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March 27, 2025 (JST)

To Whom It May Concern

Company Name: Sanken Electric Co., Ltd.
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Notice of Acquisition of Company to Accelerate GaN Device Commercialization

Sanken Electric Co., Ltd. ("Sanken") resolved at a meeting of its Board of Directors on March 27, 2025 to acquire shares of POWDEC K.K. (Head office: Oyama City, Tochigi Prefecture, Japan; Representative: Mr. Hironobu Narui, hereinafter "POWDEC"), which owns proprietary gallium nitride ("GaN") epitaxial technology (the "Acquisition"). The Acquisition is scheduled to be completed on April 1, 2025.

1. Overview of POWDEC

(1) Company Name	POWDEC K.K.
(2) Location	1-23-15 Wakagicho, Oyama City, Tochigi Prefecture, Japan
(3) Establishment	2001
(4) Representative	President and Representative Director Hironobu Narui
(5) Capital Stock	50 million yen
(6) Business Contents	Development and production of GaN semiconductor epitaxial substrates and GaN crystal growth AlGaN/GaN GaN-HEMT substrates GaN/Sapphire GaN-template substrates, AlN-template substrates AlGaN/Sapphire UV sensor substrate Contracted development of GaN power devices Power Transistor/Diode

2. Background and Synergies of the Acquisition

The market size of power semiconductors is expected to continue to expand, and the GaN power device market in particular is expected to grow rapidly. As a new technology area in our 2024 Medium-Term Management Plan, Sanken had stated that we would develop elements that focus on compound devices, and that we would continue to invest aggressively in growth for the future. In addition to promoting the development of cutting-edge technologies, as a measure to enhance the ability to realize such technologies, Sanken has been working to enhance corporate value by both accelerating the speed of development and improving the quality of development through active collaboration with outside parties.

POWDEC holds a number of patents related to PSJ (Polarization Super Junction) technology, which can realize high-performance GaN power devices, and has a competitive edge in the GaN power device market, which Sanken aims to expand in the future. By adding this advanced technological capability to Sanken, the following synergies can be pursued.

(1) Accelerate the development of GaN power devices that enable higher voltage, lower loss, lower heat generation, and faster switching than conventional Si-IGBT/MOSFETs by incorporating them into our high-voltage power modules and power devices.

(2) By using control technology, which is one of our strengths, Sanken can also develop optimal drivers IC for GaN devices and incorporate them into the same package to provide products that are easier for customers to design.
(3) Sanken can lead to power savings, smaller size, and lighter weight in our customers' end products in the automotive, white goods, and industrial equipment markets, which are our application areas.
(4) In addition, it is expected to contribute to environmental aspects such as reduction of CO2 emissions.

3. Outlook

The estimated cost of this acquisition is approximately 1.3 billion yen and will be recorded in the fiscal year ending March 31, 2026. If any matter arises that requires disclosure regarding the impact of the acquisition on Sanken's consolidated financial results, Sanken will promptly disclose such information.

In addition, Sanken will continue to invest in the compound device area and other growth areas in order to achieve growth that exceeds market growth and to enhance corporate value.