	Net Sales	12,039	12,277	+237	+2.0%	■ Strong sales of remote controls for sanitary and air conditioners ■ Strong performance in automotive camera modules and remote controls ■ E-bike units and switches declined
	Operating Profit	△533	△131	+402	—	
Innovation Center	Net Sales	21	15	△5	△26.6%	■ As of June of the previous year, the communication module business was transferred to SCI Division
	Operating Profit	△244	△139	+104	—	
Total	Net Sales	23,152	24,793	+1,640	+7.1%	
	Operating Profit	△117	397	+515	—	
Exchange rate (1 US$ =)		¥146.13	¥160.25			

By Segment | FY2026 Quarterly Results

- CS: Strong performance in the mobility and industry markets, coupled with increased sales of e-bike-related products, led to higher revenue and profit compared to 1Q
- SCI: The home appliance and mobility markets performed well, resulting in increased revenue and profit compared to 1Q

Unit: ¥ Millions

		FY2026		Difference vs. 1Q	1Q to 2Q Trend
		1Q	2Q		
CS Division	Net Sales	5,877	6,623	+746	■ Growth in Car Electronics batteries and electrical systems ■ Renewable energy-related sales performed well ■ E-bike related sales increased
	Operating Profit	269	398	+128	
SCI Division	Net Sales	5,592	6,684	+1,092	■ Strong sales of remote controls for sanitary and housing equipment ■ Strong performance in automotive camera modules and remote controls ■ E-bike related sales increased
	Operating Profit	△188	57	+245	
Innovation Center	Net Sales	2	12	+10	■ Voice analysis technology sales was recognized in 2Q
	Operating Profit	△74	△64	+10	
Total	Net Sales	11,472	13,321	+1,848	
	Operating Profit	6	391	+384	

Net Sales by Market | FY2026 1H Results

Unit: ¥ Millions

	FY2025 1H Results	FY2026 1H Results	YoY		Comment
			Difference	%	
ICT	3,196	2,318	△878	△27.5%	■ Decline in Connectors for smartphones and tablets
Home Appliance	10,028	10,001	△27	△0.3%	■ Strong sales of remote controls for sanitary fixtures and air conditioners ■ Connectors for the amusement industry declined
Mobility	7,801	9,172	+1,370	+17.6%	■ Growth in car electronics batteries and electrical connectors ■ Strong performance in automotive camera modules ■ Decline in units and switches for e-bikes
Industry/ Others	2,126	3,301	+1,175	+55.3%	■ Strong performance in renewable energy-related connectors
Total	23,152	24,793	+1,640	+7.1%	
Exchange rate (1 US$ =)	¥146.13	¥160.25			

