Reference Translation

May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Under Japanese GAAP]

Company name : SMC Corporation
Listing : Tokyo Stock Exchange, Prime Market
Securities code : 6273
URL : https://www.smcworld.com/ir/en-jp/
Representative : Yoshiki Takada, President
Inquiries : Masahiro Ota, Director and Executive Officer (disclosure.jp@smc.com)
Scheduled date of annual general meeting of shareholders : June 26, 2026
Scheduled date to commence dividend payments : June 29, 2026
Scheduled date to file annual securities report : June 26, 2026
Preparation of supplementary material on financial results : Yes
Holding of financial results briefing : Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	842,541	6.4	190,558	0.2	235,591	12.2	167,302	7.0
March 31, 2025	792,108	2.0	190,244	(3.0)	209,921	(16.4)	156,344	(12.3)

Note : Comprehensive income For the fiscal year ended March 31, 2026 : ¥ 276,299 million 97.8%
For the fiscal year ended March 31, 2025 : ¥ 139,704 million (48.7%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	2,640.04	–	8.3	10.7	22.6
March 31, 2025	2,444.61	–	8.2	10.0	24.0

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	2,311,835	2,115,240	91.5	33,498.92
March 31, 2025	2,100,767	1,928,306	91.8	30,255.22

Reference : Equity As of March 31, 2026 : ¥ 2,115,090 million
As of March 31, 2025 : ¥ 1,928,281 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	188,917	(107,511)	(94,119)	573,769
March 31, 2025	196,656	35,234	(100,202)	531,649

2. Cash dividends

	Annual dividends per share					Total dividends (Total)	Dividend Ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	500.00	–	500.00	1,000.00	63,865	40.9	3.4
Fiscal year ended March 31, 2026	–	500.00	–	500.00	1,000.00	63,228	37.9	3.1
Fiscal year ending March 31, 2027 (Forecast)	–	500.00	–	500.00	1,000.00		37.1	

3. Forecasts of consolidated operating results for the year ending March 31, 2027

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2027	1,000,000	18.7	219,000	14.9	239,000	1.4	170,000	1.6	2,692.46

＊Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1. Changes in accounting policies due to revisions to accounting standards and other regulations : None
2. Changes in accounting policies due to other reasons : None
3. Changes in accounting estimates : None
4. Restatement : None

(3) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	63,869,359 shares
As of March 31, 2025	67,369,359 shares

2. Number of treasury shares at the end of the period

As of March 31, 2026	730,300 shares
As of March 31, 2025	3,635,534 shares

3. Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	63,370,981 shares
Fiscal year ended March 31, 2025	63,954,414 shares

Note : The Company’s shares held by the Board Benefit Trust (BBT) for the Directors’ Stock Compensation Plan (11,200 shares) is included in the number of treasury shares, which is excluded in the calculation for the above: 2. Number of treasury shares at the end of the period and 3. Average number of shares outstanding during the period.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	471,116	10.6	85,787	7.1	214,201	6.7	173,640	2.7
March 31, 2025	425,859	(4.5)	80,118	(19.5)	200,657	(11.7)	169,154	(6.0)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	2,740.06	―
March 31, 2025	2,644.91	―

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	1,464,224	1,366,683	93.3	21,645.61
March 31, 2025	1,384,829	1,281,525	92.5	20,107.47

Reference : Equity As of March 31, 2026 : ¥ 1,366,683 million
As of March 31, 2025 : ¥ 1,281,525 million

＊Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

＊Proper use of earnings forecasts, and other special matters

1. Forecasts are based on information and certain premises that the Company considers to be reasonable at the time these consolidated financial results for the fiscal year are released.
   Some factors could cause actual results to differ from expectations.
2. The Company is scheduled to hold a financial results briefing for institutional investors and analysts on May 14, 2026. Presentation material will be released on the Company’s website on the day.

1. Qualitative information about the results

(1) Operating results

During the fiscal year (April 1, 2025 to March 31, 2026), the global economy remained uncertain due to factors such as the intensification of the Middle East situation and the U.S. tariff policy.

