

Fiscal Year March 2026 Q4 Financial Results



**Power Electronics
for Your Innovat!on**

SANKEN ELECTRIC CO., LTD.

May 15, 2026

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.

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Q4 Financial Results

Q4 Financial Results: FY March 2026

(Billions of Yen)	FY March 2025					FY March 2026					YoY	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Amount	%
Net Sales	49.8	23.0	23.3	25.5	121.6	22.2	18.8	18.1	21.0	80.2	(41.4)	(34.1)%
Sanken Core	22.4	22.4	21.6	23.7	90.0	21.0	18.5	18.1	21.0	78.6	(11.4)	(12.7)%
Others	27.5	0.6	1.7	1.8	31.6	1.2	0.3	0.0	0.0	1.6	—	—
Operating profit (loss)	(4.6)	(1.0)	0.2	1.6	(3.8)	(0.4)	(0.5)	(0.8)	(3.0)	(4.7)	(0.9)	—
Sanken Core	0.3	(0.1)	0.4	1.5	2.0	(0.3)	(0.4)	(0.8)	(3.0)	(4.5)	(6.5)	—
Consolidated adjustments etc.	(4.9)	(0.9)	(0.1)	0.2	(5.8)	(0.1)	(0.1)	0.0	0.0	(0.2)	—	—
Share of income (losses) of equity method entities and LPS	—	(2.0)	1.8	(4.8)	(5.0)	(0.1)	0.9	(1.0)	(2.7)	(3.0)	2.0	—
Ordinary profit (loss)	(5.7)	(8.6)	3.4	(3.5)	(14.3)	(0.9)	0.1	(2.2)	(5.8)	(8.8)	5.4	—
Extraordinary income (losses), net	1.5	63.4	0.6	(0.7)	64.8	0.3	(0.3)	0.4	(0.4)	0.0	(64.8)	—
Profit (loss) attributable to owners of parent	(2.7)	50.7	3.2	(0.2)	50.9	(0.9)	(0.5)	(2.1)	(6.3)	(9.8)	(60.7)	—
Basic earnings per share (Unit Yen)					2,119.53					(472.88)	—	—
FX Cumulative average	155.87	152.79	152.65	152.63		144.62	146.04	148.73	150.69			
(Yen/USD) 3-month average	155.87	149.70	152.38	152.57		144.62	147.47	154.10	156.97			

Sanken Core

<FY March 2026 actuals YoY (billions of yen) >

Net Sales Decrease in sales of mainly in white goods markets: (11.4) (inclusive of (5.0) due to exchange rate impact)

Operating profit (loss) Exchange rate impact: (0.2); impact of inventory buildup ahead of reorganization of back-end production process (from Q1 to Q3): 1.3; production adjustments (Q4): (2.9)

Consolidated

<FY March 2026 actuals Major factors affecting Non-operating income (losses) and below (billions of yen) >

Non-operating income and expenses

- Share of income (losses) of equity method entities and LPS : (3.0) (Recording of equity in Allegro's net income (2.1), loss on investments in LPS (0.9))
- Foreign exchange losses : (1.2)

Extraordinary profit

- Gain on sale of non-current assets : 1.1 (Sale of the Indonesian factory due to withdrawal from legacy unit products)
- Gain on change in equity : 2.5 (Impact of change in equity due to recognition of Allegro's stock compensation)

Extraordinary losses

- Loss on disposal of non-current assets / Impairment losses : (0.8) (Closure of Shika plant, Ishikawa Sanken)
- Severance pay : (2.4) (Ishikawa Sanken (2.1), Sanken Indonesia (0.3))

Income taxes : (0.9)

Q4 Financial Results: FY March 2026

(Billions of Yen)	FY March 2025					FY March 2026					Forecast in Nov.	vs.Forecast in Nov.	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Full Year	Amount	%
Net Sales	49.8	23.0	23.3	25.5	121.6	22.2	18.8	18.1	21.0	80.2	78.8	1.4	1.8%
Sanken Core	22.4	22.4	21.6	23.7	90.0	21.0	18.5	18.1	21.0	78.6	77.2	1.4	1.8%
Others	27.5	0.6	1.7	1.8	31.6	1.2	0.3	0.0	0.0	1.6	1.5	—	—
Operating profit (loss)	(4.6)	(1.0)	0.2	1.6	(3.8)	(0.4)	(0.5)	(0.8)	(3.0)	(4.7)	(6.0)	1.3	—
Sanken Core	0.3	(0.1)	0.4	1.5	2.0	(0.3)	(0.4)	(0.8)	(3.0)	(4.5)	(5.8)	1.3	—
Consolidated adjustments etc.	(4.9)	(0.9)	(0.1)	0.2	(5.8)	(0.1)	(0.1)	0.0	0.0	(0.2)	(0.2)	(0.0)	—
Share of income (losses) of equity method entities and LPS *2	—	(2.0)	1.8	(4.8)	(5.0)	(0.1)	0.9	(1.0)	(2.7)	(3.0)	—	—	—
Ordinary profit (loss)	(5.7)	(8.6)	3.4	(3.5)	(14.3)	(0.9)	0.1	(2.2)	(5.8)	(8.8)	(8.3)	(0.5)	—
Extraordinary income (losses), net	1.5	63.4	0.6	(0.7)	64.8	0.3	(0.3)	0.4	(0.4)	0.0	—	—	—
Profit (loss) attributable to owners of parent	(2.7)	50.7	3.2	(0.2)	50.9	(0.9)	(0.5)	(2.1)	(6.3)	(9.8)	(9.7)	(0.1)	—
Basic earnings per share (Unit: Yen)					2,119.53					(472.88)	(452.29)	(20.59)	—
FX Cumulative average	155.87	152.79	152.65	152.63		144.62	146.04	148.73	150.69				
(Yen/USD) 3-month average	155.87	149.70	152.38	152.57		144.62	147.47	154.10	156.97				

