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.

Supplementary Information (Market Environment)

on the Financial Results for the Three Months Ended June 30, 2026

Power Electronics
for Your Innovat!on

SANKEN ELECTRIC CO., LTD.

August 13, 2026

Q1 Financial Results: FY March 2027

(Billions of Yen)	FY March 2026					FY March 2027	YoY		QoQ		Forecast	
	Q1	Q2	Q3	Q4	Full Year	Q1	Amount	%	Amount	%	H1	Full Year
Net Sales	22.2	18.8	18.1	21.0	80.2	**18.7**	(3.6)	(16.0)%	(2.3)	(11.2)%	39.3	86.5
Sanken Core	21.0	18.5	18.1	21.0	78.6	**18.7**	(2.3)	(11.0)%	(2.3)	(11.1)%	39.3	86.5
Others	1.2	0.3	0.0	0.0	1.6	**–**	–	–	–	–	–	–
Operating profit (loss)	(0.4)	(0.5)	(0.8)	(3.0)	(4.7)	**(2.1)**	(1.7)	–	0.9	–	(2.4)	1.4
Sanken Core	(0.3)	(0.4)	(0.8)	(3.0)	(4.5)	**(2.1)**	(1.8)	–	0.9	–	(2.4)	1.4
Consolidated adjustments etc.	(0.1)	(0.1)	0.0	(0.0)	(0.2)	**–**	–	–	–	–	–	–
Share of income (losses) of equity method entities and LPS	(0.1)	0.9	(1.0)	(2.7)	(3.0)	**0.6**	0.7	–	3.3	–	–	–
Ordinary profit (loss)	(0.9)	0.1	(2.2)	(5.8)	(8.8)	**(1.8)**	(0.8)	–	4.0	–	(2.9)	0.1
Extraordinary income (losses), net	0.3	(0.3)	0.4	(0.4)	(0.0)	**0.2**	(0.1)	–	0.5	–	–	–
Profit (loss) attributable to owners of parent	(0.9)	(0.5)	(2.1)	(6.3)	(9.8)	**(1.9)**	(1.0)	–	4.4	–	(2.9)	1.0
Basic earnings per share (Unit: Yen)					(472.88)	**(93.34)**					(139.96)	48.26
FX (Yen/USD) Cumulative average	144.62	146.04	148.73	150.69		159.57						155.00
FX (Yen/USD) 3-month average	144.62	147.47	154.10	156.97		159.57						

Sanken Core

<Q1 (April-June) actuals YoY (billions of yen) >

Net Sales	Decrease in sales of mainly in white goods market: (2.3) (inclusive of 1.1 due to exchange rate impact)
Operating profit (loss)	Decrease in sales volume and higher material costs: (1.0) (inclusive of 0.57 due to exchange rate impact) ; production adjustments: (0.8)*
	*No production adjustments in the prior-year Q1

<Q1 (April-June) actuals QoQ (billions of yen) >

Operating profit (loss)	Reduced impact of production adjustments vs. Q4: 0.9

Consolidated

<Q1 Major items 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	: 0.6	Recording of equity in Allegro's net income: (0.3), gain on investments in LPS: 0.9
	・Interest expenses	: (0.3)	
Extraordinary profit	・Gain on change in equity	: 0.7	Impact of change in equity due to recognition of Allegro's stock compensation
Extraordinary losses	・Severance pay	: (0.6)	Yamagata Sanken
Income taxes		: (0.3)	

FY3/2027 assumed exchange rate impact vs. USD (per ¥1 annual fluctuation): Approx. ¥0.3bn in net sales and ¥0.15bn in operating profit
(positive impact from yen depreciation and negative impact from yen appreciation)

Market Environment

Sanken
Power Electronics for Your Innovation

Macroeconomic Trends

- Quoted metal prices and material and energy prices remain elevated, and higher material prices are expected to persist
- Slowdown in growth of the Chinese economy is affecting investment and consumption; preference for local sourcing continues, driven by localization policies
- Emerging economies show signs of slowing, while India remains solid
- 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: 92 million units
  Despite stagnation in China, global demand for ICE/HEV vehicles remains solid
- The global BEV market remains in an adjustment phase, but is showing signs of recovery in Europe
- [Air conditioning] IPMs for electric compressors are deployed in new BEV/PHEV models in Japan; net increase anticipated
- [Powertrain] Sales of power modules for EV traction motors are being expanded to several Tier 1 suppliers
- [Chassis] Inquiries for solenoid and pump drive controls are increasing as vehicle functions evolve from driver assistance systems toward autonomous driving