Looking at the overall demand environment for automatic control equipment, in the semiconductor and electrical machinery-related industries, demand centered on digital device-related industries such as home appliances and flat panel displays remained solid in Greater China, and demand for the semiconductor-related industry recovered in Japan, North America, and South Korea in the latter half of the fiscal year. In the automotive-related industry, although EV-related demand was resilient in Greater China, capital investments continued to hold back in North America, Japan and Europe. Machine tool-related industry showed strength mainly in Greater China and Japan. Sales to medical equipment-related, food machinery-related, and other industries remained sluggish.

Under these circumstances, the SMC Group has continued to make aggressive capital investments to expand its product supply capability, to multiply its production based on BCP (Business Continuity Plan), and to strengthen its product development capability. The Group has also continued to work on promoting diversification of products and customers, and other initiatives.

Consequently, the summary of consolidated business results for the fiscal year ended March 31, 2026 is as follows:

Net sales were 842,541 million yen (increased by 6.4%, yoy).

Operating profit was 190,558 million yen (increased by 0.2%, yoy). It remained at the same level as the previous fiscal year due to the increase in cost ratio, personnel expenses, and depreciation.

Ordinary profit was 235,591 million yen (increased by 12.2%, yoy), mainly due to the increase in foreign exchange gains.

Profit before income taxes was 236,989 million yen (increased by 12.3%, yoy).

Profit attributable to owners of parent was 167,302 million yen (increased by 7.0%, yoy).

ROE became 8.3%, increased by 0.1 point from the previous fiscal year end.

(2) Financial position

Financial position as of the end of this fiscal year (March 31, 2026) are as follows:

Total assets were 2,311,835 million yen (a 211,068 million yen or 10.0% increase from the previous fiscal year end), mainly due to a 27,355 million yen increase in trade receivable, a 17,037 million yen increase in inventories, and a 139,292 million yen increase in property, plant and equipment.

Total liabilities were 196,595 million yen (a 24,134 million yen or 14.0% increase from the previous fiscal year end), mainly due to a 15,076 million yen decrease in trade payable, and a 17,421 million yen increase in income taxes payables.

Total net assets were 2,115,240 million yen (a 186,933 million yen or 9.7% increase from the previous fiscal year end), mainly due to a 167,302 million yen increase in retained earnings caused by recorded profit attributable to owners of parent, and a 92,933 million yen increase in foreign currency translation adjustment.

(3) Cash flows

The balance of cash and cash equivalents as of the end of this fiscal year (March 31, 2026) was 573,769 million yen (a 42,120 million yen increase from the previous fiscal year end).

(Cash flows from operating activities)

Net cash provided by operating activities was 188,917 million yen (a 7,739 million yen inflow decrease, yoy).

The main factors were: 218,815 million yen (a 23,402 million yen inflow decrease, yoy) from sales activities, and 50,271 million yen (a 16,454 million yen outflow decrease, yoy) from income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities was 107,511 million yen (a 142,746 million yen outflow increase, yoy).

The main factors were: 42,249 million yen (a 62,393 million yen inflow increase, yoy) from net proceeds from time deposits, and 152,701 million yen (a 45,961 million yen outflow increase, yoy) from purchase of property, plant and equipment.

With the above factors, the free cash flow for this fiscal year was a positive by 81,405 million yen (a 150,486 million yen inflow decrease, yoy).

(Cash flows from financing activities)

Net cash used in financing activities was 94,119 million yen (a 6,083 million yen outflow decrease, yoy).

The main factors were: 30,018 million yen (a 4,999 million yen outflow increase, yoy) from purchase of treasury shares, and 63,535 million yen (a 513 million yen outflow decrease, yoy) from dividends paid.

(4) Outlook for the next fiscal year

We estimate the outlook for the next fiscal year ending March 31, 2027 will remain uncertain by the factors such as geopolitical risks including the Middle East situation, the U.S. policy developments, and impact of exchange rate fluctuations.

