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



May 12, 2026

Company name: SMK Corporation
 Stock exchange listing: Tokyo Stock Exchange Prime Market
 Securities code: 6798
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 Representative: Yasumitsu Ikeda, President, Chief Executive Officer and Chief Operating Officer
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 Scheduled date of annual general meeting of shareholders: June 23, 2026
 Scheduled date of commencing dividend payments: June 24, 2026
 Scheduled date of filing annual securities report: June 22, 2026
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	48,204	0.3	430	—	1,243	126.3	56	—
March 31, 2025	48,051	3.3	(220)	—	549	142.9	(1,884)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥2,825 million [—%]

Fiscal year ended March 31, 2025: ¥(2,282) million [—%]

	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	8.87	—	0.2	2.2	0.9
March 31, 2025	(297.39)	—	(6.1)	0.9	(0.5)

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2026: ¥152 million

Fiscal year ended March 31, 2025: ¥71 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	57,625	31,156	54.1	4,923.29
As of March 31, 2025	57,684	29,221	50.7	4,612.02

(Reference) Equity: As of March 31, 2026: ¥31,156 million

As of March 31, 2025: ¥29,221 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	Million yen	Million yen	Million yen	Million yen
March 31, 2026	2,023	(2,262)	(2,452)	9,594
March 31, 2025	2,439	(2,216)	286	10,415

2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout Ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year- end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	—	50.00	—	90.00	140.00	894	—	2.9
Fiscal year ended March 31, 2026	—	50.00	—	50.00	100.00	638	—	2.1
Fiscal year ending March 31, 2027 (Forecast)	—	50.00	—	50.00	100.00		—	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	24,000	3.7	200	—	400	—	200	—	31.60
Full year	49,000	1.7	800	86.0	1,200	(3.5)	800	—	126.41

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Total number of issued and outstanding shares (common stock)
- 1) Total number of issued and outstanding shares at the end of the period (including treasury stock):

March 31, 2026:	7,200,000 shares
March 31, 2025:	7,200,000 shares
 - 2) Total number of treasury stock at the end of the period:

March 31, 2026:	871,521 shares
March 31, 2025:	863,954 shares
 - 3) Average number of shares during the period:

Fiscal year ended March 31, 2026:	6,331,805 shares
Fiscal year ended March 31, 2025:	6,337,901 shares

(Notes) The number of treasury stock includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Board Benefit Trust (BBT).

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	22,533	(1.9)	(850)	—	1,995	86.6	215	—
March 31, 2025	22,973	1.0	(1,434)	—	1,069	—	(227)	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	33.92	—
March 31, 2025	(35.80)	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	44,405	23,436	52.8	3,694.27
As of March 31, 2025	46,747	23,459	50.2	3,694.01

(Reference) Equity: As of March 31, 2026: ¥23,436 million

As of March 31, 2025: ¥23,459 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

1. The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and actual results may differ significantly from these forecasts due to various factors.
2. The Company plans to hold a briefing session on financial results for institutional investors and analysts on May 22, 2026. The explanatory materials on financial results to be used on the day of the session will be posted on the Company's website promptly after the meeting.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	4
(4) Future Outlook	4
2. Basic Policy on Selection of Accounting Standards	4
3. Consolidated Financial Statements and Principal Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Comprehensive Income	7
(3) Consolidated Statements of Changes in Equity	9
(4) Consolidated Statements of Cash Flows	11
(5) Notes to Consolidated Financial Statements	13
(Notes on going concern assumption)	13
(Segment information, etc.)	13
(Per share information)	15
(Significant subsequent event)	15
4. Other Information	16
Status of Production, Orders Received and Sales	16

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The Group established the Medium-Term Business Plan “SMK Next 100” that covers the period from FY2024 to FY2026 as the first milestone for achieving the Long-Term Vision FY2035 “Contribute to the next 100 years with our manufacturing capability that meets all manner of needs.” The period of the plan was positioned as a “period to accelerate structural reforms toward sustainable growth,” with the Group aiming to return to a growth trajectory in sales and profits through the strengthening of its management base, including resource investment, cost structural reforms, and transition to the integrated production and sales operation system. However, in the current situation, CS Division experienced only modest growth owing to the impact mainly of intensified competition in the ICT market, and SCI Division remained sluggish due to the impact mainly of slow growth in Europe and the U.S. home appliance markets. In addition, Innovation Center continued facing persisting losses caused by delays in the development of new products and new businesses.