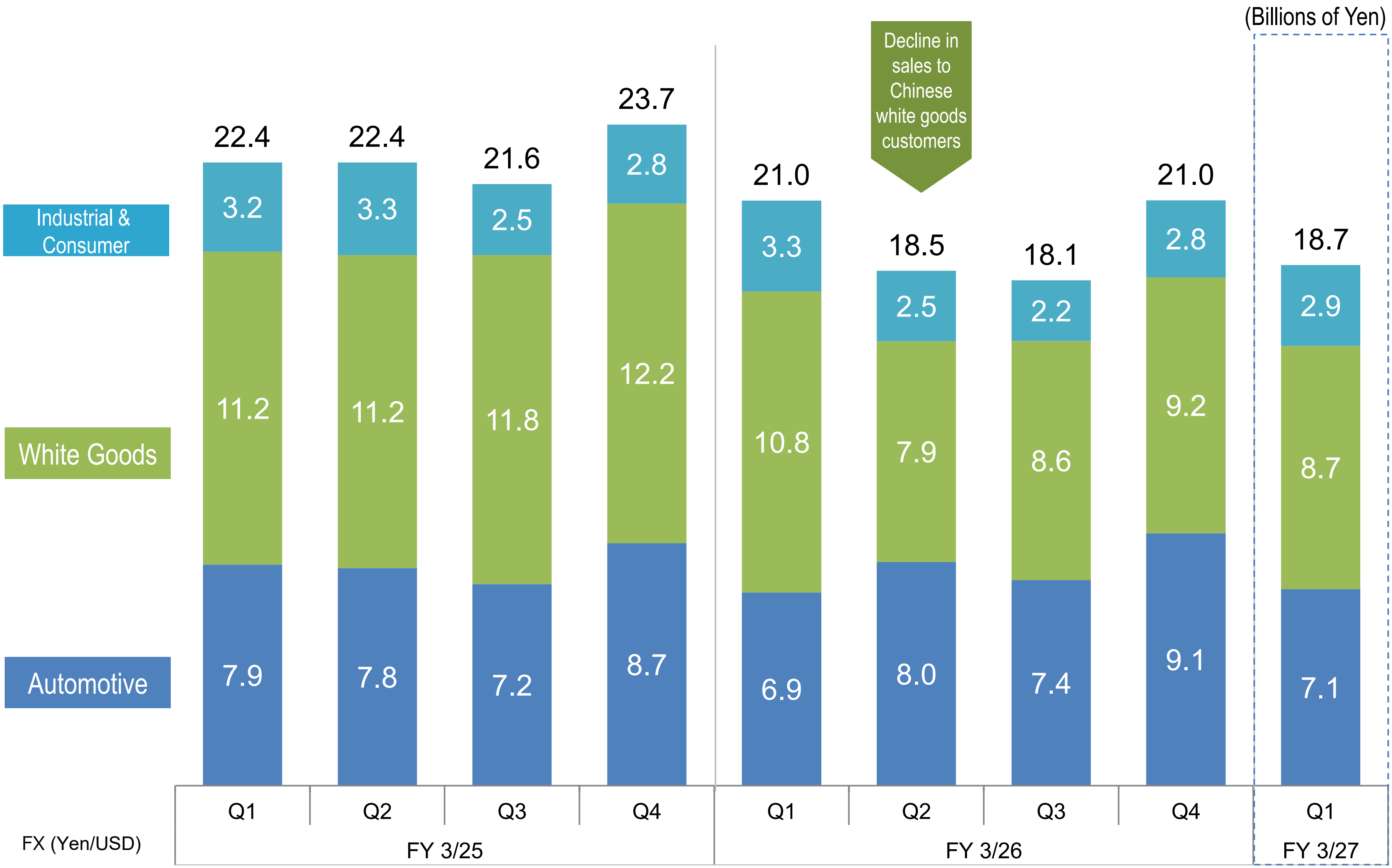
White Goods Market

- Global demand among South Korean customers remains generally stable YoY, with solid CY2026 production expected across air conditioners, washing machines, and refrigerators
- Key customer design trends are toward smaller size, surface mounting, and finless heat dissipation; Began proposing next-generation GaN-based IPMs and power ICs
- FAE support for customers in India, the U.S., and Europe has been strengthened, leading to adoption of IPMs and power ICs by customers; additional design wins are expected going forward

Industrial & Consumer Market

- Shipments of 1200V high-voltage case modules for general-purpose pumps to a major overseas customer will begin in H2
- New digital power management IC equipped with 22nm MCU has been adopted for South Korean OLED TVs
- Expand the application of power modules for EV traction motors to chiller coolant pumps for data centers and have commenced detailed design and implementation activities
- Expanding sales of high-voltage IPMs for electronically commutated (EC) fans and pumps

