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Supplementary Information (Market Environment) **on the Financial Results for the Nine Months Ended December 31, 2025**



SANKEN ELECTRIC CO., LTD.

February 9, 2026

Summary of Financial Results

(Billions of Yen)	FY March 2025				FY March 2026				YoY *		Full year Forecast Amount
	Q1	Q2	Q3	Q3 cumulative	Q1	Q2	Q3	Q3 cumulative	Amount	%	
Net Sales	49.8	23.0	23.3	96.1	22.2	18.8	18.1	59.2	—	—	78.8
Sanken Core	22.4	22.4	21.6	66.3	21.0	18.5	18.1	57.6	-8.7	-13%	77.2
Others	27.5	0.6	1.7	29.8	1.2	0.3	0.0	1.6	—	—	1.5
Operating profit (loss)	(4.6)	(1.0)	0.2	(5.4)	(0.4)	(0.5)	(0.8)	(1.7)	—	—	(6.0)
Sanken Core	0.3	(0.1)	0.4	0.5	(0.3)	(0.4)	(0.8)	(1.5)	-2.0	—	(5.8)
Consolidated adjustments etc.	(4.9)	(0.9)	(0.1)	(6.0)	(0.1)	(0.1)	(0.0)	(0.2)	—	—	(0.2)
Share of income (losses) of equity method entities and LPS *2	—	(2.0)	1.8	-0.2	(0.1)	0.9	(1.0)	(0.2)	—	—	—
Ordinary profit (loss)	(5.7)	(8.6)	3.4	-10.8	(0.9)	0.1	(2.2)	(3.0)	—	—	(8.3)
Extraordinary income (losses), net	1.5	63.4	0.6	65.4	0.3	(0.3)	0.4	0.3	—	—	—
Profit (loss) attributable to owners of parent	(2.7)	50.7	3.2	51.2	(0.9)	(0.5)	(2.1)	(3.5)	—	—	(9.7)
Basic earnings per share (Unit: Yen)				2,119.06				(167.88)	—	—	(452.29)
FX Cumulative average	155.87	152.79	152.65		144.62	146.04	148.73				
(Yen/USD) 3-month average	155.87	149.70	152.38		144.62	147.47	154.10				

*As Allegro has been removed from the scope of consolidation from Q2 FY March 2025, values for year-on-year change are for Sanken Core only

<Q3 (October-December) actual vs. forecast in November (billions of yen)>

Sanken Core

Net Sales Exchange rate impact: +0.4
 Operating profit (loss) Exchange rate impact: +0.2; impact of inventory buildup ahead of reorganization of back-end production process: +0.3

<Q4 Forecast> *No change from forecast in November

Net Sales Factoring in seasonality of the automotive and white goods markets, net sales will increase slightly over Q3, inclusive of exchange rate impact
 Operating profit (loss) Expecting decline in profit over Q3 due to front-end and back-end production adjustments

<Q3 (cumulative) 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

Consolidated

Non-operating income and expenses • Share of income (losses) of equity method entities and LPS *2 : - 0.2 (Recording of equity in Allegro's net income -1.0, loss on investments in LPS +0.8)
 • Foreign exchange losses : - 1.1
 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 : + 1.9 (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 : - 0.8

Macroeconomic Trends

- Global economy remains uncertain, with slowdown in growth of Chinese economy in particular affecting investment and spending activity
- The EV chasm is widening globally as the U.S. and Europe adjust their BEV incentive policies
- The U.S.-China trade tensions have triggered a rapid increase of local production and consumption in China using domestically produced semiconductors
- Economic trends in emerging countries remain sluggish, but India is on the upswing

Automotive Market

- CY2026 OEM production: 95M
→ Product sales for HEV/ICE vehicles have been strong due to the recent EV chasm
- For power modules for EV traction motors, efforts have begun to expand sales to several Tier 1 suppliers and offer the power modules for other applications
- High-voltage auxiliary systems equipped with SanKen IPMs being increasingly deployed in multiple BEV models; increase in demand anticipated
- 1200V high voltage-resistant IPMs adopted in electric water pump drives for FCV fuel cell cooling (New domain)

