Presentation of Financial Results for the Second Quarter ended September 30, 2026

November 13, 2026

SMC Corporation

Yoshiki Takada, President



FY2026 1st Half Summary

Higher sales and profits driven by growing demand, particularly in semiconductors.
Achieved a record high on a half-year basis.

<Sales>
Driven by semiconductor-related investment in Japan, North America and Asia. In Greater China, sales remained strong across a wide range of industries, supported by demand for localization. In the automotive-related industry, EV investment remains sluggish across regions, while hybrid vehicles-related investment continues. Sales in the machine tool-related industry was strong in Japan and Greater China, supported by data center-related demand.

<Operating Profit>
Despite increases in raw material costs, depreciation, and personnel expenses, etc., the positive impact of higher sales volume and yen depreciation lifted the operating profit margin to 28.5%, significantly outperforming guidance.

<Shareholder Return>
Resolved to pay an interim dividend of 500 yen per share.
Repurchased treasury stock of approximately 50 billion yen during the six months ended September 30, 2026.
Additional share buybacks of up to 50 billion yen approved.

(Billions of Yen)

	FY25/2Q Result		FY26/2Q Result		YoY (25/2Q vs 26/2Q)	
	Amount	vs net sales	Amount	vs net sales	Amount	%
Net sales	400.2		553.6		153.3	38.3%
Cost of sales	219.2	54.8%	288.3	52.1%	69.1	31.5%
Gross profit	181.0	45.2%	265.2	47.9%	84.2	46.5%
Selling, general & administrative expenses	90.2	22.5%	107.3	19.4%	17.0	18.9%
Operating profit	90.7	22.7%	157.9	28.5%	67.1	74.0%
Ordinary profit	107.9	27.0%	173.2	31.3%	65.2	60.5%
Profit attributable to owners of parent	79.1	19.8%	128.9	23.3%	49.7	62.9%
Average exchange rate						
USD	146.02		159.48		+13.46	9.2%
EUR	168.05		184.42		+16.37	9.7%
CNY	20.29		23.53		+3.24	16.0%
Depreciation	20.1		26.3		6.1	30.6%
R&D expenses	17.6		24.0		6.4	36.5%

FY2026 Guidance

Full-year guidance has been revised upward based on the result of the 1st half.

<Trends by Industry>

High levels of semiconductor-related orders are expected to continue in the second half. In the automotive-related industry, EV-related investment in Greater China is likely to slow somewhat. The machine tool-related industry has remained strong, supported by continued data center-related demand.

<Trends by Region>

Japan: Driven by the semiconductor-related demand. Machine tool remains strong.
North America: Semiconductor- and data center-related capital investment continues.
Greater China: Progress in the localization of semiconductor manufacturing. Continued strong capex, particularly in high-end segments. Secondary battery-related investment is slowing due to restrained capex.
Other Asia: Semiconductor investment continues in Korea, Singapore, and Malaysia.
Europe: Automotive and machine tool-related was sluggish in Germany, but signs of recovery emerged, particularly in the semiconductor and electrical machinery and the food machinery.

<Production and Procurement>

・Increasing staffing levels at each factory to accommodate the high level of orders.
・Advancing suppliers' BCP initiatives

(Billions of Yen)

	FY25 Result		FY26 Current Forecast		FY26 Revised Forecast	
	Amount	vs net sales	Amount	vs net sales	Amount	vs net sales
Net sales	842.5		1,000.0		1,073.0	
Cost of sales	461.0	54.7%	551.0	55.1%	563.0	52.5%
Gross profit	381.4	45.3%	449.0	44.9%	510.0	47.5%
Selling, general & administrative expenses	190.8	22.7%	230.0	23.0%	216.0	20.1%
Operating profit	190.5	22.6%	219.0	21.9%	294.0	27.4%
Ordinary profit	235.5	28.0%	239.0	23.9%	325.0	30.3%
Profit attributable to owners of parent	167.3	19.9%	170.0	17.0%	238.0	22.2%
Average exchange rate						
USD	150.64		155.00		158.00	
EUR	174.60		183.00		181.00	
CNY	21.21		22.70		23.60	
Capital expenditures	150.2		100.0		100.0	
Depreciation	44.8		62.3		62.3	
R&D expenses	39.9		47.0		47.0	
Annual dividends per share (Yen)	1,000		1,000		1,000	

Mid-Long term Priority Measures and Measures for FY2026

Mid-Long term Priority Measures

1. Sales Strategies Based on Our Strengths
→ Sales Growth and Market Share Expansion

- Comprehensive coverage of global markets with the wide global footprint
- Sales as a product group with our wide product lineup and short delivery lead time system

2. Aggressive Capex → Differentiation from Competitors and Improving Competitiveness

- Product supply capacity : To make necessary investments steadily regardless of business conditions
- Production Diversification: Sustainable and resilient product supply system
- Human Capital Investment : To maintain and acquire talented human resources globally and to increase productivity

3. Establish a System for Developing Products that Meet the Performance Required by Customers

- Never miss a sales opportunity through rapid product development in response to customer requests
- Continue to enhance compact and lightweight product lines and environmentally friendly products
- Providing products and services that help customers reduce their CO2 emissions

Measures for FY2026

<Sales>

1. Deeper Penetration (customer proposal capabilities & relationship enhancement)
2. Building and Strengthening a Market-leading Competitive Force
3. Strengthening Supply Capabilities

<Production>

1. Production Strategy for Innovation and Business Expansion
2. Contribution to a Sustainable Society
3. Enhancement of BCP framework

<Development>

1. Acceleration of Product Development
2. Cost Reduction of Products
3. Global Collaboration and Acquiring Talented Human Resources

SMC Market Share by Region

FY2025 market shares largely flat overall, with gains in Greater China, particularly in the high-end segment, despite intensifying competition.

