Presentation of Financial Results for the First Quarter Ended June 30, 2026

SMC

SMC Corporation

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

August 7, 2026

Supporting Automation

Consolidated Statement of Income

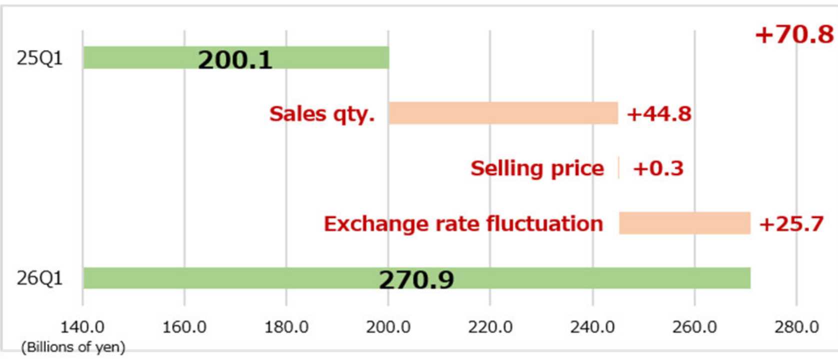
(Billions of Yen)

	FY25/1Q Result		FY26/1Q Result		YoY (25/1Q vs 26/1Q)		FY26 Forecast		FY25 4Q		FY26 1Q		QoQ (25/4Q vs 26/1Q)	
	Amount	vs net sales	Amount	vs net sales	Amount	%	Amount	vs net sales	Amount	vs net sales	Amount	vs net sales	Amount	%
Net sales	200.1		270.9		70.8	35.4%	1,000.0		232.6		270.9		38.3	16.5%
Cost of sales	111.5	55.7%	144.0	53.2%	32.5	29.2%	551.0	55.1%	127.6	54.9%	144.0	53.2%	16.3	12.8%
Gross profit	88.6	44.3%	126.9	46.8%	38.2	43.2%	449.0	44.9%	104.9	45.1%	126.9	46.8%	22.0	21.0%
Selling, general & administrative expenses	44.1	22.1%	52.9	19.5%	8.7	19.8%	230.0	23.0%	51.9	22.3%	52.9	19.5%	1.0	1.9%
Operating profit	44.4	22.2%	73.9	27.3%	29.5	66.4%	219.0	21.9%	52.9	22.8%	73.9	27.3%	20.9	39.6%
Ordinary profit	49.1	24.5%	91.7	33.9%	42.6	86.9%	239.0	23.9%	66.4	28.6%	91.7	33.9%	25.3	38.2%
Net profit	34.6	17.3%	67.8	25.0%	33.2	95.9%	170.0	17.0%	45.6	19.6%	67.8	25.0%	22.1	48.6%
Average exchange rate														
USD	144.60		159.56		+14.96	10.3%	155.00		156.95		159.56		+2.61	1.7%
EUR	163.81		185.40		+21.59	13.2%	183.00		183.64		185.40		+1.76	1.0%
CNY	19.98		23.44		+3.46	17.3%	22.70		22.67		23.44		+0.77	3.4%
								(Progress)						
Depreciation	9.4		13.1		3.6	38.6%	62.3	21.1%						
R&D expenses	9.0		11.8		2.8	30.9%	47.0	25.3%						

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

①Net Sales

(Billions of yen)

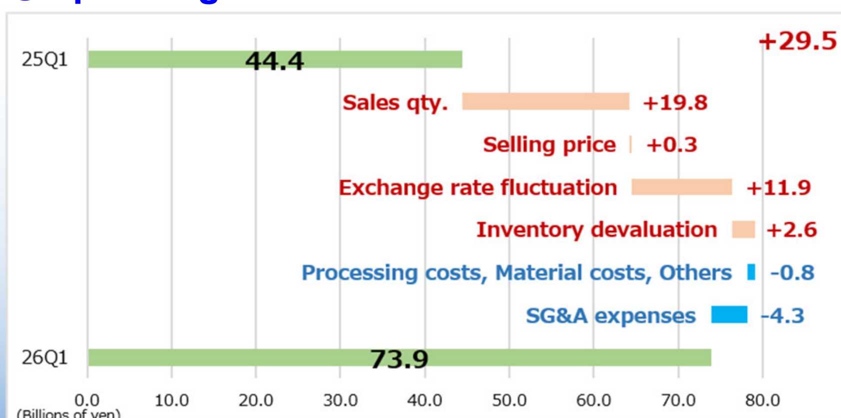


< Sales qty. > 22.3% Increase
Japan +7.2 (+19%), North America +1.3 (+5%), Europe +2.3 (+7%), Greater China +22.6 (+37%), Other Asia +10.8 (+35%)

