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Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

October 30, 2026

Company name: SMK Corporation
Stock exchange listing: Tokyo Stock Exchange Prime Market
Securities code: 6798
URL: https://www.smk.co.jp/ja
Representative: Yasumitsu Ikeda, President, Chief Executive Officer and Chief Operating Officer
Contact: Masanobu Ikeo, Director and Executive Deputy President
Telephone: +81-3-3785-1111
Scheduled date of filing semi-annual securities report: November 12, 2026
Scheduled date of commencing dividend payments: November 26, 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 Six Months Ended September 30, 2026 (April 1, 2026 - September 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	24,793	7.1	397	—	561	—	257	—
September 30, 2025	23,152	(2.0)	(117)	—	(125)	—	(193)	—

(Note) Comprehensive income: Six months ended September 30, 2026: ¥61 million [(84.0) %]
Six months ended September 30, 2025: ¥381 million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	40.71	–
September 30, 2025	(30.63)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	57,818	30,906	53.5
As of March 31, 2026	57,625	31,156	54.1

(Reference) Equity: As of September 30, 2026: ¥30,906 million
As of March 31, 2026: ¥31,156 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	50.00	–	50.00	100.00
Fiscal year ending March 31, 2027	–	50.00			
Fiscal year ending March 31, 2027 (Forecast)			–	50.00	100.00

(Note) Revision to the forecast for dividends announced most recently: None

Dividends for the 2nd quarter-end of the fiscal year ending March 31, 2027 will be officially determined by a resolution for the dividends following the approval of provisional financial statements at the Board of Directors' Meeting to be held on November 25, 2026.

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
Full year	49,000	1.7	800	86.0	1,200	(3.5)	800	–	126.41

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

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

(2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements: None

(3) 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

(4) 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 shares):

September 30, 2026:	7,200,000 shares
March 31, 2026:	7,200,000 shares

2) Total number of treasury shares at the end of the period:

September 30, 2026:	869,733 shares
March 31, 2026:	871,521 shares

3) Average number of shares during the period:

Six months ended September 30, 2026:	6,329,245 shares
Six months ended September 30, 2025:	6,334,193 shares

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

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

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

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. For preconditions for the financial results forecast, notes on the use thereof, etc., please refer to "1. Qualitative Information on Semi-annual Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the attachment.

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1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

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.” Under the plan, the Group aimed to return to a growth trajectory in sales and profits, through resource investment, cost structural reforms, and transition to the integrated production and sales operation system. In addition, based on the “structural reform program” announced on March 25, 2025, the Company has withdrawn or scaled down unprofitable businesses, and has focused its resources on areas with high growth potential and profitability. Additional efforts are also underway to further promote cost structure reforms by optimizing the number of personnel and talent portfolio, as well as improving scale efficiency.

During the six months ended September 30, 2026, the global economy remained uncertain mainly due to downward risks on the economy stemming from U.S. trade policies, the rising geopolitical risks caused by the prolonged situation in Ukraine and tensions in the Middle East, as well as a slowdown in the growth of the Chinese economy. Nevertheless, the U.S. economy remained firm against a backdrop of artificial intelligence (AI)-related investment. In this environment, the exchange rate trended toward a weaker yen due to factors such as the Japan-U.S. interest rate gap, but the yen began to appreciate in September..

In the electronic components industry, the market conditions continued to show a moderate recovery trend, driven primarily by AI-related demand. The mobility market remained firm, supported by the recovery of automobile production and progress in electrification and electronic technologies. However, the outlook remained uncertain due to a slump in the Chinese market and rising geopolitical risks. In the ICT market, sales of AI servers and data center-related areas continued to expand. However, sales of smartphones and tablets remained sluggish, due to higher device prices resulting from rising memory prices. In the home appliance market, although sales overall were lackluster due to uncertainty over the economic outlook, sales of energy-saving-related products and high-value-added products remained strong. In the industry market, sales generally remained firm, underpinned by investments in the semiconductor and AI fields.