	'21	'22	'23	'24	'25
Rate(¥/$)	(112.39)	(135.56)	(144.58)	(152.59)	(150.64)
Japan	63	62	62	62	62
North America	32	33	34	32	33
Europe	23	23	22	22	22
Greater China	43	40	36	35	36
Other Asia	55	53	53	54	54
Global Total	39	37	35	35	36

※Greater China : China, Taiwan and Hong Kong

CAPEX

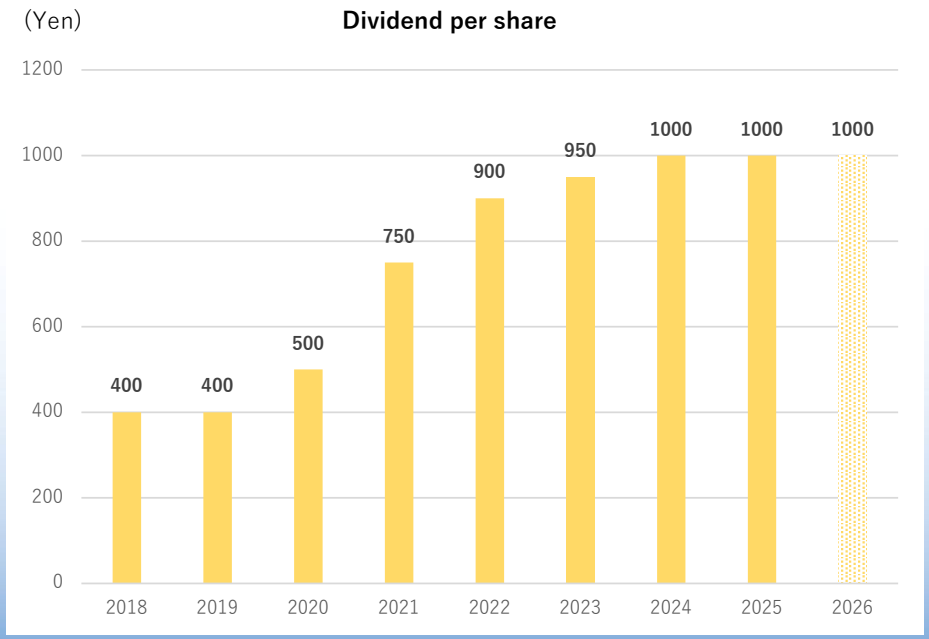
32.8 billion yen of the 100 billion yen capex plan was completed by the end of Q2. Invested in warehouse facilities at factories in Japan, the CTC (China Technical Center), and other facilities. Capex for the next fiscal year is expected to be just under 100 billion yen.

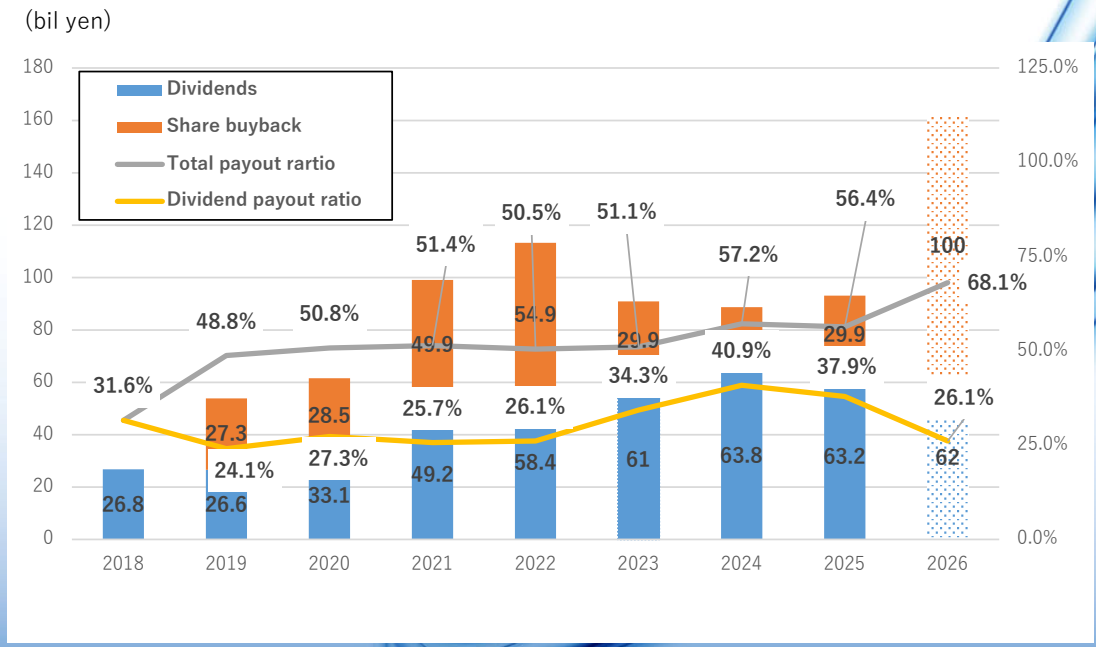
(Billions of Yen)		FY26 Plan		FY26 2Q	
Function	Region	Plan	Item	Result	Item
PRD	Japan	34.7	Soka Fac. Shimotsuma Fac. Tsukuba Fac. Tono Fac & SP. Others	11.0	Soka Fac. Shimotsuma Fac. Tsukuba Fac. Tono Fac & SP. Others
	Overseas	29.6	Vietnam Mfg China Mfg(s) Singapore Mfg Others	12.7	Vietnam Mfg China Mfg(s) Singapore Mfg Others
Admin. R&D Sales Logistics	Japan	6.6	JTC Others	2.7	JTC Others
	Overseas	29.1	SMC China (Sales) SMC Taiwan SMC Australia SMC Germany European Warehouse SMC Romania Others	6.4	SMC China (Sales) SMC Taiwan SMC Australia SMC Germany European Warehouse SMC Romania Others
Total		100.0		32.8	

Shareholder Returns Policy

Enhancing shareholder returns through stable dividends as the core policy, combined with flexible share buybacks depending on circumstances.
Share buybacks of up to 50 billion yen approved by the Board of Directors meeting on November 13, 2026.

