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February 9, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: Sanken Electric Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 6707

URL: <https://www.sanken-ele.co.jp/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(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, 2025	59,157	(38.4)	(1,746)	-	(3,047)	-	(3,518)	-
December 31, 2024	96,091	(46.6)	(5,424)	-	(10,808)	-	51,171	-

Note: Comprehensive income For the nine months ended December 31, 2025: ¥ 96 million [(99.6)%]

For the nine months ended December 31, 2024: ¥ 24,964 million [3.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	(167.88)	-
December 31, 2024	2,119.06	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2025	241,684	124,554	51.3
March 31, 2025	259,067	147,928	56.9

Reference: Equity

As of December 31, 2025: ¥ 124,026 million

As of March 31, 2025: ¥ 147,433 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, 2025	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2026	-	0.00	-		
Fiscal year ending March 31, 2026 (Forecast)				0.00	0.00

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

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	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
Full year	78,800	(35.2)	(6,000)	-	(8,300)	-	(9,700)	-	(452.29)

Note: Revisions to the financial result forecast most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies()
Excluded: - companies()

(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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2025	20,925,360 shares
As of March 31, 2025	25,098,060 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	934,614 shares
As of March 31, 2025	1,959,396 shares

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

Nine months ended December 31, 2025	20,959,538 shares
Nine months ended December 31, 2024	24,148,226 shares

* 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

The above description about future matters including financial forecast is based upon information available as of the present time and assumptions we considered valid, and we do not promise that these forecasts will be accomplished. Due to various factors, our actual performance could greatly differ from the forecast. For assumptions and precautions to use the forecasts, refer to following "Description of consolidated financial forecast, etc".

Qualitative information about consolidated business results for the nine months ended December 31, 2025

(1) Description of consolidated operating results

During the nine months ended December 31, 2025, we saw significant changes, ranging from the stagnation of the Chinese economy, the U.S. tariff measures, to the emergence of an “EV chasm” driven by countries’ policy revisions. The business environment has grown increasingly challenging, due to factors such as procurement pressures resulting from higher price quotation of metals and the yen’s depreciation, which proved sharper than expected when the second-quarter financial results were announced.

In this business environment, the Group has been advancing the 2024 Medium-Term Management Plan (hereinafter referred to as the “24 Medium-Term Plan”) since the previous fiscal year, and positioned the next three-year period starting from the fiscal year ending March 31, 2026, the second year of the 24 Medium-Term Plan, as a phase for achieving full-scale growth. However, the above-mentioned changes in the business environment have been adversely affecting the progress of these initiatives. Therefore, we have set priority issues to be addressed in the 24 Medium-Term Plan: To drive top-line growth, we will focus on expanding sales in India, Europe and the US and in the industrial machinery domain including IPMs for commercial air conditioners and equipment for AI data centers. On the cost-reduction front, we will work to reduce fixed costs and optimize expense control across the Group, while also pursuing variable-cost reductions through measures such as material substitutions to reduce the use of gold and expansion of parts commonality through platform integration.

Meanwhile, the 24 Medium-Term Plan highlights the promotion of external collaboration as another key initiative, with the aim of achieving growth through the effective use of outside resources. As part of this effort, on April 1, 2025, we acquired POWDEC K.K. and have since been advancing development to enable the early market launch of high-performance GaN power device. Furthermore, on January 27, 2026, we reached an agreement with Minebea Power Semiconductor Device Inc. to enter into a technical partnership involving back-end production collaboration and joint product development in the Intelligent Power Module (IPM, the “Power Module”) market. This collaboration seeks to maximize investment efficiency by leveraging the resources of both companies, mitigate risks arising from demand volatility for the Power Module, which has great potential for strong global growth, and strengthen the international competitiveness of the products.

On the other hand, the Company completed the repurchase of its own shares in September 2025 as planned, which had been implemented since December 2024 as a shareholder return measure. The Company repurchased a total of 4.17 million shares (equivalent to 16.6 % of the total number of shares issued), and the total amount of repurchase amounted to ¥29,900 million. All shares acquired as a result of this were canceled on October 3, 2025.

With regard to the financial results for the nine months ended December 31, 2025, consolidated net sales were ¥59,157 million, down ¥36,933 million (38.4%) from the same period of the previous year, as Allegro MicroSystems, Inc. (“Allegro”) was excluded from the scope of consolidation and became an equity method affiliate of the Company in August 2024. Also, in the automotive market, which is one of Sanken Core, although demand for battery EVs has softened, demand for internal-combustion vehicles, including hybrids, continues to be robust, keeping the overall automotive market firm since the start of the fiscal year. Meanwhile, in the white goods market, which is another Sanken Core, sales dropped sharply from the second quarter due to a decrease of our market share in the Chinese market amid the growing presence of local semiconductor manufacturers.

