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Fiscal Year March 2027
Q2 Financial Results

Power Electronics
for Your Innovation

SANKEN ELECTRIC CO., LTD.

November 12, 2026

Vision



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Q2 Financial Results

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Q2 Financial Results: FY March 2027

(Billions of Yen)	FY March 2026							FY March 2027			1H YoY		vs. Forecast in May		Forecast in May	
	Q1	Q2	H1	Q3	Q4	H2	Full Year	Q1	Q2	H1	Amount	%	Amount	%	H1	Full Year
Net Sales	22.2	18.8	41.0	18.1	21.0	39.2	80.2	18.7	18.6	37.3	(3.7)	(9.1)%	(2.0)	(5.2)%	39.3	86.5
Sanken Core	21.0	18.5	39.5	18.1	21.0	39.2	78.6	18.7	18.6	37.3	(2.2)	(5.6)%	(2.0)	(5.2)%	39.3	86.5
Others	1.2	0.3	1.5	0.0	0.0	0.0	1.6	–	–	–	–	–	–	–	–	–
Operating profit (loss)	(0.4)	(0.5)	(0.9)	(0.8)	(3.0)	(3.8)	(4.7)	(2.1)	(0.5)	(2.6)	(1.6)	–	(0.2)	–	(2.4)	1.4
Sanken Core	(0.3)	(0.4)	(0.7)	(0.8)	(3.0)	(3.8)	(4.5)	(2.1)	(0.5)	(2.6)	(1.9)	–	(0.2)	–	(2.4)	1.4
Consolidated adjustments etc.	(0.1)	(0.1)	(0.2)	0.0	0.0	0.0	(0.2)	–	–	–	–	–	–	–	–	–
Share of income (losses) of equity method entities and LPS	(0.1)	0.9	0.8	(1.0)	(2.7)	(3.8)	(3.0)	0.6	(0.2)	0.3	(0.5)	–	–	–	–	–
Ordinary profit (loss)	(0.9)	0.1	(0.8)	(2.2)	(5.8)	(8.0)	(8.8)	(1.8)	(1.2)	(3.0)	(2.1)	–	(0.1)	–	(2.9)	0.1
Extraordinary income (losses), net	0.3	(0.3)	(0.0)	0.4	(0.4)	0.0	(0.0)	0.2	0.8	0.9	1.0	–	–	–	–	–
Profit (loss) attributable to owners of parent	(0.9)	(0.5)	(1.4)	(2.1)	(6.3)	(8.4)	(9.8)	(1.9)	(0.7)	(2.5)	(1.1)	–	0.4	–	(2.9)	1.0
Basic earnings per share (Unit: Yen)			(65.18)				(472.88)			(126.42)	(61.24)	–	13.54	–	(139.96)	48.26
FX Cumulative average	144.62	146.04		148.73	150.69			159.57	159.50							155.00
(Yen/USD) 3-month average	144.62	147.47		154.10	156.97			159.57	159.42							

Sanken Core

<H1 FY March 2027 actuals YoY (billions of yen) >

Net Sales: Decrease in sales, mainly in the white goods market: (2.2) (inclusive of 2.0 due to exchange rates)

Operating profit (loss): Decrease in sales: (1.0), Higher material costs: (1.6), Decrease in production: (2.1), Measures to address a surge in price quotation of metals: 0.5, Fixed cost reduction: 1.3, Exchange rates: 1.0

Consolidated

<H1 FY March 2027 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	:	0.3	(Recording of equity in Allegro's net income 0.6, loss on investments in LPS (0.3))
	・Foreign exchange losses, Interest income and expenses	:	(0.8)	
Extraordinary profit	・Gain on change in equity	:	1.5	(Impact of change in equity due to recognition of Allegro's stock compensation)
Extraordinary losses	・Severance pay	:	(0.5)	(Yamagata Sanken)
Income taxes		:	(0.5)	

*Yamagata Sanken expects the voluntary retirement program it implemented to reduce labor costs by 400 million yen annually (200 million yen semi-annually)

