Presentation of Financial Results for the 1st Quarter Ended June 30, 2024

SMC Corporation

Masahiro Ota,
Director and Executive Officer
Head of Finance & Accounting Division
August 9, 2024



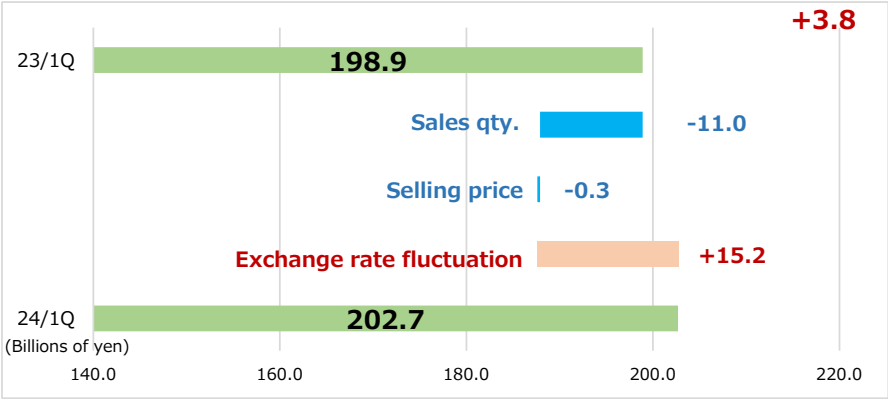
Consolidated Statement of Income

(Billions of Yen)

	FY23/1Q Result		FY24/1Q Result		YoY (23/1Q vs 24/1Q)		FY24 Forecast		FY23 4Q		FY24 1Q		QoQ (23/4Q vs 24/1Q)	
	Amount	vs net sales	Amount	vs net sales	Amount	%	Amount	Progress %	Amount	vs net sales	Amount	vs net sales	Amount	%
Net sales	198.9		202.7		3.8	1.9%	840.0	24.1%	194.2		202.7		8.5	4.4%
Cost of sales	102.5	51.5%	106.0	52.3%	3.5	3.5%	428.0	24.8%	111.2	57.3%	106.0	52.3%	-5.1	-4.6%
Gross profit	96.4	48.5%	96.6	47.7%	0.2	0.3%	412.0	23.5%	83.0	42.7%	96.6	47.7%	13.6	16.5%
Selling, general & administrative expenses	40.3	20.3%	44.3	21.9%	4.0	9.9%	178.0	24.9%	41.9	21.6%	44.3	21.9%	2.3	5.6%
Operating profit	56.1	28.2%	52.3	25.8%	-3.7	-6.7%	234.0	22.4%	41.0	21.1%	52.3	25.8%	11.3	27.6%
Ordinary profit	74.8	37.6%	68.2	33.7%	-6.5	-8.7%	274.0	24.9%	65.4	33.7%	68.2	33.7%	2.8	4.4%
Net profit	52.1	26.2%	48.7	24.0%	-3.4	-6.6%	194.0	25.1%	41.0	21.1%	48.7	24.0%	7.6	18.7%
Average exchange rate														
USD	137.49		155.85		+18.36	13.4%	146.00		148.62		155.85		+7.23	4.9%
EUR	149.57		167.84		+18.27	12.2%	158.00		161.32		167.84		+6.52	4.0%
CNY	19.56		21.47		+1.91	9.8%	20.50		20.62		21.47		+0.85	4.1%
Depreciation	7.0		6.5		-0.5	-7.4%	44.0	14.8%						
R&D expenses	7.1		8.1		0.9	13.5%	35.0	23.3%						

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

①Net Sales



(Billions of yen)