White Goods Market

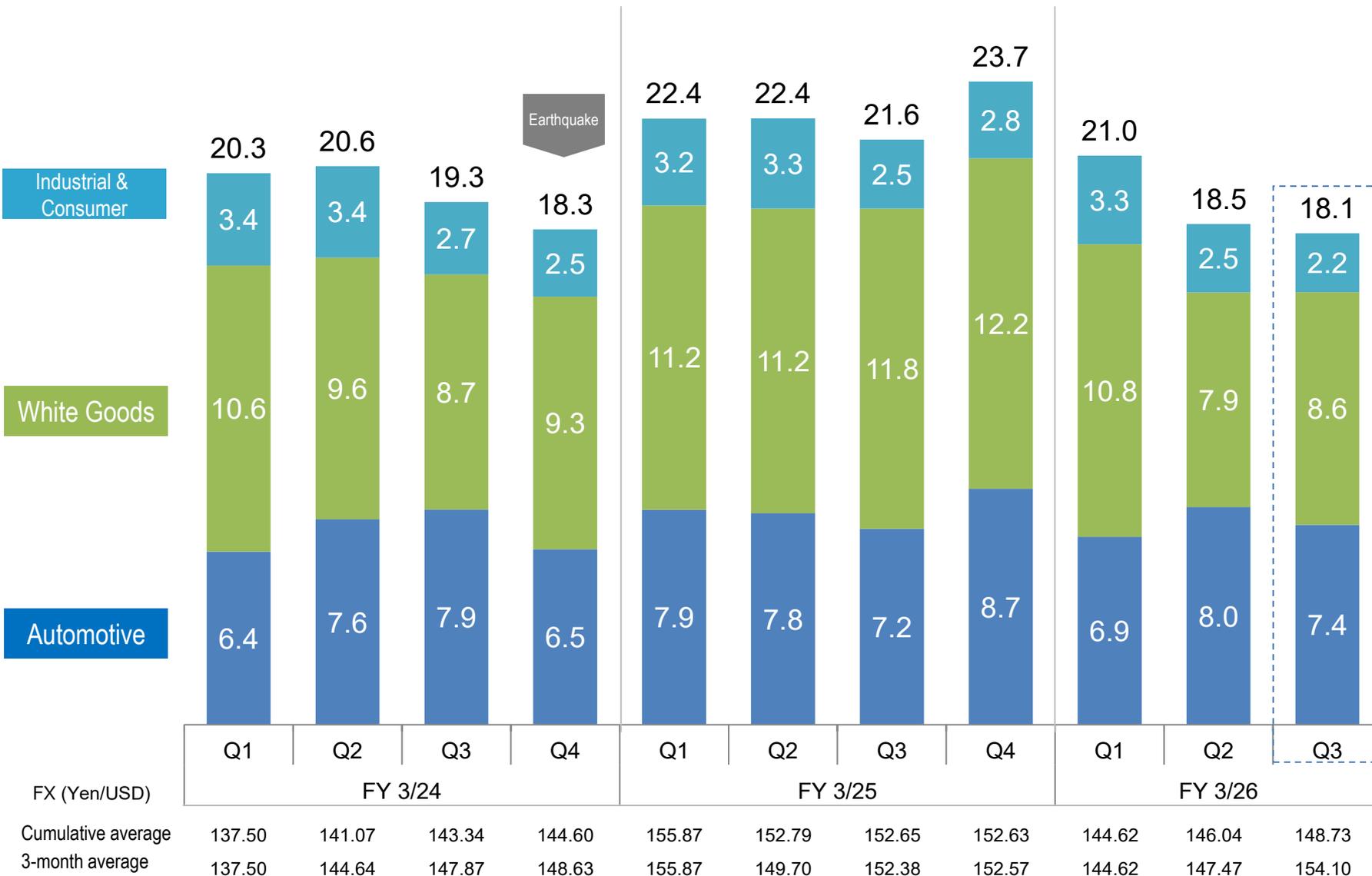
- The ramp-up of components for export-model production by Chinese air conditioner set manufacturers has started slightly ahead of schedule.; in CY2026 production, mid-capacity budget models appear to be pillar of plan
- In CY2026 production by South Korean customers, plans call for YoY growth; net increase anticipated through adoption of IPMs for air conditioners
- IPM shipments to India commenced; net increase expected going forward
- IPMs to be adopted in washing machines by European customers; will be deployed to air conditioners in future; design-in activities in U.S. and Europe currently underway