In terms of recent demand trends, demand for the semiconductor-related industry has recovered in each region, and we estimate hybrid vehicle-related demand will also increase in the automotive-related industry. We also estimate demands for the machine tool-related, food machinery-related, and medical equipment-related industries will increase, due to the increase in demand for automation and labor-saving.

Under these circumstances, the Group will move forward increasing direct sales staff, strengthening distributor sales channels, expanding sales of non-pneumatic and energy-saving products including temperature control equipment, and providing solutions such as 4BAR factory, which aims to reduce air consumption by low-pressure operation. The Group will also address issues such as expanding its regional market shares, improving productivity in product development, and actively utilizing its global human resources.

The consolidated financial results for the next fiscal year are forecasted to be as follows, assuming average exchange rates of the U.S. dollar, the euro, the Chinese yuan against Japanese yen are 155 yen, 183 yen, and 22.70 yen respectively. Net sales 1 trillion yen, operating profit 219,000 million yen, ordinary profit 239,000 million yen and profit attributable to owners of parent 170,000 million yen.

2. Basic concept on selection of accounting standards

In order to maintain the adequacy in figure comparison at all times, the Group will continue to disclose consolidated financial statements in Japanese generally accepted accounting principles (GAAP).

We will appropriately consider adopting IFRS as necessary, taking into account various domestic and international circumstances going forward.

3. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	655,779	663,870
Notes and accounts receivable-trade	207,969	235,325
Securities	29,770	47,832
Merchandise and finished goods	173,938	198,419
Work in process	31,245	33,289
Raw materials and supplies	284,477	274,989
Other	39,896	51,524
Allowance for doubtful accounts	(1,236)	(959)
Total current assets	**1,421,842**	**1,504,291**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	176,837	328,073
Machinery, equipment and vehicles, net	75,144	91,195
Tools, furniture and fixtures, net	23,555	27,598
Land	105,475	110,110
Construction in progress	97,703	61,030
Total property, plant and equipment	**478,717**	**618,009**
Intangible assets		
Leasehold interests in land	11,018	11,432
Other	5,091	4,710
Total intangible assets	**16,110**	**16,142**
Investments and other assets		
Investment securities	145,267	121,714
Retirement benefit asset	23,816	34,796
Deferred tax assets	10,983	11,994
Other	5,496	6,732
Allowance for doubtful accounts	(1,466)	(1,844)
Total investments and other assets	**184,097**	**173,392**
Total non-current assets	**678,925**	**807,544**
Total assets	**2,100,767**	**2,311,835**

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable-trade	46,898	31,822
Short-term borrowings	5,041	5,092
Income taxes payable	18,223	35,645
Provision for bonuses	3,730	5,799
Other	61,745	67,310
Total current liabilities	**135,639**	**145,670**
Non-current liabilities		
Deferred tax liabilities	20,054	26,834
Provision for retirement benefits for directors	620	1,130
Provision for share awards for directors	440	630
Retirement benefit liability	7,957	8,075
Other	7,749	14,253
Total non-current liabilities	**36,821**	**50,925**
Total liabilities	**172,461**	**196,595**
Net assets		
Shareholders' equity		
Share capital	61,005	61,005
Capital surplus	74,473	73,779
Retained earnings	1,808,633	1,709,936
Treasury shares	(219,814)	(38,513)
Total shareholders' equity	**1,724,298**	**1,806,207**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,492	20,030
Foreign currency translation adjustment	178,700	271,634
Remeasurements of defined benefit plans	10,789	17,218
Total accumulated other comprehensive income	**203,983**	**308,883**
Non-controlling interests	**25**	**149**
Total net assets	**1,928,306**	**2,115,240**
Total liabilities and net assets	**2,100,767**	**2,311,835**