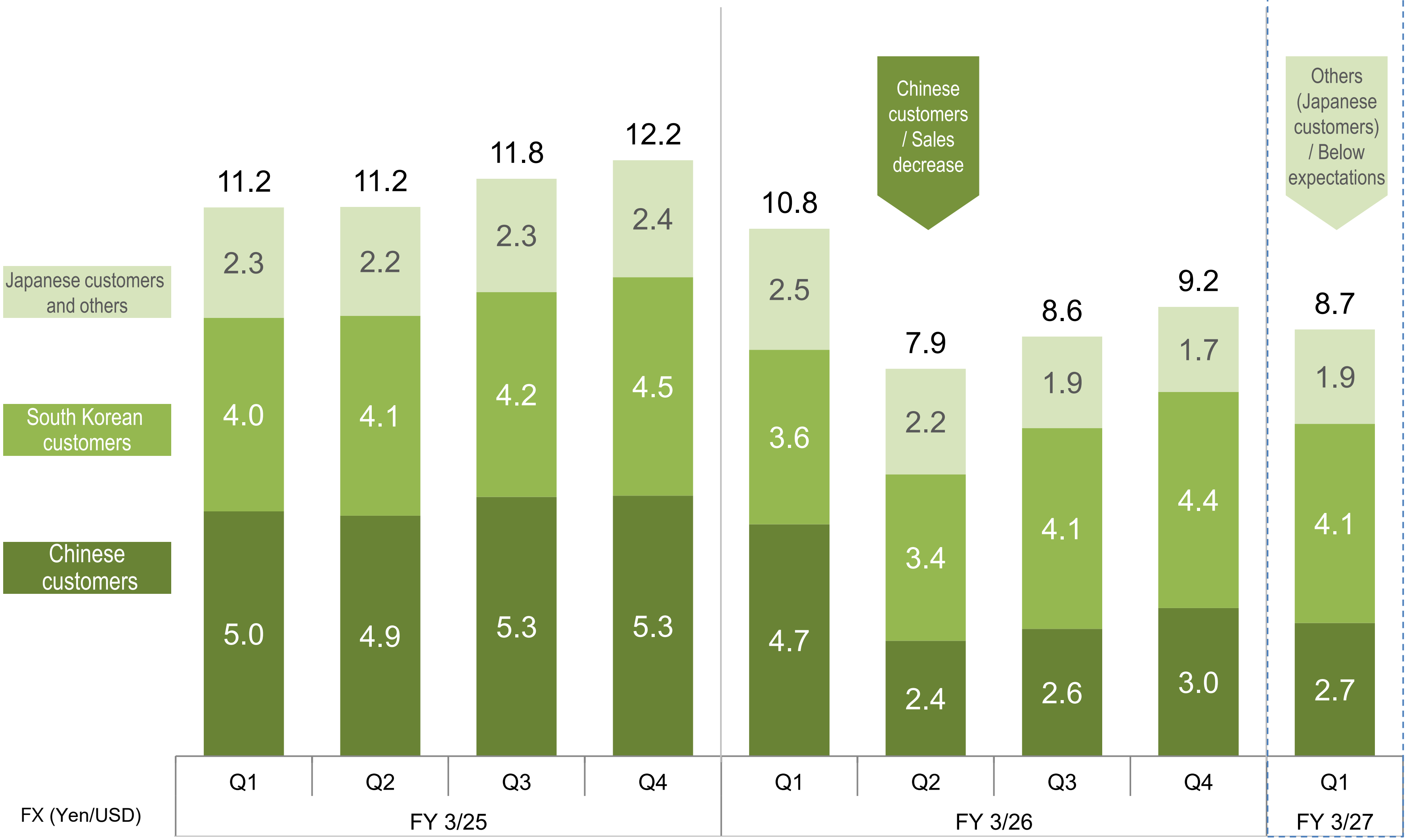
Sales Trend by Market (Quarterly)



FX (Yen/USD)	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	FY 3/26 Q4	FY 3/27 Q1
Cumulative average	155.87	152.79	152.65	152.63	144.62	146.04	148.73	150.69	159.57
3-month average	155.87	149.70	152.38	152.57	144.62	147.47	154.10	156.97	159.57

White Goods Sales Trend by Customer Group

(Billions of Yen)



FX (Yen/USD)	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	FY 3/26 Q4	FY 3/27 Q1
Cumulative average	155.87	152.79	152.65	152.63	144.62	146.04	148.73	150.69	159.57
3-month average	155.87	149.70	152.38	152.57	144.62	147.47	154.10	156.97	159.57

Financial Status

Capital adequacy remains sound

	As of March 31, 2025	As of March 31, 2026	As of June 30, 2026
Equity Ratio	56.9%	50.1%	51.7%
D/E Ratio	0.43x	0.67x	0.68x

IPM Applications and Technology Development

(For information on the applied rollout of technology, please see the "Sanken Technical Report")

