August 5, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: Sanshin Electronics Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 8150
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	43,608	8.0	1,127	20.5	942	31.8	806	(12.4)
June 30, 2025	40,394	15.6	936	(25.4)	715	(18.2)	920	73.6

Note: Comprehensive income For the three months ended June 30, 2026: \1,326 million [142.3%]
For the three months ended June 30, 2025: \547 million [(71.9)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	65.88	-
June 30, 2025	75.24	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	82,590	45,469	55.0
March 31, 2026	91,037	45,995	50.5

Reference: Equity
As of June 30, 2026: \45,399 million
As of March 31, 2026: \45,932 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, 2026	-	40.00	-	150.00	190.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		40.00		100.00	140.00

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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
Six months ending September 30, 2026	86,000	(2.0)	2,300	(29.6)	2,000	(31.5)	1,600	(36.7)	130.69
Fiscal year ending March 31, 2027	186,000	7.9	5,550	(19.7)	5,000	(17.7)	3,600	(27.3)	294.06

Note: Revisions to the earnings forecasts most recently announced: Yes

* **Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(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: Yes
   (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 June 30, 2026	16,281,373 shares
As of March 31, 2026	16,281,373 shares

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

As of June 30, 2026	4,038,784 shares
As of March 31, 2026	4,038,755 shares

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

Three months ended June 30, 2026	12,242,600 shares
Three months ended June 30, 2025	12,230,677 shares

Note: The number of treasury shares at the end of the fiscal year includes the Company's shares (111,800 shares in the first quarter of the fiscal year ending March 31, 2027 and 111,800 shares in the fiscal year ending March 31, 2026) held by the trust related to the performance-linked stock-based compensation plan for directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors). In addition, the Company's shares held by the Trust are included in the treasury stock deducted in the calculation of the average number of shares during the period (111,800 shares in the first quarter of the fiscal year ending March 31, 2027 and 123,800 shares in the first quarter of the fiscal year ending March 31, 2026).

* 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

  Forward-looking statements, such as earnings forecasts, contained in this material are forward-looking statements based on information available at the time of publication, and are not intended to be a promise by the Company to realize them. In addition, actual results may differ from forecasts due to various factors.
  Matters related to earnings forecasts are referred to in Appendix P.3 "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Contents of Appendix

1. Overview of Business Results

The items related to the future contained in this document are decisions made based on present consolidated financial results as of June 30, 2026.

(1) Overview of Business Results for the First Quarter of the Fiscal Year Ending March 31, 2027

In the consolidated first quarter under review, the outlook for the global economy remained unclear, reflecting factors such as heightened geopolitical risks associated with mounting tensions in the Middle East, as well as continued uncertainty surrounding U.S. tariff policy. In the electronics industry, which is the Group's domain of operations, robust demand for next-generation technologies such as AI continued to drive strong growth in the overall semiconductor market. The ICT industry in Japan also remained firm, supported by demand for system upgrades aimed at improving productivity and operational efficiency within companies, as well as expanding DX investment in anticipation of the use of generative AI.

As the first phase of implementing the long-term vision announced on May 10, 2024, the Group has formulated the V76 Medium-Term Management Plan, whose final year is the fiscal year ending March 31, 2027, the Company's 76th term. The consolidated fiscal year under review is the final year of V76. Under this plan, to build an operating structure that can consistently achieve ROE of 8% or better, the Group is targeting ordinary profit of ¥5,000 million and net profit of ¥3,500 million or more by the final year of V76. In the first year, the fiscal year ended March 31, 2025, the Group nearly reached the target levels, recording ordinary profit of ¥4,900 million and net profit of ¥3,500 million. In the following fiscal year ended March 31, 2026, the Group substantially exceeded the targets, recording ordinary profit of ¥6,000 million and net profit of ¥4,900 million. In the final year, the Group is focusing on steadily implementing the measures set out for both the device segment and the solution segment when V76 was formulated, with the aim of ensuring that the targets are achieved.

As a result of these efforts, business performance in the consolidated first quarter under review was as follows: Net sales were ¥43,608 million (up 8.0% year-on-year), operating profit was ¥1,127 million (up 20.5% year-on-year), and ordinary profit was ¥942 million (up 31.8% year-on year). Profit attributable to owners of parent was ¥806 million (down 12.4% year-on-year), falling short of the level in the same period of the previous fiscal year, when extraordinary profits (gain on sales of non-current assets) were recorded in association with the transfer of land and buildings of the Osaka Branch.

In regard to internal transactions of revenues and expenses between consolidated companies, the parent company's transactions are converted at the exchange rate at the time of the transaction or at the forward exchange rate, and the overseas subsidiary's transactions are converted at the average rate during the period and offset. During the consolidated fiscal year under review, due to the weaker yen, operating profit increased because the offsetting expenses greatly exceeded the corresponding revenues. However, the same amount has been adjusted as a foreign exchange loss in non-operating expenses. Hence, there is no impact on the ordinary profit.