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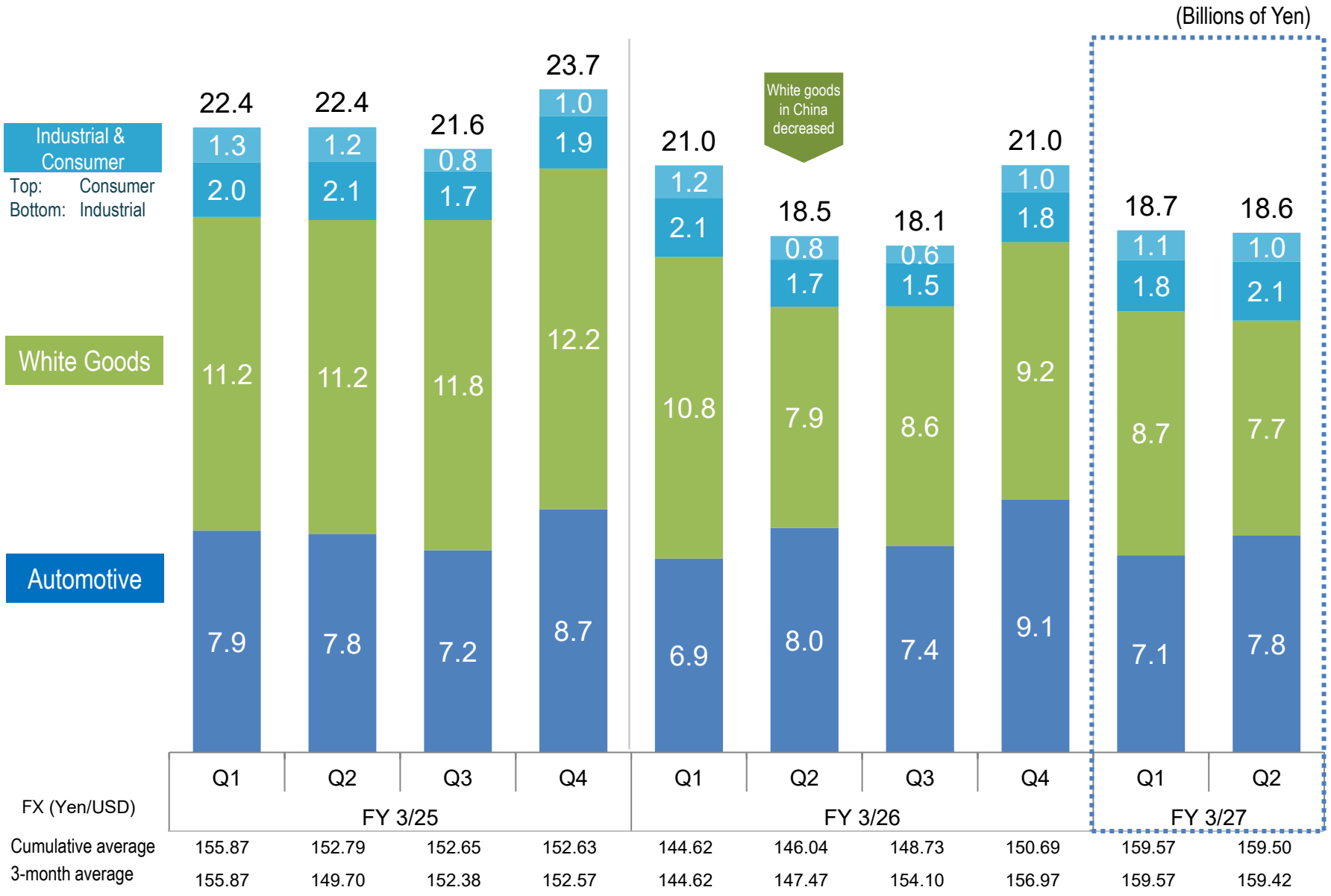
Sales Trend by Market (Quarterly)



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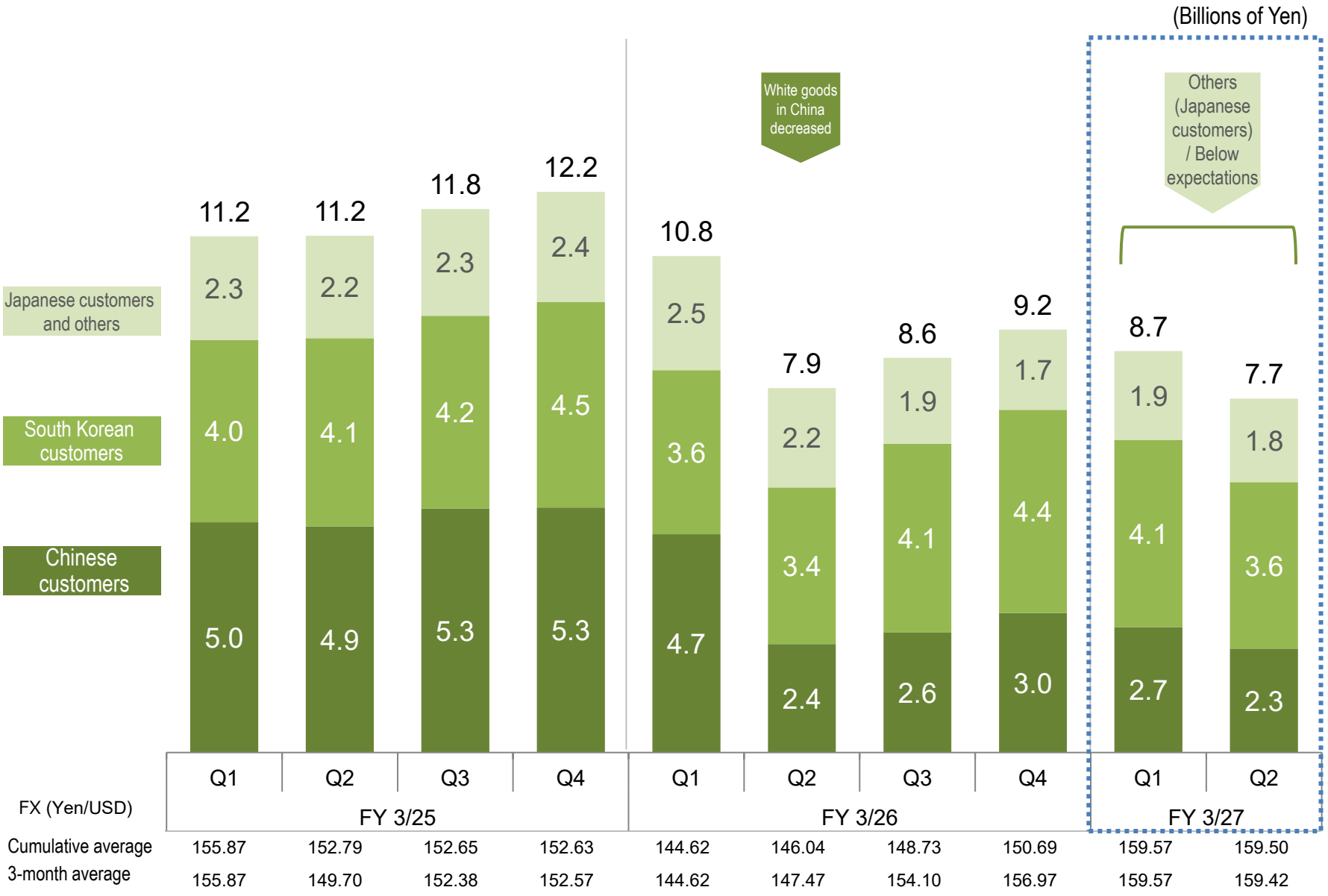
White Goods Sales Trend by Customer Group