Sanken
Power Electronics for Your Innovat!on

Industrial

Air conditioning and liquid cooling systems
- Compressors
- Cooling pumps
- Fan motors

☆Compatible with 800V power supply

Commercial ACs / EC fans / Pumps

- SPP SAM2 1200V MP 5~15A
- SPP SAM2 650V MP 50A

Compatible with 800V power supply for AI data centers

- Under Dev — GaN SPP SAM2 1200V ~50A
- Under Dev — SiC SPP SAM2 1200V 50A

xEV/Auxiliary Sytems

Electric compressors
Battery coolant pumps
☆Compatible with 800V BEVs

Compatible with 400V BEV / PHEV

- SPP SAM2 650V 30~50A MP
- SPP SAM4 700V 30A MP, 60A Under Dev

Compatible with 800V BEV / PHEV

- SPP SAM2 1200V 15A MP, 5~10A Under Dev
- SPP SAM2D 1200V 25~40A Under Dev

Appliance

Compressors
Fan motors
Direct drive motors

Acceleration of copper wire conversion

- MP — SCM 600V 10~30A
- MP — SPP SIM2 600V 15~20A
- MP — SX 600V 2A
- MP — SIM1 600V 2~10A

Cost-optimized

- Under Dev — SPP SCMx 600V 15~30A
- Under Dev — SIM1B 600V 2~10A

Smaller size / Lower power loss → Finless heat dissipation

- Under Dev — GaN SPP SIM2 600V ~30A
- Under Dev — GaN SPP SIMx 600V ~20A
- Under Dev — GaN SXx 600V ~10A

Surface-mount technology

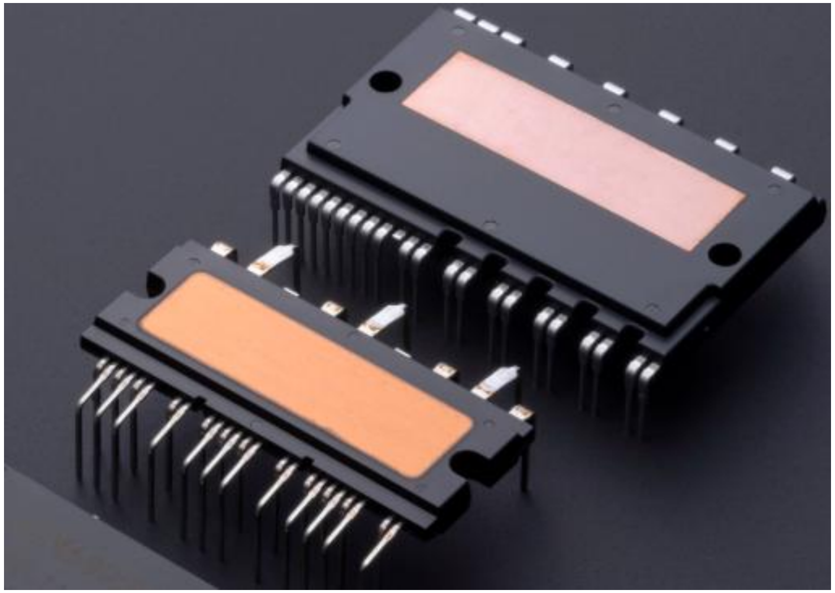
MP: Mass production
Under Dev: Under Development

Market Position

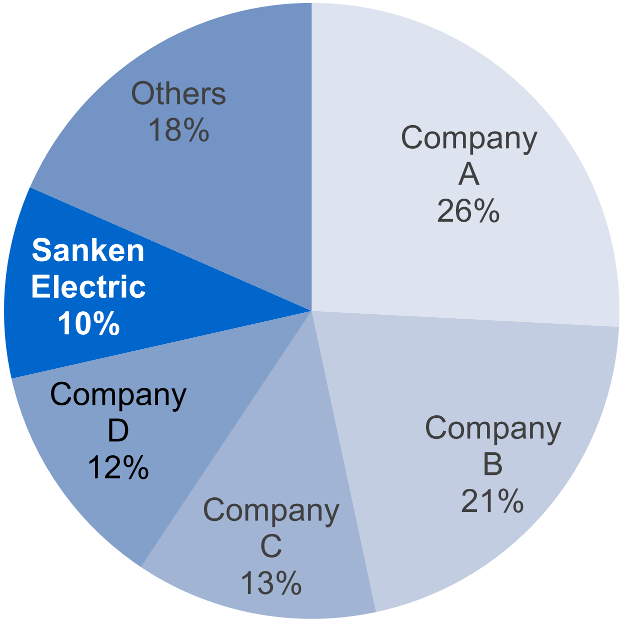
Establishing a strong global presence in the power semiconductor market

Intelligent Power Module (IPM) Market Share*

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"

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.