

## Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Under Japanese GAAP]

Company name : SMC Corporation  
 Listing : Tokyo Stock Exchange, Prime Market  
 Securities code : 6273  
 URL : <https://www.smcworld.com/ir/en-jp/>  
 Representative : Yoshiki Takada, President  
 Inquiries : Masahiro Ota, Director and Executive Officer ([disclosure.jp@smc.com](mailto:disclosure.jp@smc.com))  
 Scheduled date to commence dividend payments : —  
 Preparation of supplementary material on financial results : Yes  
 Holding of financial results briefing : Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	590,460	1.3	142,793	(8.0)	166,201	(10.4)	120,382	(12.3)
December 31, 2023	582,619	(7.1)	155,191	(21.5)	185,594	(20.8)	137,304	(21.0)

Note: Comprehensive income For the nine months ended December 31, 2024 : ¥ 149,855 million (17.0%)  
 For the nine months ended December 31, 2023 : ¥ 180,517 million (8.7%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	1,880.28	—
December 31, 2023	2,128.98	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	2,124,567	1,945,898	91.6
March 31, 2024	2,094,559	1,885,871	89.8

Reference: Equity As of December 31, 2024 : ¥ 1,945,841 million  
 As of March 31, 2024 : ¥ 1,881,586 million

### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	450.00	—	500.00	950.00
Fiscal year ending March 31, 2025	—	500.00	—		
Fiscal year ending March 31, 2025 (Forecast)				500.00	1,000.00

Note: Revisions to the forecast of cash dividends most recently announced : None

### 3. Forecasts of consolidated operating results for the year ending March 31, 2025

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Year ending March 31, 2025	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	788,000	1.4	191,000	(2.7)	215,000	(14.3)	151,000	(15.3)	2,358.50

Note: Revisions to the forecast of operating results most recently announced : Yes

#### \* Notes

- (1) Significant changes in the scope of consolidation during the period : None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  1. Changes in accounting policies due to revisions to accounting standards and other regulations : Yes
  2. Changes in accounting policies due to other reasons : None
  3. Changes in accounting estimates : None
  4. Restatement : None

#### (4) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	67,369,359 shares
As of March 31, 2024	67,369,359 shares

2. Number of treasury shares at the end of the period

As of December 31, 2024	3,597,701 shares
As of March 31, 2024	3,235,951 shares

3. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	64,023,565 shares
Nine months ended December 31, 2023	64,492,802 shares

(Note) The Company's shares held by the Board Benefit Trust for the Directors' Stock Compensation Plan (11,200 shares) is included in the number of treasury shares, which is excluded in the calculation for the above: 2. Number of treasury shares at the end of the period and 3. Average number of shares outstanding during the period.

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

#### \* Proper use of earnings forecasts, and other special matters

1. The revised forecasts of operating results for the fiscal year ending March 31, 2025 (consolidated) are shown in this release.
2. Forecasts are based on information and certain premises that the Company considers to be reasonable at the time these consolidated financial results for the nine months are released.  
Some factors could cause actual results to differ from expectations.
3. The Company is scheduled to hold a financial results briefing for institutional investors and analysts on February 14, 2025. Presentation material will be released on the Company's website on the day.

# 1. Qualitative Information about the Quarterly Results

## (1) Operating Results

During the nine months of this fiscal year (April 1, 2024 to December 31, 2024), the outlook of the global economy remained uncertain due to the rising geopolitical risks such as the prolonged conflicts in Ukraine and in the Middle East, the uncertainties of the new U.S. administration, impacts of the continued high interest rate in the U.S. and in Europe, and concerns about the outlook for the Chinese economy.

As for the demand for automatic control equipment, in the semi-conductor and electrical machinery-related industries, even though some strength was seen in the Asian region such as Taiwan, regions including Japan, North America, and Korea remained sluggish than which had been expected. In the automotive-related industry, the global demand for the EV-related was sluggish and capital investments continued to hold back. Machine tool-related industry showed strength in China, however, other regions remained to be in an adjustment phase. Sales to medical equipment-related, food machinery-related, and other industries remained sluggish, despite new demand for automation.