FX (Yen/USD)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	FY 3/25				FY 3/26				FY 3/27	
Cumulative average	155.87	152.79	152.65	152.63	144.62	146.04	148.73	150.69	159.57	159.50
3-month average	155.87	149.70	152.38	152.57	144.62	147.47	154.10	156.97	159.57	159.42

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Financial Status: FY March 2026

Monitoring indicators are maintained at a certain level

	As of March 31, 2025	As of March 31, 2026	As of September 30, 2026
Equity Ratio	31.1%	56.9%	51.1%
D/E Ratio	1.18x	0.43x	0.72x

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Forecast for FY March 2027

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Market Environment

Macroeconomic Trends

- While quoted metal prices and material and energy prices remain largely flat, 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
- In core industries*1, there is strong demand for differentiated high-power, high-efficiency power modules; in the general-purpose sector, standardization is progressing

Automotive Market

- CY2026 OEM production forecast: 92M
  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
- [Power trains] Sales of power modules for EV traction motors are being expanded to several Tier 1 suppliers and also to OEMs
- [Chassis] Inquiries for solenoid and pump drive controls are increasing as vehicle functions evolve from driver assistance systems toward autonomous driving

White Goods Market

- South Korean customers are currently seeing a decline due to seasonal factors, but they are expected to begin securing parts for the next fiscal year from Q4 onward
- Production by Chinese customers is expected to decline YoY due to weaker demand
- Some Japanese customers are expected to continue to be affected by the falling demand in China
- Design trends are toward smaller size, surface mounting, and finless heat dissipation; currently proposing next-generation GaN-based products to key customers
- 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-ins 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
- Expand the application of power modules for EV traction motors and have begun detailed design for integration into data center chiller inverters
- Currently developing high-voltage IPMs for electronically commutated (EC) fans in data centers
  (SAM2 1200V40A Si-IGBT)
- Digital power management IC equipped with MCU has been adopted in high-end TVs for South Korea; adoption is expected to expand to mid-range models in the future

*1 AI data centers, renewable energy applications, ESS, transportation networks, telecommunications infrastructure, etc.