As announced on March 25, 2025, the Company, in light of this situation, has formulated the “structural reform program” and has promoted initiatives toward further acceleration of structural reforms. Aiming to achieve the targets under the Long-Term Vision and the Medium-Term Business Plan, we accelerate our return to a growth trajectory by withdrawing or scaling down unprofitable businesses, and focusing and allocating our resources on areas with higher growth potential and profitability. Additional efforts are also underway to review cost structures by optimizing the number of personnel and talent portfolio, as well as improving scale efficiency.

During the fiscal year ended March 31, 2026, the global economy was generally stable against a backdrop of the firmness of the U.S. economy. However, the uncertainty about the future outlook has increased mainly due to concerns over downward pressure on the economy arising from the U.S. tariff policy, the rising geopolitical risks caused by the prolonged Ukraine crisis and escalating tensions in the Middle East, as well as a slowdown in the growth of the Chinese economy. Given these factors and the Japan-U.S. interest rate gap, dollar-yen exchange rates also remain on a yen depreciation trend.

In the electronic components industry, the market conditions showed a moderate recovery trend overall. The car electronics market showed signs of stagnation due to the global slowdown in automobile sales and stalled sales of electric vehicles (EVs). In the ICT market, although a moderate recovery trend has emerged in sales of smartphones and tablets, the overall situation remained sluggish. Meanwhile, sales of artificial intelligence (AI) servers and data center-related areas continued to expand. In the home appliance market, sales of gaming-related devices performed well, and those of white goods, including air conditioners, also remained firm. In the industry market, inventory gradually moved toward appropriate levels, underpinned by investments in the semiconductor and AI fields, and it started to show signs of recovery.

In the fiscal year ended March 31, 2026, sales in CS Division exceeded those of the previous fiscal year, supported by strong performance in the car electronics, home appliance, and industry markets, although sales in the ICT market decreased year on year. Sales in SCI Division exceeded those of the previous fiscal year, supported by strong performance in the home appliance, car electronics, and industry markets, although sales in the ICT market decreased year on year. As a result, net sales amounted to ¥48,204 million (0.3% increase year on year), and operating profit was ¥430 million (compared to operating loss of ¥220 million in the previous fiscal year). Ordinary profit was ¥1,243 million (126.3% increase year on year), and profit attributable to owners of parent was ¥56 million (compared to loss attributable to owners of parent of ¥1,884 million in the previous fiscal year).

Results by segment are as follows.

[CS Division]

In the car electronics market, sales exceeded those of the previous fiscal year due to the expansion in battery-related products and products for two-wheeled vehicles, in addition to steady sales of camera-related and electrical component-related products. In the home appliance market, sales exceeded those of the previous fiscal

year due to the expansion in amusement-related and digital camera-related products, and in the industry market, sales also exceeded those of the previous fiscal year due to strong sales of renewable energy-related products. Meanwhile, in the ICT market, sales decreased year on year due to a decrease in products for smartphones.

As a result, net sales in CS Division amounted to ¥22,520 million (1.6% increase year on year), and operating profit was ¥1,187 million (22.6% decrease year on year).

[SCI Division]

In the home appliance market, sales of remote control units for home equipment and smart home appliances decreased year on year, although those for sanitation and air conditioners were strong, and sales as a whole remained almost unchanged from those of the previous fiscal year. Meanwhile, in the car electronics market, sales exceeded those of the previous fiscal year due to the strong performance in automotive applications units and E-Bike units, and switches.

As a result, net sales in SCI Division amounted to ¥25,621 million (0.1% decrease year on year), and operating loss was ¥378 million (compared to operating loss of ¥1,308 million in the previous fiscal year).

[Innovation Center]

The Innovation Center has been promoting the selection and concentration of businesses as part of the initiatives to strengthen cost management and has decided to focus its resources on two businesses, “the speech-based head health analysis technology” and “EMG sensors,” but commercialization has been delayed. Meanwhile, the communication module business, which had been a core business, was transferred to SCI Division in June 2025 in consideration of company-wide efficiency.

