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May 14, 2025

Company name: SMK Corporation
Name of representative: Yasumitsu Ikeda,
President, Chief Executive Officer and Chief
Operating Officer
(Securities code: 6798; Tokyo Stock Exchange
Prime Market)
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Chief Financial Officer
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(Corrections / Corrections of Numerical Data)
Notice of partial correction to Consolidated Financial Results
for the Year Ended March 31, 2025 [Japanese GAAP]

SMK Corporation (the “Company”) hereby announces that there have been corrections made to the "Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]" released on May 8, 2025. As numerical data (XBRL) has also been corrected, the corrected numerical data is also sent.

1. Reasons for the correction

In Consolidated Financial Results for the Year Ended March 31, 2025, there were some items that needed to be corrected in the calculation of tax expenses, etc., and are therefore making corrections to the relevant.

2. Corrected portions

Corrected portions are underlined. Due to the multiple corrections, only the full text after the corrections have been made is given.

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◀After correction▶

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 8, 2025

Company name: SMK Corporation

Stock exchange listing: Tokyo Stock Exchange Prime Market

Code number: 6798

URL: <https://www.smk.co.jp>

Representative: Yasumitsu Ikeda, President, Chief Executive Officer and Chief Operating Officer

Contact: Itaru Kitahira, Vice President, Chief Financial Officer

Phone: +81-3-3785-1111

Scheduled date of annual general meeting of shareholders: June 24, 2025

Scheduled date of commencing dividend payments: June 25, 2025

Scheduled date of filing annual securities report: June 23, 2025

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, 2025 (April 1, 2024 - March 31, 2025)

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

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-------------|--------|------------------|---|-----------------|--------|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| March 31, 2025 | 48,051 | 3.3 | (220) | — | 549 | 142.9 | (1,884) | — |
| March 31, 2024 | 46,522 | (15.2) | (1,243) | — | 226 | (91.0) | (489) | — |

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

Fiscal year ended March 31, 2024: ¥1,355 million [(25.4)%]

| Fiscal year ended | 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 |
|-------------------|--------------------------|----------------------------|------------------|--|--|
| | Yen | Yen | % | % | % |
| March 31, 2025 | (297.39) | — | (6.1) | 0.9 | (0.5) |
| March 31, 2024 | (75.00) | — | (1.5) | 0.4 | (2.7) |

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

Fiscal year ended March 31, 2025: ¥71 million

Fiscal year ended March 31, 2024: ¥1 million

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of March 31, 2025 | 57,684 | 29,221 | 50.7 | 4,612.02 |
| As of March 31, 2024 | 58,444 | 32,143 | 55.0 | 5,070.15 |

(Reference) Equity: As of March 31, 2025: ¥29,221 million

As of March 31, 2024: ¥32,143 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, 2025 | 2,439 | (2,216) | 286 | 10,415 |
| March 31, 2024 | 3,719 | (1,617) | (478) | 10,197 |

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 | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Million yen | % | % |
| March 31, 2024 | – | 50.00 | – | 50.00 | 100.00 | 649 | – | 2.0 |
| March 31, 2025 | – | 50.00 | – | 90.00 | 140.00 | 894 | – | 2.9 |
| March 31, 2026 (Forecast) | – | 50.00 | – | 50.00 | 100.00 | | – | |

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025:

Common dividend: ¥50.00

Commemorative dividend for SMK 100th Anniversary: ¥40.00

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

(% 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 | 22,000 | (6.8) | (400) | – | (150) | – | (300) | – | (47.35) |
| Full year | 46,000 | (4.3) | 500 | – | 1,000 | 82.0 | 600 | – | 94.70 |