In the six months ended September 30, 2026, sales in CS Division exceeded those of the previous fiscal year, supported by strong performance in the mobility and industry markets, although sales in the ICT and home appliance markets decreased year on year. Sales in SCI Division exceeded those of the previous fiscal year, supported by the expansion of the home appliance and mobility markets. As a result, net sales amounted to ¥24,793 million (7.1% increase year on year), and operating profit was ¥397 million (compared to operating loss of ¥117 million in the same period of the previous fiscal year). Ordinary profit was ¥561 million (compared to ordinary loss of ¥125 million in the same period of the previous fiscal year), and profit attributable to owners of parent was ¥257 million (compared to loss attributable to owners of parent of ¥193 million in the same period of the previous fiscal year).

Results by segment are as follows.

(CS Division)

For connectors, sales in the mobility market exceeded those of the previous fiscal year due to the expansion in battery-related, electrical component-related, and E-Bike-related products, in addition to strong sales of camera-related products. In the industry market, sales increased significantly year on year due to the continued expansion of renewable energy-related products. Meanwhile, in the home appliance market, sales of amusement-related products were sluggish due to production cuts by customers. In the ICT market, sales decreased year on year due to a slump in sales of smartphones and tablets.

As a result, net sales in CS Division amounted to ¥12,500 million (12.7% increase year on year), and operating profit was ¥668 million (1.1% increase year on year).

(SCI Division)

In the home appliance market, sales exceeded those of the previous fiscal year due to steady sales of

remote control units for sanitation, air conditioners, and residential use. In the mobility market, sales increased year on year due to the strong performance in camera modules and remote control units for automotive use, despite a decrease in automotive applications units, E-Bike units, and switches.

As a result, sales in SCI Division amounted to ¥12,277 million (2.0% increase year on year), and operating loss was ¥131 million (compared to operating loss of ¥533 million in the same period of the previous fiscal year).

(Innovation Center)

The Innovation Center has been promoting the selection and concentration of businesses since the previous fiscal year in order to optimize development resources, accelerate decision-making, and strengthen cost management, with the establishment of a competitive advantage as the most important objective. Currently, we are focusing development resources on two businesses: “the speech-based head health analysis technology” and “EMG sensors.” In addition, the communication module 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 ¥15 million (26.6% decrease year on year), and operating loss was ¥139 million (compared to operating loss of ¥244 million in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Current assets increased 0.5% from the end of the previous fiscal year to ¥30,995 million. This was mainly due to increases of ¥291 million in electronically recorded monetary claims - operating, ¥183 million in merchandise and finished goods, ¥578 million in raw materials and supplies, and ¥187 million in other current assets, and a decrease of ¥1,048 million in accounts receivable - trade. Non-current assets increased 0.2% from the end of the previous fiscal year to ¥26,823 million. This was mainly due to an increase of ¥36 million in investments and other assets.

As a result, total assets increased 0.3% from the end of the previous fiscal year to ¥57,818 million.

Current liabilities increased 13.2% from the end of the previous fiscal year to ¥16,316 million. This was mainly due to increases of ¥1,246 million in short-term borrowings and ¥802 million in notes and accounts payable - trade. Non-current liabilities decreased 12.1% from the end of the previous fiscal year to ¥10,595 million. This was mainly due to a decrease of ¥1,516 million in long-term borrowings.

As a result, total liabilities increased 1.7% from the end of the previous fiscal year to ¥26,912 million.