< Selling price > 0.1% Increase
Japan +1.2, Overseas -0.9

< Exchange rate fluctuation > 12.9% Increase
North America (mainly USD) +3.3
Europe (mainly EUR) +4.9
Greater China (mainly CNY) +13.3

②Operating Profit



< Exchange rate fluctuation >
From transaction (Foreign currency export & import) +7.9
From conversion (Overseas subs P&L conversion) +4.0

< Inventory devaluation >
25/1Q Devaluation -2.2 → 26/1Q Devaluation +0.4 = Change +2.6

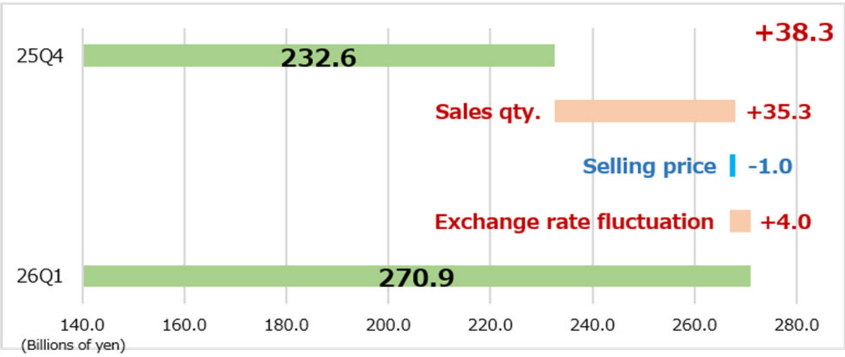
< Processing costs, Material costs, Others >
Processing costs increased
Costs decreased as a result of a portion of the U.S. tariff refund being allocated as a reduction to cost.

< SG&A expenses >
Personnel -1.0, Freight expenses -1.0, R&D -0.7

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

①Net Sales

(Billions of yen)

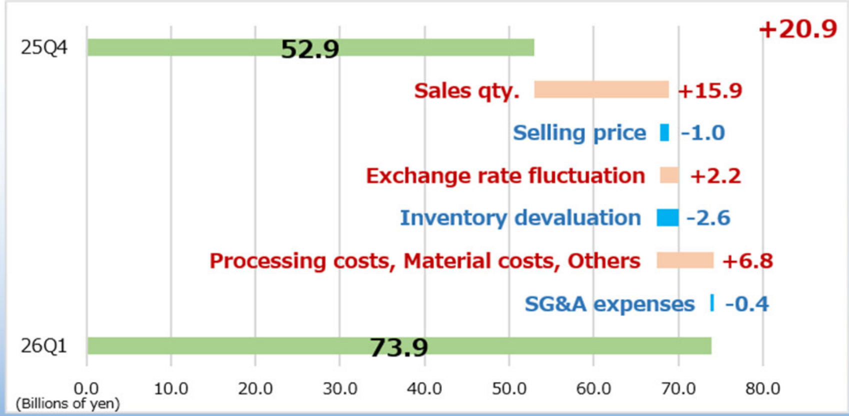


< Sales qty. > 15.2% Increase
Japan +3.9 (+9%), North America +1.8 (+7%), Europe -2.0 (-5%), Greater China +25.2 (+37%), Other Asia +5.9 (+16%)

< Selling price > 0.4% Decrease
Japan -1.0, Overseas ±0

< Exchange rate fluctuation > 1.7% Increase
North America (mainly USD) +0.5
Europe (mainly EUR) +0.4
Greater China (mainly CNY) +2.9

②Operating Profit



< Exchange rate fluctuation >
From transaction (Foreign currency export & import) +1.7
From conversion (Overseas subs P&L conversion) +0.5