SanKen
Core

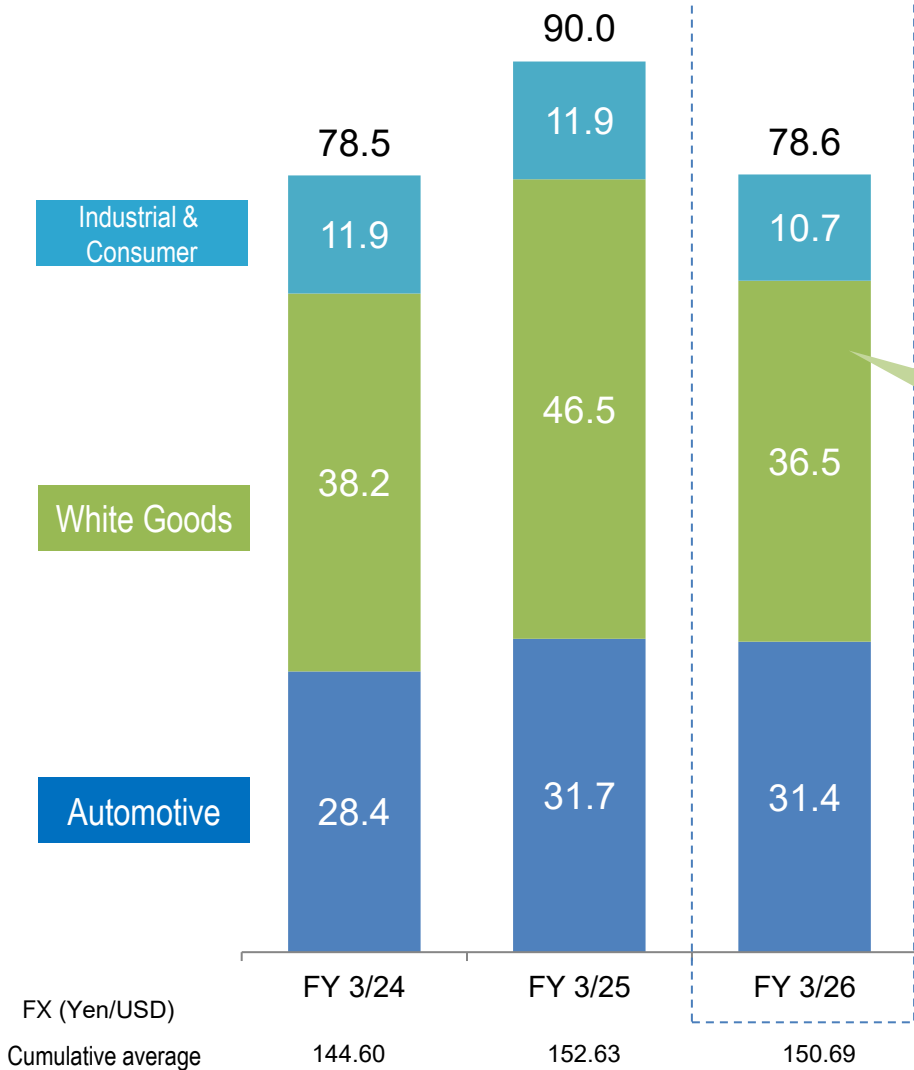
<FY March 2026 actuals vs. forecast in November (billions of yen)>

Net Sales Exchange rate impact: 1.4 (H2)

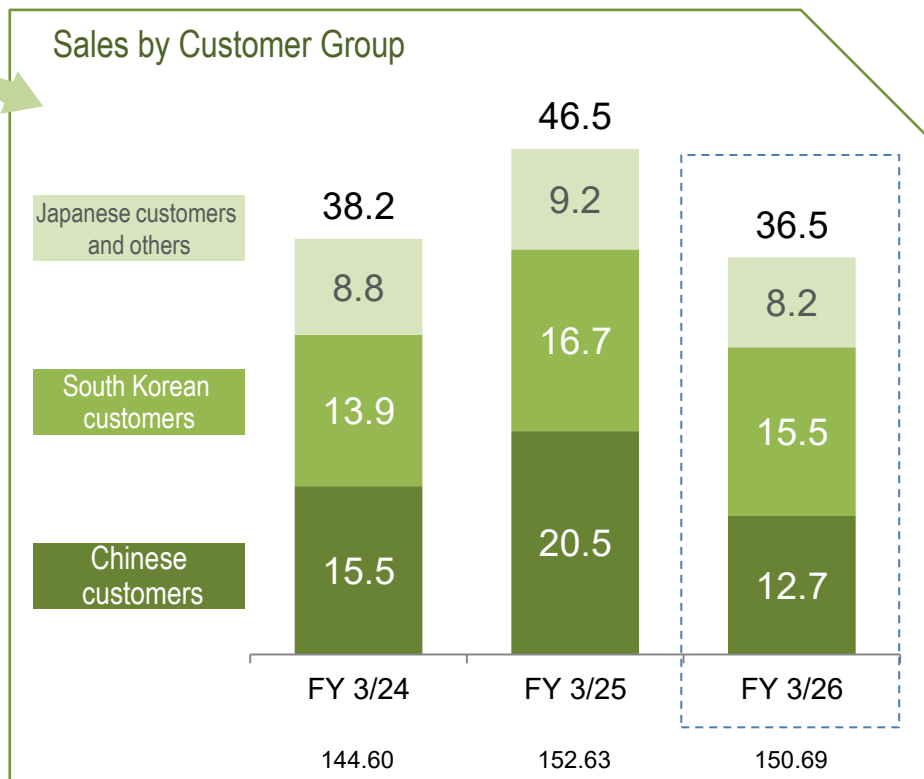
Operating profit (loss) Exchange rate impact: (0.6) (H2) ; Unrealized profit reversal (inventory shipments increase): 0.4 (Q4) ; Cost reduction etc.: 0.3 (Q4)

Sales Trend by Market

(Billions of Yen)