(2) Consolidated statement of income and Consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Net sales	**792,108**	**842,541**
Cost of sales	**429,069**	**461,089**
Gross profit	**363,038**	**381,452**
Selling, general and administrative expenses	**172,793**	**190,893**
Operating profit	**190,244**	**190,558**
Non-operating income		
Interest income	20,237	20,463
Gain on sale of securities	–	1,283
Foreign exchange gains	–	19,693
Other	4,151	4,445
Total non-operating income	**24,388**	**45,886**
Non-operating expenses		
Interest expenses	74	508
Foreign exchange losses	4,468	–
Commission for purchase of treasury shares	20	29
Other	147	315
Total non-operating expenses	**4,711**	**853**
Ordinary profit	**209,921**	**235,591**
Extraordinary income		
Gain on sale of non-current assets	374	1,531
Gain on sale of investment securities	1,441	2,907
Total extraordinary income	**1,816**	**4,439**
Extraordinary losses		
Loss on retirement of non-current assets	626	305
Impairment losses	6	2,694
Other	36	41
Total extraordinary losses	**669**	**3,041**
Profit before income taxes	**211,068**	**236,989**
Income taxes-current	58,048	68,636
Income taxes-deferred	(3,439)	1,040
Total income taxes	**54,608**	**69,677**
Profit	**156,459**	**167,311**
Profit attributable to non-controlling interests	**115**	**9**
Profit attributable to owners of parent	**156,344**	**167,302**

Consolidated statement of comprehensive income

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Profit	**156,459**	**167,311**
Other comprehensive income		
Valuation difference on available-for-sale securities	(532)	5,537
Foreign currency translation adjustment	(19,616)	97,021
Remeasurements of defined benefit plans, net of tax	3,393	6,428
Total other comprehensive income	**(16,755)**	**108,987**
Comprehensive income	**139,704**	**276,299**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	139,846	276,283
Comprehensive income attributable to non-controlling interests	(142)	15

(3) Consolidated statement of changes in equity

Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	61,005	73,342	1,716,354	(194,795)	1,655,906
Changes during period					
Dividends of surplus			(64,065)		(64,065)
Profit attributable to owners of parent			156,344		156,344
Purchase of treasury shares				(25,018)	(25,018)
Change in ownership interest of parent due to transactions with non-controlling interests		1,131			1,131
Net changes in items other than shareholders' equity					
Total changes during period	−	1,131	92,278	(25,018)	68,392
Balance at end of period	61,005	74,473	1,808,633	(219,814)	1,724,298

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,777	203,508	7,394	225,680	4,284	1,885,871
Changes during period						
Dividends of surplus						(64,065)
Profit attributable to owners of parent						156,344
Purchase of treasury shares						(25,018)
Change in ownership interest of parent due to transactions with non-controlling interests						1,131
Net changes in items other than shareholders' equity	(284)	(24,808)	3,395	(21,696)	(4,259)	(25,956)
Total changes during period	(284)	(24,808)	3,395	(21,696)	(4,259)	42,435
Balance at end of period	14,492	178,700	10,789	203,983	25	1,928,306

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	61,005	74,473	1,808,633	(219,814)	1,724,298
Changes during period					
Dividends of surplus			(63,525)		(63,525)
Profit attributable to owners of parent			167,302		167,302
Purchase of treasury shares				(30,018)	(30,018)
Disposal of treasury shares		(0)		1	1
Cancellation of treasury shares		(211,317)		211,317	―
Transfer from retained earnings to capital surplus		210,622	(210,622)		―
Change in scope of consolidation			8,149		8,149
Net changes in items other than shareholders' equity					
Total changes during period	―	(694)	(98,696)	181,300	81,909
Balance at end of period	61,005	73,779	1,709,936	(38,513)	1,806,207

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,492	178,700	10,789	203,983	25	1,928,306
Changes during period						
Dividends of surplus						(63,525)
Profit attributable to owners of parent						167,302
Purchase of treasury shares						(30,018)
Disposal of treasury shares						1
Cancellation of treasury shares						―
Transfer from retained Earnings to capital surplus						―
Change in scope of consolidation						8,149
Net changes in items other than shareholders' equity	5,537	92,933	6,428	104,899	124	105,024
Total changes during period	5,537	92,933	6,428	104,899	124	186,933
Balance at end of period	20,030	271,634	17,218	308,883	149	2,115,240