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Forecast for FY March 2027

(Billions of Yen)	FY March 2026			FY March 2027 (P)			YoY		vs. H2 Forecast in May		Forecast in May		
	H1	H2	Full Year	H1	H2	Full Year	Amount	%	Amount	%	H1	H2	Full Year
Net Sales	41.0	39.2	80.2	**37.3**	**44.7**	**82.0**	–	–	(2.5)	(5.2)%	39.3	47.2	86.5
Sanken Core	39.5	39.1	78.6	**37.3**	**44.7**	**82.0**	3.4	4.3%	(2.5)	(5.2)%	39.3	47.2	86.5
Others *	1.5	0.0	1.6	–	–	–	–	–	–	–	–	–	–
Operating profit (loss)	(0.9)	(3.8)	(4.7)	**(2.6)**	**4.0**	**1.4**	–	–	0.2	–	(2.4)	3.8	1.4
Sanken Core	(0.7)	(3.8)	(4.5)	**(2.6)**	**4.0**	**1.4**	5.9	–	0.2	–	(2.4)	3.8	1.4
Consolidated adjustments etc.	(0.2)	0.0	(0.2)	–	–	–	–	–	–	–	–	–	–
Share of income (losses) of equity method entities and LPS	0.8	(3.8)	(3.0)	0.3	–	–							
Ordinary profit (loss)	(0.8)	(8.0)	(8.8)	**(3.0)**	**3.1**	**0.1**	–	–	0.1	–	(2.9)	3.0	0.1
Extraordinary income (losses), net	0.0	0.0	0.0	0.9	–	–							
Profit (loss) attributable to owners of parent	(1.4)	(8.4)	(9.8)	**(2.5)**	**3.5**	**1.0**	–	–	(0.4)	–	(2.9)	3.9	1.0
Basic earnings per share (Unit: Yen)			-472.88			**48.26**	–	–	–	–	(139.96)	188.22	48.26
FX Cumulative average			150.69		155 (H2)								155.00

*Others in net sales: Legacy unit business

<November Forecasts>

- Net Sales: Revised based on the demand outlook and sales trends in the white goods market
- Operating Profit: Maintained, reflecting various measures (see page 14)
- Ordinary Profit / Profit Attributable to Owners of the Parent: Maintained based on the same assumptions for gains and losses from equity-method investments and LPS investments as in the May forecast

<Major factors affecting results (YoY)>

Net Sales : (+) Secure appropriate sales price conditions to address a surge in price quotation of metals; Growth in automotive power modules and power devices for the industrial and consumer market; exchange rates

Operating profit (loss) : (−) Rapid rise in material price
(+) Change in production volume etc.; secure appropriate sales price conditions; measures to address a surge in price quotation of metals; production reorganization; cost reduction; exchange rates

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)

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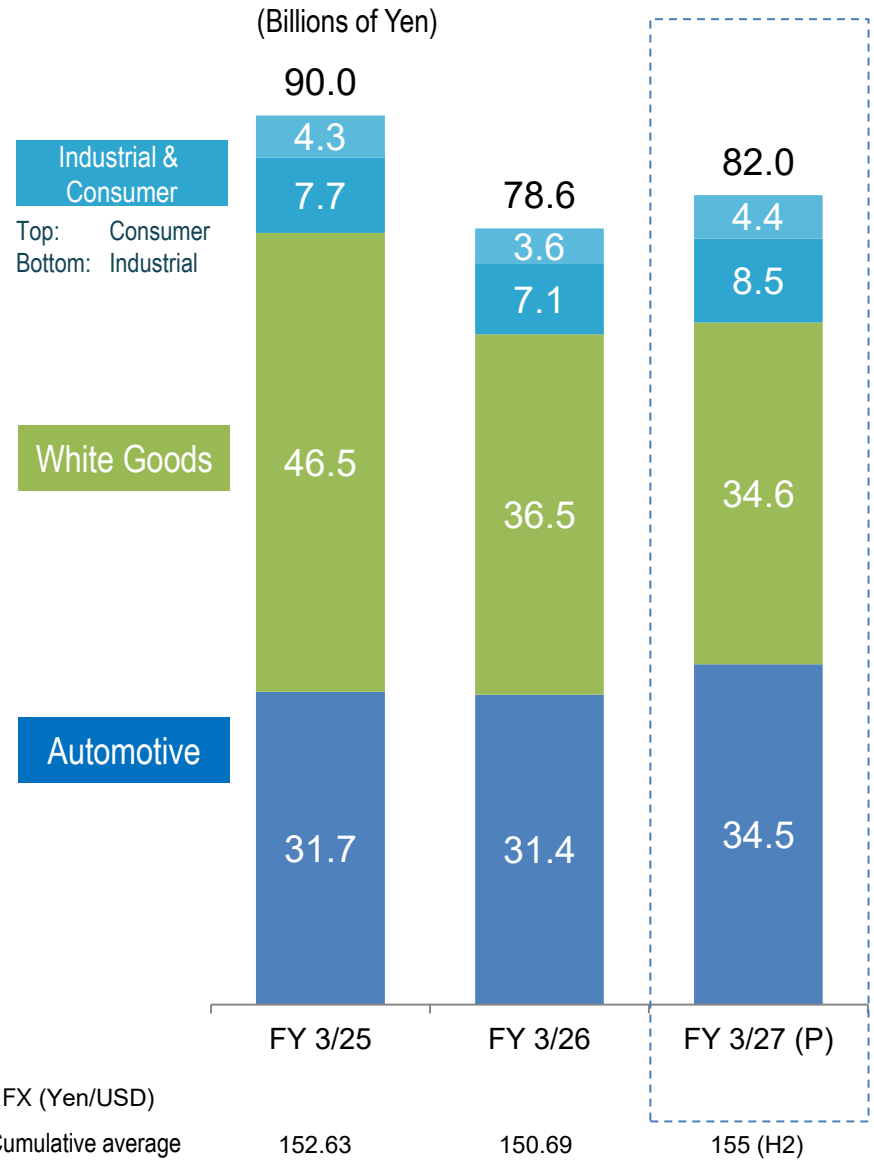
Sales Trend by Market



Power devices for FA and OA remain solid

Digital power management ICs are expanding for South Korean high-end TVs

Demand for white goods in China weakens; Chinese and Japanese customers show slower growth

Rollout begins for India and Europe

Demand for ICE vehicles remains strong, and IPM sales are increasing in automotive air conditioning etc.