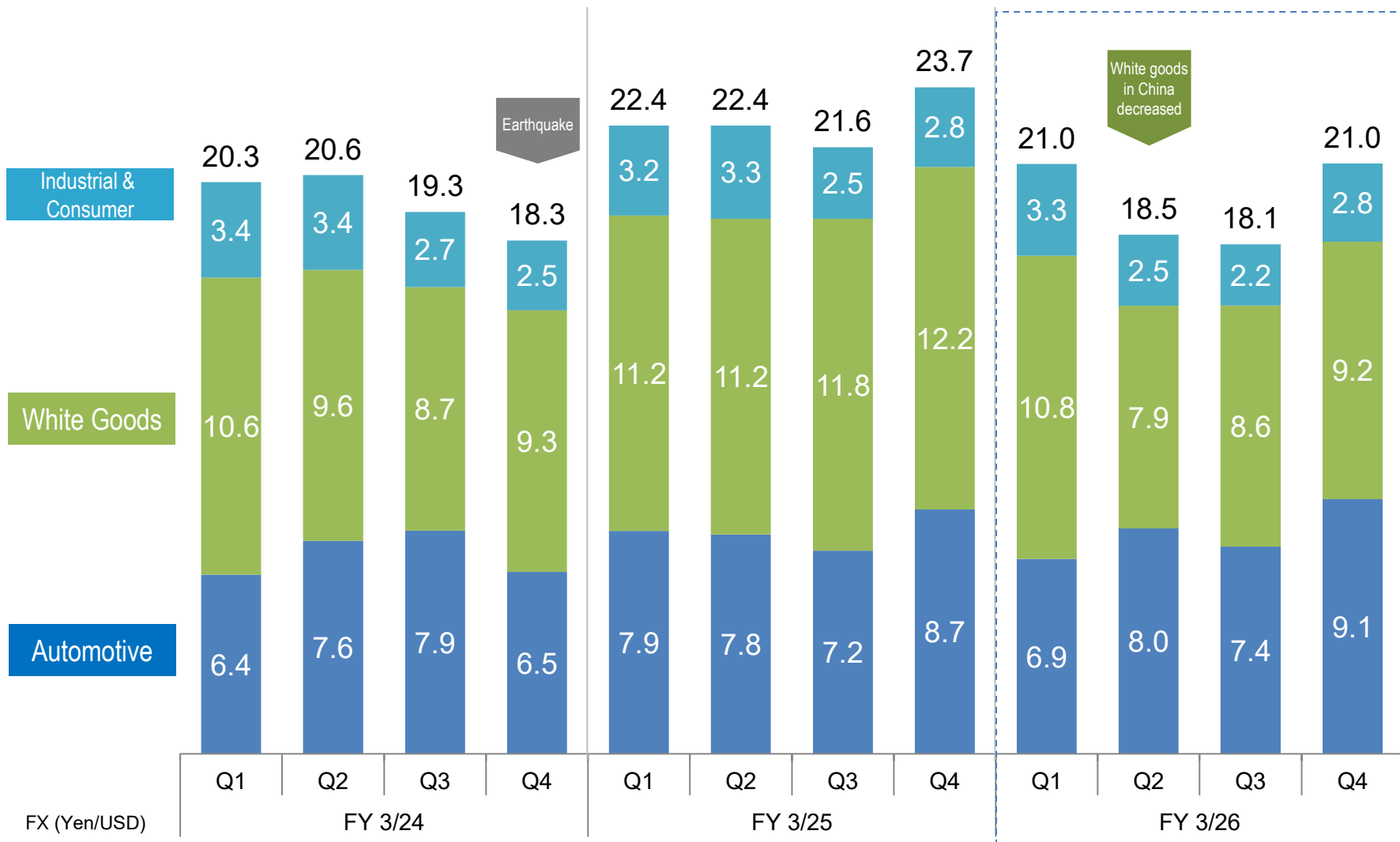


- Factoring in the exchange rate impact, sales increased slightly in the automotive market and decreased slightly in the industrial & consumer market on a YoY basis
- In the automotive market, demand for ICE vehicles continue to remain solid, while power modules for EV traction motors are experiencing slower growth
- In the white goods market, sales to Chinese customers significantly declined. Also, sales to Japanese customers for the Chinese market declined due to weaker demand



Sales Trend by Market (Quarterly)

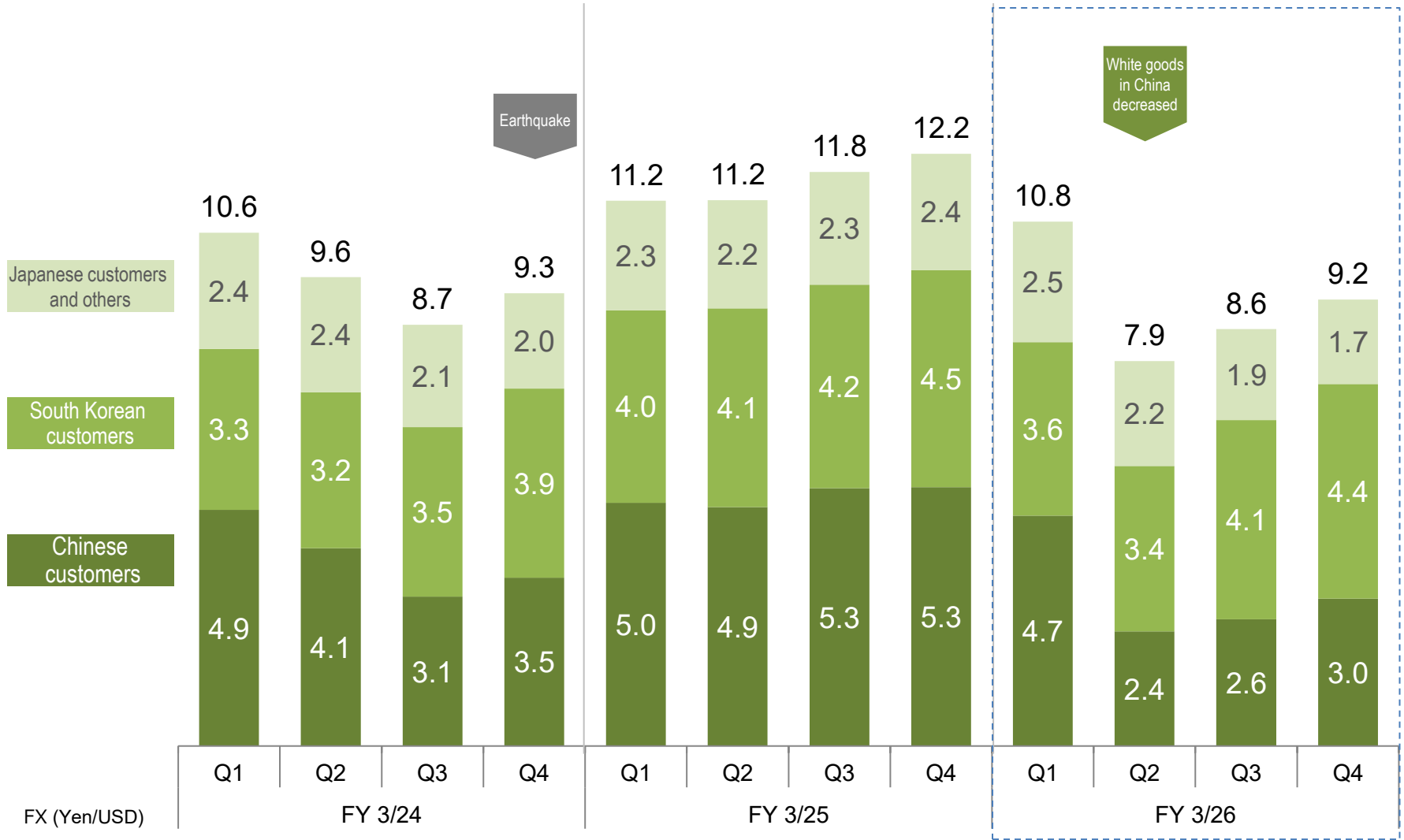
(Billions of Yen)