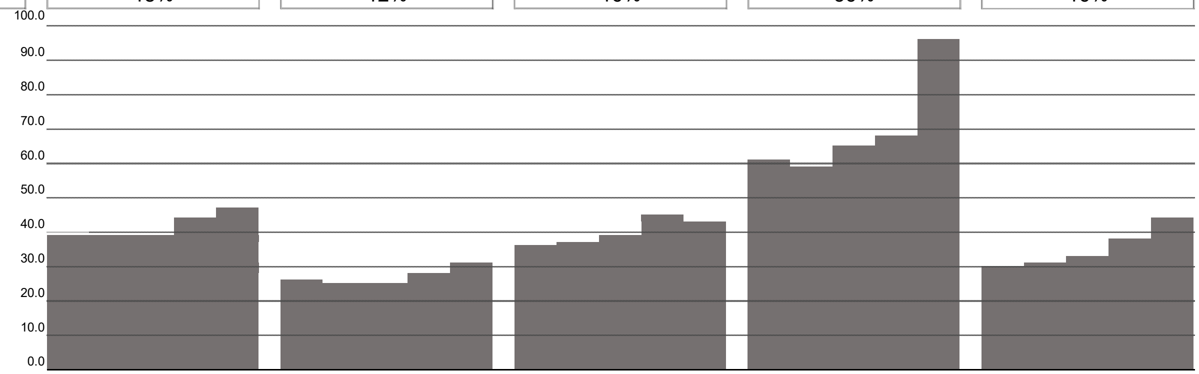
< Inventory devaluation >
25/4Q Devaluation +3.1 → 26/1Q Devaluation +0.4 = Change -2.6

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

< SG&A expenses >
Freight expenses -0.6

[Quarterly] Consolidated Net Sales by Location

Sales Ratio	Japan	North America	Europe	Greater China	Other Asia
	18%	12%	16%	36%	16%



		Consolidated FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q	Japan FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q
Net Sales (Bil. of Yen)		**200.1**	**200.0**	**209.6**	**232.6**	**270.9**	**39.2**	**39.5**	**39.3**	**44.8**	**47.7**
Ratio of Sales by Industry	Semiconductor	19%	19%	19%	21%	26%	22%	21%	22%	25%	30%
	Electric	12%	12%	13%	13%	13%	10%	10%	10%	10%	10%
	Automobile	17%	17%	17%	16%	16%	18%	18%	18%	16%	15%
	Machine tools	11%	10%	10%	10%	10%	10%	11%	10%	9%	10%
	Food	7%	7%	7%	7%	6%	6%	6%	6%	5%	5%
	Medical	6%	6%	6%	5%	5%	5%	5%	5%	4%	4%
	Other	28%	29%	28%	28%	24%	29%	29%	29%	31%	26%

		North America FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q	Europe FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q
Net Sales (Bil. of Yen)		**26.4**	**25.9**	**25.1**	**28.6**	**31.2**	**36.5**	**37.7**	**39.9**	**45.4**	**43.8**
Ratio of Sales by Industry	Semiconductor	13%	11%	12%	14%	14%	9%	9%	9%	8%	11%
	Electric	4%	3%	5%	4%	5%	3%	3%	4%	4%	4%
	Automobile	19%	21%	20%	19%	19%	12%	11%	11%	10%	10%
	Machine tools	8%	8%	7%	7%	7%	13%	13%	12%	12%	11%
	Food	12%	12%	13%	12%	11%	13%	13%	13%	14%	13%
	Medical	10%	10%	8%	9%	8%	10%	11%	11%	11%	10%
	Other	34%	35%	35%	35%	36%	40%	40%	40%	41%	41%

		Greater China FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q	Other Asia FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q
Net Sales (Bil. of Yen)		**61.3**	**59.5**	**65.8**	**68.9**	**96.7**	**30.8**	**31.0**	**33.0**	**38.2**	**44.3**
Ratio of Sales by Industry	Semiconductor	24%	23%	22%	25%	30%	33%	33%	34%	40%	43%
	Electric	24%	23%	24%	25%	23%	13%	13%	14%	13%	12%
	Automobile	22%	21%	22%	22%	19%	15%	16%	16%	15%	15%
	Machine tools	11%	11%	10%	10%	10%	13%	13%	12%	10%	10%
	Food	4%	4%	4%	3%	3%	3%	3%	3%	3%	2%
	Medical	4%	5%	5%	4%	4%	2%	2%	2%	2%	2%
	Other	11%	13%	13%	11%	11%	21%	20%	19%	17%	16%