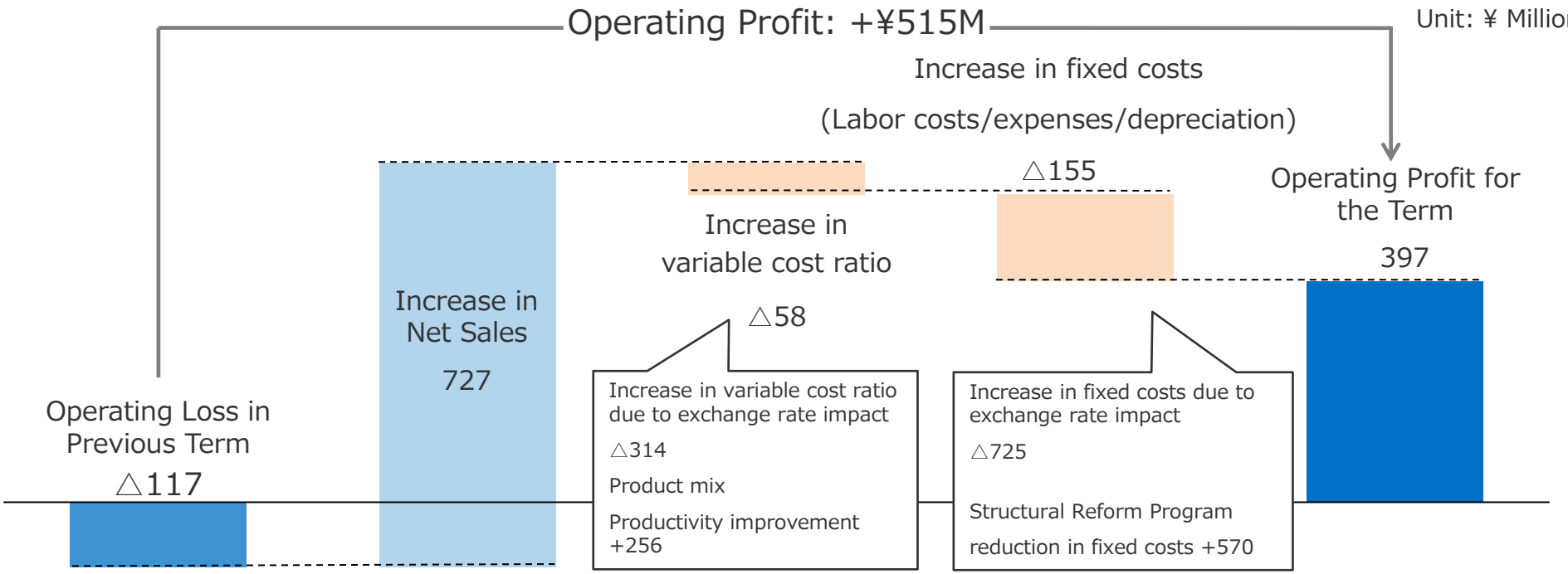
Net Sales by Region | FY2026 1H Results

Unit: ¥ Millions

	FY2025 1H Results	FY2026 1H Results	YoY		Comment
			Difference	%	
Japan	8,214	9,064	+850	+10.4%	■ Strong sales of remote controls for sanitary fixtures and air conditioners ■ Increased sales of connectors for e-bikes ■ Decline in connectors for the amusement industry
North America	4,878	4,346	△532	△10.9%	■ Decline in tablet related connectors
China	4,959	6,163	+1,204	+24.3%	■ Strong performance in renewable energy-related connectors ■ Connectors for car electronics batteries are expanding
Rest of Asia (incl. Taiwan)	4,145	3,988	△157	△3.8%	■ Decline in remote controls for smart home appliances ■ Decline in smartphone connectors
Europe	954	1,230	+275	+28.9%	■ Growth in car electronics connectors and remote controls
Total	23,152	24,793	+1,640	+7.1%	
Exchange rate (1 US$ =)	¥146.13	¥160.25	*Figures for the regional breakdown are based on internal management data.		

Change in Operating Profit | FY2026 1H Results (YoY)

- Although the impact of exchange rates on strong RMB and RM was negative, shifted from a loss of ¥110 million in the same period of the previous year to a profit of ¥390 million, driven by an increase in Net Sales, a decrease in fixed costs as a result of the Structural Reform Program, and improvements in variable cost ratios



USD/JPY Exchange Rate Sensitivity (per ¥1, annually)
Net Sales: ¥200M; Operating Profit: ¥10M

Average exchange rate	FY2025 Apr - Sept	FY2026 Apr - Sept	FY2026 Initial Forecast
USD/JPY	146.13	160.25	155.00
USD/RMB	7.19	6.78	6.92
USD/RM	4.26	4.02	4.04

Exchange rates impact on Operating Profit

Net Sales	Variable Cost Ratio	Fixed Costs	Total
+743	△314	△725	△296
USD/JPY	USD/RMB	USD/RM	Total
+16	△260	△52	△296

FY2026 Forecast

- Full-year forecasts remain unchanged from the initial forecast announced on May 12, 2026
- For the 2H, while Net Sales are expected to decline slightly compared to the 1H, profits are expected to remain on par with the 1H due to an improvement in the cost-to-sales ratio driven by higher selling prices, among other factors; full-year results are projected to be in line with the initial forecast

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	—
Earnings per share (¥)	8.87	126.41	—
Dividend per share (¥)	100.00 (Interim 50 / Final 50)	100.00 (Interim 50 / Final 50)	—
Exchange rate (1 US$ =)	¥150.66	1H: ¥160.25 2H: ¥155.00	

*Regarding the interim dividend for FY2026, it is scheduled to be formally decided following the approval of the provisional financial statements at the Board of Directors meeting scheduled on November 25, 2026.