The operating results for each business segment are as follows:

Device segment

In the device segment, in addition to selling semiconductors and electronic components, we provide technical support such as software development and module development. We are also working to improve profitability by expanding solutions that combine multiple devices, as well as original solutions that have evolved from the sale of individual components into the provision of finished products. At the same time, we are seeking to expand the scale of the business by strengthening proposal activities in new business domains, including the field of physical AI, expanding the supply chain business, and focusing on expanding sales to mass markets such as automotive and air-conditioning applications.

In the consolidated first quarter under review, sales for automotive applications and storage for data centers remained strong, and sales of semiconductors from overseas manufacturers increased. In addition, the weaker yen compared with the same period of the previous fiscal year also provided a tailwind. As a result, net sales were ¥39,414 million (up 5.8% year-on-year). Segment profit was ¥708 million (up 26.0% year-on-year) due to higher sales and an improvement in the gross profit margin, despite an increase in SG&A expenses.

Solution segment

In the solution segment, we contribute to value creation by providing one-stop services spanning from design and construction to operation and maintenance of cloud-based network devices and security products tailored to our customers' environments. In addition, we provide Line-of-Business systems such as sales and production management, and applications such as personnel, payroll, and accounting in various formats ranging from on premise to the cloud. Moreover, in this segment we are accelerating efforts in AI products and services to open up new fields and cultivate personnel with skills in DX.

In the consolidated first quarter under review, net sales were ¥4,193 million (up 32.9% year-on-year). Against a background of strong demand for DX implementation, performance was generally strong across all fields of operation, paced by the network-system and application-system business units. Segment profit was ¥233 million (up 52.8% year-on-year) due to higher sales, despite an increase in SG&A expenses and a decline in the gross profit margin.

(2) Overview of Financial Position for the First Quarter of the Fiscal Year Ending March 31, 2027

(Assets)

As of June 30, 2026, assets decreased ¥8,446 million compared with March 31, 2026, to ¥82,590 million. This was mainly attributable to a ¥3,807 million decrease in trade receivables and a ¥3,066 million decrease in consumption taxes receivable.

(Liabilities)

As of June 30, 2026, liabilities decreased ¥7,920 million compared with March 31, 2026, to ¥37,121 million. This was mainly attributable to a ¥5,070 million decrease in short-term loans payable and a ¥2,261 million decrease in trade payables.

(Net Assets)

As of June 30, 2026, net assets decreased ¥526 million compared with March 31, 2026, to ¥45,469 million. This was mainly attributable to a ¥1,046 million decrease in retained earnings and a ¥432 million increase in foreign currency translation adjustment.

(3) Explanation of Forecasts for Consolidated Business Performance and Other Future Prospects

In view of the fact that both the device segment and the solution segment are expected to exceed the initial forecasts for net sales and segment profit, we have revised the consolidated business results forecast for the first half of the fiscal year ending March 31, 2027, announced on May 14, 2026, to the figures shown below.

On the other hand, with respect to the full-year business results forecast and the forecast dividend per share, we have decided to maintain the forecast figures announced on May 14, 2026, at this time. This is because a thorough review of the earnings plan from the third quarter onward, including their relationship with the factors behind the above revision, has not yet been completed, and because there are procurement concerns for certain products we handle.

Going forward, we will continue to review the full-year business results forecast figures and will disclose any revisions if they become necessary. For details, please refer to the “Notice Regarding Upward Revision of Consolidated Business Results Forecast for the First Half of the Fiscal Year (interim period)” announced today.

(Forecasts for Consolidated Business Performance for the First Half of the March 2027 Term)

Net sales:	¥86,000 million	(down 2.0% YoY)
Operating profit:	¥2,300 million	(down 29.6% YoY)
Ordinary profit:	¥2,000 million	(down 31.5% YoY)
Profit attributable to owners of parent:	¥1,600 million	(down 36.7% YoY)

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(in millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	9,680	8,683
Notes and accounts receivable - trade, and contract assets	42,387	38,565
Electronically recorded monetary claims - operating	2,235	2,249
Merchandise	20,966	20,321
Partly-finished work	4	24
Other	5,362	2,061
Allowance for doubtful accounts	(17)	(19)
Total current assets	80,619	71,885
Non-current assets		
Property, plant and equipment	6,194	6,076
Intangible assets	386	382
Investments and other assets		
Retirement benefit asset	642	779
Other	3,199	3,471
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	3,837	4,246
Total non-current assets	10,418	10,705
Total assets	91,037	82,590
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	1,546	1,535
Accounts payable - trade	18,394	16,143
Short-term borrowings	19,752	14,682
Income taxes payable	1,406	338
Provisions	738	329
Other	2,026	2,526
Total current liabilities	43,864	35,555
Non-current liabilities		
Other	1,177	1,565
Total non-current liabilities	1,177	1,565
Total liabilities	45,042	37,121