FX (Yen/USD)	FY 3/24				FY 3/25				FY 3/26			
Cumulative average	137.50	141.07	143.34	144.60	155.87	152.79	152.65	152.63	144.62	146.04	148.73	150.69
3-month average	137.50	144.64	147.87	148.63	155.87	149.70	152.38	152.57	144.62	147.47	154.10	156.97

White Goods Sales Trend by Customer Group

(Billions of Yen)



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cumulative average	137.50	141.07	143.34	144.60	155.87	152.79	152.65	152.63	144.62	146.04	148.73	150.69
3-month average	137.50	144.64	147.87	148.63	155.87	149.70	152.38	152.57	144.62	147.47	154.10	156.97

Continue to maintain the strengthened financial structure

	<u>As of March 31, 2024</u>	<u>As of March 31, 2025</u>	<u>As of March 31, 2026</u>
Equity Ratio	31.1%	56.9%	50.1%
D/E Ratio	1.18x	0.43x	0.67x

Forecast for FY March 2027

Macroeconomic Trends

- Concerns over rapid rise in quoted metal prices and material and energy prices
- Slowdown in growth of Chinese economy is affecting investment and consumption; the shift toward semiconductors produced by domestic Chinese manufacturers has progressed rapidly
- The EV chasm is widening globally as the U.S. and Europe adjust their policies
- Economies in emerging countries remain sluggish, while Indian economy keeps cruising
- IEA forecasts a rapid rise in electricity demand, largely driven by an increasing number of data centers, air conditioners and BEVs

Automotive Market

- CY2026 OEM production forecast: 93M
Product sales for ICE/HEV vehicles have been strong due to the recent EV chasm
- [Air conditioning] IPMs for electric compressors are deployed in new BEV/PHEV models in Japan; net increase anticipated
- [Power trains] Sales of power modules for EV traction motors are being expanded to several Tier 1 suppliers
- [Chassis] Inquiries are increasing triggered by the generation transition of power devices (Electronic Power Steering (EPS), anti-lock braking system (ABS) hydraulic solenoid, Electronic Control Unit (ECU) power supply, etc.)

White Goods Market

- Continuation of IPMs for air conditioners in China for export models; introduction of cost-reduced products; expansion of sales to washing machines
- In CY2026 production by South Korean customers, plans call for YoY growth; steady increase is anticipated in IPMs for air conditioners
- IPMs have been adopted by 3 Indian air conditioner manufacturers; net increase expected
- IPMs to be adopted in washing machines by European customers; net increase expected; to be deployed to air conditioners in H2; design-in activities for several customers in U.S. and Europe currently underway

Industrial & Consumer Market

- 1200V high voltage case module for general-purpose pumps adopted by a major overseas customer
- New digital power supply IC equipped with 22 nm MCU has been adopted in OLED-TVs for South Korea
- Conduct applied rollout of power modules for EV traction motors to be used in chiller coolant circulation pumps at data centers; currently being evaluated by overseas customers
- Expand sales of high voltage IPMs for electronically commutated (EC) fans and pumps

Forecast for FY March 2027

(Billions of Yen)	FY March 2026			FY March 2027 (P)			YoY	
	H1	H2	Full Year	H1	H2	Full Year	Amount	%
Net Sales	41.0	39.2	80.2	39.3	47.2	86.5	—	—
Sanken Core	39.5	39.1	78.6	39.3	47.2	86.5	+7.9	+10.0%
Others	1.5	0.0	1.6	—	—	—	—	—
Operating profit (loss)	(0.9)	(3.8)	(4.7)	(2.4)	3.8	1.4	—	—
Sanken Core	(0.7)	(3.8)	(4.5)	(2.4)	3.8	1.4	+5.9	—
Consolidated adjustments etc.	(0.2)	0.0	(0.2)	0.0	0.0	0.0	—	—
Share of income (losses) of equity method entities and LPS	0.8	(3.8)	(3.0)					
Ordinary profit (loss)	(0.8)	(8.0)	(8.8)	(2.9)	3.0	0.1	—	—
Extraordinary income (losses), net	0.0	0.0	0.0					
Profit (loss) attributable to owners of parent	(1.4)	(8.4)	(9.8)	(2.9)	3.9	1.0	—	—
Basic earnings per share (Unit: Yen)			-472.88			48.26	—	—

FX Cumulative average

150.69

155

*Others in net sales: Legacy unit business

<Major factors affecting results (YoY)>

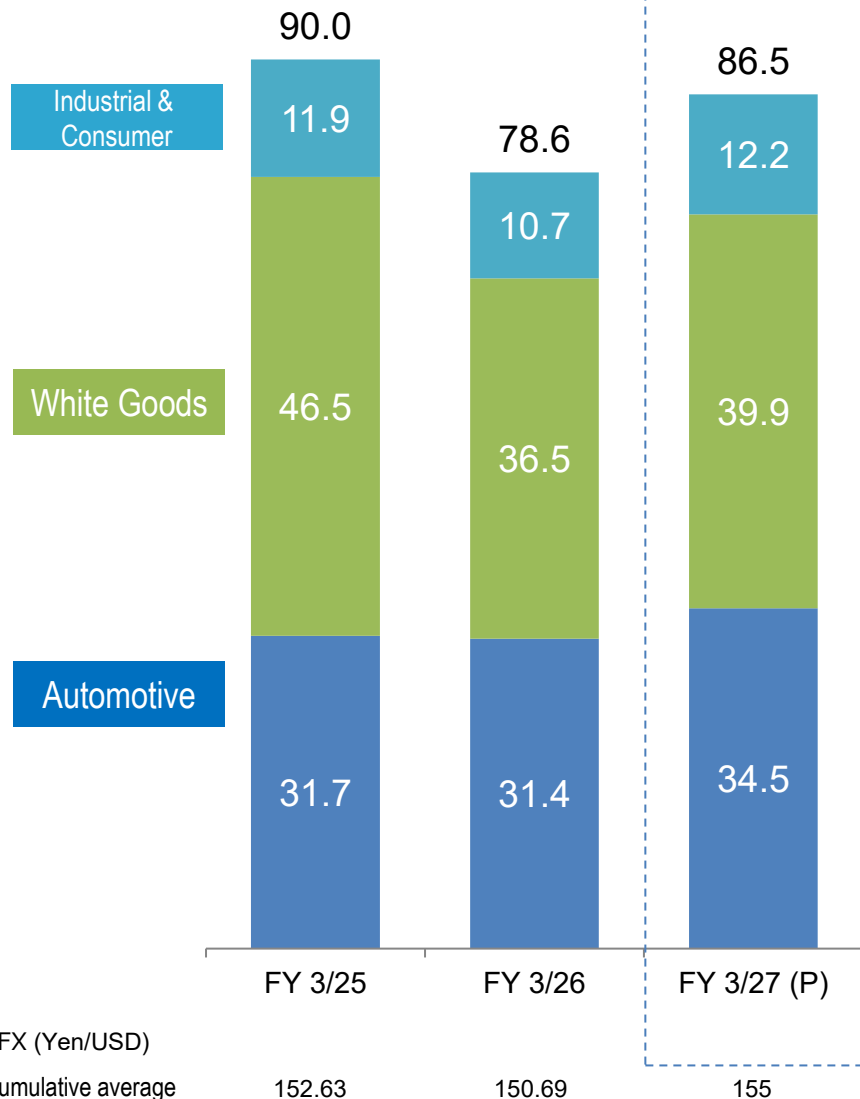
- Net Sales : (+) Secure appropriate sales price conditions to address a surge in price quotation of metals; white goods growth for South Korea; exchange rate impact
- Operating profit (loss) : (-) Rapid rise in material price;
 (+) Higher production; secure appropriate sales price conditions; switch to lower-priced metals; production reorganization; cost reduction; exchange rate impact