<Overview of FY2026 Share Buybacks >
May 14: Share buybacks of up to 50 billion yen approved by the Board (Completed in September)
November 13: Share buybacks of up to 50 billion approved by the Board → Total payout ratio if fully executed : 68.1%






SMC
Supporting Automation

Presentation of Financial Results for the Second Quarter Ended September 30, 2026

SMC Corporation

Kyoichi Miyazaki,
Director and Executive Officer
Senior General Manager of Administration Headquarters
General Manager of Finance & Accounting Division

November 13, 2026



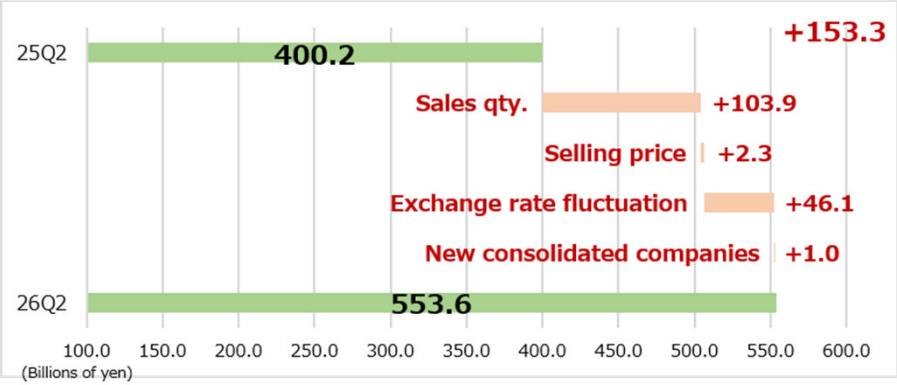
Consolidated Statement of Income

(Billions of Yen)

	FY25/2Q Result		FY26/2Q Result		YoY (25/2Q vs 26/2Q)		FY26 Forecast		FY26 1Q		FY26 2Q		QoQ (26/1Q vs 26/2Q)	
	Amount	vs net sales	Amount	vs net sales	Amount	%	Amount	vs net sales	Amount	vs net sales	Amount	vs net sales	Amount	%
Net sales	400.2		553.6		153.3	38.3%	1,000.0		270.9		282.6		11.6	4.3%
Cost of sales	219.2	54.8%	288.3	52.1%	69.1	31.5%	551.0	55.1%	144.0	53.2%	144.2	51.0%	0.2	0.2%
Gross profit	181.0	45.2%	265.2	47.9%	84.2	46.5%	449.0	44.9%	126.9	46.8%	138.3	49.0%	11.4	9.0%
Selling, general & administrative expenses	90.2	22.5%	107.3	19.4%	17.0	18.9%	230.0	23.0%	52.9	19.5%	54.4	19.2%	1.4	2.8%
Operating profit	90.7	22.7%	157.9	28.5%	67.1	74.0%	219.0	21.9%	73.9	27.3%	83.9	29.7%	9.9	13.5%
Ordinary profit	107.9	27.0%	173.2	31.3%	65.2	60.5%	239.0	23.9%	91.7	33.9%	81.4	28.8%	-10.3	-11.3%
Profit attributable to owners of parent	79.1	19.8%	128.9	23.3%	49.7	62.9%	170.0	17.0%	67.8	25.0%	61.1	21.6%	-6.7	-9.9%
Average exchange rate														
USD	146.02		159.48		+13.46	9.2%	155.00		159.56		159.40		-0.16	-0.1%
EUR	168.05		184.42		+16.37	9.7%	183.00		185.40		183.43		-1.97	-1.1%
CNY	20.29		23.53		+3.24	16.0%	22.70		23.44		23.63		+0.19	0.8%
							(Progress)							
Depreciation	20.1		26.3		6.1	30.6%	62.3	42.3%						
R&D expenses	17.6		24.0		6.4	36.5%	47.0	51.1%						

[YoY] Factors of Change of Net Sales and Operating Profit

①Net Sales



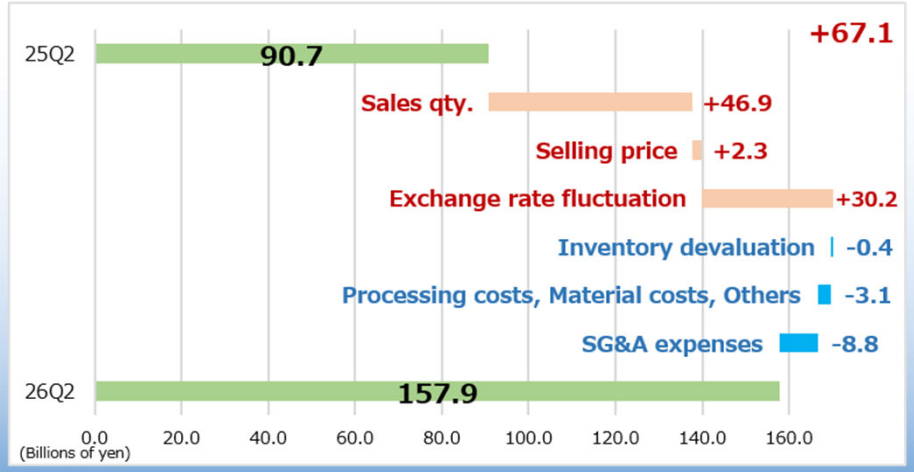
(Billions of yen)

< Sales qty. > 26.0% Increase
Japan +16.7 (+21%), North America +6.1 (+12%), Europe +7.7 (+10%), Greater China +50.5 (+42%), Other Asia +22.6 (+37%)

< Selling price > 0.6% Increase
Japan +1.9, Overseas +0.4

< Exchange rate fluctuation > 11.5% Increase
North America (mainly USD) +6.2
Europe (mainly EUR) +7.3
Greater China (mainly CNY) +24.7

②Operating Profit



< Exchange rate fluctuation >
From transaction (Foreign currency export & import) +19.4
From conversion (Overseas subs P&L conversion) +10.7