	Consolidated	Japan	North America	Europe	Greater China	Other Asia
Production Base		Soka and etc., total of 6 factories	USA, Indiana	Czech	Beijing・Tianjin	Vietnam・Singapore・India
R&D Base		Kashiwa City	USA	UK・Germany	Beijing	—
Foreign Exchange Sensitivity (1 %)*	4.67 bil. yen	–	USD 0.25 bil. yen	EUR 0.93 bil. yen	CNY 1.74 bil. yen	KRW 0.50 bil. yen

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

Consolidated Balance Sheet

(Billions of Yen)

	FY25	FY26/1Q	Change	
Assets	2,311.8	2,368.5	56.7	2.5%
Current assets	1,504.2	1,585.2	80.9	5.4%
(①Cash and deposits)	(663.8)	**(711.0)**	(47.2)	(7.1%)
(Trade receivables)	(235.3)	(271.4)	(36.1)	(15.3%)
(②Securities)	(47.8)	**(48.1)**	(0.3)	(0.6%)
(Inventories)	(506.6)	(513.2)	(6.5)	(1.3%)
Non-current assets	807.5	783.2	-24.2	-3.0%
(③Investment securities with fair value)	(121.1)	**(78.4)**	(-42.7)	(-35.3%)
*Cashable Financial Assets ①+②+③-④	827.8	832.6	4.8	0.6%
Liabilities	196.5	213.7	17.1	8.7%
Current liabilities	145.6	163.0	17.4	11.9%
(Trade payables)	(31.8)	(42.1)	(10.2)	(32.4%)
(④Borrowings)	(5.0)	(5.0)	(-0.0)	(-1.8%)
Non-current liabilities	50.9	50.6	-0.2	-0.5%
Net assets	2,115.2	2,154.8	39.5	1.9%
Equity ratio	91.5%	91.0%	-0.5	
Net assets per share (yen)	33,498	34,271	+772	
ROE	8.3%	3.2%	(※Yearly conversion 12.8%)	

(Billions of Yen)

	FY25	FY26/1Q	Change
Total inventory	506.6	513.2	6.5
Merchandise and finished goods	198.4	195.2	-3.1
Work in process	33.2	33.4	0.1
Raw materials and supplies	274.9	284.5	9.5

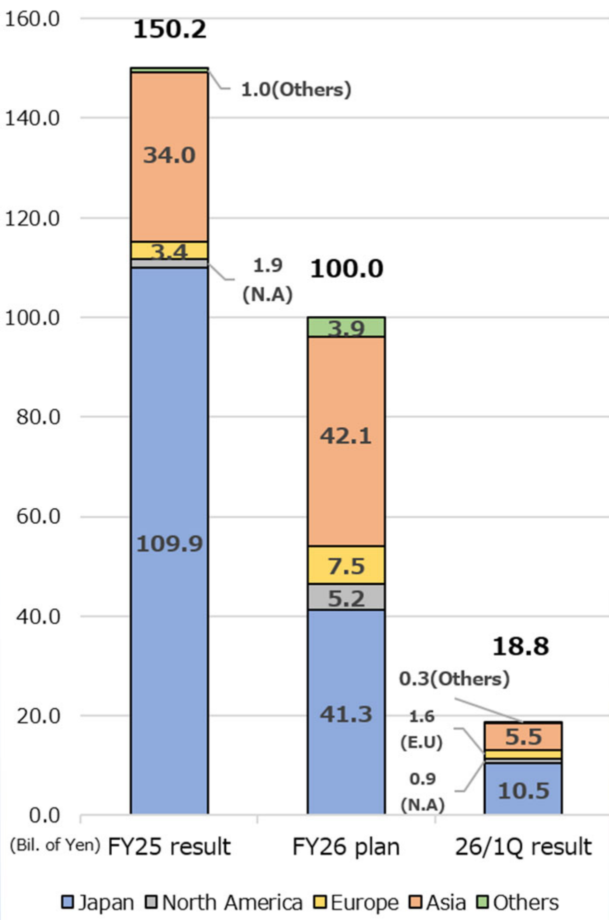
Impact due to consolidation expansion	0.8
Impact due to exchange rate fluctuation	5.6
Impact due to inventory devaluation	0.4
Actual change	**-0.4**