Under these circumstances, the SMC Group has continued to strengthen its product supply capability as well as promoting rationalization and cost reduction. At the same time, the Group has also continued developing new products and proposing solutions to realize low pressure in overall factories which contribute to a significant CO2 emission reduction at customers, aggressively promoting its sales activities to increase its market share, and utilizing its global human resources.

Within the business environment described above, the summary of the nine months' consolidated business results is as follows:

Net sales were 590,460 million yen (increased by 1.3%, yoy). From the geographic point of view, Greater China increased by 8.7%, yoy, a positive effect given by the weak Japanese yen, however, Japan decreased by 2.6% and North America decreased by 6.6%.

Operating profit was 142,793 million yen (decreased by 8.0%, yoy), mainly caused by the increase in the cost ratio due to the decline in capacity utilization resulting from the decrease in production volume.

Ordinary profit was 166,201 million yen (decreased by 10.4%, yoy), mainly due to the decrease in foreign exchange gains.

Profit before income taxes was 166,597 million yen (decreased by 10.7%, yoy), mainly due to the decrease in gain on sale of non-current assets and the increase in loss on retirement of non-current assets, in addition to the above effect. Profit attributable to owners of parent was 120,382 million yen (decreased by 12.3%, yoy).

## (2) Financial Position

Financial position as of the end of the nine months of this fiscal year (December 31, 2024) are as follows:

Total assets were 2,124,567 million yen (a 30,008 million yen or 1.4% increase from the previous fiscal year end). This increase was caused mainly due to the completion of the Company's new head office and capital investments at production sites, resulting a 59,699 million yen increase in property, plant and equipment.

Total liabilities were 178,669 million yen (a 30,018 million yen or 14.4% decrease from the previous fiscal year end), mainly due to a 5,840 million yen decrease in trade payables and an 18,390 million yen decrease in income taxes payable.

Total net assets were 1,945,898 million yen (a 60,027 million yen or 3.2% increase from the previous fiscal year end). This increase was caused mainly due to a 56,317 million yen increase in retained earnings which was mainly caused by the increase in profit attributable to owners of parent and a 25,654 million yen increase in foreign currency translation adjustment by the progress of yen depreciation, despite a 22,777 million yen increase in purchase of treasury shares.

### (3) Consolidated Forecasts and Other Forward-Looking Information

Based on the result for the nine months and the recent order trends, revisions to the consolidated forecast for the fiscal year 2024, announced in the "Consolidated Financial Results for the Six Months Ended September 30, 2024 [Under Japanese GAAP]" issued on November 14, 2024 are made as below.

The average exchange rates for the fiscal year based on the revised forecasts:

1 US\$ = 152 yen (previous forecast 149 yen), 1 EUR = 162 yen (162 yen), and 1 CNY = 21.10 yen (20.80 yen).

#### Revision to the forecasts of consolidated operating results for the fiscal year ending March 31, 2025

(Period from April 1, 2024 through March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previous Forecasts	820,000	214,000	238,000	167,000	2,604.57
<b>Revised Forecasts</b>	<b>788,000</b>	<b>191,000</b>	<b>215,000</b>	<b>151,000</b>	<b>2,358.50</b>
Increase (Decrease)	(32,000)	(23,000)	(23,000)	(16,000)	
% Change	(3.9%)	(10.7%)	(9.7%)	(9.6%)	

<Reference>

Results of the FY 2023 (Year ended March 31, 2024)	776,873	196,226	251,008	178,321	2,766.92
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## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	511,257	566,636
Notes and accounts receivable-trade	217,671	206,308
Securities	33	31,238
Merchandise and finished goods	197,300	187,960
Work in process	37,236	34,442
Raw materials and supplies	285,021	295,013
Other	60,500	39,727
Allowance for doubtful accounts	(1,030)	(1,198)
<b>Total current assets</b>	<b>1,307,990</b>	<b>1,360,128</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	148,360	171,413
Machinery, equipment and vehicles, net	68,166	76,747
Land	90,484	95,313
Other, net	106,547	129,783
<b>Total property, plant and equipment</b>	<b>413,558</b>	<b>473,258</b>
<b>Intangible assets</b>	<b>17,332</b>	<b>17,418</b>
<b>Investments and other assets</b>		
Investment securities	172,436	148,845
Insurance funds	147,188	90,052
Other	37,728	36,556
Allowance for doubtful accounts	(1,675)	(1,691)
<b>Total investments and other assets</b>	<b>355,677</b>	<b>273,762</b>
<b>Total non-current assets</b>	<b>786,568</b>	<b>764,439</b>
<b>Total assets</b>	<b>2,094,559</b>	<b>2,124,567</b>