Forecast by Segment | FY2026 Net Sales and Operating Profit

Unit: ¥ Millions

		FY2025 Result	FY2026 Forecast			2H Forecast Comments
			1H Result	2H Forecast	Full-Year Forecast	
CS Division	Net Sales	22,520	12,500	11,801	24,301	■ Although sales in the tablet segment are expected to increase, Operating Profit is projected to decrease compared to the 1H due to declines in the amusement and car electronics segments (though full-year figures are expected to increase)
	Operating Profit	1,187	668	372	1,040	
SCI Division	Net Sales	25,621	12,277	12,382	24,659	■ E-bike related sales increased compared to 1H of the year; the company expects to return to profitability through measures to optimize selling prices and implement cost reduction strategies
	Operating Profit	△378	△131	204	73	
Innovation Center	Net Sales	62	15	25	40	■ Expect to recognize development expenses in the 2H
	Operating Profit	△379	△139	△174	△313	
Total	Net Sales	48,204	24,793	24,207	49,000	
	Operating Profit	430	397	402	800	
Exchange rate (1 US$ =)		¥150.66	¥160.25	¥155.00	1H: ¥160.25 2H: ¥155.00	

Forecast by Market | FY2026 Net Sales

Unit: ¥ Millions

	FY2025 Results A	FY2026 Forecast (May 2026) B	FY2026 Forecast (Oct. 2026) C	YoY C/A	Net Sales Forecast Comments
ICT	5,824	7,340	5,600	△3.8%	■ Sales of smartphone connectors declined, falling below the previous year's level
Home Appliance	19,920	18,970	18,862	△5.3%	■ Although sales of remote controls for sanitary fixtures remained strong, a decline in connectors for the amusement industry resulted in a YoY decrease
Mobility	17,187	17,484	18,048	+5.0%	■ Sales exceeded the previous year's level, driven by strong performance in car electronics batteries, electrical connectors, automotive camera modules, and remote controls
Industry/ Others	5,271	5,207	6,490	+23.1%	■ Sales of renewable energy-related connectors increased, exceeding the previous year's level
Total	48,204	49,000	49,000	+1.7%	
Exchange rate (1 US$ =)	¥150.66	¥155.00	1H: ¥160.25 2H: ¥155.00		

Earnings Forecast by Region | FY2026 Net Sales

Unit: ¥ Millions

	FY2025 Results A	FY2026 Forecast (May 2026) B	FY2026 Forecast (Oct. 2026) C	YoY C/A	Net Sales Forecast Comments
Japan	17,944	17,216	17,448	△2.8%	■ The revenue for the term was lower than the previous year due to the recognition of recoveries of development costs and a decline in sales of connectors for the amusement industry
North America	9,688	12,530	10,153	+4.8%	■ Sales exceeded the previous year's level due to increased sales of car electronics units and tablet-related connectors
China	10,401	9,559	11,346	+9.1%	■ Sales of renewable energy-related connectors and car electronics batteries increased, exceeding the previous year's figures
Rest of Asia (incl. Taiwan)	8,130	7,555	7,650	△5.9%	■ Sales of smartphone connectors and remote controls for smart home appliances declined, resulting in a year-over-year decrease
Europe	2,039	2,138	2,401	+17.8%	■ Sales exceeded the previous year's level due to increased sales of car electronics connectors and remote controls
Total	48,204	49,000	49,000	+1.7%	
Exchange rate (1 US$ =)	¥150.66	¥155.00	1H: ¥160.25 2H: ¥155.00	*Figures for the regional breakdown are based on internal management data.	

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Yasumitsu Ikeda,

President, CEO and COO

"SMK Next100" Progress| Net Sales and Operating Profit by Segment

- Although market conditions deteriorated in the 2H of FY2024 and the challenging environment is expected to continue into FY2025, the implementation of the Structural Reform Program enabled us to secure a profit of ¥430 millions
- For FY2026, relative to our medium-term targets, due to changes in major customer trends resulting from market conditions (such as reduced demand and project delays), both sales and profit are expected to fall short of our medium-term targets