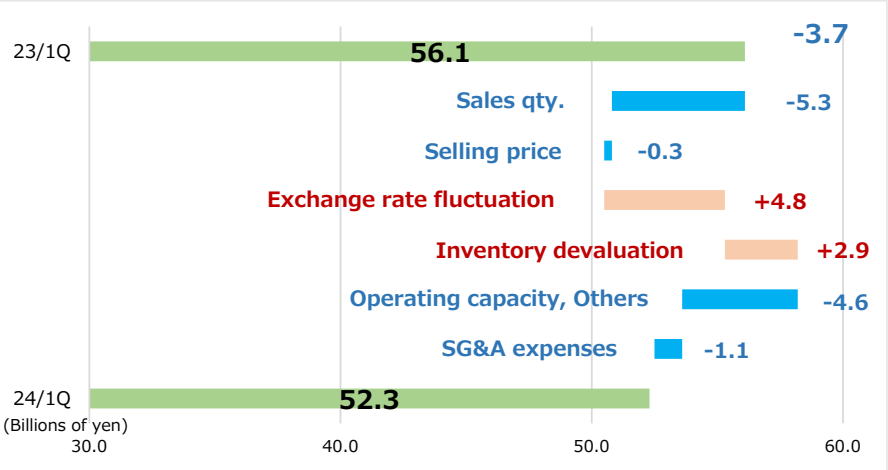
< Sales qty. > 6% decrease
Japan -4.3 (-10%), North America -5.1 (-15%), Europe -3.9 (-11%), Greater China +2.1 (+4%), Other Asia +0.2 (+1%)

< Selling price > 0.2% down
Japan +0.4, Overseas -0.8 Decrease in Greater China

< Exchange rate fluctuation > 8% Increase

North America (mainly USD)	+3.8
Europe (mainly EUR)	+2.9
Greater China (mainly CNY)	+5.1

②Operating Profit



< Exchange rate fluctuation >
- From transaction (Foreign currency export & import) +2.4
- From conversion (Overseas subs P&L conversion) +2.4

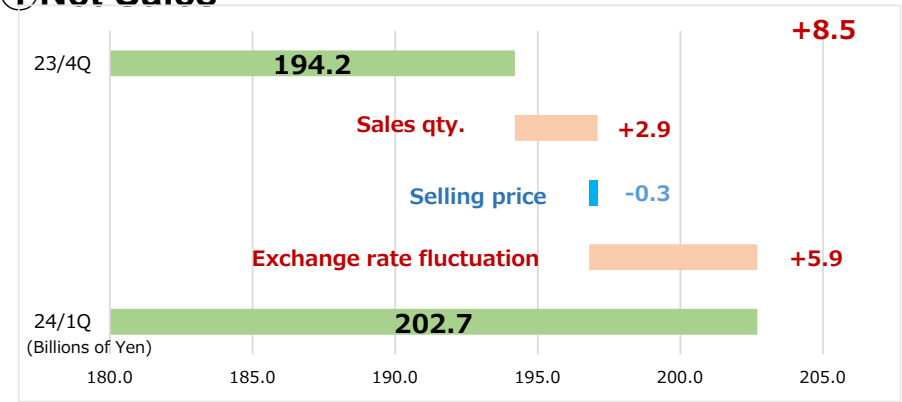
< Inventory devaluation >
- Increase in inventory turn-over ratio, decrease devaluation

< Operating capacity >
- Operating efficiency decreased from decrease in production volume.

< SG&A expenses >
- Supplies -0.7, Personnel -0.4, Taxes and dues -0.4

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

①Net Sales



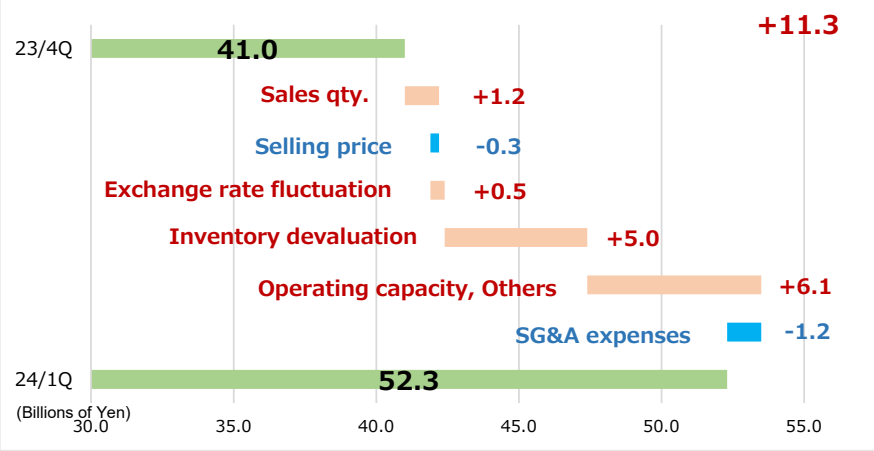
(Billions of yen)

< Sales qty. > 2% increase
Japan +0.4 (+1%), North America -2.3 (-7%),
Europe -6.1 (-16%), Greater China +9.5 (+20%),
Other Asia +1.3 (+4%)