Secure quarterly net sales exceeding ¥8.0 billion, driven by seasonal factors and obtaining appropriate sales prices

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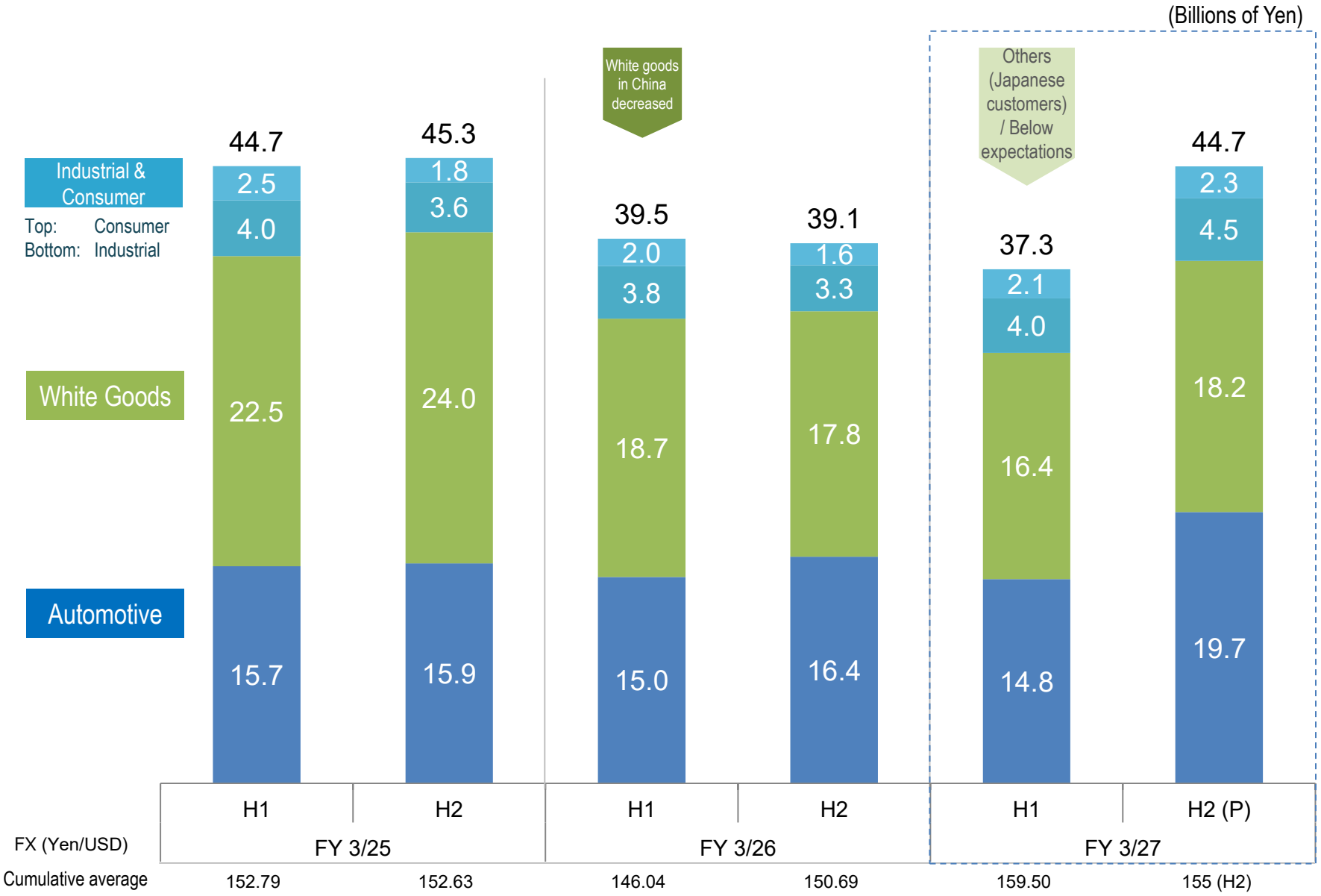
Sales Trend by Market (Half-year)