Industrial & Consumer Market

- Global TV demand and power semiconductors for FA trending flatly with no change
- Will conduct applied rollout of high voltage-resistant power modules for BEVs to be used in chiller coolant circulation pumps at data centers; currently being evaluated by overseas customers
- Plans to expand sales of 1200V high voltage-resistant IPMs for commercial air conditioners

Sales Trend by Market

(Billions of Yen)

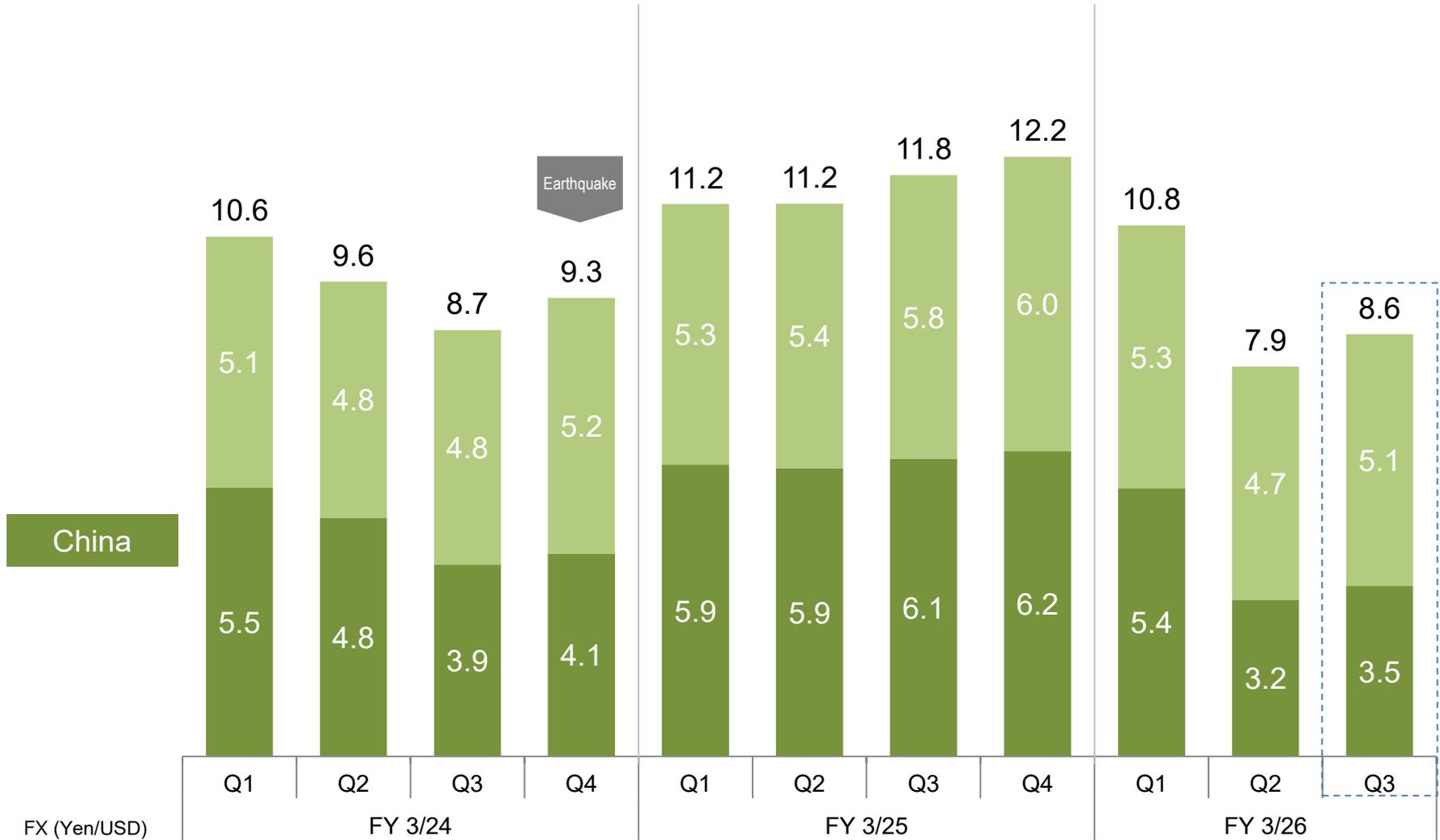


Earthquake

(Dashed box highlighting FY 3/26 Q3 data)

