Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

# Fiscal Year March 2026
# Q2 Financial Results

Power Electronics
for Your Innovation

SANKEN ELECTRIC CO., LTD.

November 12, 2025

# Vision


Power Electronics
for Your Innovat!on
Drive a focused organization to become a highly profitable company that contributes to the innovation for our society through the development and implementation of unique technologies.

# Table of Contents

# Q2 Financial Results

Results

# Q2 Financial Results: FY March 2026

Sanken
Power Electronics for Your Innovation

| (Billions of Yen) | FY March 2025 | | | | | | | FY March 2026 | | | H1 YoY *1 | | vs.H1 Forecast in May | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | H1 | Q3 | Q4 | H2 | Full Year | Q1 | Q2 | H1 | Amount | % | Amount | % |
| Net Sales | 49.8 | 23.0 | 72.8 | 23.3 | 25.5 | 48.8 | 121.6 | 22.2 | 18.8 | 41.0 | – | – | (2.8) | (6.4)% |
| Sanken Core | 22.4 | 22.4 | 44.7 | 21.6 | 23.7 | 45.3 | 90.0 | 21.0 | 18.5 | 39.5 | (5.3) | (11.8)% | (3.1) | (7.3)% |
| Others | 27.5 | 0.6 | 28.1 | 1.7 | 1.8 | 3.5 | 31.6 | 1.2 | 0.3 | 1.5 | – | – | 0.3 | 28.4% |
| Operating profit (loss) | (4.6) | (1.0) | (5.7) | 0.2 | 1.6 | 1.9 | (3.8) | (0.4) | (0.5) | (0.9) | – | – | 0.2 | – |
| Sanken Core | 0.3 | (0.1) | 0.2 | 0.4 | 1.5 | 1.8 | 2.0 | (0.3) | (0.4) | (0.7) | (0.8) | – | 0.0 | – |
| Consolidated adjustments etc. | (4.9) | (0.9) | (5.8) | (0.1) | 0.2 | 0.0 | (5.8) | (0.1) | (0.1) | (0.2) | – | – | 0.2 | – |
| Share of income (losses) of equity method entities and LPS *2 | – | (2.0) | (2.0) | 1.8 | (4.8) | (3.0) | (5.0) | (0.1) | 0.9 | 0.8 | – | – | – | – |
| Ordinary profit (loss) | (5.7) | (8.6) | (14.2) | 3.4 | (3.5) | (0.0) | (14.3) | (0.9) | 0.1 | (0.8) | – | – | 0.5 | – |
| Extraordinary income (losses), net | 1.5 | 63.4 | 64.9 | 0.6 | (0.7) | (0.1) | 64.8 | 0.3 | (0.3) | (0.0) | – | – | – | – |
| Profit (loss) attributable to owners of parent | (2.7) | 50.7 | 48.0 | 3.2 | (0.2) | 2.9 | 50.9 | (0.9) | (0.5) | (1.4) | – | – | 2.7 | – |
| Basic earnings per share (Unit: Yen) | | | 1,987.72 | | | | 2,119.53 | | | (65.18) | – | – | 105.43 | – |

| FX (Yen/USD) | | Q1 | Q2 | Q3 | Q4 | FY2026 Q1 | FY2026 Q2 |
|---|---|---|---|---|---|---|---|
| FX | Cumulative average | 155.87 | 152.79 | 152.65 | 152.63 | 144.62 | 146.04 |
| (Yen/USD) | 3-month average | 155.87 | 149.70 | 152.38 | 152.57 | 144.62 | 147.47 |

*1 As Allegro has been removed from the scope of consolidation from Q2 FY2024, values for year-on-year change are for Sanken Core only
*2 Equity in earnings (losses) of affiliates/ Gain (Loss) on investments in investment partnerships

**Sanken Core**

<H1 FY2025 actuals　Comparison with May projections>

Net Sales: Sharp fall in white goods sales for the Chinese market (Q2)

Operating profit (loss): (-)Rapid rise in material price　(+)Fixed cost reduction and production aligned with the back-end production reorganization

**Consolidated**

<H1 FY2025 actuals　Major factors affecting Non-operating income (losses) and below (billions of yen)> *Monetary amounts are shown as positive or negative, regardless of the line item

Non-operating income and expenses
- Share of income (losses) of equity method entities and LPS *2 : + 0.8 (Recording of equity in Allegro's net income -1.2, loss on investments in LPS +1.9)
- Foreign exchange losses : − 0.8

Extraordinary profit
- Gain on sale of non-current assets : + 1.2 (Sale of the Indonesian factory due to withdrawal from legacy unit products )
- Gain on change in equity : + 1.2 (Impact of change in equity due to recognition of Allegro's stock compensation)

Extraordinary losses
- Severance pay : − 2.4 (Ishikawa Sanken -2.1, Sanken Indonesia -0.3)