<Selling price> 0.2% down
Japan +0.1, Overseas -0.4 decrease in Greater China

< Exchange rate fluctuation > 3% increase
North America (mainly USD) +1.4
Europe (mainly EUR) +1.3
Greater China (mainly CNY) +2.2

②Operating Profit



< Exchange rate fluctuation >
- From transaction (Foreign currency export & import) -0.4
- From conversion (Overseas subs P&L conversion) +0.9

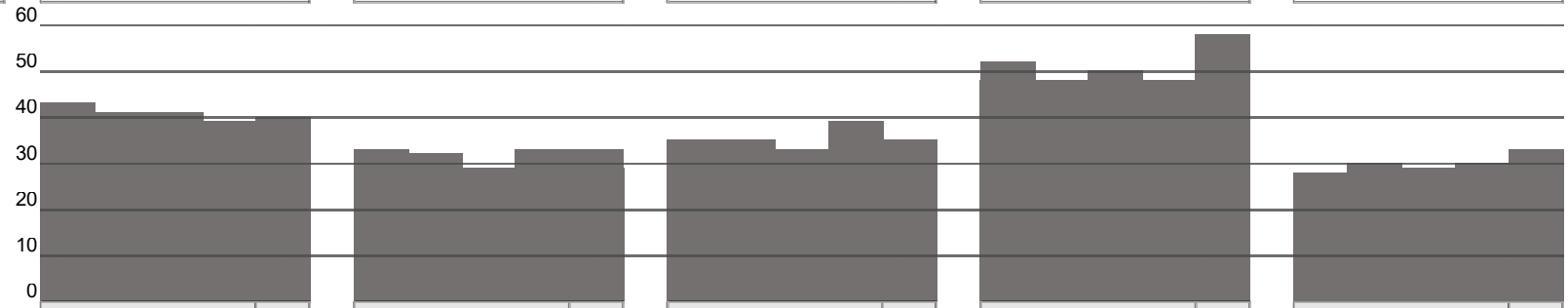
<Inventory devaluation>
- Increase in inventory turn-over ratio, decrease in devaluation.

< Operating capacity >
- Operating efficiency increased from increase in production volume.

< SG&A expenses >
- Personnel -1.2, Supplies -0.5
  Commission expenses+0.3

[Quarterly] Consolidated Net Sales by Location

	Japan	North America	Europe	Greater China	Other Asia
Sales Ratio	20%	16%	18%	28%	16%



Net Sales (Bil. Of Yen)	FY23 1Q	FY23 2Q	FY23 3Q	FY23 4Q	FY24 1Q
Japan	43.6	41.0	41.7	39.1	39.7
North America	33.5	32.9	29.0	32.8	32.2
Europe	35.6	35.9	33.3	38.7	35.7
Greater China	52.9	48.5	50.4	48.6	57.6
Other Asia	28.7	30.9	29.5	30.0	32.1

Ratio of Sales by Industry	Japan	North America	Europe	Greater China	Other Asia
Semiconductor/ Electric	31%	16%	12%	47%	45%
Automobile	20%	20%	12%	18%	20%
Machine tools	10%	7%	13%	11%	12%
Food	6%	11%	12%	4%	3%
Medical	4%	8%	11%	6%	2%
Others	29%	39%	41%	14%	19%

	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	Tsukubamirai City	USA	UK · Germany	Beijing	–
Foreign Exchange Sensitivity (1%)*	–	USD 0.63 bil. yen	EUR 0.89 bil.yen	CNY 0.87 bil.yen	KRW 0.46 bil.yen

*Impact to operating profit from 1% exchange rate change (total impact of the above major currencies is approximately 2.9 billion yen)

Consolidated Balance Sheet

(Billions of Yen)