As a result, net sales in Innovation Center amounted to ¥62 million (75.2% decrease year on year), and operating loss was ¥379 million (compared to operating loss of ¥446 million in the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year under Review

Current assets decreased 7.0% from the end of the previous fiscal year to ¥30,845 million. This was mainly due to decreases of ¥801 million in cash and deposits, ¥194 million in merchandise and finished goods, and ¥845 million in raw materials and supplies. Non-current assets increased 9.2% from the end of the previous fiscal year to ¥26,780 million. This was mainly due to increases of ¥1,497 million in retirement benefit asset and ¥1,065 million in investments securities.

As a result, total assets decreased 0.1% from the end of the previous fiscal year to ¥57,625 million.

Current liabilities decreased 13.4% from the end of the previous fiscal year to ¥14,417 million. This was mainly due to decreases of ¥900 million in short-term borrowings, ¥318 million in notes and accounts payable - trade, and ¥687 million in electronically recorded obligations - operating. Non-current liabilities increased 2.0% from the end of the previous fiscal year to ¥12,051 million. This was mainly due to an increase of ¥771 million in deferred tax liabilities, and decreases of ¥370 million in lease liabilities and ¥140 million in long-term borrowings.

As a result, total liabilities decreased 7.0% from the end of the previous fiscal year to ¥26,468 million.

Total net assets increased 6.6% from the end of the previous fiscal year to ¥31,156 million. This was mainly due to increases of ¥1,455 million in foreign currency translation adjustment and ¥656 million in remeasurements of defined benefit plans.

(3) Overview of Cash Flows for the Fiscal Year under Review

The Company's consolidated cash and cash equivalents ("cash") as of the end of the fiscal year ended March 31, 2026 amounted to ¥9,594 million, a decrease of ¥821 million from the beginning of the fiscal year.

The status of cash flows from operating, investing, and financing activities and contributing factors were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities in the fiscal year ended March 31, 2026 decreased by ¥415 million from the previous fiscal year to ¥2,023 million.

The decrease was mainly offset by ¥2,626 million in depreciation.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year ended March 31, 2026 decreased by ¥45 million from the previous fiscal year to ¥2,262 million.

The decrease was mainly attributable to ¥2,185 million in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities decreased by ¥2,738 million from the previous fiscal year to ¥2,452 million yen.

The decrease was mainly attributable to ¥1,040 million in net decrease in borrowings, ¥890 million in dividends paid, and ¥520 million in repayments of lease liabilities.

(4) Future Outlook

The global economy is expected to maintain a gradual growth trend, with expansion in AI-related fields also having a positive effect on the economy. Meanwhile, the outlook for the future is becoming more uncertain, due in part to the U.S. tariff policy driven by nationalistic policies, a slowdown in the Chinese economy, and the rising geopolitical risks caused by the prolonged Ukraine crisis and escalating tensions in the Middle East.

Under such an environment, the Group will strengthen the efficiency of its global production system, introduce new products that precisely meet customer needs, revise prices, reduce fixed costs, and other initiatives. By steadily implementing the "structural reform program" announced on March 25, 2025, we will enhance the Group's profitability and growth potential, aiming to maximize corporate value.

For the fiscal year ending March 31, 2027, the Company forecasts net sales of ¥49,000 million, operating profit of ¥800 million, ordinary profit of ¥1,200 million, and profit attributable to owners of parent of ¥800 million. The foreign exchange rate on which the results forecast is assumed is ¥155 per US dollar.

Recent rising tensions in the Middle East are increasing risks, such as higher energy prices and supply chain disruptions. If higher raw material prices and procurement difficulties persist over a prolonged period, they may indirectly lead to a decline in demand for the Company's products from customers, as well as potentially affect the Company's production activities. However, as it is currently difficult to predict these impacts, they have not been incorporated into these forecasts. If a significant impact on the forecasts arises going forward, the Company will promptly disclose any revisions.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare consolidated financial statements in accordance with accounting standards generally accepted in Japan (J-GAAP) for the meantime to ensure comparison of consolidated financial statements between different companies.