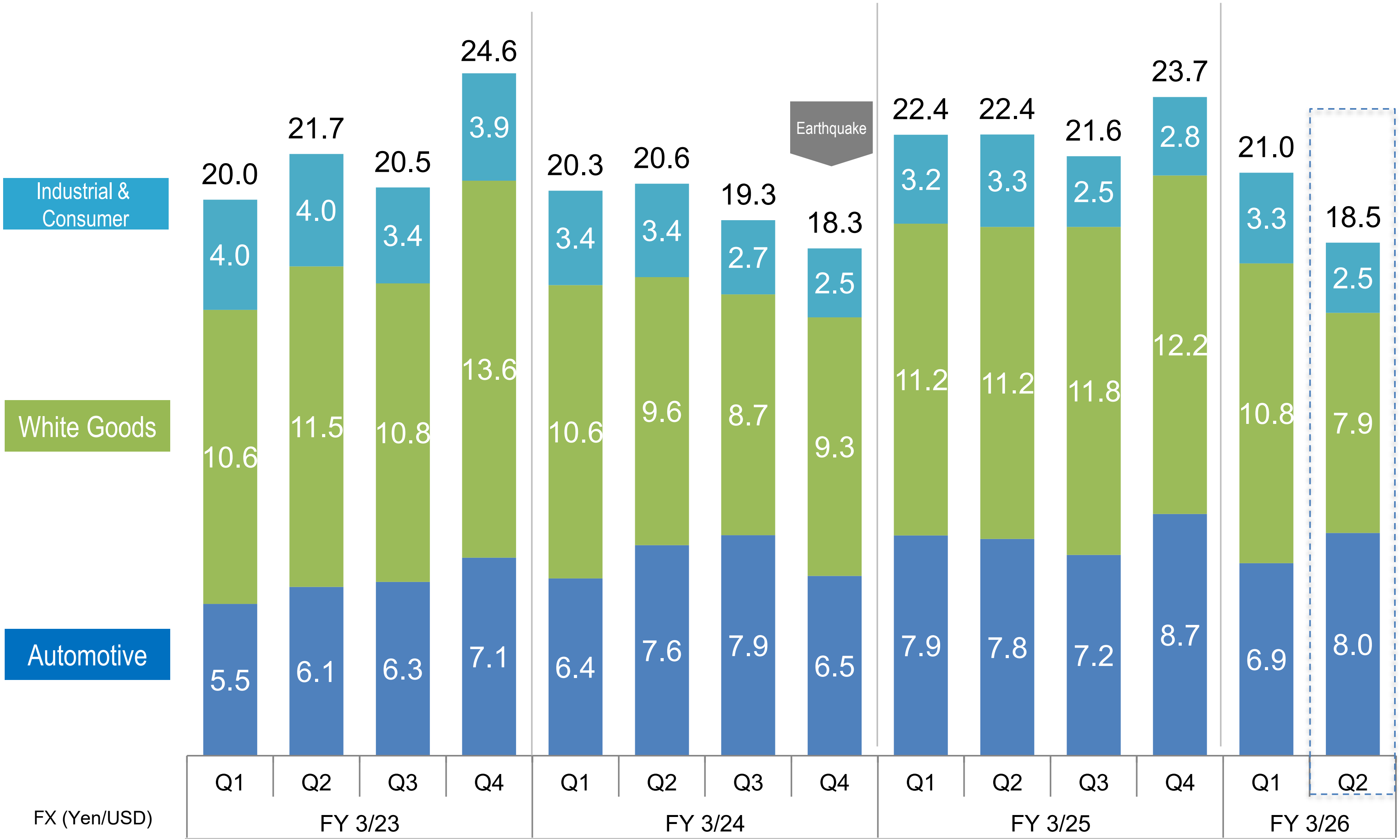
Income taxes : − 0.5

*Solicitation of applicants for voluntary retirement by Ishikawa Sanken ended in July (Approximately 1.5-billion-yen reduction in fixed costs is expected in FY March 2027)
*The 30.0-billion-yen share repurchase was completed in September. Repurchased shares (16.6% of total shares outstanding) have already been cancelled

Results

# Sanken Core Sales Trend by Market

(Billions of Yen)