	FY25	FY26/1Q	Change
FY average monthly sales ratio	7.2	5.7	-1.5
Closing month sales ratio	5.9	5.4	-0.5

Closing exchange rate

	FY25	FY26/1Q	Change
USD	159.93	162.45	+2.52
EUR	183.44	185.44	+2.00
CNY	23.12	23.88	+0.76

Capital Expenditure



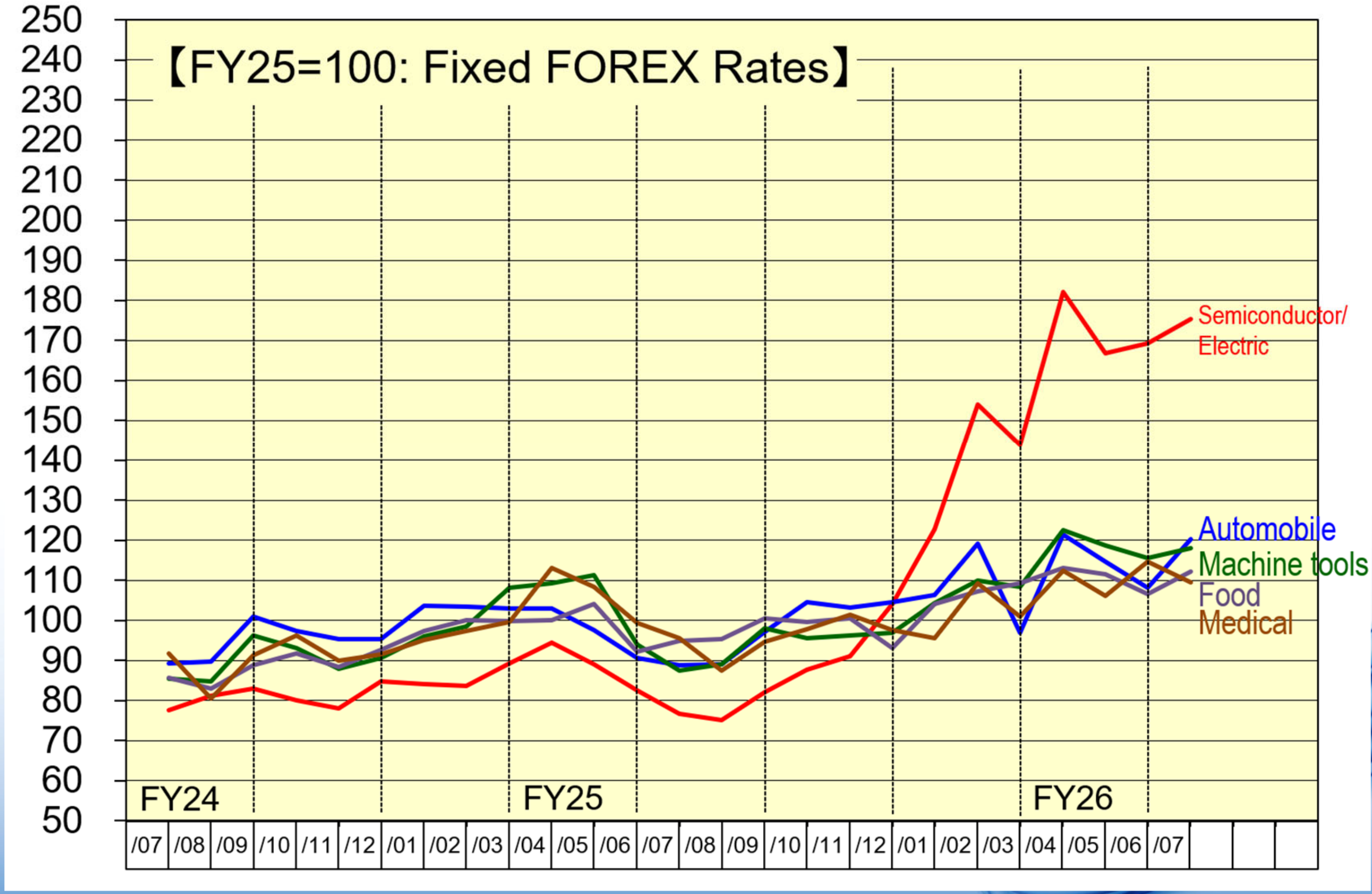
(Billions of Yen)