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: Non
 Excluded: One (Company name: SMK Manufacturing, Inc.)
- (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, 2025: 7,200,000 shares
 March 31, 2024: 7,200,000 shares
- 2) Total number of treasury stock at the end of the period:
 March 31, 2025: 863,954 shares
 March 31, 2024: 860,296 shares
- 3) Average number of shares during the period:
 Fiscal year ended March 31, 2025: 6,337,901 shares
 Fiscal year ended March 31, 2024: 6,525,280 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, 2025 (April 1, 2024 - March 31, 2025)

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

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-------------|-------|------------------|---|-----------------|---|-------------|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Fiscal year ended | | | | | | | | |
| March 31, 2025 | 22,973 | 1.0 | (1,434) | — | 1,069 | — | (227) | — |
| March 31, 2024 | 22,743 | (8.8) | (1,449) | — | (630) | — | (1,196) | — |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen | Yen |
| March 31, 2025 | (35.80) | — |
| March 31, 2024 | (183.04) | — |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of March 31, 2025 | 46,747 | 23,459 | 50.2 | 3,694.01 |
| As of March 31, 2024 | 45,926 | 24,429 | 53.2 | 3,845.03 |

(Reference) Equity: As of March 31, 2025: ¥23,459 million
 As of March 31, 2024: ¥24,429 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 23, 2025. 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.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 10,258 | 10,475 |
| Notes receivable - trade | 50 | 4 |
| Electronically recorded monetary claims - operating | 3,132 | 2,710 |
| Accounts receivable - trade | 10,039 | 11,221 |
| Merchandise and finished goods | 3,424 | 2,909 |
| Work in process | 592 | 517 |
| Raw materials and supplies | 5,240 | 4,246 |
| Other | 1,150 | 1,151 |
| Allowance for doubtful accounts | (64) | (85) |
| Total current assets | 33,824 | 33,149 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 20,697 | 21,036 |
| Accumulated depreciation and impairment | (16,451) | (16,885) |
| Buildings and structures, net | 4,245 | 4,151 |
| Machinery, equipment and vehicles | 25,851 | 22,609 |
| Accumulated depreciation and impairment | (23,020) | (19,960) |
| Machinery, equipment and vehicles, net | 2,830 | 2,649 |
| Tools, furniture and fixtures | 18,966 | 17,031 |
| Accumulated depreciation and impairment | (18,011) | (16,009) |
| Tools, furniture and fixtures, net | 954 | 1,022 |
| Land | 5,819 | 5,819 |
| Leased assets | 39 | 3 |
| Accumulated depreciation and impairment | (35) | (0) |
| Leased assets, net | 3 | 3 |
| Right of use assets | 2,314 | 2,257 |
| Accumulated depreciation and impairment loss | (880) | (1,308) |
| Right of use assets, net | 1,434 | 948 |
| Construction in progress | 39 | 159 |
| Total property, plant and equipment | 15,328 | 14,754 |
| Intangible assets | | |
| Other | 130 | 202 |
| Total intangible assets | 130 | 202 |
| Investments and other assets | | |
| Investment securities | 4,327 | 4,205 |
| Long-term loans receivable | 90 | 87 |
| Retirement benefit asset | 3,788 | 4,247 |
| Deferred tax assets | 149 | 241 |
| Other | 900 | 890 |
| Allowance for doubtful accounts | (94) | (94) |
| Total investments and other assets | 9,160 | 9,578 |
| Total non-current assets | 24,619 | 24,535 |
| Total assets | 58,444 | 57,684 |