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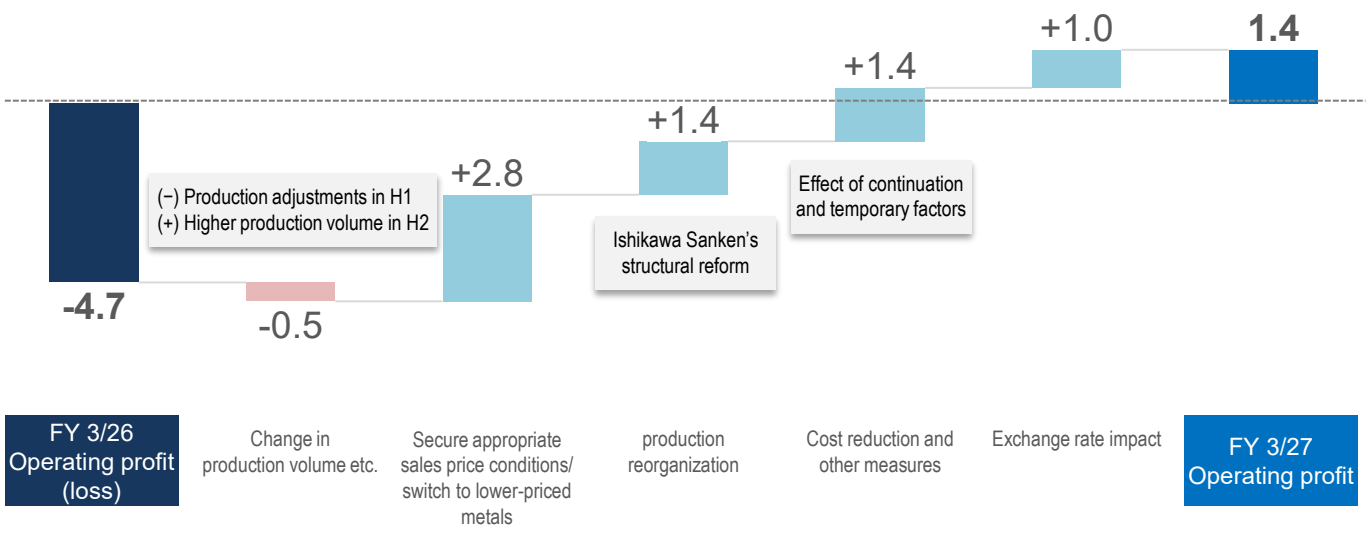
Factors Affecting Operating Profit

FY March 2027 Forecast: YoY Comparison

(Billions of Yen)

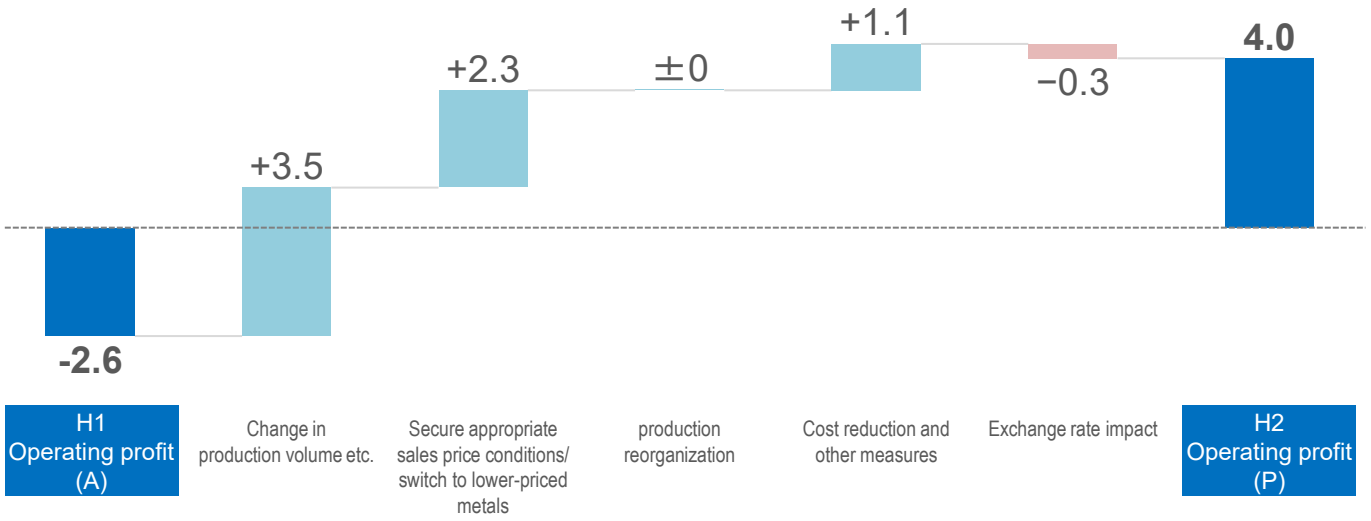


<YoY>

- Progress generally as planned in securing appropriate sales price conditions/switching to lower-priced metals
- The decline in production resulting from lower sales is expected to be offset by exchange rate impact

FY March 2027 Forecast: H1 and H2 Comparison

(Billions of Yen)



<vs. H1>

- Profitability expected to improve through production recovery and cost reductions
- Further progress expected in securing appropriate sales price conditions and switching to lower-priced metals