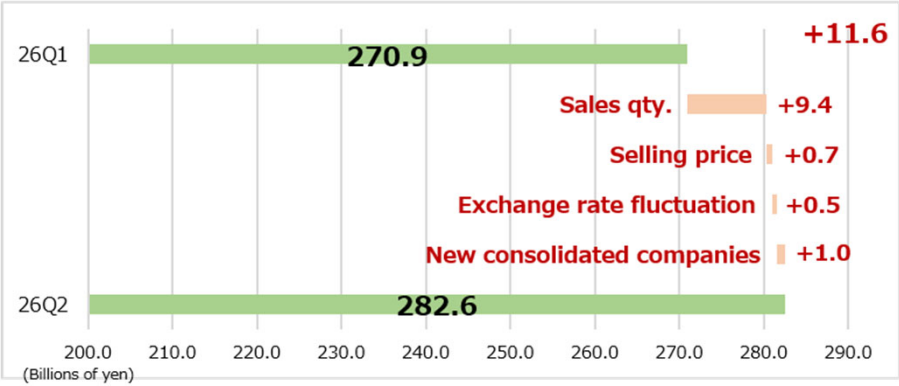
< Inventory devaluation >
25/2Q Devaluation +1.2 → 26/2Q Devaluation +0.8 = Change -0.4

< Processing costs, Material costs, Others >
Processing costs increased
Costs decreased as a result of a portion of the U.S. tariff refund being allocated as a reduction to cost.

< SG&A expenses >
Personnel expenses -3.0, Freight and Logistics expenses -2.4, R&D -1.2

[QoQ] Factors of Change of Net Sales and Operating Profit

①Net Sales



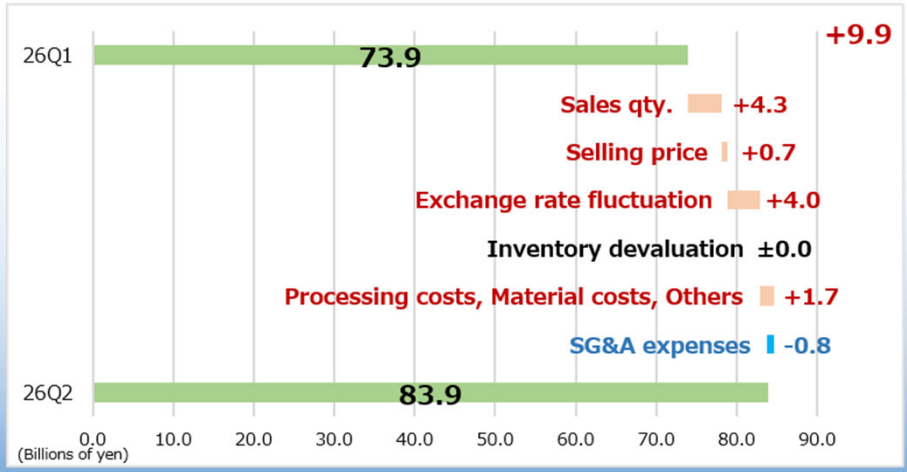
(Billions of yen)

< Sales qty. > 3.5% Increase
Japan +2.4 (+5%), North America +2.9 (+9%), Europe +0.7 (+2%),
Greater China +0.2 (±0%), Other Asia +2.4 (+6%)

< Selling price > 0.3% Increase
Japan -0.4, Overseas +1.2

< Exchange rate fluctuation > 0.2% Increase
North America (mainly USD) ±0.0
Europe (mainly EUR) -0.6
Greater China (mainly CNY) +0.5

②Operating Profit



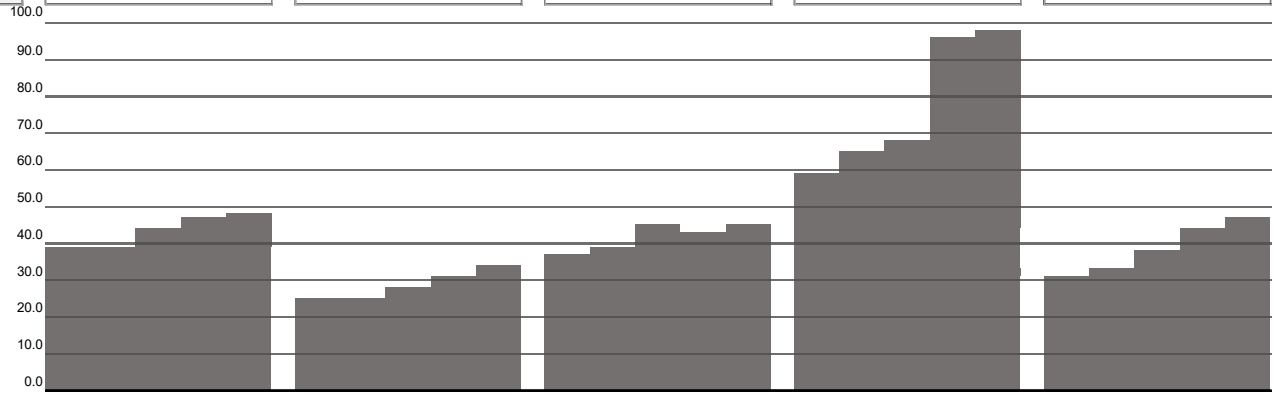
< Exchange rate fluctuation >
From transaction (Foreign currency export & import) +1.1
From conversion (Overseas subs P&L conversion) +2.9

< Inventory devaluation >
26/1Q Devaluation +0.4 → 26/2Q Devaluation +0.4 = Change ±0.0

< SG&A expenses >
Taxes and dues -0.8

[Quarterly] Consolidated Net Sales by Location

Sales Ratio	Japan	North America	Europe	Greater China	Other Asia
	17%	12%	16%	35%	17%



