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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

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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.)

	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, 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)%]

	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, 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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	—	50.00	—	50.00	100.00	649	—	2.0
Fiscal year ended March 31, 2025	—	50.00	—	90.00	140.00	894	—	2.9
Fiscal year ending 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: None
 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	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
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.

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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.” This period 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 resource investment, cost structural reforms, strengthening of its management base, including integrated production and sales operations. However, the current situation remained challenging, as CS Division performed well but experienced only modest growth, SCI Division remained sluggish due in part to the prolonged inventory adjustments by clients, and Innovation Center continued facing persisting losses caused by delays in the launch of new products and development of new businesses.

As announced on March 25, 2025, the Company has decided to formulate and implement the “structural reform program” in response to the recognized necessity of fundamental initiatives to address the essential challenges it faces, in order to accelerate 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 products in each division and focusing our resources on areas with higher profitability and efficiency. Additional efforts are also underway to optimize the number of personnel and talent portfolio, as well as improvements in the scale efficiency of administrative functions.

During the fiscal year ended March 31, 2025, the global economy was relatively stable against a backdrop of the easing of high inflation and firmness of the U.S. economy. However, the future business climate remains uncertain due to the impact of the Trump administration’s tariff policy, the continued geopolitical risks caused by the prolonged Ukraine crisis and rising tensions in the Middle East, and lack of strength in China’s recovering domestic demand amid the China-U.S. standoff. In addition, against a similar backdrop, dollar-yen exchange rates also remain unstable.

In the electronic components industry, while the market conditions showed a moderate recovery trend overall, they remained somewhat stagnant. 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, sales of smartphones, tablets, and other devices remained firm following a round of inventory adjustments in the products, and sales of artificial intelligence (AI) server-related products expanded. In the home appliance market, sales of digital home appliances, gaming-related devices, and white goods remained firm. In the industry market, the situation remained sluggish although sales of semiconductor manufacturing equipment and FA-related products showed some signs of recovery.

In the fiscal year ended March 31, 2025, sales in CS Division exceeded those of the previous fiscal year, driven by strong performance in car electronics, home appliance, and industry markets. Sales in SCI Division remained unchanged from those of the previous fiscal year, although sales in the car electronics and industry markets decreased year on year while the home appliance market expanded. As a result, net sales amounted to ¥48,051 million (3.3% increase year on year). Operating loss was ¥220 million (compared to operating loss of ¥1,243 million in the previous fiscal year), mainly due to a decline in demand from major customers in the ICT market and the recording of retirement benefit expenses of ¥265 million at SMK Electronica S.A. de C.V., the Company’s production subsidiary in Mexico. Ordinary profit was ¥549 million (142.9% increase year on year), and loss attributable to owners of parent was ¥1,884 million (compared to loss attributable to owners of parent of ¥489 million in the previous fiscal year) by recording business structure reform expenses of ¥869 million associated with the structural reform program.

Results by segment are as follows.

[CS Division]

In the car electronics market, sales exceeded those of the previous fiscal year due to the strong performance in E-Bike-related products, in addition to steady sales of camera-related products. In the home appliance market, sales of amusement-related products expanded and increased year on year. In the industry market, sales significantly exceeded those of the previous fiscal year due to the expansion in renewable energy-related products. Meanwhile, in the ICT market, sales in the first half of the fiscal year under review progressed, exceeding those of the previous fiscal year as tablet-related demand increased. Although sales in tablets and smartphones of some customers slowed down in and after the third quarter, sales increased year on year in CS Division as a whole.

As a result, net sales of CS Division amounted to ¥22,156 million (7.6% increase year on year), and operating profit was ¥1,534 million (40.0% increase year on year).

[SCI Division]

In the home appliance market, sales of remote control units for sanitation, air conditioners, and smart home appliances expanded steadily, exceeding those of the previous fiscal year. In the car electronics market, sales of control units and camera modules remained sluggish through the third quarter, mainly due to the inventory adjustments by major customers and development time lag of new products. In the fourth quarter, however, sales recovered through inventory sell-offs and development-related revenues due to the recovery in demand, and sales remained unchanged from those of the previous fiscal year.