FY3/2027 assumed exchange rate impact vs. USD (per ¥1 annual fluctuation): Approx. ¥0.4bn in net sales and ¥0.13bn in operating profit (positive impact from yen depreciation and negative impact from yen appreciation)

Risk of constraints in the availability of parts, supplies and materials: To be disclosed promptly as soon as the impact on financial results has been determined.

Sales Trend by Market

(Billions of Yen)

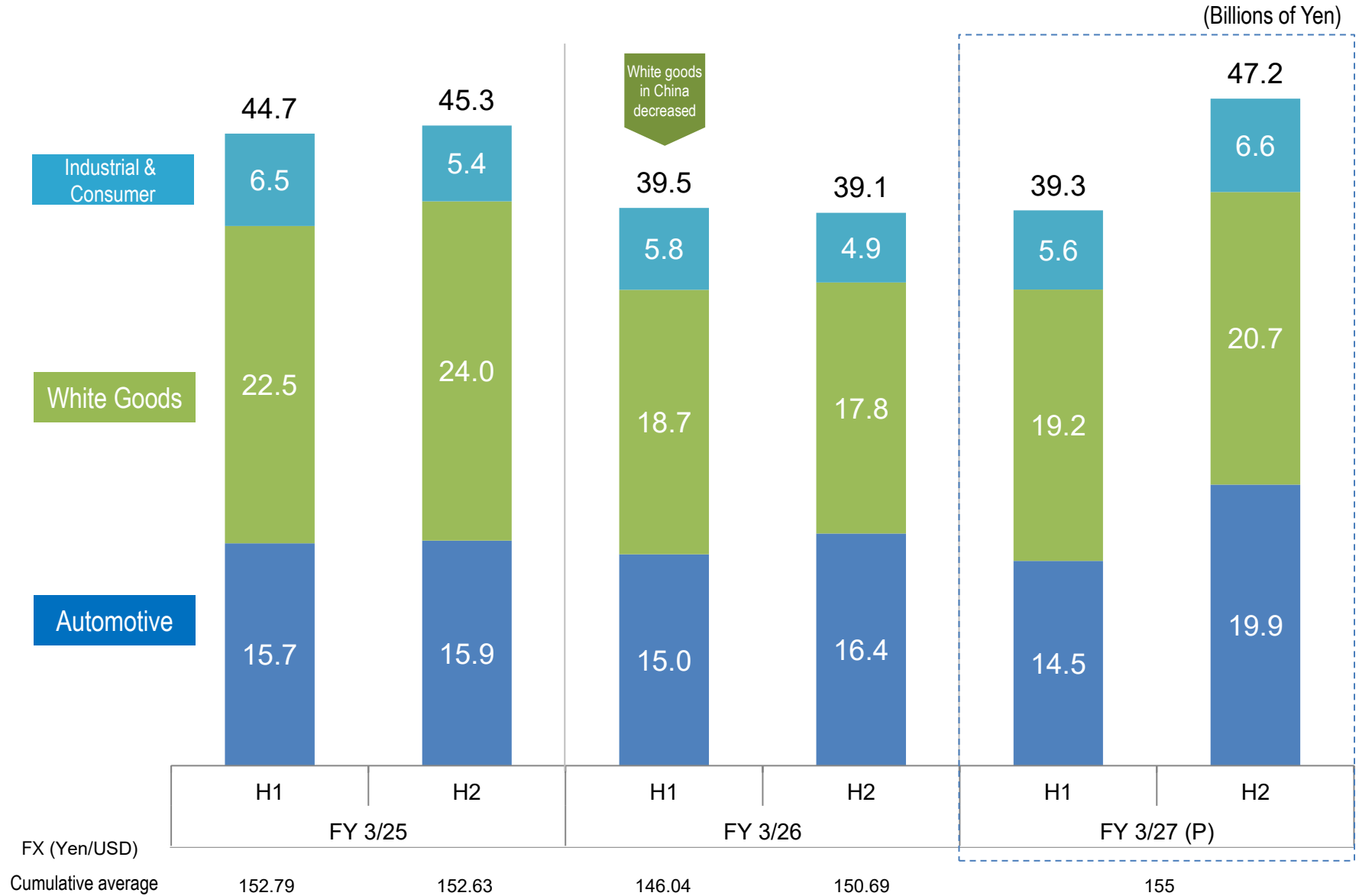


Demand for commercial air conditioners grow for European, Chinese, and Japanese customers; New digital power supply IC has been adopted in OLED-TVs for South Korea

Expecting stable performance in China, growth in South Korea, and new business developments in India and Europe

Demand for ICE vehicles remain strong, and IPM adoption is increasing in automotive air conditioning
Secure quarterly net sales exceeding ¥8.0 billion, driven by seasonal factors and obtaining appropriate sales prices