Unit: ¥ 100 million

		FY2024	FY2025	FY2026			
		Result	Result	Mid-Term Targets A	May 2026 Forecast B	Oct. 2026 Forecast C	Forecast/Target C/A
Net Sales	CS	221	225	289	243	243	△15.9%
	SCI	256	256	310	247	247	△20.3%
	IC	2	0.6	1	0.4	0.4	△60.0%
	Total	**480**	**482**	**600**	**490**	**490**	△18.3%
Operating Profit	CS	15.3	11.9	17.5	11.1	10.4	△40.6%
	SCI	△13.0	△3.8	7.0	0.4	0.7	△90.0%
	IC	△4.4	△3.8	△3.5	△3.5	△3.1	–
	Total	**△2.2**	**4.3**	**21.0**	**8.0**	**8.0**	△61.9%
	(rate)	△0.5%	0.9%	3.5%	1.6%	1.6%	–
ROE		**△6.1%**	**0.2%**	**5.0%**	**2.6%**	**2.6%**	–
Exchange rate (1 US$ =)		¥152.65	¥150.66	¥130.00	¥155.00	1H: ¥160.25 2H: ¥155.00	–

*IC: Innovation Center

Business Strategies for Growth | CS Division, SCI Division

Segment	Management Policy	Initiatives
CS Division	◆ Enhancing 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	■ Expanding orders with a primary focus on the “mobility" market. - xEV, E-Bikes, 4-Wheeled and 2-Wheeled Vehicles ■ Expansion of the ICT and industrial market. - Smartphones, tablets, wearable devices - Renewable energy, robotics, machine tools, servers ■ Development of the India market. - 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	◆ Thorough implementation of structural reforms to achieve profitability ◆ Developing the sensor and sensing business into a new pillar	■ Promoting Cost Reduction and Sales at Appropriate Prices - Labor savings through the introduction of semi-automatic machines and collaborative robots - Controlling fixed costs through organizational streamlining - Passing on increases in raw material costs and the minimum wage to selling prices - Application of exchange-rate-linked selling prices ■ Maintaining and expanding sales in core businesses (remote controls, switches, and units) - Home Appliance Market (remote controls for sanitary fixtures, air conditioner) - Mobility market (e-bike units, camera modules) ■ Commercialization of sensor and sensing-related products - LoRaWAN® compatible inventory management sensors - LoRaWAN® compatible GPS Tracker-Lite - LoRaWAN® compatible GPS Tracker-Max

Business Strategies for Growth | Innovation Center

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

Concentrating Resources on Key Businesses

- **Speech-based head health analysis technology**
- **EMG sensor**

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.

Strengthening Cost Management

・Set milestones for development projects.
・Evaluate development progress comprehensively based on the degree of achievement of development goals, customer acceptance, market potential, differentiating factors, and business models to determine whether to continue development.

➢ Speech-based head health analysis technology

FY2026: Proof of Concept (PoC) and Demonstration Phase

① Local Government
Based on a comprehensive partnership agreement with Uda City, Nara Prefecture, we will conduct a one-year PoC involving a life insurance company and starting the following fiscal year, roll out the successful model to other municipalities.

② Supplement Manufacturer
We conducted a one-year proof-of-concept (PoC) utilizing our app to promote sales of cognitive function care supplements and are rolling out this successful model to other manufacturers and similar entities.