(Million yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 2,643 | 3,206 |
| Electronically recorded obligations - operating | 2,058 | 1,005 |
| Short-term borrowings | 5,840 | 7,040 |
| Lease liabilities | 504 | 462 |
| Accounts payable - other | 1,801 | 2,690 |
| Income taxes payable | 270 | 198 |
| Provision for bonuses | 572 | 581 |
| Provision for bonuses for directors (and other officers) | 1 | 3 |
| Valuation reserve for inventory purchase commitments | 107 | 6 |
| Other | 1,571 | 1,452 |
| Total current liabilities | 15,371 | 16,647 |
| Non-current liabilities | | |
| Long-term borrowings | 7,022 | 7,282 |
| Lease liabilities | 997 | 830 |
| Deferred tax liabilities | 2,005 | 2,575 |
| Provision for retirement benefits for directors (and other officers) | 132 | 124 |
| Retirement benefit liability | 37 | 297 |
| Provision for share awards for directors (and other officers) | 27 | 24 |
| Other | 705 | 679 |
| Total non-current liabilities | 10,929 | 11,815 |
| Total liabilities | 26,300 | 28,462 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 7,996 | 7,996 |
| Capital surplus | 12,057 | 12,057 |
| Retained earnings | 13,253 | 10,731 |
| Treasury shares | (3,030) | (3,032) |
| Total shareholders' equity | 30,276 | 27,752 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,159 | 969 |
| Deferred gains or losses on hedges | (70) | 16 |
| Foreign currency translation adjustment | (497) | (812) |
| Remeasurements of defined benefit plans | 1,274 | 1,296 |
| Total accumulated other comprehensive income | 1,866 | 1,469 |
| Total net assets | 32,143 | 29,221 |
| Total liabilities and net assets | 58,444 | 57,684 |

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Net sales | 46,522 | 48,051 |
| Cost of sales | 39,094 | 38,800 |
| Gross profit | 7,427 | 9,250 |
| Selling, general and administrative expenses | 8,671 | 9,470 |
| Operating loss | (1,243) | (220) |
| Non-operating income | | |
| Interest income | 102 | 172 |
| Dividend income | 64 | 52 |
| Rental income from real estate | 987 | 1,023 |
| Foreign exchange gains | 1,089 | 54 |
| Other | 201 | 362 |
| Total non-operating income | 2,445 | 1,665 |
| Non-operating expenses | | |
| Interest expenses | 156 | 221 |
| Rental costs on real estate | 581 | 593 |
| Loss on investments in investment partnerships | 112 | – |
| Provision of allowance for doubtful accounts | 5 | – |
| Other | 119 | 80 |
| Total non-operating expenses | 975 | 895 |
| Ordinary profit | 226 | 549 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 183 | 7 |
| Gain on sale of investment securities | 273 | – |
| Other | 1 | – |
| Total extraordinary income | 459 | 7 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | – | 0 |
| Loss on retirement of non-current assets | 72 | 83 |
| Impairment losses | 562 | 497 |
| Loss on valuation of investment securities | 1 | 69 |
| Extra retirement payments | 102 | – |
| Business structure reform expenses | – | 869 |
| Total extraordinary losses | 739 | 1,520 |
| Loss before income taxes | (53) | (963) |
| Income taxes - current | 233 | 366 |
| Income taxes for prior periods | – | 65 |
| Income taxes - deferred | 201 | 489 |
| Total income taxes | 435 | 921 |
| Loss | (489) | (1,884) |
| Loss attributable to owners of parent | (489) | (1,884) |

Consolidated Statements of Comprehensive Income

(Million yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Loss | (489) | <u>(1,884)</u> |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 385 | (190) |
| Deferred gains or losses on hedges | (70) | 86 |
| Foreign currency translation adjustment | 652 | (315) |
| Remeasurements of defined benefit plans, net of tax | 876 | 21 |
| Total other comprehensive income | 1,844 | <u>(397)</u> |
| Comprehensive income | 1,355 | <u>(2,282)</u> |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,355 | <u>(2,282)</u> |