The Group will take appropriate actions upon monitoring various developments in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	10,475	9,673
Notes receivable - trade	4	1
Electronically recorded monetary claims - operating	2,710	2,427
Accounts receivable - trade	11,221	10,872
Merchandise and finished goods	2,909	2,715
Work in process	517	625
Raw materials and supplies	4,246	3,400
Other	1,151	1,191
Allowance for doubtful accounts	(85)	(62)
Total current assets	33,149	30,845
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,036	21,798
Accumulated depreciation and impairment	(16,885)	(17,732)
Buildings and structures, net	4,151	4,066
Machinery, equipment and vehicles	22,609	24,058
Accumulated depreciation and impairment	(19,960)	(21,272)
Machinery, equipment and vehicles, net	2,649	2,785
Tools, furniture and fixtures	17,031	17,294
Accumulated depreciation and impairment	(16,009)	(16,142)
Tools, furniture and fixtures, net	1,022	1,152
Land	5,819	5,819
Leased assets	3	3
Accumulated depreciation and impairment	(0)	(1)
Leased assets, net	3	2
Right of use assets	2,257	2,434
Accumulated depreciation and impairment loss	(1,308)	(1,952)
Right of use assets, net	948	482
Construction in progress	159	114
Total property, plant and equipment	14,754	14,423
Intangible assets		
Other	202	242
Total intangible assets	202	242
Investments and other assets		
Investment securities	4,205	5,271
Long-term loans receivable	87	94
Retirement benefit asset	4,247	5,745
Deferred tax assets	241	85
Other	890	1,034
Allowance for doubtful accounts	(94)	(117)
Total investments and other assets	9,578	12,114
Total non-current assets	24,535	26,780
Total assets	57,684	57,625

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,206	2,887
Electronically recorded obligations - operating	1,005	317
Short-term borrowings	7,040	6,140
Lease liabilities	462	471
Accounts payable - other	2,690	2,246
Income taxes payable	198	209
Provision for bonuses	581	628
Provision for bonuses for directors (and other officers)	3	18
Valuation reserve for inventory purchase commitments	6	—
Other	1,452	1,496
Total current liabilities	16,647	14,417
Non-current liabilities		
Long-term borrowings	7,282	7,141
Lease liabilities	830	460
Deferred tax liabilities	2,575	3,347
Provision for retirement benefits for directors (and other officers)	124	133
Retirement benefit liability	297	362
Provision for share awards for directors (and other officers)	24	49
Other	679	557
Total non-current liabilities	11,815	12,051
Total liabilities	28,462	26,468
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	12,057	12,057
Retained earnings	10,731	9,894
Treasury shares	(3,032)	(3,030)
Total shareholders' equity	27,752	26,918
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	969	1,545
Deferred gains or losses on hedges	16	96
Foreign currency translation adjustment	(812)	643
Remeasurements of defined benefit plans	1,296	1,952
Total accumulated other comprehensive income	1,469	4,238
Total net assets	29,221	31,156
Total liabilities and net assets	57,684	57,625

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	48,051	48,204
Cost of sales	38,800	38,793
Gross profit	9,250	9,410
Selling, general and administrative expenses	9,470	8,980
Operating profit (loss)	(220)	430
Non-operating income		
Interest income	172	148
Dividend income	52	58
Rental income from real estate	1,023	1,060
Foreign exchange gains	54	118
Other	362	347
Total non-operating income	1,665	1,734
Non-operating expenses		
Interest expenses	221	250
Rental costs on real estate	593	634
Provision of allowance for doubtful accounts	—	7
Other	80	28
Total non-operating expenses	895	921
Ordinary profit	549	1,243
Extraordinary income		
Gain on sale of non-current assets	7	1
Gain on sale of investment securities	—	12
Total extraordinary income	7	14
Extraordinary losses		
Loss on sale of non-current assets	0	1
Loss on retirement of non-current assets	83	65
Impairment losses	497	314
Loss on valuation of investment securities	69	7
Provision of allowance for doubtful accounts	—	1
Business structure reform expenses	869	—
Total extraordinary losses	1,520	391
Profit (loss) before income taxes	(963)	867
Income taxes - current	366	494
Income taxes for prior periods	65	—
Income taxes - deferred	489	316
Total income taxes	921	810
Profit (loss)	(1,884)	56
Profit (loss) attributable to owners of parent	(1,884)	56

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit (loss)	(1,884)	56
Other comprehensive income		
Valuation difference on available-for-sale securities	(190)	576
Deferred gains or losses on hedges	86	80
Foreign currency translation adjustment	(315)	1,455
Remeasurements of defined benefit plans, net of tax	21	656
Total other comprehensive income	(397)	2,769
Comprehensive income	(2,282)	2,825
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,282)	2,825