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Initiatives for the Future

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Future Growth Vision

Centering on portfolio transformation, a clear path to a growth trajectory

24 MTP	Year 1: Earthquake recovery	Year 2: Respond to market changes	Year 3-4: Build a path to a growth trajectory		Move into a growth phase
	FY 3/25	FY 3/26	FY 3/27	Portfolio Transformation	FY 3/28 Illustrative Next Medium-Term Management Plan
Net Sales	Sanken Core **90.0 billion yen** [Automotive] EV chasm [White Goods] Shift toward semiconductors produced by domestic Chinese manufacturers	Sanken Core **78.6 billion yen** [Automotive] EV chasm continues ICE/HEV remain strong ⇒Expand sales for industrial applications [White Goods] Stable performance in China Growth in South Korea ⇒Expand sales in India, U.S. and Europe	Forecast 86.5 billion yen ⇓ **82.0 billion yen**	Positioning High-Power Modules as the Core 【Core Industries】*1 ◇AI data centers Cooling systems / air conditioners ◇Green energy application PV inverters 【Automotive】 ◇BEV inverters Early establishment of GaN portfolio ◆Early development of vertical GaN ◆Proposal and early launch of GaN-based products Capture Business Opportunities in India Strengthen Sales to Global Customers	Plan 87.5 billion yen ⇓ **83.0 billion yen**	**100.0 billion yen**
Operating Profit and Margin	Sanken Core **2.0 billion yen** (2.2%) Rapid rise in quoted metal prices and material and energy prices	Sanken Core **(4.5) billion yen** Cost Reduction ✓Secure appropriate sales price conditions ✓Reduce fixed costs ✓Transition from gold (Au) to copper (Cu)	**1.4 billion yen**	Achieve optimal cost Effect of collaborative production	**4%+**	**10%+**
Break-even point	86.0 billion	89.0 billion	79.0 billion			
FX (Yen/USD)	152.63 yen	150.69 yen	155 yen			

*1 AI data centers, renewable energy applications, ESS, transportation networks, telecommunications infrastructure, etc.

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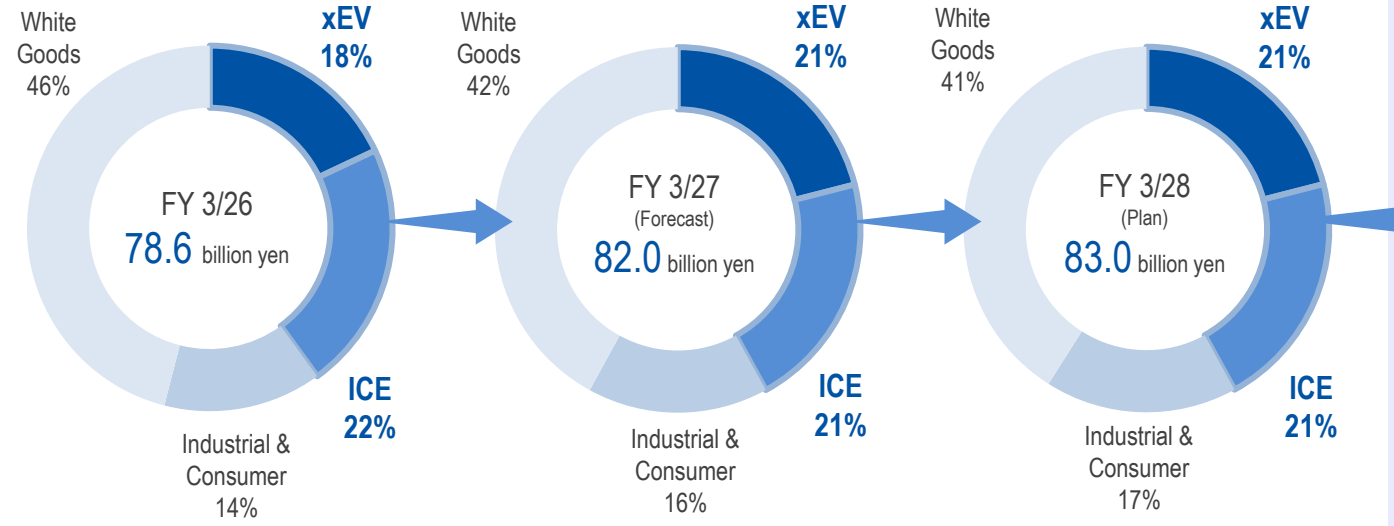
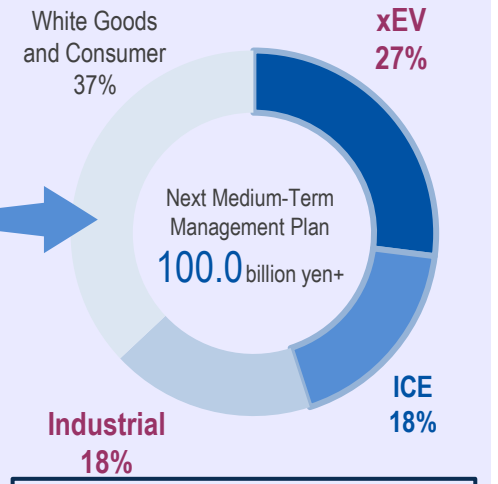
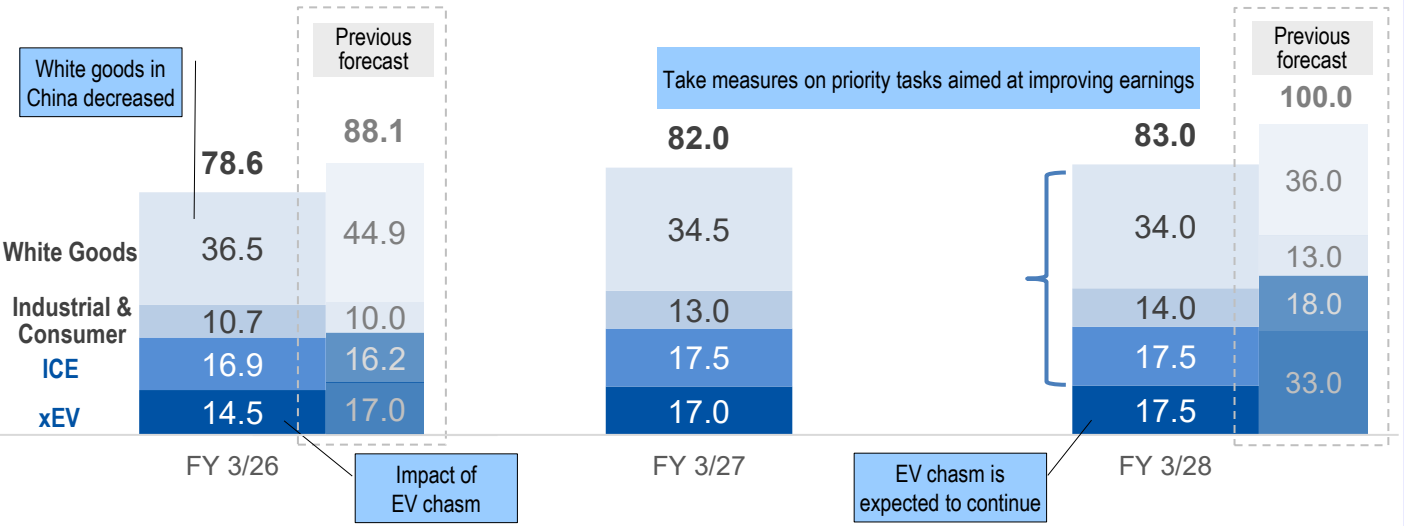
Future Growth Vision