		Consolidated					Japan					North America					Europe					Greater China					Other Asia				
		FY25			FY26		FY25			FY26		FY25			FY26		FY25			FY26		FY25			FY26		FY25			FY26	
		2Q	3Q	4Q	1Q	2Q	2Q	3Q	4Q	1Q	2Q	2Q	3Q	4Q	1Q	2Q	2Q	3Q	4Q	1Q	2Q	2Q	3Q	4Q	1Q	2Q	2Q	3Q	4Q	1Q	2Q
Net Sales (Bil. of Yen)		**200.0**	**209.6**	**232.6**	**270.9**	**282.6**	**39.5**	**39.3**	**44.8**	**47.7**	**48.6**	**25.9**	**25.1**	**28.6**	**31.2**	**34.1**	**37.7**	**39.9**	**45.4**	**43.8**	**45.9**	**59.5**	**65.8**	**68.9**	**96.7**	**98.7**	**31.0**	**33.0**	**38.2**	**44.3**	**47.7**
Ratio of Sales by Industry	Semiconductor	19%	19%	21%	26%	28%	21%	22%	25%	30%	34%	11%	12%	14%	14%	13%	9%	9%	8%	11%	11%	23%	22%	25%	30%	35%	33%	34%	40%	43%	43%
	Electric	12%	13%	13%	13%	13%	10%	10%	10%	10%	9%	3%	5%	4%	5%	6%	3%	4%	4%	4%	5%	23%	24%	25%	23%	22%	13%	14%	13%	12%	12%
	Automobile	17%	17%	16%	16%	14%	18%	18%	16%	15%	14%	21%	20%	19%	19%	19%	11%	11%	10%	10%	9%	21%	22%	22%	19%	16%	16%	16%	15%	15%	15%
	Machine tools	10%	10%	10%	10%	9%	11%	10%	9%	10%	10%	8%	7%	7%	7%	7%	13%	12%	12%	11%	11%	11%	10%	10%	10%	10%	13%	12%	10%	10%	11%
	Food	7%	7%	7%	6%	6%	6%	6%	5%	5%	5%	12%	13%	12%	11%	10%	13%	13%	14%	13%	12%	4%	4%	3%	3%	3%	3%	3%	3%	2%	2%
	Medical	6%	6%	5%	5%	5%	5%	5%	4%	4%	4%	10%	8%	9%	8%	8%	11%	11%	11%	10%	9%	5%	5%	4%	4%	4%	2%	2%	2%	2%	2%
	Other	29%	28%	28%	24%	25%	29%	29%	31%	26%	24%	35%	35%	35%	36%	37%	40%	40%	41%	41%	43%	13%	13%	11%	11%	10%	20%	19%	17%	16%	15%
Production Base							Soka and etc., total of 6 factories					USA, Indiana					Czech					Beijing・Tianjin					Vietnam・Singapore・India				
R&D Base							Kashiwa City, Chiba Prefecture					USA					UK・Germany					Beijing					—				
Foreign Exchange Sensitivity (1 %)*		4.83 bil. yen					–					USD 0.15 bil. yen					EUR 0.92 bil. yen					CNY 1.93 bil. yen					KRW 0.55 bil. yen				

*Impact to operating profit from 1% exchange rate change (Yearly conversion)

Consolidated Balance Sheet

(Billions of Yen)

	FY25	FY26/2Q	Change	
Assets	2,311.8	2,360.1	48.3	2.1%
Current assets	1,504.2	1,584.4	80.2	5.3%
(①Cash and deposits)	(663.8)	**(689.1)**	(25.2)	(3.8%)
(Notes and accounts receivable-trade)	(235.3)	(289.0)	(53.6)	(22.8%)
(②Securities)	(47.8)	**(46.6)**	(-1.1)	(-2.4%)
(Inventories)	(506.6)	(518.1)	(11.4)	(2.3%)
Non-current assets	807.5	775.6	-31.8	-3.9%
(③Investment securities with fair value)	(121.1)	**(75.9)**	(-45.1)	(-37.3%)
*Cashable Financial Assets ①+②+③-④	827.8	811.8	-15.9	-1.9%
Liabilities	196.5	208.8	12.2	6.2%
Current liabilities	145.6	161.3	15.6	10.7%
(Notes and accounts payable-trade)	(31.8)	(39.3)	(7.5)	(23.6%)
(④Borrowings)	(5.0)	(0.0)	(-5.0)	(-100.0%)
Non-current liabilities	50.9	47.4	-3.4	-6.8%
Net assets	2,115.2	2,151.3	36.1	1.7%
Equity-to-asset ratio	91.5%	91.1%	-0.3	
Net assets per share (yen)	33,498	34,509	+1,010	
ROE	8.3%	6.0%	(※Yearly conversion 12.1%)	

(Billions of Yen)

	FY25	FY26/2Q	Change
Total inventory	506.6	518.1	11.4
Merchandise and finished goods	198.4	188.9	-9.4
Work in process	33.2	36.7	3.4
Raw materials and supplies	274.9	292.4	17.4

Impact due to consolidation expansion	0.8
Impact due to exchange rate fluctuation	-0.3
Impact due to inventory devaluation	0.8
Actual change	**10.0**

FY average monthly sales ratio	7.2	5.6	-1.6
Closing month sales ratio	5.9	5.5	-0.4
Closing exchange rate			
USD	159.93	157.33	-2.60
EUR	183.44	178.30	-5.14
CNY	23.12	23.45	+0.33

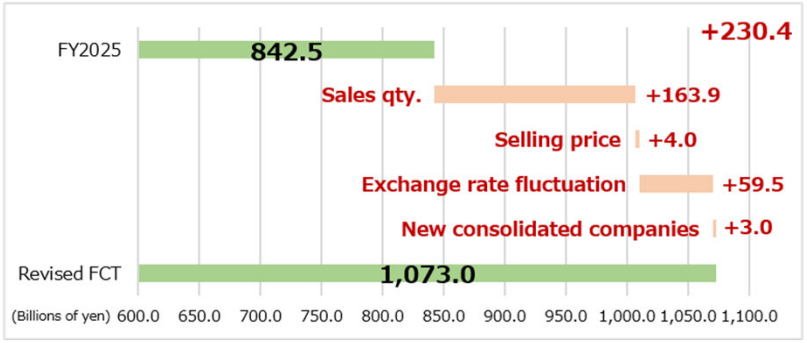
Revision of Forecast

(Billions of Yen)