(in millions of yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders' equity		
Share capital	14,811	14,811
Capital surplus	16	16
Retained earnings	31,716	30,670
Treasury shares	(8,691)	(8,691)
Total shareholders' equity	37,852	36,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,535	1,603
Deferred gains or losses on hedges	(110)	(85)
Foreign currency translation adjustment	6,253	6,686
Remeasurements of defined benefit plans	401	389
Total accumulated other comprehensive income	8,079	8,593
Non-controlling interests	63	70
Total net assets	45,995	45,469
Total liabilities and net assets	91,037	82,590

(2) Quarterly Consolidated Profit and Loss Statement, Consolidated Comprehensive Income Statement

(Quarterly Consolidated Profit and Loss Statement)

(in millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	40,394	43,608
Cost of sales	36,712	39,405
Gross profit	3,682	4,202
Selling, general and administrative expenses	2,746	3,075
Operating profit	936	1,127
Non-operating income		
Interest income	45	21
Dividend income	16	27
Other	37	27
Total non-operating income	100	76
Non-operating expenses		
Interest expenses	126	99
Foreign exchange losses	186	148
Other	7	12
Total non-operating expenses	320	260
Ordinary profit	715	942
Extraordinary income		
Gain on sale of non-current assets	1,082	-
Gain on sale of investment securities	-	318
Total extraordinary income	1,082	318
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on sale of investment securities	-	0
Loss due to bank transfer fraud at overseas subsidiary	256	-
Total extraordinary losses	256	0
Profit before income taxes	1,541	1,261
Income taxes - current	461	248
Income taxes - deferred	159	199
Total income taxes	620	448
Profit	920	813
Profit attributable to non-controlling interests	0	6
Profit attributable to owners of parent	920	806

(Quarterly Consolidated Comprehensive Income Statement)

(in millions of yen)

	Three months ended June 30, 2025	**Three months ended June 30, 2026**
Profit	920	813
Other comprehensive income		
Valuation difference on available-for-sale securities	250	68
Deferred gains or losses on hedges	(37)	25
Foreign currency translation adjustment	(588)	432
Remeasurements of defined benefit plans, net of tax	1	(12)
Total other comprehensive income	(373)	513
Comprehensive income	547	1,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	546	1,320
Comprehensive income attributable to non-controlling interests	0	6

(3) Notes on Quarterly Consolidated Financial Statements

(Notes Regarding Changes in Accounting Estimates)

(Change in Accounting Estimate for Useful Lives)

In the consolidated first quarter under review, we shortened the useful lives of fixed assets that are not expected to be used after relocation, as the timing of the relocation from our current head office has been determined in connection with the rebuilding of our head office building.

As a result, compared with the previous estimate, operating profit, ordinary profit, and profit before income taxes for the consolidated first quarter under review each decreased by ¥125 million.

(Notes Regarding Segment Information, etc.)

Segment Information

I. The three months of the previous fiscal year (April 1, 2025 to June 30, 2025)

Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Device business	Solution business	Total
Sales			
Revenues from external customers	37,238	3,156	40,394
Transactions with other segments	-	-	-
Total	37,238	3,156	40,394
Segment Profit	562	153	715

Note: Segment profit is consistent with ordinary income in the quarterly consolidated statements of income.

II. The three months of the current fiscal year (April 1, 2026 to June 30, 2026)

Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Device business	Solution business	Total
Sales			
Revenues from external customers	39,414	4,193	43,608
Transactions with other segments	-	-	-
Total	39,414	4,193	43,608
Segment Profit	708	233	942

Note: Segment profit is consistent with ordinary income in the quarterly consolidated statements of income.

(Notes Regarding Remarkable Change of Shareholders' Equity)

None.

(Notes Regarding Going Concern)

None.

(Notes Regarding Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the consolidated first quarter under review. Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill in the consolidated first quarter are as follows.

	Three months ended June 30, 2025	**Three months ended June 30, 2026**
Depreciation and amortization	¥62 million	¥210 million
Amortization of goodwill	¥6 million	—

(Notes Regarding Revenue Recognition)

(Breakdown of revenue generated from contracts with customers)

(in millions of yen)

Report segment	**Three months ended June 30, 2025**	**Three months ended June 30, 2026**
Device segment		
By type of supplier		
Mechanical parts manufacturers	15,639	15,458
Overseas manufacturers	14,290	17,730
Other manufacturers	7,308	6,226
Subtotal	37,238	39,414
Solution segment		
By business unit (BU)		
Network Systems BU	1,163	1,924
Firefighting and Disaster Preparedness BU	41	56
Platform BU	812	815
Application Systems BU	767	1,001
Imaging Systems BU	370	395
Subtotal	3,156	4,193
Total	40,394	43,608

(Notes Regarding Significant Subsequent Events)

(Cancellation of Treasury Shares)

At the meeting of the Board of Directors held on August 5, 2026, we resolved to cancel treasury shares pursuant to Article 178 of the Companies Act.

1. Type of shares to be cancelled
   Common shares of the Company
2. Total number of shares to be cancelled
   3,566,984 shares
   (21.91% of the total number of issued shares before cancellation)
3. Scheduled date of cancellation
   August 26, 2026
4. Total number of issued shares after cancellation
   12,714,389 shares