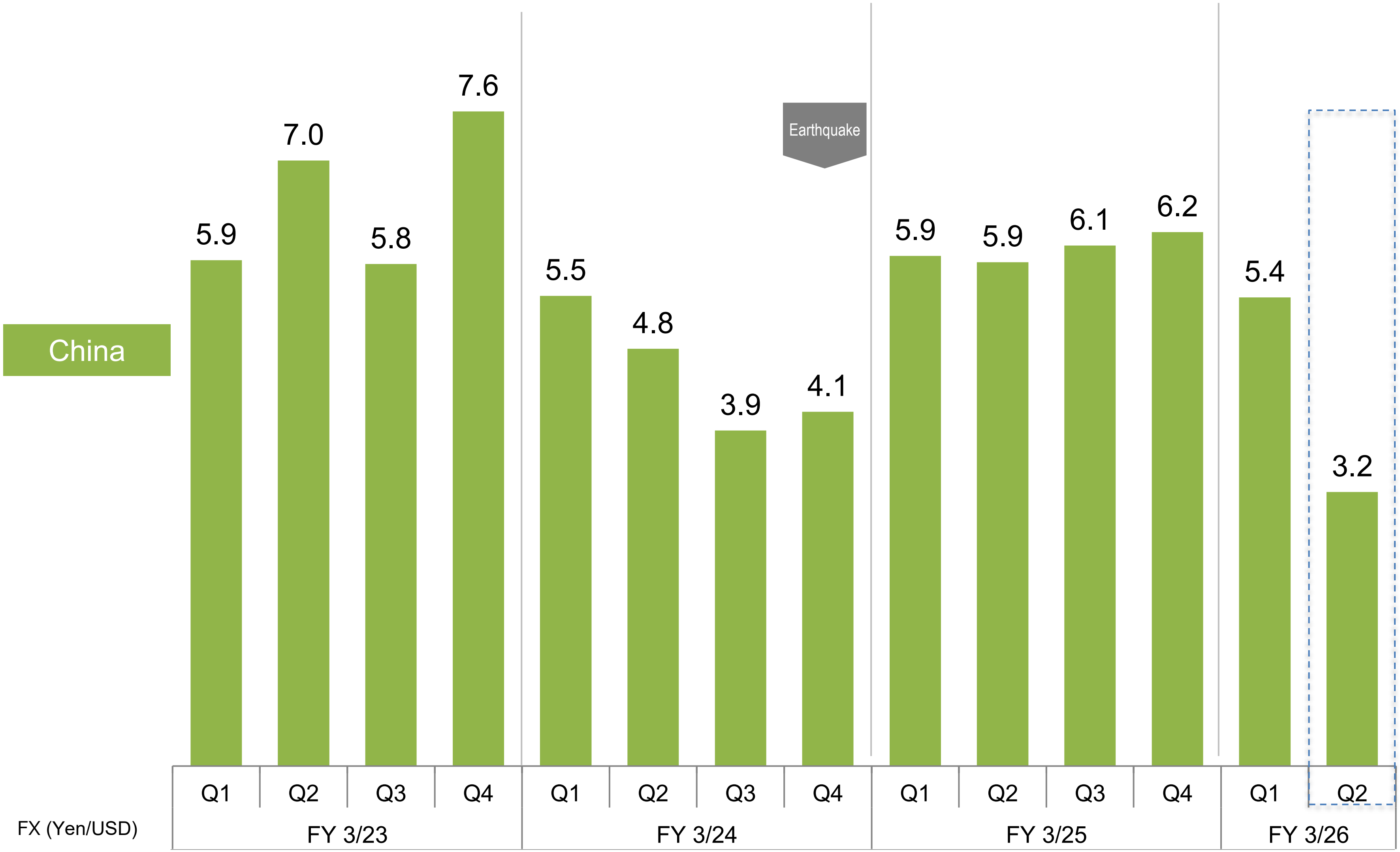



| FX (Yen/USD) | FY 3/23 Q1 | FY 3/23 Q2 | FY 3/23 Q3 | FY 3/23 Q4 | FY 3/24 Q1 | FY 3/24 Q2 | FY 3/24 Q3 | FY 3/24 Q4 | FY 3/25 Q1 | FY 3/25 Q2 | FY 3/25 Q3 | FY 3/25 Q4 | FY 3/26 Q1 | FY 3/26 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cumulative average | 129.74 | 134.05 | 136.51 | 135.51 | 137.50 | 141.07 | 143.34 | 144.60 | 155.87 | 152.79 | 152.65 | 152.63 | 144.62 | 146.04 |
| 3-month average | 129.74 | 138.29 | 141.38 | 132.44 | 137.50 | 144.64 | 147.87 | 148.63 | 155.87 | 149.70 | 152.38 | 152.57 | 144.62 | 147.47 |

# Sanken Core White Goods Sales Trend in the Chinese Market

Results

(Billions of Yen)




| FX (Yen/USD) | FY 3/23 Q1 | FY 3/23 Q2 | FY 3/23 Q3 | FY 3/23 Q4 | FY 3/24 Q1 | FY 3/24 Q2 | FY 3/24 Q3 | FY 3/24 Q4 | FY 3/25 Q1 | FY 3/25 Q2 | FY 3/25 Q3 | FY 3/25 Q4 | FY 3/26 Q1 | FY 3/26 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cumulative average | 129.74 | 134.05 | 136.51 | 135.51 | 137.50 | 141.07 | 143.34 | 144.60 | 155.87 | 152.79 | 152.65 | 152.63 | 144.62 | 146.04 |
| 3-month average | 129.74 | 138.29 | 141.38 | 132.44 | 137.50 | 144.64 | 147.87 | 148.63 | 155.87 | 149.70 | 152.38 | 152.57 | 144.62 | 147.47 |