Function	Region	FY26 Plan: Plan	FY26 Plan: Item	FY26 1Q: Result	FY26 1Q: Item
PRD	Japan	34.7	Soka Fac. Shimotsuma Fac. Tsukuba Fac. Tono Fac & SP. Others	7.8	Soka Fac. Shimotsuma Fac. Tsukuba Fac. Tono Fac & SP. Others
	Overseas	29.6	Vietnam Mfg China Mfg(s) Singapore Mfg Others	5.0	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	3.3	SMC China (Sales) SMC Taiwan SMC Australia SMC Germany European Warehouse SMC Romania Others
Total		100.0		18.8	

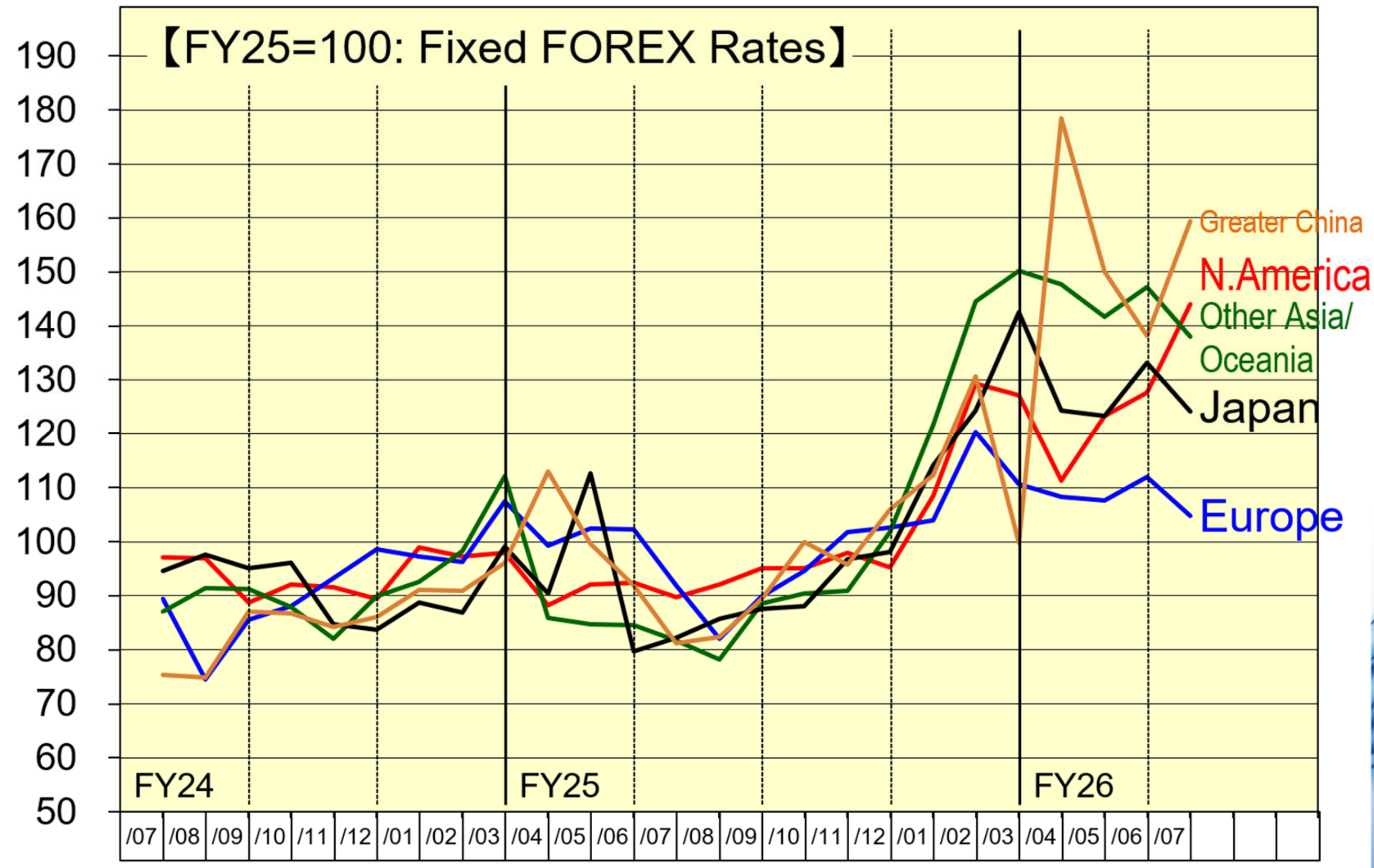
Current Order Situation (FY25=100)