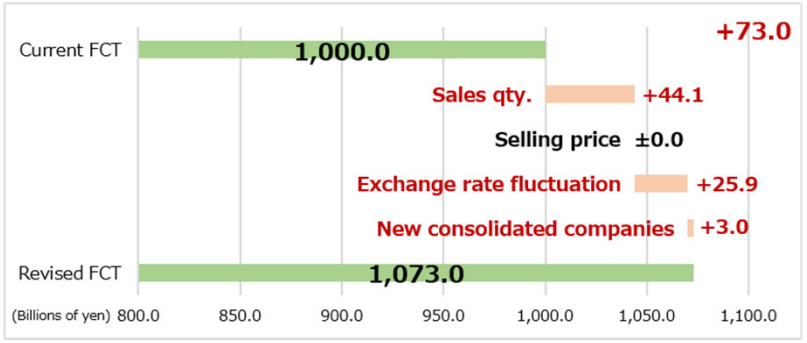
	FY25 Result		FY26 Current Forecast		FY26 Revised Forecast		vs FY25 (FY25 vs Revised Forecast)		vs Current Forecast (Current vs Revised Forecast)	
	Amount	vs net sales	Amount	vs net sales	Amount	vs net sales	Amount	%	Amount	%
Net sales	842.5		1,000.0		1,073.0		230.4	27.4%	73.0	7.3%
Cost of sales	461.0	54.7%	551.0	55.1%	563.0	52.5%	101.9	22.1%	12.0	2.2%
Gross profit	381.4	45.3%	449.0	44.9%	510.0	47.5%	128.5	33.7%	61.0	13.6%
Selling, general & administrative expenses	190.8	22.7%	230.0	23.0%	216.0	20.1%	25.1	13.2%	-14.0	-6.1%
Operating profit	190.5	22.6%	219.0	21.9%	294.0	27.4%	103.4	54.3%	75.0	34.2%
Ordinary profit	235.5	28.0%	239.0	23.9%	325.0	30.3%	89.4	38.0%	86.0	36.0%
Profit attributable to owners of parent	167.3	19.9%	170.0	17.0%	238.0	22.2%	70.6	42.3%	68.0	40.0%
Average exchange rate										
USD	150.64		155.00		158.00		+7.36	4.9%	+3.00	1.9%
EUR	174.60		183.00		181.00		+6.40	3.7%	-2.00	-1.1%
CNY	21.21		22.70		23.60		+2.39	11.3%	+0.90	4.0%
Capital expenditures	150.2		100.0		100.0		-50.2	-33.4%	0.0	0.0%
Depreciation	44.8		62.3		62.3		17.4	38.9%	0.0	0.0%
R&D expenses	39.9		47.0		47.0		7.0	17.5%	0.0	0.0%
Annual dividends per share (Yen)	1,000		1,000		1,000		0		0	