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	7,996	12,057	13,253	(3,030)	30,276
Changes during period					
Dividends of surplus			(637)		(637)
Profit (loss) attributable to owners of parent			(1,884)		(1,884)
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				2	2
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(2,522)	(1)	(2,524)
Balance at end of period	7,996	12,057	10,731	(3,032)	27,752

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,159	(70)	(497)	1,274	1,866	32,143
Changes during period						
Dividends of surplus						(637)
Profit (loss) attributable to owners of parent						(1,884)
Purchase of treasury shares						(3)
Disposal of treasury shares						2
Net changes in items other than shareholders' equity	(190)	86	(315)	21	(397)	(397)
Total changes during period	(190)	86	(315)	21	(397)	(2,921)
Balance at end of period	969	16	(812)	1,296	1,469	29,221

Fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	7,996	12,057	10,731	(3,032)	27,752
Changes during period					
Dividends of surplus			(892)		(892)
Profit (loss) attributable to owners of parent			56		56
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				5	5
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(836)	1	(834)
Balance at end of period	7,996	12,057	9,894	(3,030)	26,918

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	969	16	(812)	1,296	1,469	29,221
Changes during period						
Dividends of surplus						(892)
Profit (loss) attributable to owners of parent						56
Purchase of treasury shares						(3)
Disposal of treasury shares						5
Net changes in items other than shareholders' equity	576	80	1,455	656	2,769	2,769
Total changes during period	576	80	1,455	656	2,769	1,934
Balance at end of period	1,545	96	643	1,952	4,238	31,156

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(963)	867
Depreciation	2,347	2,626
Impairment losses	497	314
Restructuring expenses	869	—
Increase (decrease) in provision for bonuses	10	33
Increase (decrease) in valuation reserve for inventory purchase commitments	(100)	(6)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(8)	8
Increase (decrease) in provision for share awards for directors (and other officers)	(2)	24
Increase (decrease) in net defined benefit asset and liability	(133)	(460)
Interest and dividend income	(224)	(207)
Interest expenses	221	250
Loss (gain) on sale of investment securities	—	(12)
Loss (gain) on sale of non-current assets	(6)	(0)
Loss (gain) on valuation of investment securities	69	7
Loss on retirement of non-current assets	83	65
Decrease (increase) in trade receivables	(932)	1,017
Decrease (increase) in inventories	1,599	1,184
Increase (decrease) in trade payables	(420)	(1,902)
Decrease (increase) in accounts receivable - other	4	3
Increase (decrease) in accounts payable - other	(4)	99
Other, net	(68)	(576)
Subtotal	2,835	3,335
Interest and dividends received	226	211
Interest paid	(228)	(257)
Income taxes paid	(387)	(475)
Income taxes refund	—	31
Payment for business restructuring expenses	(7)	(820)
Net cash provided by (used in) operating activities	2,439	2,023
Cash flows from investing activities		
Payments into time deposits	(40)	(75)
Proceeds from withdrawal of time deposits	40	57
Purchase of property, plant and equipment	(2,080)	(2,185)
Proceeds from sale of property, plant and equipment	19	5
Purchase of intangible assets	(126)	(86)
Purchase of investment securities	(34)	(0)
Proceeds from sale of investment securities	—	29
Loan advances	(9)	(25)
Proceeds from collection of loans receivable	16	18
Other, net	0	—
Net cash provided by (used in) investing activities	(2,216)	(2,262)

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	800	(1,300)
Proceeds from long-term borrowings	2,000	2,000
Repayments of long-term borrowings	(1,340)	(1,740)
Repayments of lease liabilities	(535)	(520)
Purchase of treasury shares	(1)	(1)
Dividends paid	(636)	(890)
Net cash provided by (used in) financing activities	286	(2,452)
Effect of exchange rate change on cash and cash equivalents	(291)	1,869
Net increase (decrease) in cash and cash equivalents	217	(821)
Cash and cash equivalents at beginning of period	10,197	10,415
Cash and cash equivalents at end of period	10,415	9,594

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

(1) Basis of determining reportable segments

The Group's reportable segments are units composing the Company for which separate financial information is available and are the subject of regular review by managers to determine the allocation of management resources and evaluate performance.

The Group has established business divisions by product, and each division formulates comprehensive domestic and overseas strategies for the products it handles and develops business activities.

Therefore, the Group consists of segments based on the business divisions.