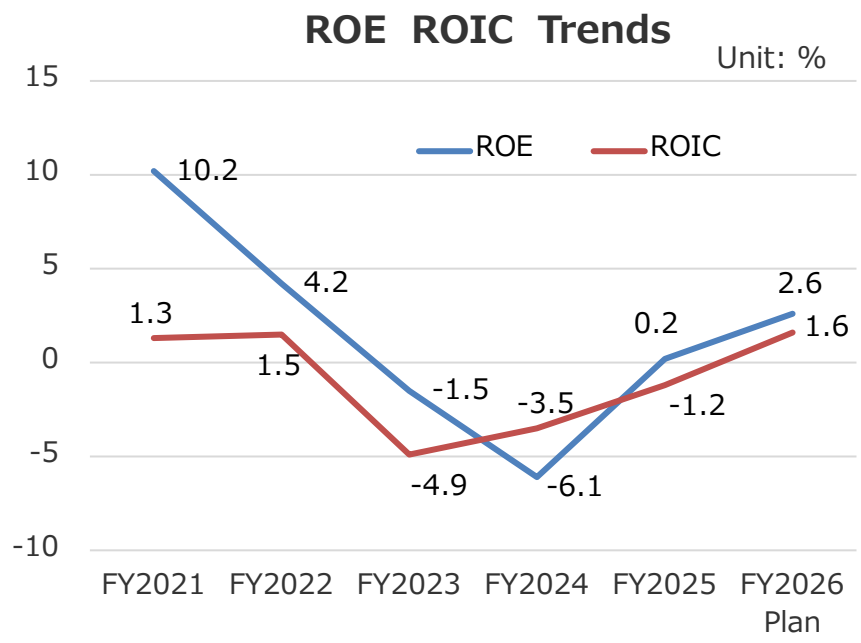
➢ EMG sensor

FY2026: Product Completion and Market Validation Phase

① Training (sports gyms, etc.)
Operational verification is scheduled to begin in the second half of the fiscal year. We will identify issues and implement improvements to pave the way for the expansion phase in the following fiscal year.

② Golf
we plan to develop an algorithm that acquires and analyzes professional golfers' swing data to evaluate the quality of their swings.

- 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



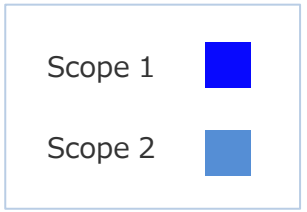
Challenges	Current Initiatives
Measures to Drive Business Growth and Improve Profit Margins Initiatives	■ Cost reductions through the Structural Reform Program (starting March 2025) (¥700M in Japan, ¥200M in Europe and the U.S. per year) ■ Improving profitability through business selection and concentration aimed at expanding sales and profits, and by optimizing selling prices
Improving capital efficiency	■ Achieving profitability that exceeds the cost of capital and promoting ROE/ROIC-based management - Implementing ROIC measurement by division - Initiatives to improve CCC (※)
Enhancing shareholder returns	■ FY2024: ¥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	■ Enhancing External Disclosure Materials (Expansion of the integrated report, quarterly disclosure materials, etc.) ■ dialogue with institutional investors (21 sessions in FY2025) to further strengthen

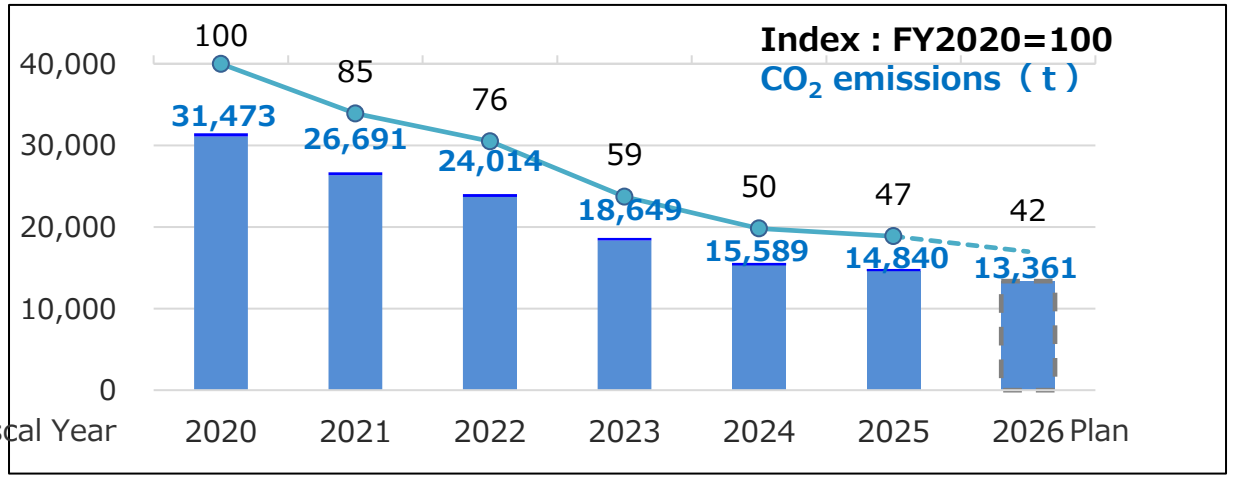
*CCC: Cash Conversion Cycle

ESG and Sustainability Management Initiatives

Challenges	Initiatives
Promotion of ESG & Sustainability Management	■ Strengthening Corporate Governance ・Shortening of directors' terms of office (2 years → 1 year) Partial amendment to the Articles of Incorporation (June 23, 2026) ・Compliance with the Revised Corporate Governance Code (through July 2027) Promotion of Growth Investments, Enhancement of Board Functions, and Disclosure of Annual Reports before General meeting of shareholders ■ Formulation and Revision of Various Policies ・Policy on the Prevention of Customer Harassment (Sept 2026) ■ Initiatives to Promote Sustainability Management ・Publication of the 2026 Integrated Report (Oct 2026) ・Strengthening human capital and promoting organizational culture reform