As a result, net sales of SCI Division amounted to ¥25,643 million (0.4% increase year on year), and operating loss was ¥1,308 million (compared to operating loss of ¥2,145 million in the previous fiscal year), despite year-on-year improvement due to efforts to increase sales prices and reduce costs, including material costs.

[Innovation Center]

Regarding Bluetooth[®] modules, the central product of Innovation Center's mainstay wireless communication module businesses, sales for mobile printers and medical devices decreased year on year. Meanwhile, sales of Sub-GHz communication modules for lighting equipment exceeded those of the previous fiscal year, but sales of Innovation Center as a whole decreased year on year.

As a result, net sales of Innovation Center amounted to ¥251 million (36.2% decrease year on year), and operating loss was ¥446 million (compared to operating loss of ¥193 million in the previous fiscal year).

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

Current assets decreased 2.0% from the end of the previous fiscal year to ¥33,149 million. This was mainly due to decreases of ¥514 million in merchandise and finished goods and ¥994 million in raw materials and supplies, despite an increase of ¥1,182 million in accounts receivable - trade. Non-current assets decreased 0.3% from the end of the previous fiscal year to ¥24,535 million. This was mainly due to an increase of ¥459 million in retirement benefit asset, and a decrease of ¥573 million in property, plant and equipment.

As a result, total assets decreased 1.3% from the end of the previous fiscal year to ¥57,684 million.

Current liabilities increased 8.3% from the end of the previous fiscal year to ¥16,647 million. This was mainly due to an increase of ¥1,200 million in short-term borrowings. Non-current liabilities increased 8.1% from the end of the previous fiscal year to ¥11,815 million. This was mainly due to increases of ¥570 million in deferred tax liabilities and ¥259 million in long-term borrowings, and the recording of retirement benefit liability of ¥260 million at SMK Electronica S.A. de C.V., the Company's production subsidiary in Mexico.

As a result, total liabilities increased 8.2% from the end of the previous fiscal year to ¥28,462 million.

Total net assets decreased 9.1% from the end of the previous fiscal year to ¥29,221 million. This was mainly due to decreases of ¥2,522 million in retained earnings and ¥315 million in foreign currency translation adjustment.

(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, 2025 amounted to ¥10,415 million, an increase of ¥217 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, 2025 decreased by ¥1,279 million from the previous fiscal year to ¥2,439 million.

The decrease was mainly offset by ¥2,347 million in depreciation.

(Cash flows from investing activities)

Net cash used in investing activities in the fiscal year ended March 31, 2025 decreased by ¥599 million from the previous fiscal year to ¥2,216 million.

The decrease was mainly attributable to ¥2,080 million in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities increased by ¥764 million from the previous fiscal year to ¥286 million yen.

The increase was mainly attributable to ¥1,460 million in net increase in borrowings, offsetting ¥535 million in repayments of lease liabilities and ¥636 million in dividends paid.

(4) Future Outlook

The global economy is expected to maintain a gradual growth trend, against a backdrop of stabilizing inflation leading to an increase in real income, and other factors. However, the outlook for the future is becoming more uncertain, due in part to the impact of the Trump administration's tariff policy, the rise of nationalistic policies in various countries, the uncertainty surrounding the Chinese economy, and political instability in major European countries. 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, 2026, the Company forecasts net sales of ¥46,000 million, operating profit of ¥500 million, ordinary profit of ¥1,000 million, and profit attributable to owners of parent of ¥600 million. The foreign exchange rate on which the results forecast is assumed is ¥145 per US dollar.