White Goods Sales Trend by Geography

(Billions of Yen)



FX (Yen/USD)

Cumulative average

3-month average

137.50	141.07	143.34	144.60	155.87	152.79	152.65	152.63	144.62	146.04	148.73
137.50	144.64	147.87	148.63	155.87	149.70	152.38	152.57	144.62	147.47	154.10

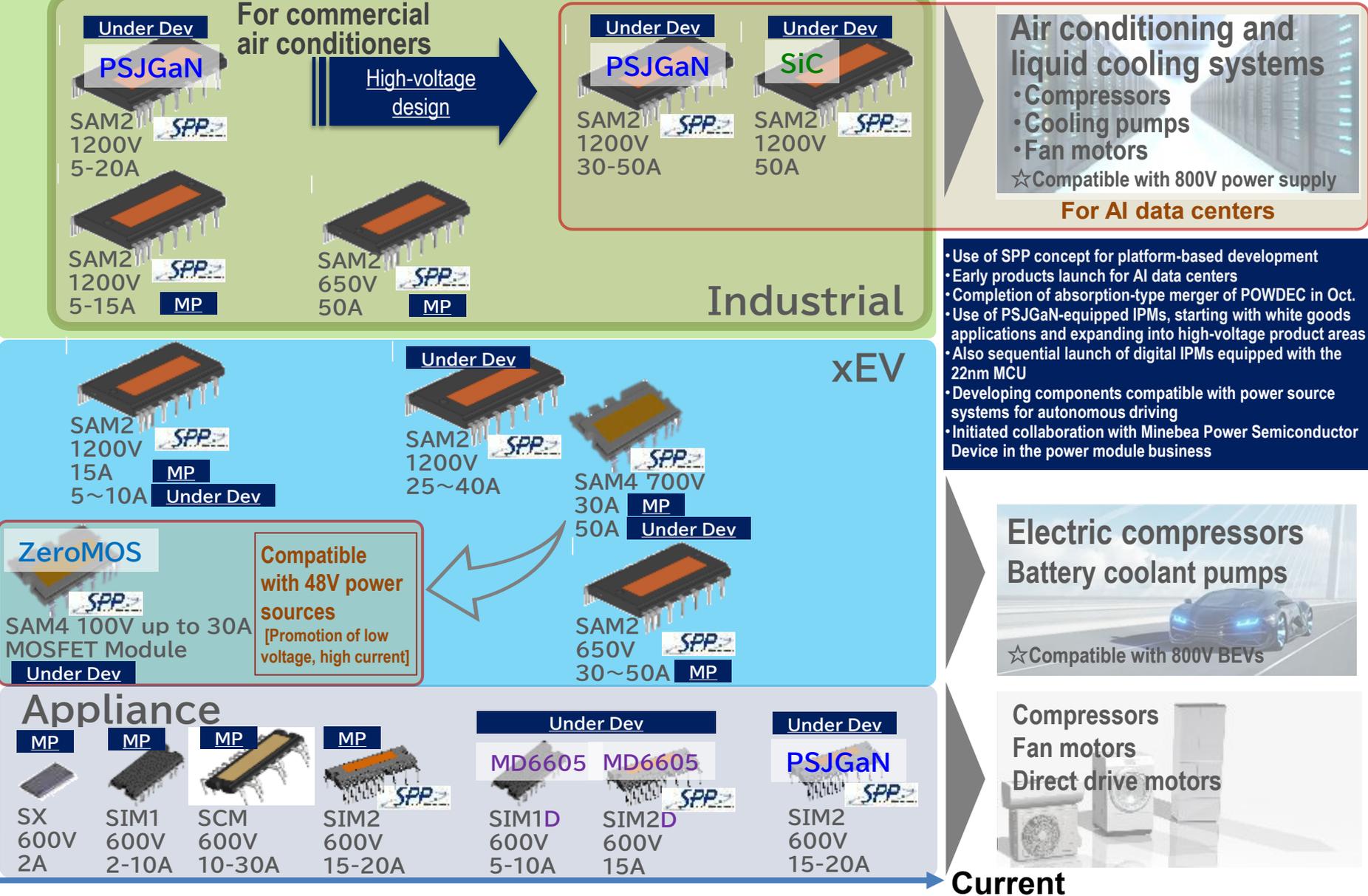
Continue to maintain the strengthened financial structure