■ Status of CO_2 Emissions Reduction





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CS Division (Connection System)

[Main Products] Various Connectors

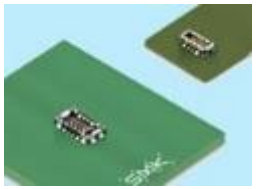
ICT







High-frequency board-to-board connectors



High-current small board-to-board connectors



USB Type-C™ Receptacle



φ3.5mm Mini Jacks

Mobility







USB 3.2 Gen 2 Compatible 24-Pin Connector with Locking Feature



Coaxial FAKRA connectors



High performance pogo pin ® terminals



Automotive camera connectors

Home Appliances / Industry&Others







Connectors for photovoltanic module



FPC/FFC Connectors With locking feature

Executive Officer, Head of CS Division: Shigeru Yagi

<FY2026 1H>

・Net Sales: ¥12.5 billion (up 13% from the previous term) ・Operating Profit: ¥700 million (up 1% from the previous term)

- Net sales are expected to increase for mobility and industry market compared to the previous, while other markets see a decline in net sales

<FY2026 Full Year>

・Net Sales: ¥24.3 billion (up 8% from the previous term) ・Operating Profit: ¥1.0 billion (down 12% from the previous term)

- Compared to the previous term, net sales is expected to increase while operating profit is expected to decrease due to factors such as rising production costs

<NET Sales and Operating Profit>

Unit: ¥ Millions

		FY2025 1H Results	FY2026 1H Results	FY2026 2H Forecast	2H / 1H YoY	FY2025 Results	FY2026 Forecast	Compared to the previous term YoY
Net Sales		11,091	12,500	11,801	△6%	22,520	24,301	+8%
By Market	ICT	3,169	2,326	3,260	+40%	5,744	5,586	△3%
	Home Appliance	1,917	1,667	1,174	△30%	3,585	2,840	△21%
	Mobility	5,052	6,367	5,566	△13%	10,562	11,934	+13%
	Industry・Other	954	2,140	1,801	△16%	2,628	3,941	+50%
Operating Profit		660	668	372	△43%	1,187	1,040	△12%
Exchange rate (1 US$ =)		¥146.13	¥160.25	¥155.00	–	¥150.66	1H: ¥160.25 2H: ¥155.00	–

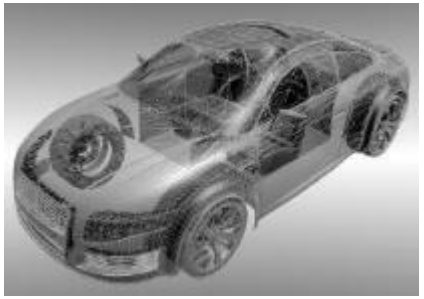
CS Division | Business Strategy for Growth

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
■ Expanding Order Intake with a Focus on “Mobility” as Our Top Priority Market - xEV, e-bikes, four-wheeled and two-wheeled vehicles	➢ Four-Wheeled Vehicles ・Strengthening the development of high-speed transmission, high-frequency, and high-current connectors ・Expansion of products for batteries and inverters ➢ E-bikes, 2-Wheeled Vehicles ・Strengthening sales expansion into non-automotive sectors
■ Expansion of the ICT market and the Industry market	➢ ICT Market ・Smartphones and tablets Strengthening development of ultra-compact, slim, and high-speed transmission connectors ・Providing optimal solutions in line with the evolution of wearable devices ➢ Industry Market ・Expansion into the renewable energy market ・Developing new business opportunities for robots, machine tools, and servers
■ Development of the high-growth Indian market	➢ Opening of an India office (Feb 2026) and strengthening of sales capabilities ・Strengthening product development for the rapidly expanding 4-wheeled and 2-wheeled vehicle markets
■ Sales growth through strategic expansion of sales and design staff	➢ Increasing sales and development staff ・Accelerating the speed of responding to market needs