# Forecast for FY March 2026

Forecast

# Forecast for FY March 2026

| (Billions of Yen) | FY March 2025 | | | | | | | FY March 2026 | | | | | YoY | | vs. H2 Forecast in May | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | H1 | Q3 | Q4 | H2 | Full Year | Q1 | Q2 | H1 | H2 | Full Year | Amount | % | Amount | % |
| Net Sales | 49.8 | 23.0 | 72.8 | 23.3 | 25.5 | 48.8 | 121.6 | 22.2 | 18.8 | 41.0 | 37.8 | 78.8 | – | – | – | – |
| Sanken Core | 22.4 | 22.4 | 44.7 | 21.6 | 23.7 | 45.3 | 90.0 | 21.0 | 18.5 | 39.5 | 37.8 | 77.2 | (12.8) | (14.2)% | (7.8) | (17.0)% |
| Others | 27.5 | 0.6 | 28.1 | 1.7 | 1.8 | 3.5 | 31.6 | 1.2 | 0.3 | 1.5 | 0.0 | 1.5 | – | – | – | – |
| Operating profit (loss) | (4.6) | (1.0) | (5.7) | 0.2 | 1.6 | 1.9 | (3.8) | (0.4) | (0.5) | (0.9) | (5.1) | (6.0) | – | – | – | – |
| Sanken Core | 0.3 | (0.1) | 0.2 | 0.4 | 1.5 | 1.8 | 2.0 | (0.3) | (0.4) | (0.7) | (5.1) | (5.8) | (7.8) | – | (7.0) | – |
| Consolidated adjustments etc. | (4.9) | (0.9) | (5.8) | (0.1) | 0.2 | 0.0 | (5.8) | (0.1) | (0.1) | (0.2) | 0.0 | (0.2) | – | – | – | – |
| Share of income (losses) of equity method entities and LPS * | – | (2.0) | (2.0) | 1.8 | (4.8) | (3.0) | (5.0) | (0.1) | 0.9 | 0.8 | | | – | – | – | – |
| Ordinary profit (loss) | (5.7) | (8.6) | (14.2) | 3.4 | (3.5) | (0.0) | (14.3) | (0.9) | 0.1 | (0.8) | (7.5) | (8.3) | – | – | (7.6) | – |
| Extraordinary income (losses), net | 1.5 | 63.4 | 64.9 | 0.6 | (0.7) | (0.1) | 64.8 | 0.3 | (0.3) | (0.0) | | | – | – | – | – |
| Profit (loss) attributable to owners of parent | (2.7) | 50.7 | 48.0 | 3.2 | (0.2) | 2.9 | 50.9 | (0.9) | (0.5) | (1.4) | (8.3) | (9.7) | – | – | (9.4) | – |
| Basic earnings per share (Unit: Yen) | | | 1,987.72 | | | | 2,119.53 | | | (65.18) | | (452.29) | – | – | – | – |
| FX (Yen/USD) Cumulative average | 155.87 | 152.79 | | 152.65 | 152.63 | | | 144.62 | 146.04 | | - | | | | | |
| FX (Yen/USD) 3-month average | 155.87 | 149.70 | | 152.38 | 152.57 | | | 144.62 | 147.47 | | 145.00 | | | | | |

* Equity in earnings (losses) of affiliates/ Gain (Loss) on investments in investment partnerships

FY3/2026 assumed exchange rage impact vs. USD (per ¥1 annual fluctuation): Approx. ¥0.4bn in net sales and ¥0.2bn in operating profit (positive impact from yen depreciation and negative impact from yen appreciation)

Net Sales : We have shifted the sales forecast to a decline forecast taking into consideration a sharp fall of white goods sales in China in H2

Operating profit (loss) : Due to the sales decline, we project a significant profit decrease taking into consideration production adjustments to reduce the buildup of inventory aligned with the back-end process reorganization plan

Extraordinary losses : Earthquake-related cost for Ishikawa Sanken Total of 0.9 billion yen

Forecast

# Forecast Assumptions: Market Environment

## Macroeconomic Trends

- Global economic direction remains uncertain
- The policy shift in BEV incentives across the U.S. and Europe has resulted in global spread of the EV chasm
- The U.S.-China trade tensions have triggered a rapid increase of local production and consumption in China using domestically produced semiconductors
- We are closely studying each country's economy and business conditions as well as the tariffs impact

## Automotive Market

- CY2025 OEM production 92.2M
  → Product sales for ICE vehicles have been strong due to the recent EV chasm
- The shift to BEVs will remain constant over the long term, but the rise in demand, which was expected to be in H2 FY March 2027, is predicted to appear in FY March 2028 or later
- Demand growth for high voltage auxiliary motor systems for applicable BEV models is projected to temporarily plateau at its peak

## White Goods Market

- While inventories of finished air conditioners in China have peaked, adjustment of product demand for seasonality began earlier than usual, starting from the July–September period. In addition, the shift toward semiconductors produced by domestic Chinese manufacturers has been accelerating
- CY2026 production at Korean customers is expected to grow from this year's level. The future increase is expected due to the new adoption of IPMs for air conditioners
- Demand for Japanese customers to the Chinese market has decreased
- We are seeking further sales expansion to U.S., European, and Indian customers