	<u>As of March 31, 2024</u>	<u>As of March 31, 2025</u>	<u>As of December 31, 2025</u>
Equity Ratio	31.1%	56.9%	51.3%
D/E Ratio	1.18x	0.43x	0.63x

IPM lineup and applied rollout

(For information on the applied rollout of technology,, please see the "[SanKen Technical Report](#)")

Voltage

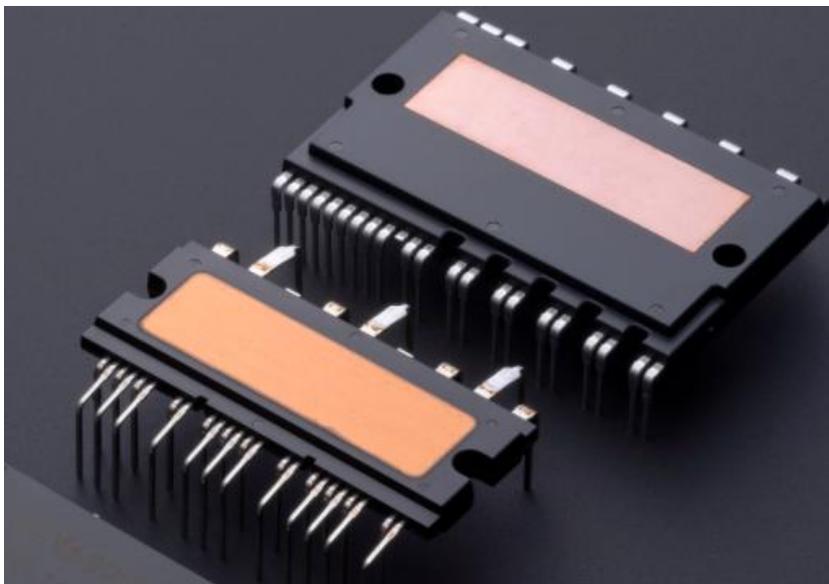


- Use of SPP concept for platform-based development
- Early products launch for AI data centers
- Completion of absorption-type merger of POWDEC in Oct.
- Use of PSJGaN-equipped IPMs, starting with white goods applications and expanding into high-voltage product areas
- Also sequential launch of digital IPMs equipped with the 22nm MCU
- Developing components compatible with power source systems for autonomous driving
- Initiated collaboration with Minebea Power Semiconductor Device in the power module business

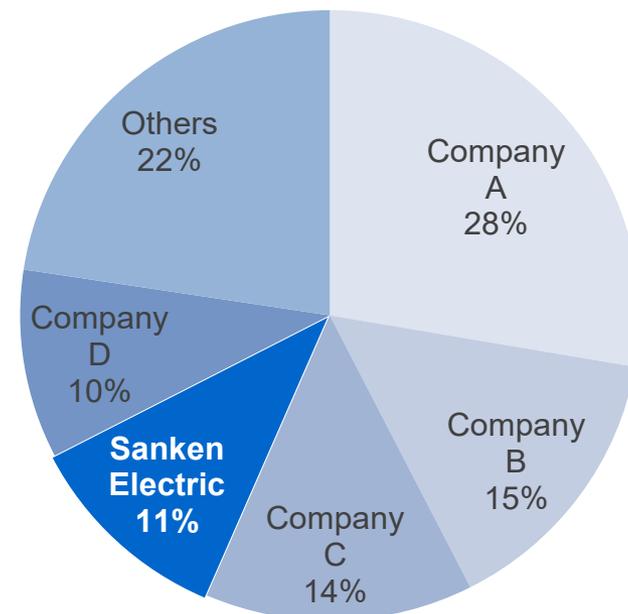
Establishing a global position in the power semiconductor market

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”

Notice on Forward-looking Statement

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