Consequently, in terms of profit and loss, despite the positive effects of fixed-cost reductions and increased production following the reorganization of production operations in the back-end process, the impact of surging material prices and lower sales of white goods in the Chinese market was substantial, leading to a consolidated operating loss of 1,746 million yen (compared with a consolidated operating loss of 5,424 million yen in the same quarter of the previous fiscal year), resulting in wider losses in the current third quarter. A consolidated ordinary loss was ¥3,047 million (consolidated ordinary loss of ¥10,808 million for the same period of the previous fiscal year). Loss attributable to owners of the parent amounted to 3,518 million yen (profit attributable to owners of parent of ¥51,171 million for the same period of the previous fiscal year) due to the recording of ¥2,415 million extraordinary losses mainly from extra retirement payments at Ishikawa Sanken Co., Ltd., partially offset by extraordinary income of ¥1,235 million from a gain on sale of non-current assets at P.T. Sanken Indonesia and ¥1,875 million from a gain on changes in equity.

Net sales by market, region and product are as follows.

Following the change in Allegro's status from a consolidated subsidiary to an equity method affiliate, which occurred during the nine months ended December 31, 2024, the "Other" segment has been added to net sales by market and by product. This new segment includes net sales from Allegro's products and the switching power supply (former unit products) business, which is scheduled to discontinue product sales by the end of the fiscal year under review.

As a result of the above change, net sales are now presented by market and product, rather than by market, region, and product.

• Sales by market (Millions of yen)

	Nine months ended Dec.31,2024		Nine months ended Dec.31,2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Automotive	22,967	23.9%	22,334	37.8%	(632)	(2.8%)
White Goods	34,272	35.7%	27,294	46.1%	(6,978)	(20.4%)
Industrial machinery, consumer goods, others	9,075	9.4%	7,973	13.5%	(1,101)	(12.1%)
Others	29,775	31.0%	1,554	2.6%	(28,221)	(94.8%)
Total	96,091	100.0%	59,157	100.0%	(36,933)	(38.4%)

(Note)

With the addition of the new segment described above, the following retroactive changes have been made to sales by market for the nine months ended December 31, 2024: ¥20,447 million for Allegro's products and ¥2,432 million for the switching power supply (former unit products) business, previously included in "Automotive" (¥45,847 million); ¥1,490 million for Allegro's products, previously included in "White Goods" (¥35,762 million); and ¥4,410 million for Allegro's products and ¥994 million for the switching power supply (former unit products) business, previously included in "Industrial Machinery, Consumer Goods, Others" (¥14,480 million). These amounts have been reclassified under the "Other" market segment (¥29,775 million).

• Sales by region (Millions of yen)

	Nine months ended Dec.31,2024		Nine months ended Dec.31,2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Japan	25,218	26.2%	-	-	-	-
Asia	59,424	61.9%	-	-	-	-
North America / Latin America	6,102	6.4%	-	-	-	-
Europe	5,345	5.6%	-	-	-	-
Total	96,091	100.0%	-	-	-	-

(Note)

Due to the declining importance of regional sales within our group, we have omitted this information since the results for the nine months ended December 31, 2024.

• Sales by product

(Millions of yen)

	Nine months ended Dec.31,2024		Nine months ended Dec.31,2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Power module	36,546	38.0%	29,280	49.5%	(7,265)	(19.9%)
Power device	29,768	31.0%	28,322	47.9%	(1,446)	(4.9%)
Others	29,775	31.0%	1,554	2.6%	(28,221)	(94.8%)
Total	96,091	100.0%	59,157	100.0%	(36,933)	(38.4%)

(Note)

With the addition of the new segment described above, the following retroactive changes have been made to sales by product for the nine months ended December 31, 2024: ¥3,427 million for the switching power supply (former unit products) business, previously included in “Power Module” (¥39,973 million); ¥8,406 million for Allegro’s products, previously included in “Power Device” (¥38,175 million); and ¥17,942 million for Allegro’s products, previously included in “Sensor” (¥17,942 million). These amounts have been reclassified under the “Other” product segment (¥29,775 million).

(2) Description of consolidated financial position

Assets as of the end of the nine months ended December 31, 2025, totaled ¥241,684 million, a decrease of ¥17,382 million from the end of the previous consolidated fiscal year. This was mainly due to decreases in cash and deposits of ¥14,935 million and notes and accounts receivable-trade of ¥6,247 million.

Liabilities were ¥117,129 million, an increase of ¥5,991 million from the end of the previous consolidated fiscal year. This was mainly due to a ¥18,252 million increase in short-term borrowings, including the current portion of long-term borrowings.

Net assets were ¥124,554 million, a decrease of ¥23,374 million from the end of the previous consolidated fiscal year. This was mainly due to a decrease in retained earnings of ¥28,537 million.

(3) Description of consolidated financial forecast, etc.