Comparison of Revised Forecast with FY25 and Current Forecast

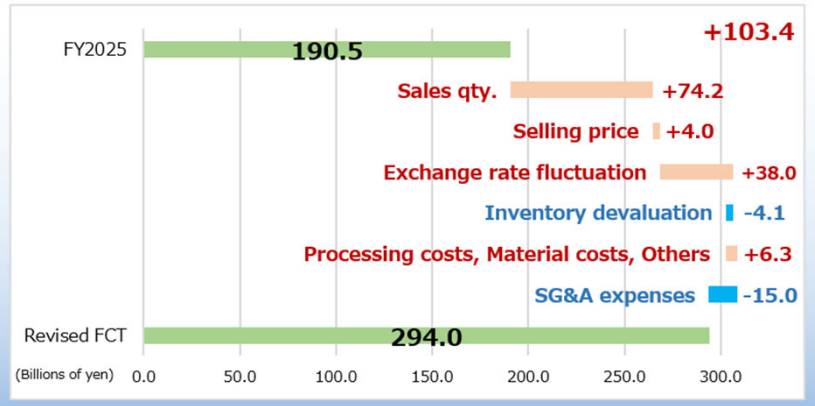
①【vs FY25】Net Sales



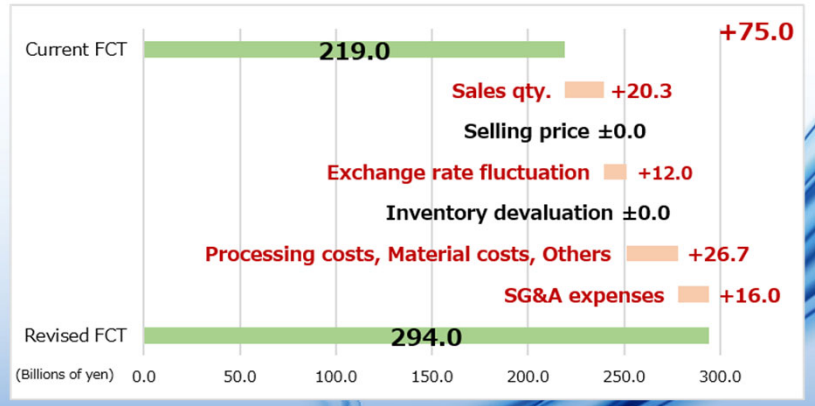
③【vs Current FCT】Net Sales



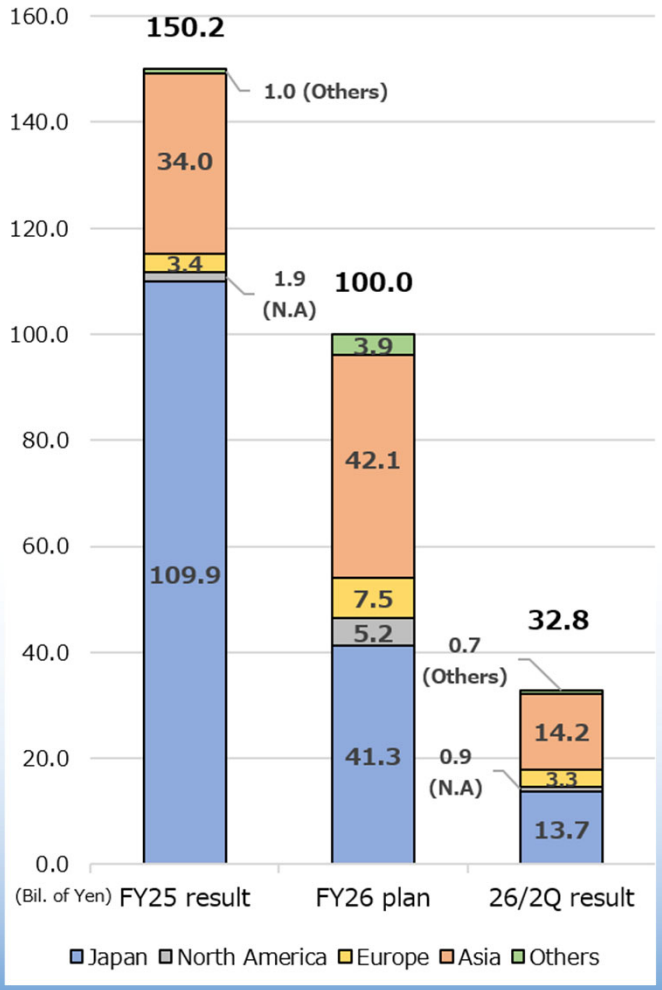
②【vs FY25】Operating Profit



④【vs Current FCT】Operating Profit



Capital Expenditures

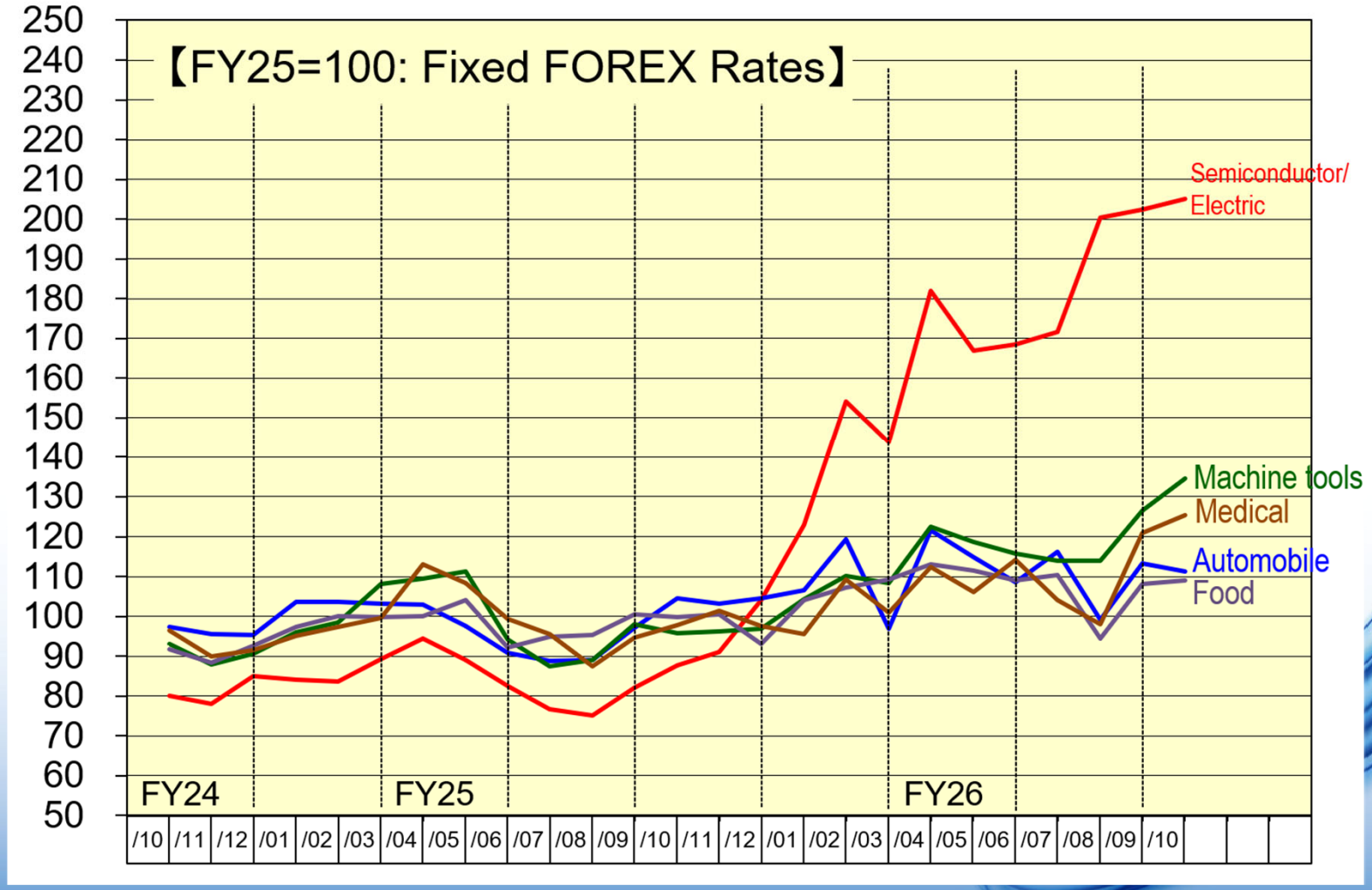


(Billions of Yen)		FY26 Plan		FY26 2Q	
Function	Region	Plan	Item	Result	Item
PRD	Japan	34.7	Soka Fac. Shimotsuma Fac. Tsukuba Fac. Tono Fac & SP. Others	11.0	Soka Fac. Shimotsuma Fac. Tsukuba Fac. Tono Fac & SP. Others
	Overseas	29.6	Vietnam Mfg China Mfg(s) Singapore Mfg Others	12.7	Vietnam Mfg China Mfg(s) Singapore Mfg Others
Admin. R&D Sales Logistics	Japan	6.6	JTC Others	2.7	JTC Others
	Overseas	29.1	SMC China (Sales) SMC Taiwan SMC Australia SMC Germany European Warehouse SMC Romania Others	6.4	SMC China (Sales) SMC Taiwan SMC Australia SMC Germany European Warehouse SMC Romania Others
Total		100.0		32.8	