Total net assets decreased 0.8% from the end of the previous fiscal year to ¥30,906 million. This was mainly due to a decrease of ¥249 million in remeasurements of defined benefit plans.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

No change has been made to the consolidated financial results forecast for the fiscal year ending March 31, 2027, announced on May 12, 2026.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	9,673	9,649
Notes receivable - trade	1	4
Electronically recorded monetary claims - operating	2,427	2,718
Accounts receivable - trade	10,872	9,824
Merchandise and finished goods	2,715	2,898
Work in process	625	610
Raw materials and supplies	3,400	3,979
Other	1,191	1,378
Allowance for doubtful accounts	(62)	(68)
Total current assets	30,845	30,995
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,066	3,929
Land	5,819	5,819
Other, net	4,537	4,641
Total property, plant and equipment	14,423	14,390
Intangible assets		
Other	242	281
Total intangible assets	242	281
Investments and other assets		
Other	12,231	12,203
Allowance for doubtful accounts	(117)	(52)
Total investments and other assets	12,114	12,150
Total non-current assets	26,780	26,823
Total assets	57,625	57,818

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,887	3,689
Electronically recorded obligations - operating	317	445
Short-term borrowings	6,140	7,386
Accounts payable - other	2,246	2,137
Income taxes payable	209	207
Provision for bonuses	628	710
Provision for bonuses for directors (and other officers)	18	—
Other	1,967	1,739
Total current liabilities	14,417	16,316
Non-current liabilities		
Long-term borrowings	7,141	5,625
Provision for retirement benefits for directors (and other officers)	133	121
Retirement benefit liability	362	337
Provision for share awards for directors (and other officers)	49	53
Other	4,365	4,458
Total non-current liabilities	12,051	10,595
Total liabilities	26,468	26,912
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	12,057	12,057
Retained earnings	9,894	9,834
Treasury shares	(3,030)	(3,023)
Total shareholders' equity	26,918	26,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,545	1,534
Deferred gains or losses on hedges	96	127
Foreign currency translation adjustment	643	677
Remeasurements of defined benefit plans	1,952	1,702
Total accumulated other comprehensive income	4,238	4,041
Total net assets	31,156	30,906
Total liabilities and net assets	57,625	57,818

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	23,152	24,793
Cost of sales	18,781	19,825
Gross profit	4,371	4,968
Selling, general and administrative expenses	4,488	4,570
Operating profit (loss)	(117)	397
Non-operating income		
Interest income	73	65
Dividend income	32	32
Rental income from real estate	518	547
Other	163	298
Total non-operating income	787	944
Non-operating expenses		
Interest expenses	122	144
Rental costs on real estate	283	318
Foreign exchange losses	367	305
Other	23	11
Total non-operating expenses	795	780
Ordinary profit (loss)	(125)	561
Extraordinary income		
Gain on sale of non-current assets	—	1
Gain on sale of investment securities	7	175
Total extraordinary income	7	176
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	3	1
Impairment losses	—	20
Total extraordinary losses	4	21
Profit (loss) before income taxes	(122)	716
Income taxes - current	289	226
Income taxes - deferred	(218)	232
Total income taxes	71	458
Profit (loss)	(193)	257
Profit (loss) attributable to owners of parent	(193)	257

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit (loss)	(193)	257
Other comprehensive income		
Valuation difference on available-for-sale securities	326	(11)
Deferred gains or losses on hedges	21	30
Foreign currency translation adjustment	435	34
Remeasurements of defined benefit plans, net of tax	(207)	(249)
Total other comprehensive income	575	(196)
Comprehensive income	381	61
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	381	61