The consolidated financial forecasts remain unchanged from the figures announced on November 11, 2025.

Quarterly Consolidated Financial Statements and Primary Notes
Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	51,405	36,469
Notes and accounts receivable - trade	20,329	14,082
Electronically recorded monetary claims - operating	3,324	4,009
Merchandise and finished goods	11,911	17,682
Work in process	24,810	27,275
Raw materials and supplies	6,949	7,109
Other	18,254	6,028
Allowance for doubtful accounts	(29)	(168)
Total current assets	136,955	112,489
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,225	17,071
Machinery, equipment and vehicles, net	12,881	12,208
Tools, furniture and fixtures, net	1,192	1,188
Land	2,764	2,793
Leased assets, net	587	649
Construction in progress	16,404	17,784
Total property, plant and equipment	51,056	51,694
Intangible assets		
Software	468	551
Goodwill	809	1,708
Other	90	145
Total intangible assets	1,368	2,405
Investments and other assets		
Investment securities	15,632	17,531
Shares of subsidiaries and associates	47,819	50,909
Deferred tax assets	238	243
Retirement benefit asset	5,071	5,841
Other	998	638
Allowance for doubtful accounts	(72)	(69)
Total investments and other assets	69,687	75,095
Total non-current assets	122,111	129,195
Total assets	259,067	241,684

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,888	4,952
Electronically recorded obligations - operating	3,909	3,342
Short-term borrowings	9,972	25,242
Current portion of long-term borrowings	11,736	14,718
Current portion of bonds payable	5,000	-
Commercial papers	1,000	1,000
Lease liabilities	26	77
Accrued expenses	4,763	3,520
Income taxes payable	1,441	426
Provision for loss on disaster	287	0
Provision for performance-linked compensations	214	161
Other	10,123	11,575
Total current liabilities	54,363	65,019
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	25,336	26,593
Long-term accounts payable - other	18,900	12,459
Lease liabilities	71	213
Deferred tax liabilities	1,095	1,373
Provision for share-based payments	359	456
Provision for retirement benefits for directors (and other officers)	5	0
Retirement benefit liability	274	313
Other	730	699
Total non-current liabilities	56,774	52,110
Total liabilities	111,138	117,129
Net assets		
Shareholders' equity		
Share capital	20,896	20,896
Capital surplus	65,217	60,236
Retained earnings	60,148	31,610
Treasury shares	(10,781)	(4,251)
Total shareholders' equity	135,481	108,492
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	694	975
Foreign currency translation adjustment	10,957	14,270
Remeasurements of defined benefit plans	300	287
Total accumulated other comprehensive income	11,952	15,534
Non-controlling interests	495	528
Total net assets	147,928	124,554
Total liabilities and net assets	259,067	241,684

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	96,091	59,157
Cost of sales	76,100	51,798
Gross profit	19,990	7,358
Selling, general and administrative expenses	25,415	9,105
Operating loss	(5,424)	(1,746)
Non-operating income		
Interest income	872	772
Dividend income	34	48
Gain on investments in money held in trust	73	-
Subsidies for employment adjustment	175	-
Gain on investments in investment partnerships	2,395	778
Miscellaneous income	332	208
Total non-operating income	3,883	1,808
Non-operating expenses		
Interest expenses	1,653	593
Foreign exchange losses	4,886	1,148
Share of loss of entities accounted for using equity method	2,580	1,024
Miscellaneous losses	147	343
Total non-operating expenses	9,267	3,110
Ordinary loss	(10,808)	(3,047)
Extraordinary income		
Gain on sale of non-current assets	1,592	1,235
Gain on change in equity	97,725	1,875
Gain on transfer from business divestitures	7,433	-
Total extraordinary income	106,751	3,111
Extraordinary losses		
Loss on disposal of non-current assets	13	47
Environmental expenses	-	111
Impairment losses	1,330	192
Extra retirement payments	-	2,415
Loss on disaster	14	-
Loss on business restructuring	39,958	-
Total extraordinary losses	41,316	2,766
Profit (loss) before income taxes	54,626	(2,703)
Income taxes	5,196	810
Profit (loss)	49,430	(3,513)
Profit (loss) attributable to non-controlling interests	(1,741)	5
Profit (loss) attributable to owners of parent	51,171	(3,518)

Quarterly Consolidated Statement of Comprehensive Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit (loss)	49,430	(3,513)
Other comprehensive income		
Valuation difference on available-for-sale securities	106	288
Foreign currency translation adjustment	(23,882)	1,083
Remeasurements of defined benefit plans, net of tax	78	(15)
Share of other comprehensive income of entities accounted for using equity method	(768)	2,252
Total other comprehensive income	(24,465)	3,609
Comprehensive income	24,964	96
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	38,216	63
Comprehensive income attributable to non-controlling interests	(13,252)	32