(4) Consolidated statement of cash flows

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	211,068	236,989
Depreciation	34,308	44,846
Impairment losses	6	2,694
Increase (decrease) in allowance for doubtful accounts	44	(219)
Increase (decrease) in provision for retirement benefits for directors	(90)	440
Increase (decrease) in retirement benefit liability	302	276
Interest and dividend income	(20,716)	(21,099)
Interest expenses	74	508
Foreign exchange losses (gains)	(2,031)	(8,716)
Loss (gain) on sale of investment securities	(1,441)	(2,907)
Decrease (increase) in trade receivables	3,626	1,034
Decrease (increase) in inventories	23,620	12,903
Increase (decrease) in trade payables	(9,229)	(34,618)
Decrease (increase) in other current assets	4,283	(2,052)
Increase (decrease) in other current liabilities	(747)	(4,251)
Other, net	(859)	(7,012)
Subtotal	242,218	218,815
Interest and dividends received	21,239	20,878
Interest paid	(74)	(505)
Income taxes refund (paid)	(66,725)	(50,271)
Net cash provided by (used in) operating activities	**196,656**	**188,917**

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(134,157)	(119,829)
Proceeds from withdrawal of time deposits	114,012	162,078
Purchase of property, plant and equipment	(106,739)	(152,701)
Purchase of intangible assets	(1,063)	(1,684)
Purchase of short-term and long-term investment securities	(6,424)	(32,159)
Proceeds from sale and redemption of short-term and long-term investment securities	17,206	32,832
Proceeds from capital reduction of subsidiaries and affiliates	3,001	–
Purchase of insurance funds	(3,585)	–
Proceeds from maturity of insurance funds	151,399	–
Other, net	1,583	3,952
Net cash provided by (used in) investing activities	**35,234**	**(107,511)**
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(145)	51
Repayments of long-term borrowings	(7,884)	–
Purchase of treasury shares	(25,018)	(30,018)
Dividends paid	(64,048)	(63,535)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,994)	–
Other, net	(110)	(617)
Net cash provided by (used in) financing activities	**(100,202)**	**(94,119)**
Effect of exchange rate change on cash and cash equivalents	**(5,625)**	**44,553**
Net increase (decrease) in cash and cash equivalents	**126,062**	**31,839**
Cash and cash equivalents at beginning of period	**405,586**	**531,649**
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	**10,281**
Cash and cash equivalents at end of period	**531,649**	**573,769**

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

N/A

(Notes on changes in scope of consolidation or equity method)

(Changes in scope of consolidation)

To enhance the transparency in financial accounting, from the beginning of the three months ended June 30, 2025, the Group has consolidated 27 small-sized subsidiaries which were previously out of the scope of consolidation.

During the six months ended September 30, 2025, Seigyo Kizai Corporation, which was a consolidated subsidiary of the Company, was excluded from the scope of consolidation as it was dissolved through an absorption-type merger with the Company's consolidated and surviving company, NIHON KIZAI Co., Ltd. Simultaneously with the merger, NIHON KIZAI Co., Ltd. changed its corporate name to ACS Co., Ltd.

(Notes on segment information)

The Company and its consolidated subsidiaries are composed of a single business segment, Automatic control equipment business. The disclosure of segment information is thereby omitted.

(Notes in the event of significant changes in shareholders' equity)

Based on the resolution of the Board of Directors' Meeting held on May 14, 2025, the Company repurchased 594,400 shares amounting 29,996 million yen, during the fiscal year ended March 31, 2026. The repurchase of treasury shares was completed on December 3, 2025.

Also, as of May 30, 2025, the Company cancelled 3,500,000 treasury shares amounting 211,317 million yen.

As a result, as of the end of the fiscal year (March 31, 2026), capital surplus decreased by 694 million yen, retained earnings decreased by 210,622 million yen, and treasury shares decreased by 181,300 million yen, from the previous fiscal year end.