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(122)	716
Depreciation	1,134	1,308
Impairment losses	—	20
Increase (decrease) in provision for bonuses	172	83
Increase (decrease) in valuation reserve for inventory purchase commitments	0	—
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	(11)
Increase (decrease) in provision for share awards for directors (and other officers)	9	4
Increase (decrease) in net defined benefit asset and liability	(273)	(400)
Interest and dividend income	(106)	(97)
Interest expenses	122	144
Loss (gain) on sale of investment securities	(7)	(175)
Loss (gain) on sale of non-current assets	1	(1)
Loss on retirement of non-current assets	3	1
Decrease (increase) in trade receivables	1,317	711
Decrease (increase) in inventories	157	(774)
Increase (decrease) in trade payables	(108)	998
Decrease (increase) in accounts receivable - other	17	(21)
Increase (decrease) in accounts payable - other	(156)	(113)
Other, net	(84)	(233)
Subtotal	2,072	2,159
Interest and dividends received	109	96
Interest paid	(119)	(144)
Income taxes paid	(281)	(317)
Income taxes refund	31	30
Payment for business restructuring expenses	(743)	(16)
Net cash provided by (used in) operating activities	1,068	1,807
Cash flows from investing activities		
Payments into time deposits	(32)	(100)
Proceeds from withdrawal of time deposits	23	69
Purchase of property, plant and equipment	(1,067)	(1,139)
Proceeds from sale of property, plant and equipment	0	3
Purchase of intangible assets	(71)	(73)
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	19	339
Loan advances	(9)	(2)
Proceeds from collection of loans receivable	11	6
Other, net	—	5
Net cash provided by (used in) investing activities	(1,125)	(891)

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	400	700
Repayments of long-term borrowings	(770)	(970)
Repayments of lease liabilities	(246)	(293)
Purchase of treasury shares	(0)	(1)
Dividends paid	(571)	(318)
Net cash provided by (used in) financing activities	(1,188)	(883)
Effect of exchange rate change on cash and cash equivalents	564	(90)
Net increase (decrease) in cash and cash equivalents	(681)	(57)
Cash and cash equivalents at beginning of period	10,415	9,594
Cash and cash equivalents at end of period	9,734	9,536

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

(Segment information)

Information on amounts of net sales and profit (loss) by reportable segment

For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment				Amount recorded in Semi-annual Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communications and Interface) Division	Innovation Center	Total	
Net sales					
Net sales to outside customers	11,091	12,039	21	23,152	23,152
Inter-segment net sales or transfers	–	–	–	–	–
Total	11,091	12,039	21	23,152	23,152
Segment profit (loss) (operating loss)	660	(533)	(244)	(117)	(117)

For the six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)

(Million yen)

	Reportable segment				Amount recorded in Semi-annual Consolidated Statements of Income
	CS (Connection System) Division	SCI (Sensing, Communications and Interface) Division	Innovation Center	Total	
Net sales					
Net sales to outside customers	12,500	12,277	15	24,793	24,793
Inter-segment net sales or transfers	–	–	–	–	–
Total	12,500	12,277	15	24,793	24,793
Segment profit (loss) (operating profit)	668	(131)	(139)	397	397

3. Supplementary Information

Status of Orders Received and Sales (by Market)

1) Orders received

(Million yen)

Market	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)		Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	3,064	12.8	2,187	8.4	(877)	(28.6)
Home appliance	10,119	42.4	10,149	38.9	29	0.3
Mobility	8,150	34.1	10,077	38.6	1,927	23.7
Industry and other	2,543	10.7	3,704	14.2	1,160	45.6
Total	23,878	100.0	26,118	100.0	2,240	9.4

Market	(Reference) Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)	
	Amount	Contribution (%)
ICT	5,710	11.9
Home appliance	19,728	41.0
Mobility	17,098	35.6
Industry and other	5,536	11.5
Total	48,074	100.0

2) Sales

(Million yen)

Market	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)		Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	3,196	13.8	2,318	9.3	(878)	(27.5)
Home appliance	10,028	43.3	10,001	40.3	(27)	(0.3)
Mobility	7,801	33.7	9,172	37.0	1,370	17.6
Industry and other	2,126	9.2	3,301	13.3	1,175	55.3
Total	23,152	100.0	24,793	100.0	1,640	7.1

Market	(Reference) Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)	
	Amount	Contribution (%)
ICT	5,824	12.1
Home appliance	19,920	41.3
Mobility	17,187	35.7
Industry and other	5,271	10.9
Total	48,204	100.0