Mobility Market



Strengthening product development for BMS and inverters

・Expanding Sales of EV Battery Connectors: → New Floating-Type Development

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 Market

・Connectors for smartphones/tablets with advanced spec

Smale, high-speed, high-current

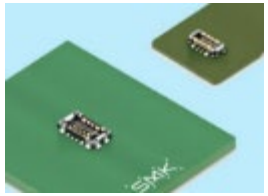
→ High-current and high-speed transmission support

Expand line up of board-to-board connectors

・Aggressive introduction of connectors for wearables

Watches, VR/AR (XR)





Industry

・Growth in the renewable energy market

→ Newly developed high-voltage, crimp-type connectors

・Growing demand for compact, slim, and high-current-capacity products

→ Strengthening development and expanding orders





SCI Division (Sensing, Communication & Interface)

[Major Products] Switches, Automotive Cameras, Wireless Modules, Remote Controls, Touch Sensors

SW - Switch -



HCF® Switches
(High Click Force)



Mini 1-Dome Switch



Rubber Push Switches



Top-Push Switch

CU —Composite Unit—



Automotive Camera Modules



HarvestLoop®
(Self-Powered Coin Cell Module)



LoRaWAN® compatible
GPS Tracker-Lite

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
- Various Remote Controls
- In-vehicle touch sensors
- Touch Sensors for Industrial and Consumer Applications

Executive Officer, Head of SCI Division: Takashi Ito

<FY2026 1H>

・Net Sales: ¥12.3 billion (up 2% from the previous term) ・Operating Profit: △¥130 million (up ¥400 million from the previous term)

- Net Sales performed well due to increased demand in the home appliance and mobility markets
- Operating profit saw a narrower deficit due to improved profit margins resulting from cost reduction and appropriate pricing, as well as the effect of a decrease in fixed costs

<FY2026 Full Year>

・Net Sales: ¥24.7 billion (down 4% from the previous term) ・Operating Profit: ¥73 million (up ¥450 million from the previous term)

- Net Sales in the 2H are expected to be on par with the 1H, though there will be variations by market; full-year Net Sales are projected to decline compared to the previous term
- Operating profit turned to a profit exceeding forecasts due to the continued implementation of measures to optimize selling prices and implement cost reduction initiatives

<NET Sales and Operating Profit>

Unit: ¥ Millions

		FY2025 1H Results	FY2026 1H Results	FY2026 2H Forecast	2H / 1H YoY	FY2025 Results	FY2026 Forecast	Compared to the previous term YoY
Net Sales		12,039	12,277	12,382	+1%	25,621	24,659	△4%
By Market	ICT	40	9	5	△44%	92	14	△85%
	Home Appliance	8,136	8,325	7,697	△8%	16,535	16,022	△3%
	Mobility	2,717	2,796	3,318	+19%	6,488	6,114	△6%
	Industry・other	1,146	1,147	1,362	+19%	2,506	2,509	–
Operating Profit		△533	△131	204	–	△378	73	–
Exchange rate (1 US$ =)		¥146.13	¥160.25	¥155.00	–	¥150.66	1H: ¥160.25 2H: ¥155.00	–

SCI Division | Business Strategy for Growth

Management Policy

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

	Initiatives	Progress
Sales Growth	■ **Maintain and expand sales in core businesses (remote controls, switches, Units)** ・Horizontal expansion of existing technologies and products ・Focused engagement with key customers and outreach to overseas customers	➢ **Securing new product sales opportunities, primarily with existing customers** ・Home Appliance Market: Remote controls for sanitary fixtures, remote controls for air conditioners ・Mobility Market: Camera modules, e-bike units ・Industry/Others: Control panels for solar power generation and battery storage systems ➢ **Accelerating the shift toward product development incorporating communication technology and beyond** ・Wireless communication × sensors × energy harvesting technology, etc.
	■ **Commercialization of sensor and sensing-related products Commercialization** ・Early development of new businesses ・Market expansion through horizontal expansion ・Participation in various trade show (domestic and international)	➢ **Expansion of Key Products and Acceleration of Sales Growth** ・LoRaWAN® compatible inventory management sensors ・ LoRaWAN® compatible GPS Tracker-Lite ・**LoRaWAN® compatible GPS Tracker-Max**⋯ October 6 press release ➢ **Participation in Various Trade Shows** [Overseas] ・India: electronica India 2026 North (Apr. 8–10, 2026) ・United States: Automate 2026 (Jun. 22–25, 2026) ・India: electronica India 2026 South (Sep. 16–18, 2026)
Improved Profitability	■ **Sales at Appropriate Prices**	➢ **Passing on increases in raw material costs and minimum wage to selling prices** ➢ **Hedging foreign exchange risk through the application of exchange rate-linked selling prices**
	■ **Promotion of cost reduction**	➢ **Labor savings through the introduction of semi-automatic machines and collaborative robots** ➢ **Controlling fixed costs through continued organizational streamlining** ➢ **Enhancing cost awareness and implementation**