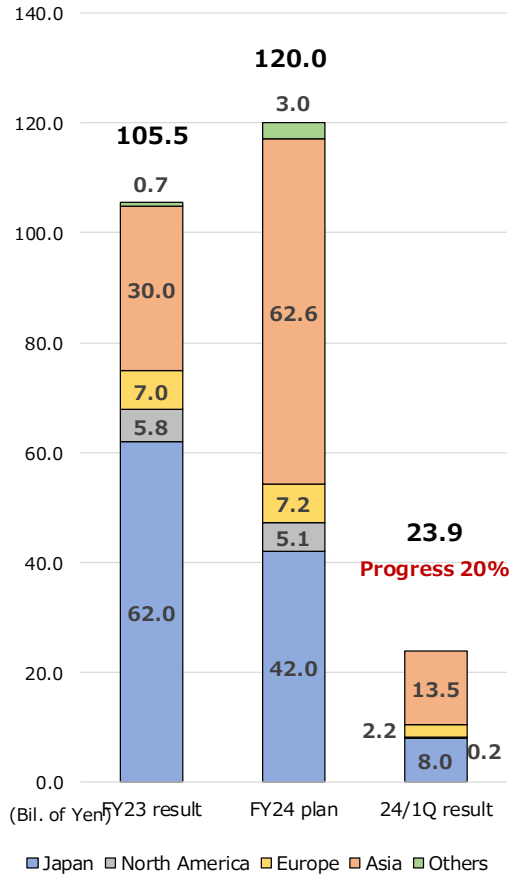
	FY23	FY24/1Q	Change	
Assets	2,094.5	2,176.4	81.9	3.9%
Current assets	1,307.9	1,384.9	77.0	5.9%
(①Cash and deposits)	(511.2)	(558.8)	(47.6)	(9.3%)
(Trade receivables)	(217.6)	(224.8)	(7.2)	(3.3%)
(②Securities)	(0.0)	(31.0)	(31.0)	(-)
(Inventories)	(519.5)	(537.7)	(18.1)	(3.5%)
Non-current assets	786.5	791.4	4.9	0.6%
(③Investment securities with fair value)	(155.0)	(133.7)	(-21.3)	(-13.8%)
(④Insurance funds)	(147.1)	(145.9)	(-1.2)	(-0.9%)
*Cashable Financial Assets ①+②+③+④	813.5	869.5	55.9	6.9%
Liabilities	208.6	213.8	5.1	2.5%
Current liabilities	164.6	166.1	1.5	0.9%
(Trade payables)	(58.8)	(60.4)	(1.6)	(2.8%)
Non-current liabilities	44.0	47.6	3.6	8.2%
Net assets	1,885.8	1,962.6	76.7	4.1%
Equity ratio	89.8%	90.0%	+0.2	
Net assets per share (yen)	29,338	30,537	+1,199	
ROE	10.0%	2.5%	(*The annualized rate 10.1%)	

(Billions of Yen)

	FY23	FY24/1Q	Change
Total inventory	519.5	537.7	18.1
Merchandise and finished goods	197.3	200.3	3.0
Work in process	37.2	38.3	1.1
Raw materials, parts and supplies	285.0	298.9	13.9
Impact due to exchange rate fluctuation			12.9
Impact due to inventory devaluation			-0.7
Actual change			**5.9**

FY average monthly sales ratio	8.0	8.0	-0.1
Closing month sales ratio	7.9	8.5	0.6
Closing exchange rate			
USD	151.40	161.14	+9.74
EUR	163.28	172.44	+9.16
CNY	20.84	22.05	+1.21