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	58,818	52,978
Short-term borrowings	7,342	5,043
Income taxes payable	29,316	10,926
Provision for bonuses	5,162	11,424
Other	63,960	56,519
<b>Total current liabilities</b>	<b>164,600</b>	<b>136,891</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,728	—
Provision for retirement benefits for directors	720	494
Provision for share awards for directors	265	403
Retirement benefit liability	8,034	8,454
Other	29,340	32,426
<b>Total non-current liabilities</b>	<b>44,088</b>	<b>41,777</b>
<b>Total liabilities</b>	<b>208,688</b>	<b>178,669</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Share capital	61,005	61,005
Capital surplus	73,342	74,442
Retained earnings	1,716,354	1,772,671
Treasury shares	(194,795)	(217,573)
<b>Total shareholders' equity</b>	<b>1,655,906</b>	<b>1,690,546</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	14,777	19,155
Foreign currency translation adjustment	203,508	229,163
Remeasurements of defined benefit plans	7,394	6,977
<b>Total accumulated other comprehensive income</b>	<b>225,680</b>	<b>255,295</b>
<b>Non-controlling interests</b>	<b>4,284</b>	<b>56</b>
<b>Total net assets</b>	<b>1,885,871</b>	<b>1,945,898</b>
<b>Total liabilities and net assets</b>	<b>2,094,559</b>	<b>2,124,567</b>

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2023 From April 1, 2023 to December 31, 2023	Nine months ended December 31, 2024 From April 1, 2024 to December 31, 2024
<b>Net sales</b>	<b>582,619</b>	<b>590,460</b>
<b>Cost of sales</b>	<b>302,546</b>	<b>318,458</b>
<b>Gross profit</b>	<b>280,072</b>	<b>272,001</b>
<b>Selling, general and administrative expenses</b>	<b>124,881</b>	<b>129,208</b>
<b>Operating profit</b>	<b>155,191</b>	<b>142,793</b>
<b>Non-operating income</b>		
Interest income	13,033	15,315
Foreign exchange gains	13,486	5,518
Other	3,998	2,750
<b>Total non-operating income</b>	<b>30,518</b>	<b>23,584</b>
<b>Non-operating expenses</b>		
Interest expenses	56	60
Other	59	115
<b>Total non-operating expenses</b>	<b>116</b>	<b>175</b>
<b>Ordinary profit</b>	<b>185,594</b>	<b>166,201</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	672	313
Gain on sale of investment securities	555	713
<b>Total extraordinary income</b>	<b>1,228</b>	<b>1,027</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	183	600
Other	8	31
<b>Total extraordinary losses</b>	<b>191</b>	<b>631</b>
<b>Profit before income taxes</b>	<b>186,631</b>	<b>166,597</b>
<b>Income taxes</b>	<b>49,306</b>	<b>46,099</b>
<b>Profit</b>	<b>137,324</b>	<b>120,497</b>
<b>Profit attributable to non-controlling interests</b>	<b>20</b>	<b>114</b>
<b>Profit attributable to owners of parent</b>	<b>137,304</b>	<b>120,382</b>

## Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	<b>Nine months ended December 31, 2023</b> From April 1, 2023 to December 31, 2023	<b>Nine months ended December 31, 2024</b> From April 1, 2024 to December 31, 2024
<b>Profit</b>	<b>137,324</b>	<b>120,497</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,450	4,129
Foreign currency translation adjustment	39,007	25,647
Remeasurements of defined benefit plans, net of tax	(265)	(418)
<b>Total other comprehensive income</b>	<b>43,192</b>	<b>29,357</b>
<b>Comprehensive income</b>	<b>180,517</b>	<b>149,855</b>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	180,356	149,997
Comprehensive income attributable to non-controlling interests	161	(142)