These forecasts are based on the assumptions possible at this point in time, and do not incorporate the impact of additional tariffs by the U.S. as it is still under review. If a significant impact on the forecasts is anticipated, the Company will promptly announce 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, 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)	(1,884)
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	(397)
Comprehensive income	1,355	(2,282)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,355	(2,282)

(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

(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, switches, and camera modules

(Innovation Center)

Manufacture and sale of wireless modules, and development of new businesses

(2) Information on changes in reportable segments

In accordance with the reorganization as of April 1, 2024, the Company integrated Sales Division (Head Quarter) into Product Divisions and Research & Development Center, as well as integrated New Business Creation Unit in Marketing Department into Research & Development Center, reorganizing Innovation Center. Accordingly, from the fiscal year ended March 31, 2025, the name of the reportable segment previously indicated as "Research & Development Center" has been changed to "Innovation Center," and other parts business included in "Others" is now included in "SCI Division" and "Innovation Center." The segment information for the fiscal year ended March 31, 2024 has also been prepared based on the name and classification of the reportable segment after the change.

Regarding the integration of Product Divisions, Research & Development Center, and Sales Division (Head Quarter), it is practically difficult to prepare the segment information for the fiscal year ended March 31, 2024 under the same conditions as that for the fiscal year under review, and therefore reclassified information is not disclosed.

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, 2024 (from April 1, 2023 to March 31, 2024)

(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	20,586	25,541	394	46,522	—	46,522	—	46,522
Inter-segment net sales or transfers	—	—	—	—	—	—	—	—
Total	20,586	25,541	394	46,522	—	46,522	—	46,522
Segment profit (loss) (Operating profit)	1,095	(2,145)	(193)	(1,243)	—	(1,243)	—	(1,243)
Segment assets	12,447	18,335	387	31,171	6,628	37,799	20,644	58,444
Others								
Depreciation	1,478	786	11	2,276	174	2,451	—	2,451
Increase of Property, plant and equipment, and Intangible assets	1,035	1,082	9	2,127	163	2,290	—	2,290

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

2. Adjustment of segment assets of ¥20,644 million is corporate assets that are not allocated to each 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 profit)	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 leasing, 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.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥5,070.15	¥4,612.02
Basic earnings (loss) per share	¥(75.00)	¥(297.39)

- 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 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 profit per share. The number of shares of treasury stock at the end of period excluded from the calculation of net assets per share was 40,800 shares for the fiscal year ended March 31, 2024 and 40,100 shares for the fiscal year ended March 31, 2025. The average number of shares of treasury stock during the period excluded from the calculation of profit per share was 40,917 shares for the fiscal year ended March 31, 2024 and 40,304 shares for the fiscal year ended March 31, 2025.
2. Diluted earnings per share is not provided as there were no potential shares.
3. The basis of calculation of basic earnings per share is as follows:

Item	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Loss attributable to owners of parent (Million yen)	(489)	(1,884)
Amount not attributable to common shareholders (Million yen)	—	—
Loss attributable to owners of parent relating to common shares (Million yen)	(489)	(1,884)
Average number of common shares outstanding during the period (Thousand shares)	6,525	6,337

(Significant subsequent event)

Not applicable.

4. Other Information

(1) Status of Production, Orders Received and Sales

1) Orders received

(Million yen)

Market	For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	7,668	17.6	6,552	13.9	(1,115)	(14.5)
Home appliance	16,326	37.4	19,745	41.8	3,419	20.9
Car electronics	15,825	36.3	16,242	34.4	416	2.6
Industry and other	3,833	8.8	4,675	9.9	842	22.0
Total	43,653	100.0	47,215	100.0	3,562	8.2

2) Sales

(Million yen)

Market	For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Change	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Change (%)
ICT	7,908	17.0	6,949	14.5	(958)	(12.1)
Home appliance	17,500	37.6	19,820	41.2	2,320	13.3
Car electronics	16,599	35.7	16,100	33.5	(499)	(3.0)
Industry and other	4,513	9.7	5,180	10.8	666	14.8
Total	46,522	100.0	48,051	100.0	1,528	3.3

(2) Changes in Officers

1) Change of representative

Not applicable.

2) Changes of other officers (Effective on June 24, 2025)

1. Candidate for new Director

Director

Kotomi Takahashi (currently CEO, Worldwide City Holdings)

2. Director scheduled to resign

Director and Executive Vice President, Transnational New Business, Head of Innovation Center, and in charge of Sales Promotion Department

Tetsuo Hara (scheduled to be appointed to Executive Vice President)