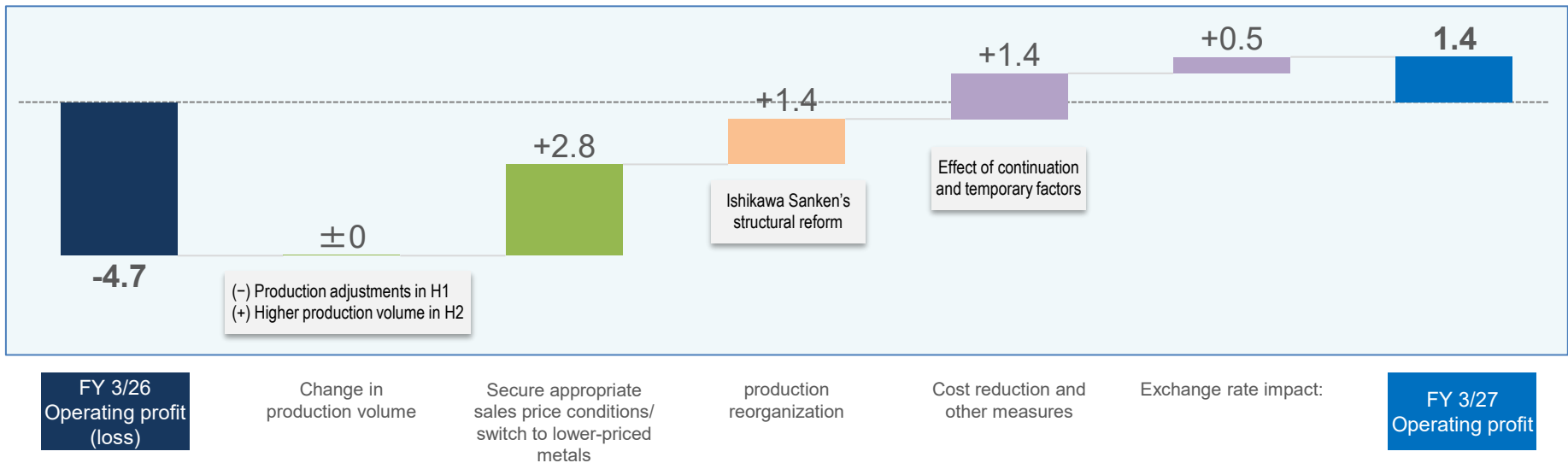
Sales Trend by Market (Half-year)



Factors Affecting Operating Profit

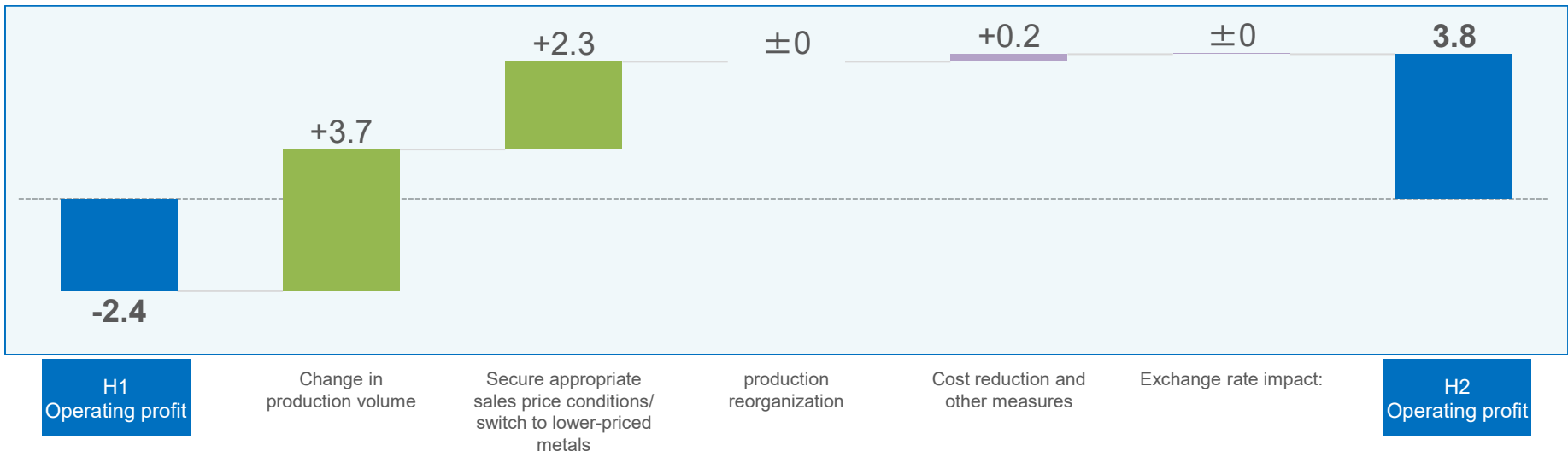
FY March 2027 Forecast: YoY Comparison

(Billions of Yen)



FY March 2027 Forecast: H1 and H2 Comparison

(Billions of Yen)



Reference Significant subsequent events

(Solicitation of applicants for voluntary retirement at consolidated subsidiary)

At an extraordinary meeting of the Board of Directors of Yamagata SanKen Co., Ltd., a consolidated subsidiary of the Company, held on May 7, 2026, a resolution was made to solicit applicants for voluntary retirement.

1. Reason for implementation

Yamagata SanKen Co., Ltd. has been working to improve production efficiency in response to changes in semiconductor market conditions. However, it has determined that, in order to establish a sustainable earnings structure going forward, it is necessary to optimize its production framework and review its personnel composition. Accordingly, the company has decided to implement a voluntary resignation as part of its efforts to restructure its earnings base.

2. Overview of Actions

- | | |
|---------------------------------|---|
| (1) Eligible applicants | Employees (including re-employed workers) aged 45 or older as of April 1, 2026 |
| (2) Number of people applicable | Approximately 65 people |
| (3) Offer period | From June 8 to June 26, 2026 |
| (4) Early separation date | End of September 2026 (planned) |
| (5) Incentives | A special redundancy benefit will be paid in addition to the regular retirement benefit |

3. Impact on business results

At present, this matter is forecast to produce special redundancy benefits and other costs totaling approximately 0.7 billion yen, which will be recorded as an extraordinary loss in the consolidated business results for FY March 2027.