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total Shareholders' equity |
| Balance at beginning of period | 7,996 | 12,057 | 14,730 | (2,531) | 32,252 |
| Changes during period | | | | | |
| Dividends of surplus | | | (987) | | (987) |
| Loss attributable to owners of parent | | | (489) | | (489) |
| Purchase of treasury shares | | | | (500) | (500) |
| Disposal of treasury shares | | | | 1 | 1 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | – | (1,476) | (498) | (1,975) |
| Balance at end of period | 7,996 | 12,057 | 13,253 | (3,030) | 30,276 |

| | 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 | 773 | – | (1,149) | 397 | 21 | 32,274 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (987) |
| Loss attributable to owners of parent | | | | | | (489) |
| Purchase of treasury shares | | | | | | (500) |
| Disposal of treasury shares | | | | | | 1 |
| Net changes in items other than shareholders' equity | 385 | (70) | 652 | 876 | 1,844 | 1,844 |
| Total changes during period | 385 | (70) | 652 | 876 | 1,844 | (131) |
| Balance at end of period | 1,159 | (70) | (497) | 1,274 | 1,866 | 32,143 |

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) |
| 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) |
| 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 |

(4) Consolidated Statements of Cash Flows

(Million yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from operating activities | | |
| Loss before income taxes | (53) | (963) |
| Depreciation | 2,451 | 2,347 |
| Impairment losses | 562 | 497 |
| Restructuring expenses | – | 869 |
| Increase (decrease) in provision for bonuses | (33) | 10 |
| Increase (decrease) in valuation reserve for inventory purchase commitments | 103 | (100) |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 0 | (8) |
| Increase (decrease) in provision for share awards for directors (and other officers) | (1) | (2) |
| Increase (decrease) in net defined benefit asset and liability | (187) | (133) |
| Interest and dividend income | (167) | (224) |
| Interest expenses | 156 | 221 |
| Loss (gain) on sale of investment securities | (273) | – |
| Loss (gain) on sale of non-current assets | (183) | (6) |
| Loss (gain) on valuation of investment securities | 1 | 69 |
| Loss on retirement of non-current assets | 72 | 83 |
| Loss (gain) on investments in investment partnerships | 112 | (112) |
| Extra retirement payments | 102 | – |
| Decrease (increase) in trade receivables | 1,321 | (932) |
| Decrease (increase) in inventories | 1,440 | 1,599 |
| Increase (decrease) in trade payables | (1,209) | (420) |
| Decrease (increase) in accounts receivable - other | 78 | 4 |
| Increase (decrease) in accounts payable - other | (20) | (4) |
| Other, net | (92) | 43 |
| Subtotal | 4,180 | 2,835 |
| Interest and dividends received | 169 | 226 |
| Interest paid | (169) | (228) |
| Income taxes paid | (387) | (387) |
| Income taxes refund | 28 | – |
| Extra retirement payments | (102) | – |
| Payment for Business restructuring expenses | – | (7) |
| Net cash provided by (used in) operating activities | 3,719 | 2,439 |
| Cash flows from investing activities | | |
| Payments into time deposits | (52) | (40) |
| Proceeds from withdrawal of time deposits | 48 | 40 |
| Purchase of property, plant and equipment | (2,379) | (2,080) |
| Proceeds from sale of property, plant and equipment | 260 | 19 |
| Purchase of intangible assets | (58) | (126) |
| Purchase of investment securities | (87) | (34) |
| Proceeds from sale of investment securities | 634 | – |
| Loan advances | (8) | (9) |
| Proceeds from collection of loans receivable | 23 | 16 |
| Other, net | 2 | 0 |
| Net cash provided by (used in) investing activities | (1,617) | (2,216) |

(Million yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 2,200 | 800 |
| Proceeds from long-term borrowings | 3,300 | 2,000 |
| Repayments of long-term borrowings | (3,991) | (1,340) |
| Repayments of lease liabilities | (504) | (535) |
| Purchase of treasury shares | (498) | (1) |
| Dividends paid | (984) | (636) |
| Net cash provided by (used in) financing activities | (478) | 286 |
| Effect of exchange rate change on cash and cash equivalents | (341) | (291) |
| Net increase (decrease) in cash and cash equivalents | 1,282 | 217 |
| Cash and cash equivalents at beginning of period | 8,915 | 10,197 |
| Cash and cash equivalents at end of period | 10,197 | 10,415 |