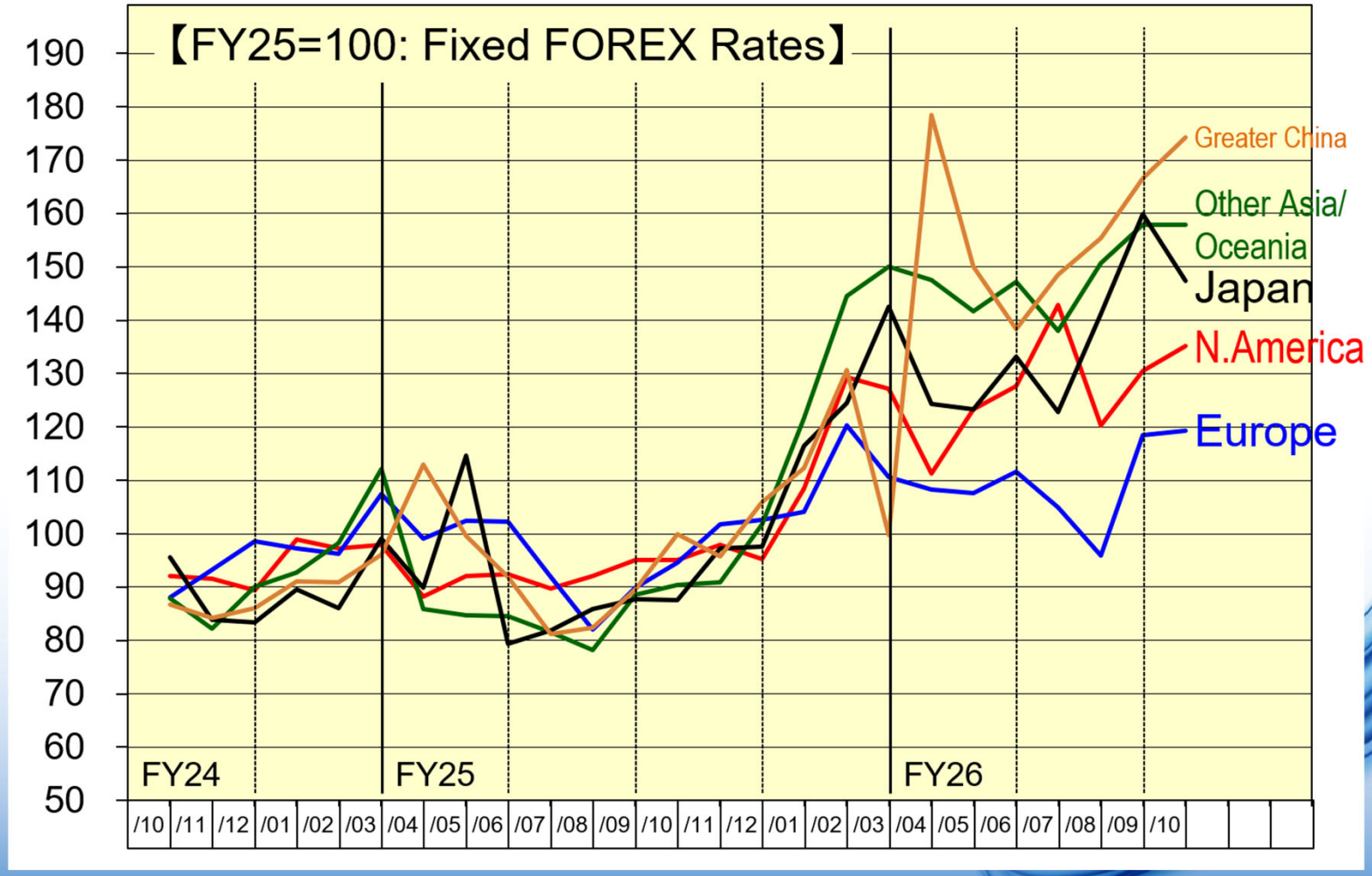
Current Order Situation (FY25=100)

		FY26	'26/1Q	'26/2Q	'26/10	26/10 Situation
Consolidated	Semiconductor/Electric	185	173	191	205	[Increase] Greater China, Other Asia [Pause] Japan, North America
	Automobile	112	115	110	111	[Increase] Japan, North America [Pause] Greater China
	Machine tools	121	119	118	134	[Increase] Japan, Greater China, Other Asia
	Food	108	111	105	109	[Increase] Japan, Other Asia
	Medical	112	111	108	125	[Increase] Europe, Greater China
	Other	116	113	116	128	
Japan		138	127	140	147	[Increase] Automobile, Machine tools [Pause] Semiconductor
North America		127	121	132	135	[Increase] Automobile [Pause] Semiconductor
Europe		109	109	107	119	[Increase] Medical [Slowdown] Semiconductor
Greater China		159	156	157	174	[Increase] Semiconductor, Machine tools, Medical
Other Asia/Oceania		149	146	149	158	[Increase] Semiconductor, Machine tools, Food
Consolidated		140	135	140	151	

Consolidated Orders Trend by Industry



Consolidated Orders Trend by Region



Monthly Orders Trend

	July	August	September	October
Semiconductor/Electric	172	200	202	205
Automobile	116	99	113	111
Machine tools	114	114	127	134
Food	110	94	108	109
Medical	104	98	121	125
Other	112	111	123	128

	July	August	September	October
Japan	123	141	160	147
North America	143	120	131	135
Europe	105	96	118	119
Greater China	149	155	167	174
Other Asia/Oceania	138	151	158	158
Consolidated	134	136	150	151

This document contains projections concerning future performance estimates of SMC. These statements are information available at the time of the compiling of this report and may include potential risks and unforeseen factors. Accordingly, please be aware that actual results may change considerably according to multiple factors that influence the industrial market.

Thank you for your time and attention