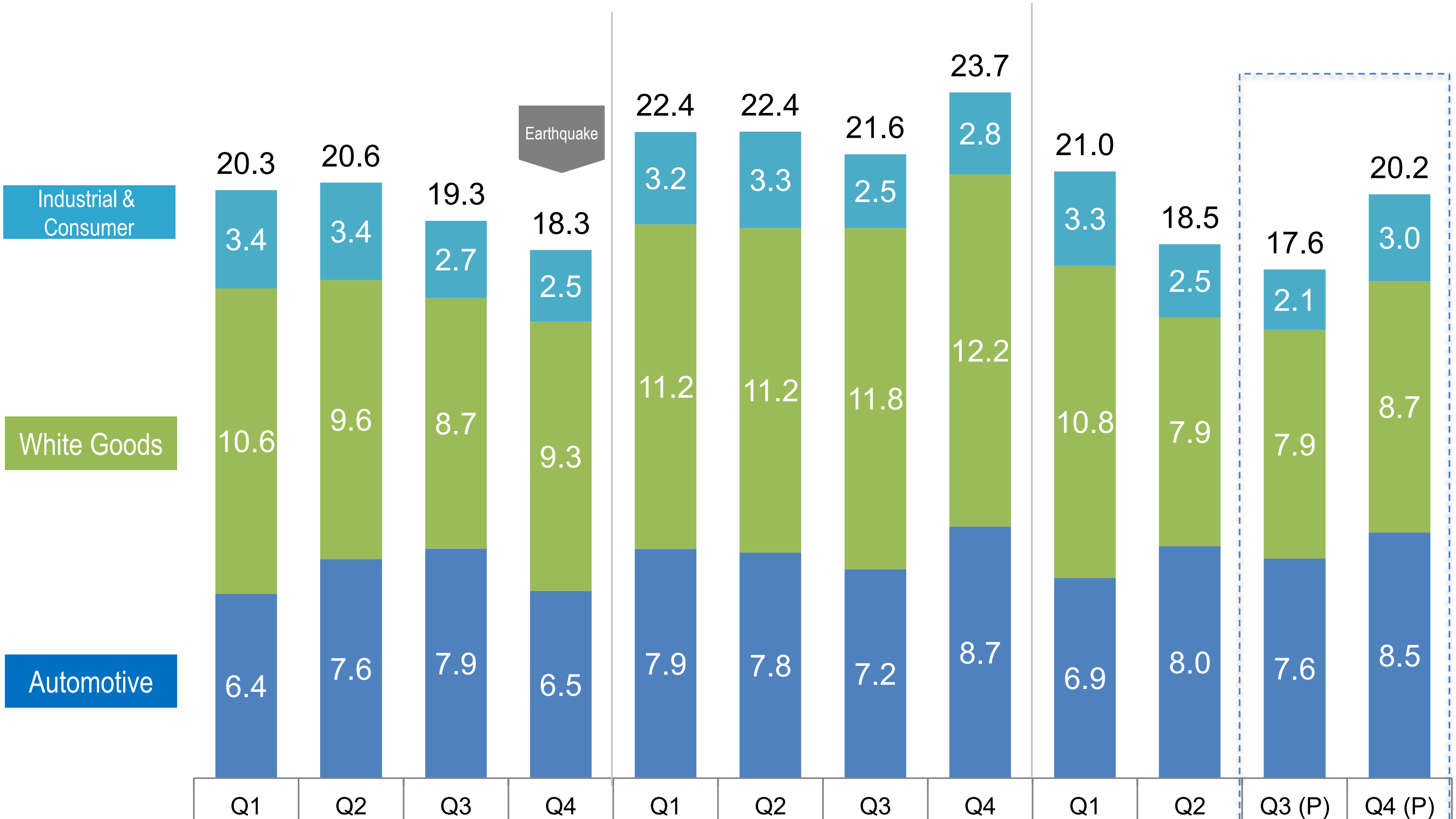
## Industrial & Consumer Market

- Semiconductors for industrial applications have not seen a general recovery in demand
- Demand for global TV production remains flat
- We plan to expand sales of our IPMs for air conditioning and liquid cooling systems for AI data centers

Forecast

# Sanken Core Sales Trend by Market

(Billions of Yen)