Capital Expenditure



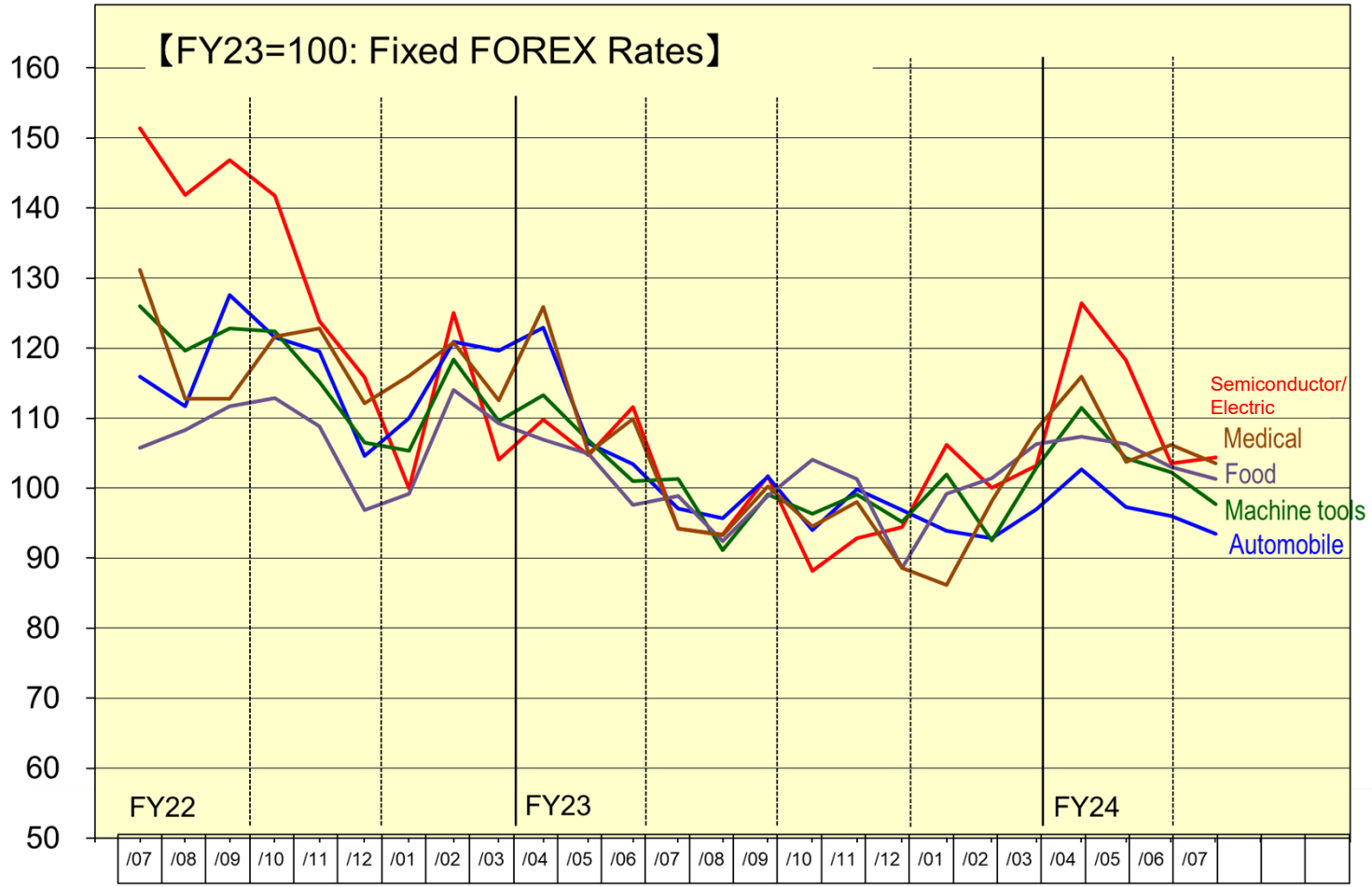
(Billions of yen)

Function	Place	FY24 Plan Plan	FY24 Plan Item	24/1Q Result	24/1Q Item
PRD	Japan	30.9	Tono Fac. Shimotsuma Fac. Kamaishi Fac.	1.2	Tono Fac. Shimotsuma Fac. Kamaishi Fac.
	Overseas	57.1	Vietnam Mfg SMC Korea China Mfg(s) SMC Czech	11.8	Vietnam Mfg SMC Korea China Mfg(s) SMC Czech
Admin. R&D Sales Logistics	Japan	11.1	New HQ building New Technical Center East&West Logistics	6.8	New HQ building New Technical Center East&West Logistics
	Overseas	20.9	SMC China China R&D SMC Taiwan SMC Australia SMC Malaysia	4.1	SMC China China R&D SMC Taiwan SMC Australia SMC Malaysia
Total		120.0		23.9	