		FY26	'25/4Q	'26/1Q	'26/07	26/07 Situation
Consolidated	Semiconductor/Electric	173	140	173	175	[Increase] Greater China [Pause] Other Regions
	Automobile	116	107	115	120	[Slowdown] Greater China [Increase] Other Regions
	Machine tools	119	108	119	118	[Stable at High Level] North America, Europe [Soft] Greater China
	Food	111	107	110	112	[Increase] North America, Europe, Greater China
	Medical	111	102	111	110	[Increase] Greater China [Slowdown] Other Regions
	Other	114	114	113	116	
Japan		127	128	127	124	[Pause] Semiconductor [Flat] Automobile, Machine tools
North America		126	121	121	144	[Stable at High Level] Semiconductor
Europe		108	111	109	105	[Increase] Food [Slowdown] Medical
Greater China		156	114	156	159	[Increase] Semiconductor [Slowdown] Automobile
Other Asia/Oceania		144	139	146	138	[Pause] Semiconductor [Soft] Other industries
Consolidated		136	121	135	138	

Consolidated Orders Trend by Industry



Consolidated Orders Trend by Region



Consolidated Orders Trend (Monthly) (FY25=100)

	April	May	June	July
Semiconductor/Electric	182	167	169	175
Automobile	121	115	108	120
Machine tools	123	119	116	118
Food	113	111	107	112
Medical	112	106	115	110
Other	110	113	117	116

	April	May	June	July
Japan	124	123	133	124
North America	111	123	128	144
Europe	108	108	112	105
Greater China	178	150	138	159
Other Asia/Oceania	148	142	147	138
Consolidated	141	132	133	138

Consolidation of SMC Nederland and SMC Belgium (Acquisition of Distributors)

As part of its sales expansion strategy in Europe, the Company acquired the shares of its distributors, SMC Nederland B.V. and SMC Belgium B.V., and made them consolidated subsidiaries.

＜Outline of the Share Acquisition＞

Name of Company	SMC Nederland B.V.	SMC Belgium B.V.
Date of Acquisition	June 2026	July 2026
Percentage of Shares Acquired	11.4%→94.3%	0%→100%
Acquisition Price	Abt 50.6 mil EUR （Abt 9.2 bil JPY）	Abt 11.5 mil EUR （Abt 2.1 bil JPY）

＜Company Overview＞

Name of Company	SMC Nederland B.V.	SMC Belgium B.V.
Location	Amsterdam, the Netherlands	Wommelgem, Belgium
Capital	15,882 EUR	75,144 EUR
Net Sales (December 2024)	Abt 38.5 mil EUR （Abt 7.0 bil JPY）	Abt 11.1 mil EUR （Abt 2.0 bil JPY）

＜Purpose of the Share Acquisition＞

・Expand market share in the Benelux region (currently approximately 20%)

・Cover areas that SMC could not serve through consolidated subsidiaries previously

・Acquire the experienced management team and workforce with strong customer relationships and extensive knowledge of selling the Company's products

・High growth potential in semiconductor and hydroponic agriculture markets

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