(Notes on per share information)

	Year ended March 31, 2025	Year ended March 31, 2026
Net assets per share	30,255.22 yen	33,498.92 yen
Basic earnings per share	2,444.61 yen	2,640.04 yen

Note : (1) Diluted earnings per share is not presented as there is no dilutive shares.

(2) The basis for calculating the net assets per share is shown below. (Millions of yen or thousand shares)

	Year ended March 31, 2025	Year ended March 31, 2026
Total net assets	1,928,306	2,115,240
Deductions from total net assets (within, non-controlling interests)	25 (25)	149 (149)
Net assets related to common shares at the end of the fiscal year	1,928,281	2,115,090
Number of common shares at the end of the fiscal year used to calculate net assets per share	63,733	63,139

(3) The basis for calculating basic earnings per share is shown below. (Millions of yen or thousand shares)

	Year ended March 31, 2025	Year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent	156,344	167,302
Amount not attributable to owners of common shares	―	―
Profit attributable to owners of parent related to common shares	156,344	167,302
Average number of common shares for the year	63,954	63,370

(4) The Company's shares held by the Board Benefit Trust (BBT) for the Directors' Stock Compensation Plan is included in the number of treasury shares, which is deducted from the number of common shares issued at the end of the fiscal year when calculating the net assets per share (11,200 shares as of March 31, 2025, and March 31, 2026). The shares held by the trust are also included in the number of treasury shares, which is deducted from the average number of common shares for the year when calculating the basic earnings per share (11,200 shares during April 1, 2024 to March 31, 2025, and April 1, 2025 to March 31, 2026).

(Notes on significant subsequent events)

(Repurchase of own shares)

The Company resolved at the Board of Directors' Meeting held on May 14, 2026, to repurchase its own shares as follows.

(1) Reason for the repurchase
To enhance returns to shareholders, improve capital efficiency, and use instead of issuing new shares

(2) Total number of shares to be repurchased
Up to 800,000 shares

(3) Total amount of repurchase
Up to 50 billion yen

(4) Period of repurchase
From May 20, 2026 to March 24, 2027

(5) Method of repurchase
Market purchase on the Tokyo Stock Exchange

4. Supplementary information

(1) Sales by region - Customer location

(Millions of yen)

Japan	U.S.	China	Asia (excl. China)	Europe	Other	Total
158,823	83,708	234,939	158,955	162,250	43,864	842,541

Note : Net sales of Japan, U.S., and China (including Hong Kong) are individually disclosed since they are roughly at a level of 10% or above the consolidated net sales respectively.

(2) Sales by region - Group company location

(Millions of yen)

Japan	North America	Greater China	Other Asia	Europe	Other	Total
162,956	106,331	255,690	133,251	159,689	24,621	842,541

Note : Net sales of "North America" includes U.S., Canada, and Mexico, and "Greater China" includes China, Hong Kong, and Taiwan.

(3) Consolidated Capital expenditures, Depreciation and R&D expenses

(Millions of yen)

	Year ended March 31, 2026 (Actual)		Year ending March 31, 2027 (Forecast)	
	(amount)	(YoY)	(amount)	(vs FY25)
Capital expenditures	150,254	39.4%	100,000	(33.4%)
Depreciation	44,846	30.7%	62,300	38.9%
R&D expenses	39,986	19.9%	47,000	17.5%

(4) Foreign currency exchange rates

	Year ended March 31, 2026		Year ending March 31, 2027 (Forecast)
	(average)	(at end)	(average)
USD	¥ 150.64	¥ 159.93	¥ 155.00
EUR	¥ 174.60	¥ 183.44	¥ 183.00
CNY	¥ 21.21	¥ 23.12	¥ 22.70

(5) Consolidated Full-time employees and Temporary employees

(Number of personnel)

	Year ended March 31, 2026	Difference from previous fiscal year end
Full-time employees (at end)	24,773	1,659
Temporary employees (average)	5,616	135