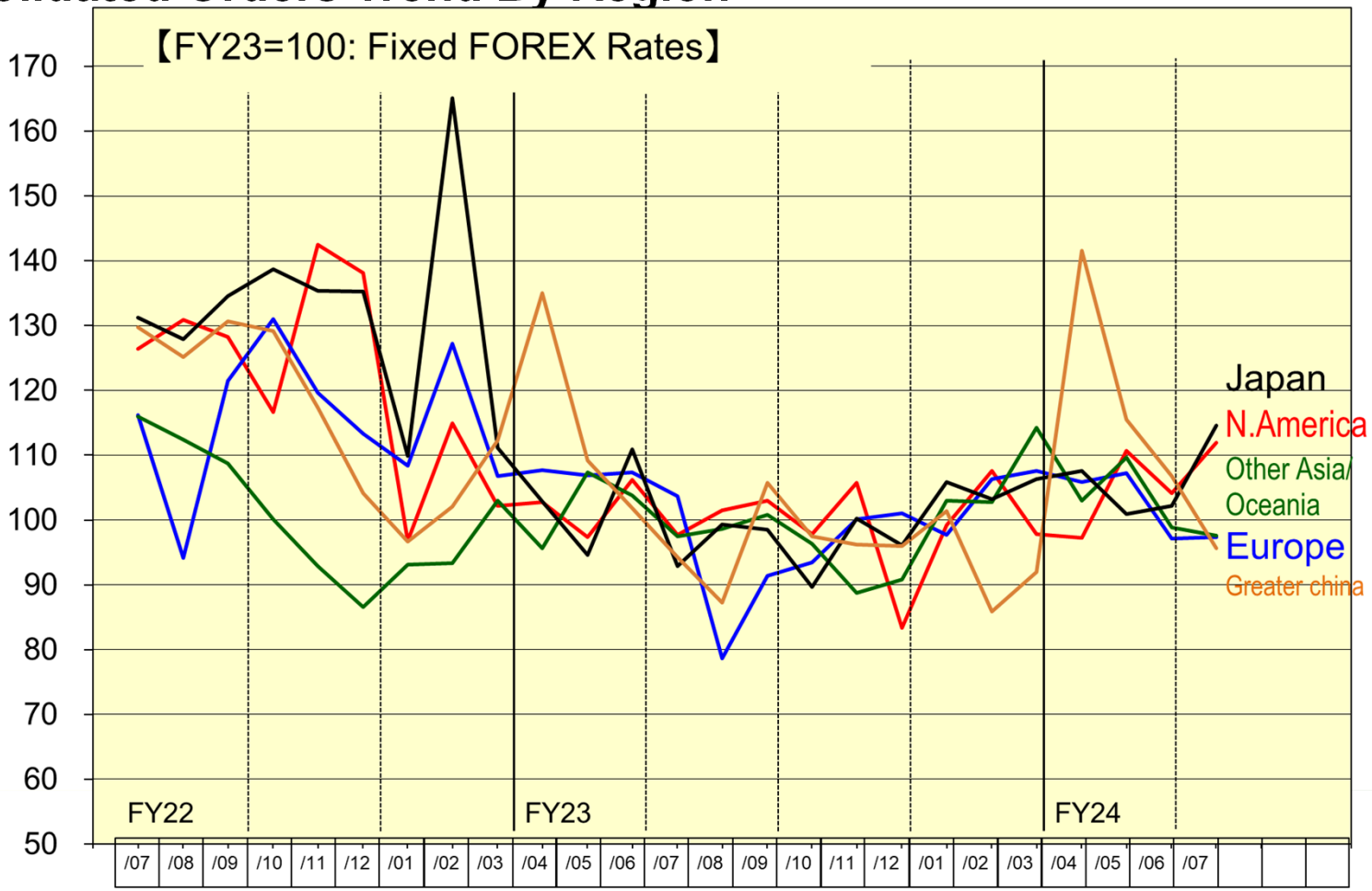
Current Order Situation (FY23=100)

		FY24	'23/4Q	'24/1Q	'24/07	24/07 Situation
Consolidated	Semiconductor/Electric	113	103	117	104	[Increase] JP [Decrease] Greater China
	Automobile	97	95	99	94	[Flat] Japan, North America [Decrease] Greater China
	Machine tools	104	99	106	98	[Decrease] Greater China
	Foods	105	102	106	101	[Decrease] Greater China
	Medical	107	97	109	104	[Increase] Europe [Decrease] Greater China
	Other	106	103	107	104	
Japan		105	106	103	115	[Increase] Semiconductor/Electric (large order received)
North America		106	102	104	112	[Increase] Other sectors [Weak tone] Semiconductor/Electric, Automobile
Europe		102	104	104	97	[Decrease] Semiconductor/Electric, Food [Increase] Medical
Greater China		115	93	122	96	[Decrease] All industries
Other Asia/ Oceania		102	107	104	98	[Flat] Semiconductor/Electric, Automobile [Decrease] Machine tools
Consolidated		107	101	109	102	

Consolidated Orders Trend By Industry



Consolidated Orders Trend By Region



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 influences the industrial market.

Thank you for your time and attention

