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August 13, 2025

To Whom It May Concern

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Notice Regarding Absorption-type Merger (Simplified Merger / Short-form Merger) with a Consolidated Subsidiary

Sanken Electric Co., Ltd. (the "Company") hereby announces that, at a meeting of its Board of Directors held today, it resolved to carry out an absorption-type merger with POWDEC K.K. ("POWDEC"), a wholly owned subsidiary of the Company (the "Merger"). The Merger is scheduled to take effect on October 1, 2025. As this is an absorption-type merger involving a wholly owned subsidiary of the Company, certain details are disclosed in summary form only.

1. Purpose of the Merger

The power semiconductor market is expected to continue expanding, with the GaN power device segment projected to grow rapidly. In its 2024 Medium-Term Management Plan, the Company identified element development focused on compound devices as a key area of new technology, reflecting its policy of proactively investing in future growth. POWDEC, acquired by the Company on April 1, 2025, possesses technologies capable of enabling high-performance GaN power devices. By further refining these advanced technologies and integrating high-voltage power modules and power devices with GaN power devices, the Company aims to enhance its competitive edge in the GaN power device market, which it plans to expand going forward.

2. Outline of the Merger

(1) Schedule of the Merger

Date of resolution at the meeting of the Board of Directors	August 13, 2025
Date of conclusion of the absorption-type merger agreement	August 13, 2025
Effective date of the Merger	October 1, 2025 (scheduled)

The Merger qualifies as a simplified merger under Article 796, paragraph (2) of the Companies Act for the Company, and as a short-form merger under Article 784, paragraph (1) of the Companies Act for POWDEC. Accordingly, the Merger will be executed without obtaining shareholder approval of the merger agreement at the respective general meetings of shareholders.

(2) Method of the Merger

The Merger is an absorption-type merger, with the Company as the surviving entity and POWDEC as the dissolving entity. POWDEC will be dissolved accordingly.

(3) Allocation of Merger Consideration

Since the Merger is an absorption-type merger of a wholly owned subsidiary by the Company, no new shares will be issued, and no cash or other consideration will be allocated as a result of the Merger.

(4) Treatment of New Share Subscription Rights and Bonds with New Share Subscription Rights as a Result of the Merger

Not applicable

3. Outline of Companies Involved in the Merger

		Surviving entity	Dissolving entity
(1)	Corporate name	Sanken Electric Co., Ltd.	POWDEC K.K.
(2)	Location	3-6-3 Kitano, Niiza-shi, Saitama-ken	1-23-15 Wakaki-cho, Oyama-shi, Tochigi-ken
(3)	Title and name of representative	Hiroshi Takahashi, Representative Director, President & CEO	Hironobu Narui, President
(4)	Business lines	Manufacture, sale, etc. of semiconductor devices and other electronic components	Development, production, etc. of GaN semiconductor epitaxial substrates and GaN crystal growth
(5)	Capital	¥20,896 million	¥50 million
(6)	Date of incorporation	September 5, 1946	May 15, 2001
(7)	Number of shares issued	25,098,060 shares	11,300 shares
(8)	Fiscal year-end	March 31	March 31
(9)	Major shareholders and their ownership ratio	GOLDMAN SACHS INTERNATIONAL 10.36% THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT) 8.72% CGML PB CLIENT ACCOUNT/COLLATERAL 4.30% MLI FOR SEGREGATED PB CLIENT 4.30% ECM MF 4.18% SAITAMA RESONA BANK, LIMITED 4.02% J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT 4.01% SUNTERA (CAYMAN) LIMITED AS TRUSTEE OF ECM MASTER FUND 3.90% MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB 3.83% BNP PARIBAS LUXEMBOURG/2S/JASDEC SECURITIES/UCITS ASSETS 3.35%	Sanken Electric Co., Ltd. 100%
(10)	Results of operations and financial position for the previous fiscal year		
	Fiscal Year	Year ended March 31, 2025 (Consolidated)	Year ended March 31, 2025 (Non-consolidated)
	Net assets	¥147,928 million	¥459 million
	Total assets	¥259,067 million	¥531 million
	Net assets per share	¥6,371.74	¥40,693.00
	Net sales	¥121,619 million	¥236 million
	Operating profit	¥(3,788) million	¥(99) million
	Ordinary profit	¥(14,276) million	¥(99) million
	Profit attributable to owners of parent	¥50,934 million	¥(97) million
	Basic earnings per share	¥2,119.53	¥(8,653.65)

4. Post-merger Changes

There shall be no change to the corporate name, location, title and name of representative, business lines, capital or fiscal year-end of the Company following the Merger.

5. Financial Impact of the Merger

Since the Merger is an absorption-type merger of a wholly owned subsidiary of the Company, its impact on the Company's consolidated financial results will be insignificant.