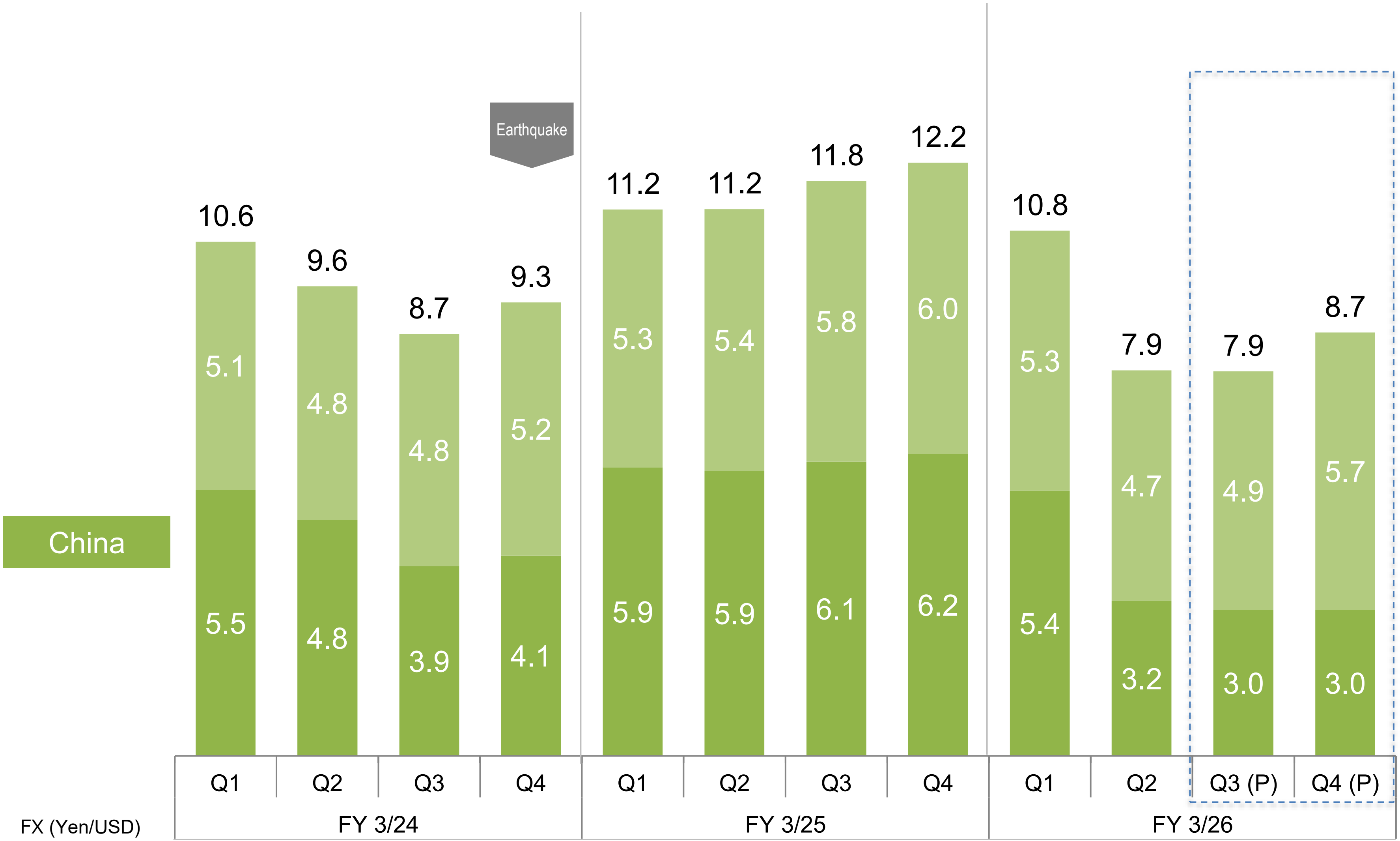

| FX (Yen/USD) | FY 3/24 Q1 | FY 3/24 Q2 | FY 3/24 Q3 | FY 3/24 Q4 | FY 3/25 Q1 | FY 3/25 Q2 | FY 3/25 Q3 | FY 3/25 Q4 | FY 3/26 Q1 | FY 3/26 Q2 | FY 3/26 Q3 (P) | FY 3/26 Q4 (P) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cumulative average | 137.50 | 141.07 | 143.34 | 144.60 | 155.87 | 152.79 | 152.65 | 152.63 | 144.62 | 146.04 | - | - |
| 3-month average | 137.50 | 144.64 | 147.87 | 148.63 | 155.87 | 149.70 | 152.38 | 152.57 | 144.62 | 147.47 | 145.00 | 145.00 |

Forecast

# Sanken Core White Goods Sales Trend in the Chinese Market

Power Electronics for Your Innovation

(Billions of Yen)




| FX (Yen/USD) | FY 3/24 Q1 | FY 3/24 Q2 | FY 3/24 Q3 | FY 3/24 Q4 | FY 3/25 Q1 | FY 3/25 Q2 | FY 3/25 Q3 | FY 3/25 Q4 | FY 3/26 Q1 | FY 3/26 Q2 | FY 3/26 Q3 (P) | FY 3/26 Q4 (P) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cumulative average | 137.50 | 141.07 | 143.34 | 144.60 | 155.87 | 152.79 | 152.65 | 152.63 | 144.62 | 146.04 | - | - |
| 3-month average | 137.50 | 144.64 | 147.87 | 148.63 | 155.87 | 149.70 | 152.38 | 152.57 | 144.62 | 147.47 | 145.00 | 145.00 |