(CS (Connection System) Division)

Manufacture and sale of connectors (coaxial, board-to-board, FPC) and jacks

(SCI (Sensing, Communications and Interface) Division)

Manufacture and sale of remote control units, camera modules, sensors and sensing products, and units

(Innovation Center)

Development and sale of speech-based analysis technology and EMG sensors

2. Method of calculating amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment

Profit by reportable segment is based on operating profit.

3. Information on amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment
For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communi- cations and Interface) Division	Innovation Center	Total				
Net sales								
Net sales to outside customers	22,156	25,643	251	48,051	—	48,051	—	48,051
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—
Total	22,156	25,643	251	48,051	—	48,051	—	48,051
Segment profit (loss) (Operating loss)	1,534	(1,308)	(446)	(220)	—	(220)	—	(220)
Segment assets	12,972	16,332	306	29,611	6,794	36,405	21,279	57,684
Others								
Depreciation	1,487	668	13	2,169	177	2,347	—	2,347
Increase of Property, plant and equipment, and Intangible assets	1,363	483	3	1,850	237	2,088	—	2,088

(Notes) 1. The “Others” are business segments not included in the reportable segments. It includes property rental and worker dispatch businesses.

2. Adjustment of segment assets of ¥21,279 million is corporate assets that are not allocated to each reportable segment.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communi- cations and Interface) Division	Innovation Center	Total				
Net sales								
Net sales to outside customers	22,520	25,621	62	48,204	—	48,204	—	48,204
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—
Total	22,520	25,621	62	48,204	—	48,204	—	48,204
Segment profit (loss) (Operating profit)	1,187	(378)	(379)	430	—	430	—	430
Segment assets	13,718	14,042	59	27,819	6,752	34,572	23,053	57,625
Others								
Depreciation	1,701	725	7	2,434	191	2,626	—	2,626
Increase of Property, plant and equipment, and Intangible assets	1,554	551	1	2,107	77	2,184	—	2,184

(Notes) 1. The “Others” are business segments not included in the reportable segments. It includes property rental and worker dispatch businesses.

2. Adjustment of segment assets of ¥23,053 million is corporate assets that are not allocated to each reportable segment.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥4,612.02	¥4,923.29
Basic earnings (loss) per share	¥(297.39)	¥8.87

- Notes: 1. The company's own shares in the Board Benefit Trust (BBT) recorded as treasury shares under shareholders' equity are included in treasury stock excluded from the total number of shares issued and outstanding at the end of the period used for calculating net assets per share and are also included in treasury stock excluded from the calculation of the average number of shares outstanding during the period used for calculating basic earnings (loss) per share. The number of shares of treasury stock at the end of the period excluded from the calculation of net assets per share was 40,100 shares for the fiscal year ended March 31, 2025 and 38,600 shares for the fiscal year ended March 31, 2026. The average number of shares of treasury stock during the period excluded from the calculation of earnings (loss) per share was 40,304 shares for the fiscal year ended March 31, 2025 and 39,038 shares for the fiscal year ended March 31, 2026.
2. Diluted earnings per share is not provided as there were no potential shares.
3. The basis of calculation of basic earnings (loss) per share is as follows:

Item	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit (loss) attributable to owners of parent (Million yen)	(1,884)	56
Amount not attributable to common shareholders (Million yen)	—	—
Profit (loss) attributable to owners of parent relating to common shares (Million yen)	(1,884)	56
Average number of common shares outstanding during the period (Thousand shares)	6,337	6,331

(Significant subsequent event)

Not applicable.

4. Other Information

Status of Production, Orders Received and Sales

1) Orders received

(Million yen)

Market	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	6,552	13.9	5,710	11.9	(841)	(12.8)
Home appliance	19,745	41.8	19,728	41.0	(17)	(0.1)
Car electronics	16,242	34.4	17,098	35.6	856	5.3
Industry and other	4,675	9.9	5,536	11.5	861	18.4
Total	47,215	100.0	48,074	100.0	858	1.8

2) Sales

(Million yen)

Market	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	6,949	14.5	5,824	12.1	(1,124)	(16.2)
Home appliance	19,820	41.2	19,920	41.3	99	0.5
Car electronics	16,100	33.5	17,187	35.7	1,087	6.8
Industry and other	5,180	10.8	5,271	10.9	91	1.8
Total	48,051	100.0	48,204	100.0	153	0.3