### (3) Notes to Quarterly Consolidated Financial Statements

#### (Notes on changes of accounting policies)

(Application of the “Accounting Standard for Current Income Taxes”, etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. have been adopted from the beginning of the nine months ended December 31, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the nine months ended December 31, 2024. This change in accounting policies was applied retrospectively. Hence, the quarterly consolidated financial statements for the nine months ended December 31, 2024 and the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting policies has no impact on the quarterly consolidated financial statements for the nine months ended December 31, 2023 and neither on the consolidated financial statements for the prior fiscal year.



**(Notes on special accounting methods for presenting quarterly consolidated financial statements)****(Calculation of tax expenses)**

Tax expenses were calculated by multiplying profit before income taxes by the estimated effective tax rates (effective tax rates were calculated by reasonably estimating effective tax rate of profit before income taxes of consolidated fiscal year, including the consolidated nine months of this fiscal year, after the application of tax effect accounting).

Tax expenses for some subsidiaries were calculated with effective statutory tax rates instead of the estimated effective tax rates. Recoverable amount for deferred tax assets were reasonably estimated.

**(Notes on segment information)**

The Company and its consolidated subsidiaries are composed of a single business segment, Automatic control equipment business. The disclosure of segment information is thereby omitted.

**(Notes in the event of significant changes in shareholders' equity)**

N/A

**(Notes on going-concern assumption)**

N/A

**(Notes on the quarterly consolidated cash flow statement)**

There is no quarterly consolidated statement of cash flows for the nine months ended December 31, 2024. Depreciation for the nine months ended December 31, 2024 is as follows:

	(Millions of yen)	
	<b>Nine months ended December 31, 2023</b>	<b>Nine months ended December 31, 2024</b>
	From April 1, 2023 to December 31, 2023	From April 1, 2024 to December 31, 2024
Depreciation	24,583	24,603

### 3. Supplementary Information

#### (1) Sales by region-customer location

(Millions of yen)

Japan	U.S.	China	Asia (excl. China)	Europe	Other	Total
119,017	65,299	155,618	114,093	105,539	30,891	590,460

(Note) Japan, U.S., and China (including Hong Kong) are individually disclosed since they consist 10% or above the consolidated net sales respectively.

#### (2) Sales by region-Group company location

(Millions of yen)

Japan	North America	Greater China	Other Asia	Europe	Other	Total
123,261	89,257	165,201	95,850	101,994	14,895	590,460

(Note) “North America” includes the sales amount of U.S., Canada, and Mexico, “Greater China” includes China, Hong Kong, and Taiwan.

#### (3) Consolidated Capital expenditures, Depreciation and R&D expenses

(Millions of yen)

	Nine months ended December 31, 2024		Year ending March 31, 2025 (Forecast)	
Capital expenditures	79,392	60.7%	100,000	(5.2%)
Depreciation	24,603	0.1%	35,000	4.9%
R&D expenses	24,882	8.3%	35,000	12.4%

(Note) Predicted capital expenditures and depreciation for the fiscal year ending March 31, 2025 are respectively changed to the above amounts from the initial forecasts (120,000 million yen and 44,000 million yen).

#### (4) Foreign currency exchange rates

	Nine months ended December 31, 2024		Year ending March 31, 2025 (Forecast)
	(average)	(at end)	(average)
U S \$	¥ 152.60	¥ 158.18	¥ 152.00
E U R	¥ 164.88	¥ 164.84	¥ 162.00
C N Y	¥ 21.15	¥ 21.66	¥ 21.10

(Note) Predicted average exchange rates of US\$ and CNY for the fiscal year ending March 31, 2025 are respectively changed to the above amounts from the latest revised forecast (1 US\$ = 149 yen and 1 CNY = 20.80 yen).

#### (5) Consolidated Full-time employees and Temporary employees

(Number of personnel)

	Nine months ended December 31, 2024	Difference from last year end
Full-time employees (at end)	23,144	17
Temporary employees (average)	5,468	97