# Financial Status: **FY March 2026**

Power Electronics for Your Innovation

## Continue to maintain the strengthened financial structure

Change from March 31, 2024

| | As of March 31, 2024 | As of March 31, 2025 | As of September 30, 2025 |
|---|---|---|---|
| Equity Ratio | 31.1% | 56.9% | 52.9% |
| D/E Ratio | 1.18x | 0.43x | 0.57x |

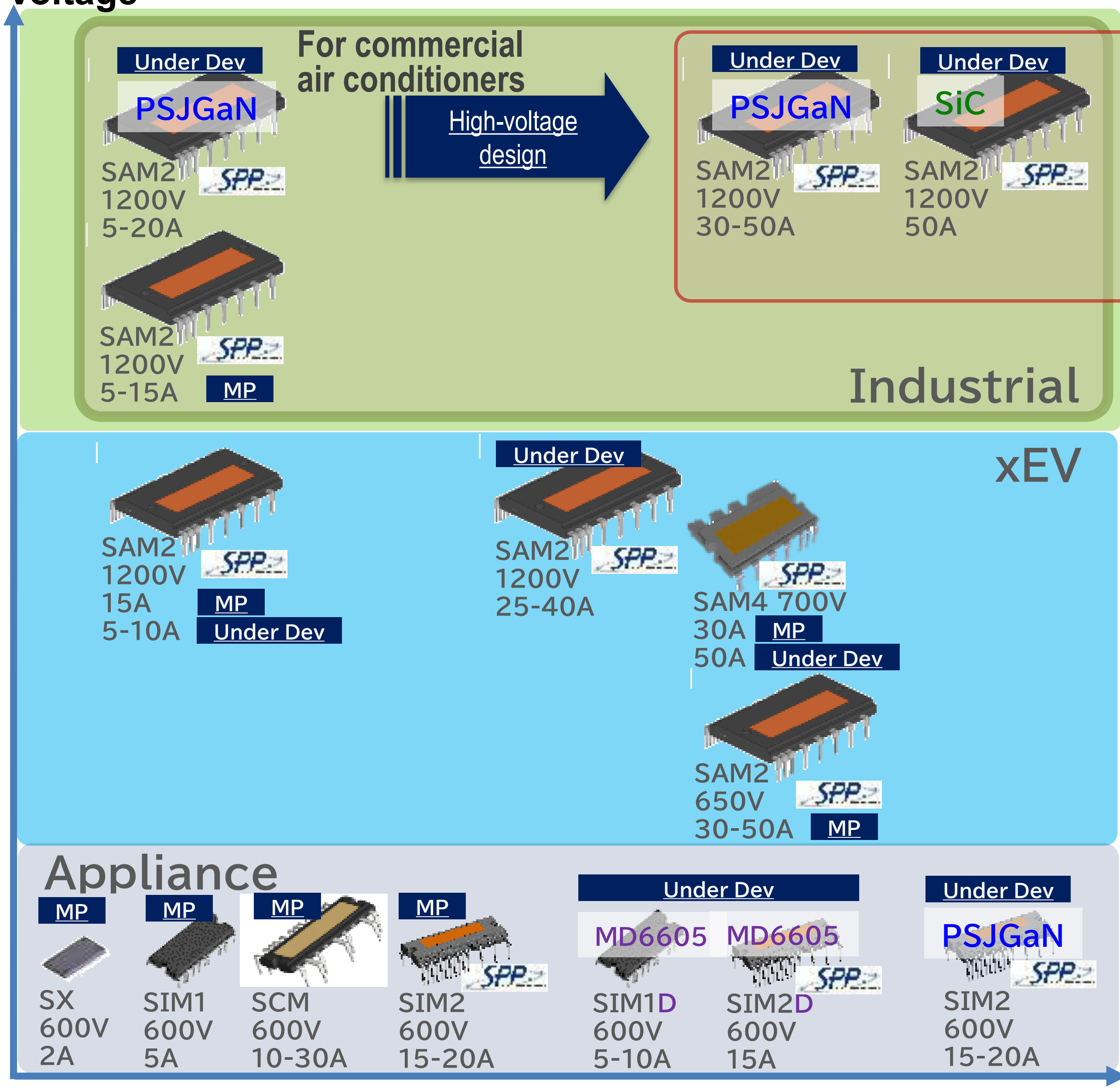
*As of March 31, 2025: Changes are due to partial sale of Allegro shares