SCI Division | Business Strategy for Growth

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

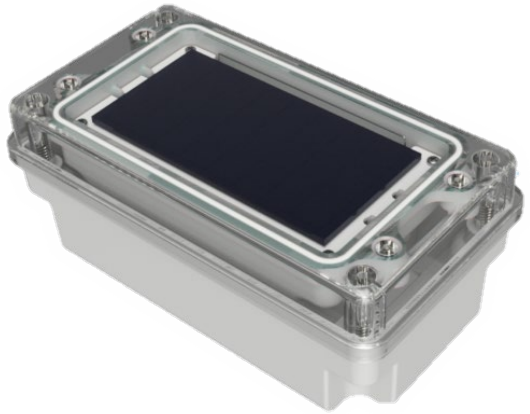
Diverse Wireless Communication Technologies
- Bluetooth® Low Energy, LTE, LoRaWAN® , Sigfox (low-power communication)
- Infrared, UWB, Wi-Fi®

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

Field DX Solutions Pioneered by Sensors and Sensing

LoRaWAN® compatible GPS Tracker - Max
Provides "long-term visibility" of outdoor assets and reduces operational burden

Equipped with solar power generation and a high-capacity battery, this LoRaWAN® compatible GPS tracker allows for long-term tracking of outdoor assets such as containers, trailers, and heavy machinery.
It is easy to operate even in environments where charging and maintenance are difficult, and uses GNSS positioning and an accelerometer to visualize location data and operational status.
Furthermore, with IP69-equivalent water and dust resistance and a shock-resistant design, it helps streamline asset management in harsh outdoor environments such as airports and construction sites.



Main Applications

- Containers, trailers, heavy machinery, etc. Location tracking of outdoor assets
- Dynamic management of airport equipment such as ground handling equipment
- Equipment and Material Management at Ports, Logistics Facilities, and Construction Sites
- Management of agricultural equipment and rental assets

Maintenance-Free
Long-term Operation via Solar Power

High-durability
waterproof, dustproof, and shock-resistant design

Operational Monitoring
Visualization of Location and Operation



Appendix

Appendix: Financial Position | End of FY2026 1H

Unit: ¥ Millions

	March 2026 (A)	Sept 2026 (B)	Change (B) – (A)
Assets	57,625	57,818	+193
Cash and Deposits	9,673	9,649	△23
Accounts Receivable	13,301	12,547	△754
Inventory	6,741	7,488	+746
Fixed Assets	26,780	26,823	+42
Liabilities	26,468	26,912	+443
Accounts Payable and Accrued Liabilities	5,452	6,272	+820
Interest-bearing debt	14,213	13,736	△477
Net Assets	31,156	30,906	△250
Capital	7,996	7,996	–
Equity Ratio	54.1%	53.5%	△0.6%

Appendix: Cash Flow Statement | FY2026 1H

Unit: ¥ Millions

	FY2025 4-9	FY2026 4-9
Operating Cash Flow	1,068	1,807
Income before taxes	△122	716
Depreciation	1,134	1,308
Working capital	1,228	800
Change in assets and liabilities related to retirement benefits	△273	△400
Payments for business restructuring expenses	△743	△16
Other	△154	△600
Investing Cash Flow	△1,125	△891
Free Cash Flow	△57	916
Financial Cash Flow	△1,188	△883
Change in interest-bearing debt	△616	△563
Change in treasury stock	△1	△1
Dividend paid	△571	△318
Cash and cash equivalents translation adjustment	564	△90
Cash and cash equivalents at beginning of period	10,415	9,594
Cash and cash equivalents at end of period	9,734	9,536

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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