Progress/Challenges on the 24 MTP Future Growth Vision

Progress/Challenges on the 24 MTP

Adapt to changes and build a path to a growth trajectory

Year 1: Earthquake recovery

Year 2: Respond to market changes

Build a path to a growth trajectory

Move into a growth phase

FY 3/25

FY 3/26

FY 3/27

FY 3/28

**Next Medium-Term
Management Plan**

Net Sales	<p>Sanken Core</p> <p>90.0 billion yen</p>	<p>[Automotive] EV chasm</p>	<p>Sanken Core</p> <p>78.6 billion yen</p>	<p>[Automotive] EV chasm continues ICE/HEV remain strong ⇒Expand sales for industrial applications</p>	Forecast	Plan	<p>[Automotive] EV recovery phase</p> <p>Growth in industrial applications</p>
	<p>Sanken Core</p> <p>2.0 billion yen (2.2%)</p>	<p>[White Goods] Shift toward semiconductors produced by domestic Chinese manufacturers</p>	<p>Sanken Core</p> <p>-4.5 billion yen</p>	<p>[White Goods] Performance to be unchanged in China / Growth in South Korea ⇒Expand sales in India, U.S. and Europe</p>	<p>86.5 billion yen</p>	<p>100.0 billion yen + ↓ 87.5 billion yen</p>	
Operating Profit and Margin	<p>Sanken Core</p> <p>2.0 billion yen (2.2%)</p>	<p>Rapid rise in quoted metal prices and material and energy prices</p>	<p>Sanken Core</p> <p>-4.5 billion yen</p>	<p>Cost Reduction ✓ Secure appropriate sales price conditions ✓ Reduce fixed costs ✓ Transition from gold (Au) to copper (Cu)</p>	<p>1.4 billion yen (1.6%)</p>	<p>10% ↓ 4%+</p>	<p>Achieve optimal cost Effect of collaborative production Expand sales of new GaN devices</p>
Break-even point	86.0 billion		89.0 billion		83.0 billion	79.0 to 82.0 billion	
FX (Yen/USD)	152.63 yen		150.69 yen		155 yen	145 to 155 yen	

Achieve corporate value that is consistent with customer satisfaction

24 MTP Outline

Product Strategy

- Achieving growth with both standard and custom products on the SPP platform.

Sales Expansion Strategy

- Driving initiatives in automotive, home appliance, and industrial equipment markets in line with segment-based growth strategies

Profitability improvement drivers

- Increase new product ratio
- Improve earnings from existing products
- Reduce COGS

Priority Tasks

Sales building strategy

From challenge recognition to results:

- Expand sales to other regions, new markets, and new applications
 - Early measures led by the Asia Strategy Office
 - ⇒ Early acquisition of white goods opportunities in East Asia and South Asia
 - ⇒ Early acquisition of data center opportunities
- Secure appropriate sales price conditions

From strategy development to future actions:

- Maintain sales to China (export models); expand sales further to South Korea (global market)
- Enter and expand our share in the U.S., European and Indian markets to expand sales in new markets
- Focus on sales of products for data center and mobility applications to expand into new areas
- Negotiate selling prices and material changes to reflect the increase in price quotation of metals

Cost reduction strategies: reducing fixed and variable costs

From challenge recognition to results:

- Reduce fixed costs
 - Ishikawa SanKen's structural reform
 - The emergency cost control measures
- Achieve optimized production
 - Completed the closure of Shika Plant (end of April 2026)
 - Reorganization of production operations in the back-end process is in progress as planned

From strategy development to future actions:

- Prioritize the management of company-wide expenses
- Strictly manage fixed costs and maximize use of group-wide resources
- Take initiatives to reduce fixed costs (Yamagata SanKen)
- Shift from pre-disaster productivity recovery to optimal production and maximize the use of resources

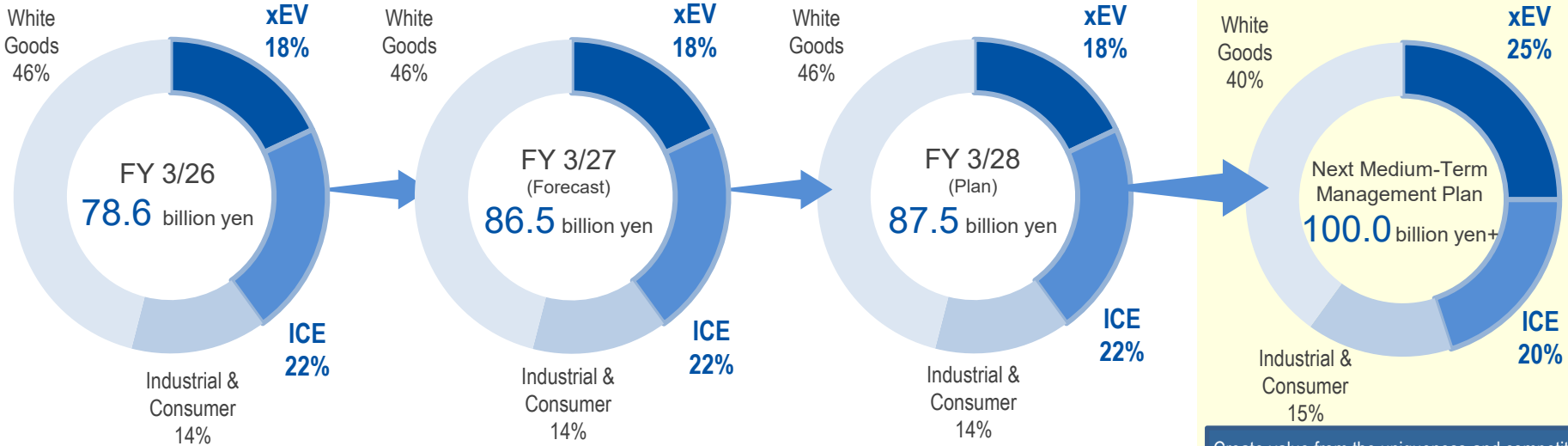
➤ Reduce variable costs

- Established the copper wire technology
- Started customer negotiations on measures related to price quotation of metals
- Improve profitability of new products
 - Announcement of the back-end collaborative production

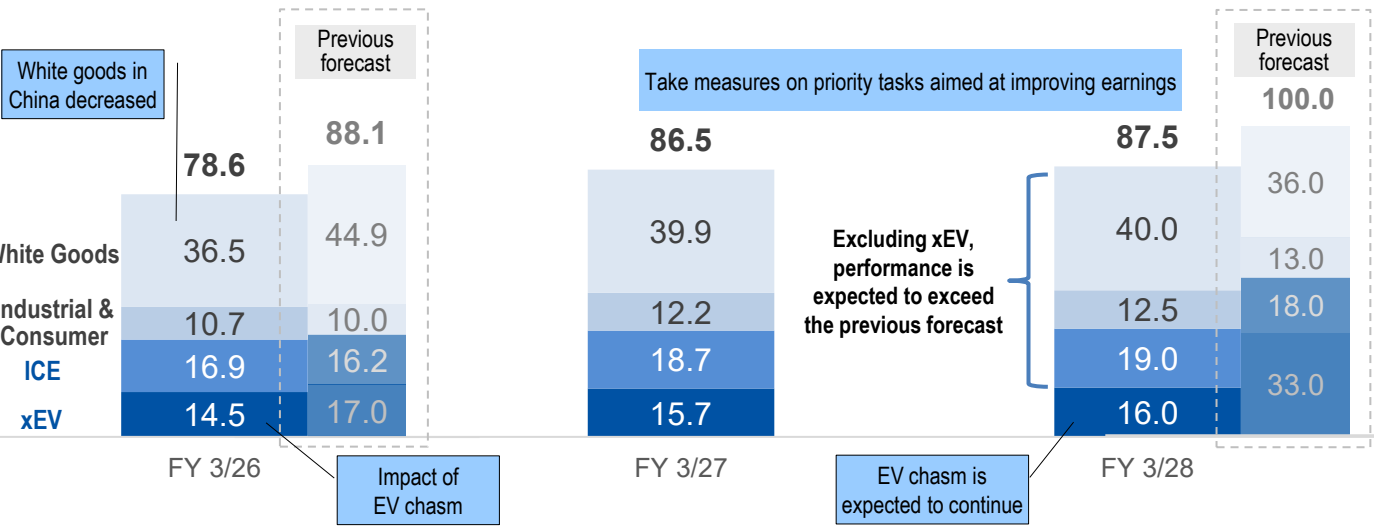
- Establish appropriate selling price conditions reflecting the increase in price quotation of metals
- Reduce costs and deliver customer value through material changes such as copper wire
- Secure competitive advantage with customer value through collaborative production
- Early launch of cost-efficient new products