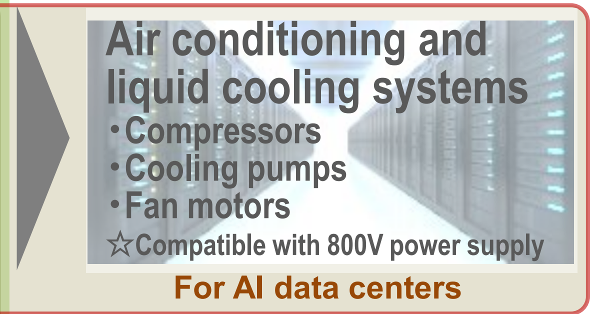
# Progress on the 24 MTP

# Progress on the 2024 Medium-Term Management Plan (24 MTP)

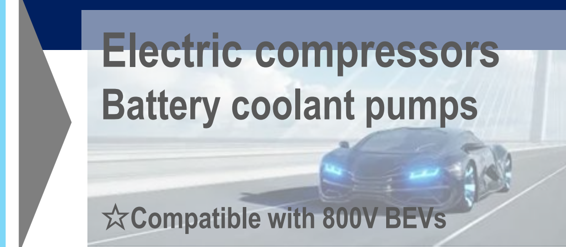
| 24 MTP Outline | Priority Tasks |
|---|---|
| **Product Strategy**<br>• Achieving growth with both standard and custom products on the SPP platform. | Sales building strategy<br>[Sales expansion to many regions and new markets] |
| **Sales Expansion Strategy**<br>• Driving initiatives in automotive, home appliance, and industrial equipment markets in line with segment-based growth strategies | Cost reduction:<br>[Fixed cost reduction and optimization of expense control] |
| **Profitability improvement drivers**<br>• Increase new product ratio<br>• Improve earnings from existing products<br>• Reduce COGS | Cost reduction:<br>[Variable cost reduction: material change, expansion of the range of platform-based development] |

# IPM Focus Areas and Lineup




- Use of SPP concept for platform-based development
- Early products launch for AI data centers
- Completion of absorption-type merger of POWDEC in October
- Use of PSJGaN-equipped IPMs, starting with white goods applications and expanding into high-voltage product areas
- Also sequential launch of digital IPMs equipped with the 22nmMCU





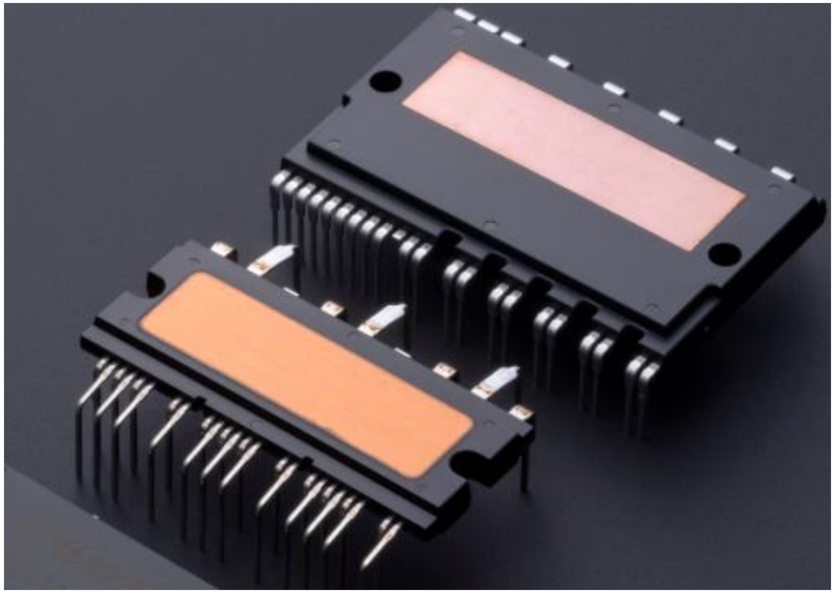
*MP: Mass production Under Dev: Under Development

# Market Position

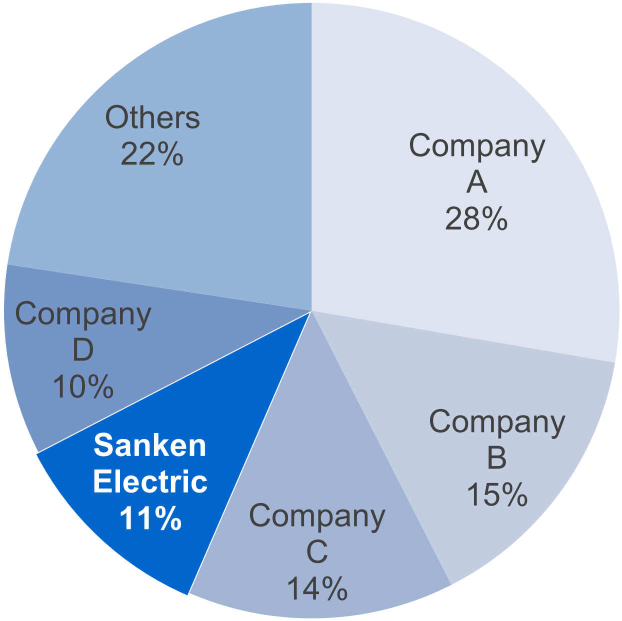
Establishing a global position in the power semiconductor market

Intelligent power modules (IPM) *

**No. 4** globally
**No. 3** in Japan



IPM Market Share




*Fuji Keizai "Current status and future outlook of markets for next-generation power devices and power electronics-related equipment – 2025 edition"

Fiscal Year March 2026 Q2 Financial Results