Future Growth Vision

Contribute to customers and society through the value created by our uniqueness and competitive advantages



Create value from the uniqueness and competitive advantages of our power semiconductors



Power modules, Power devices

Strengths of our cultivated technologies
Develop and use technologies with a multiple variety of characteristics

- High efficiency
- High power
- Low thermal resistance package
- Low on-resistance
- High frequency
- Low noise
- Robustness
- High voltage

For customers

- Electricity saving
- Safety
- Miniaturization

For society

- Comfortable living
- Energy saving
- Safety and security

We continue to suspend dividend payments in FY March 2026 to prioritize profitability improvement at SanKen Core

Share Repurchase

- As of September 2025, we completed the repurchase of 4.17 million shares for 30.0 billion yen (approx. 17% of total shares outstanding)
- A share cancellation was carried out on October 3, 2025

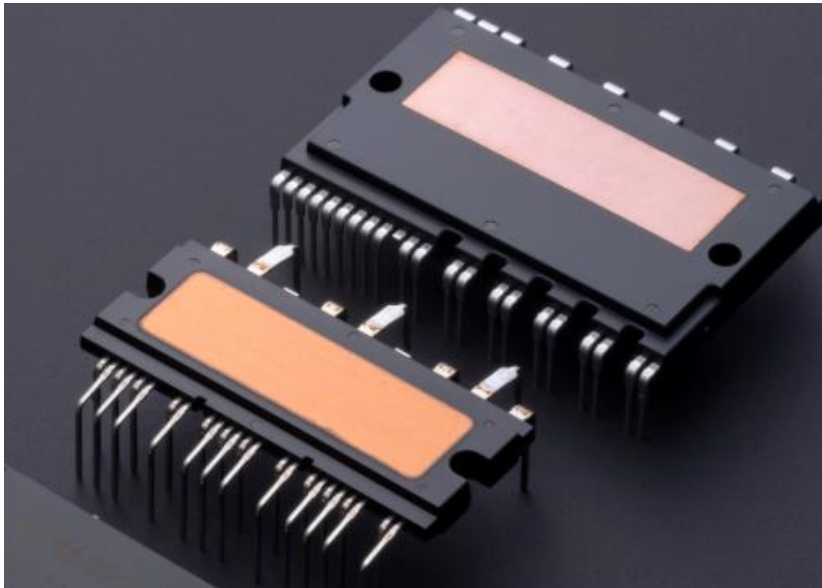
Dividend Policy

- We suspend payment of the year-end dividend for FY March 2026, in light of operating losses resulting from a decline in market share in Chinese white goods sector, the liquidation of the legacy unit business, and the reorganization of back-end production operations.
- We are considering dividend policy for FY March 2027, depending on the outlook for profitability improvement at SanKen Core. At this point, we have not determined yet, keeping a close eye on the external environment.

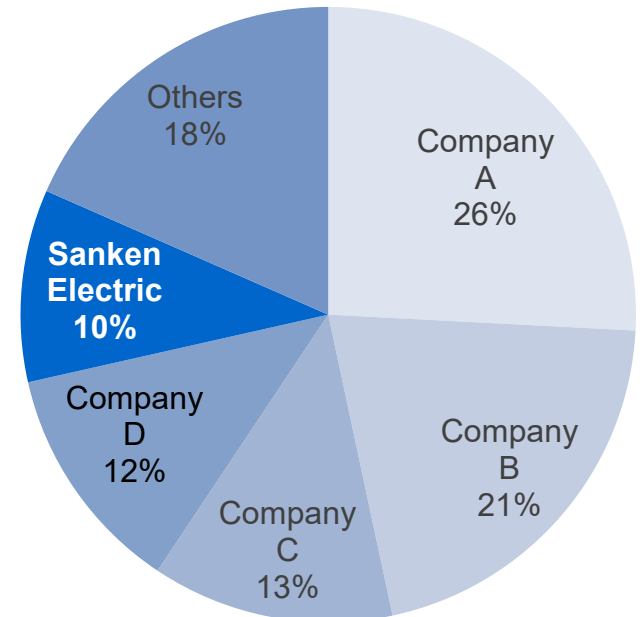
Establishing a global position in the power semiconductor market

Intelligent power modules (IPM) *

No. 5 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 – 2026 edition”



Fiscal Year March 2026 Q4 Financial Results

Notice on Forward-looking Statement

This presentation contains forward-looking statements with respect to the Company's future results, plans and policies, strategies, performance goals and scheduled targets, and the management's views and judgments that are not yet firmly established facts. These forward-looking statements are formed based on the currently available information and assumptions deemed reasonable at present, and conditional upon known and unknown risks, uncertainties and many other factors. These risks, uncertainties and many other factors could cause actual results to be materially different from any future results that may be expressed or implied by such forward-looking statements. The Company does not undertake any obligation to update or revise any forward-looking statements, including, but not limited to, revisions of financial result forecast, unless the Company is enforced to do so by the provisions of applicable laws and regulations.

The electronics industry to which the Company belongs is constantly exposed to rapid changes in business environment and the Company's business performance and financial conditions are subjected to risks, uncertainties and other factors, which include, but not limited to, (i) macroeconomic environment, market demand and supply situations, and competitive conditions, (ii) fluctuations in the exchange rates, (iii) success or failure to catch up with technological innovation, (iv) rising prices and availability constraints of parts, supplies and materials, (v) changes in legal framework of various nations and political sub-divisions or sudden changes of social circumstances, and (vi) any other contingencies.