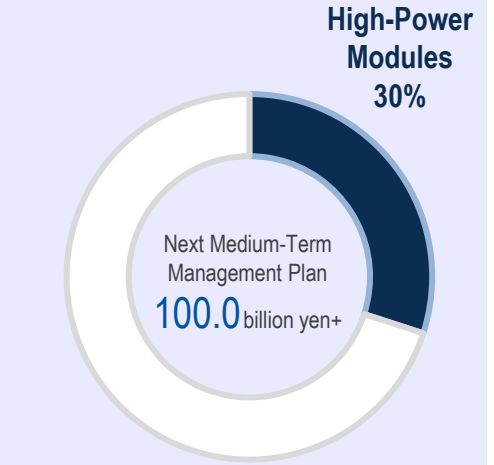
Positioning High-Power Modules as the Core of the Business Portfolio





High-Power Modules Account for 70% of xEV & Industrial Sales (30% of Total Sales)





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With High-Power Modules at the Core, Significantly Transform the Business Portfolio

Expand the technologies cultivated in the automotive and white goods sectors into growing core industrial markets

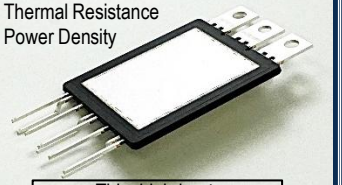
Toward the Core of the Business Portfolio

High-Power Modules

▷ For EV main motors

World-Class Performance (Sanken Electric research)

- Thermal Resistance
- Power Density



Thin, high-heat-dissipation module

▷ For Chiller Inverters



Case Module

▷ For Next-generation Chiller Inverters



High-Power Unit with Liquid Cooling System

+ Expanding Our Module Lineup Featuring Compound Semiconductors (SiC and Vertical GaN)

Target growth market:

Core Industries

AI data centers & Telecommunications / Air conditioning

Renewable energy / FA & Industrial

Automotive

BEV / Next-generation Mobility

Capturing demand for higher power and greater efficiency

(The image showing applications is for illustrative purposes only)

From power components to power solutions
Delivering customer value best suited to each application

Technology and track record foundation to support growth | Motor control × Power conversion × Mass-production quality and market responsiveness

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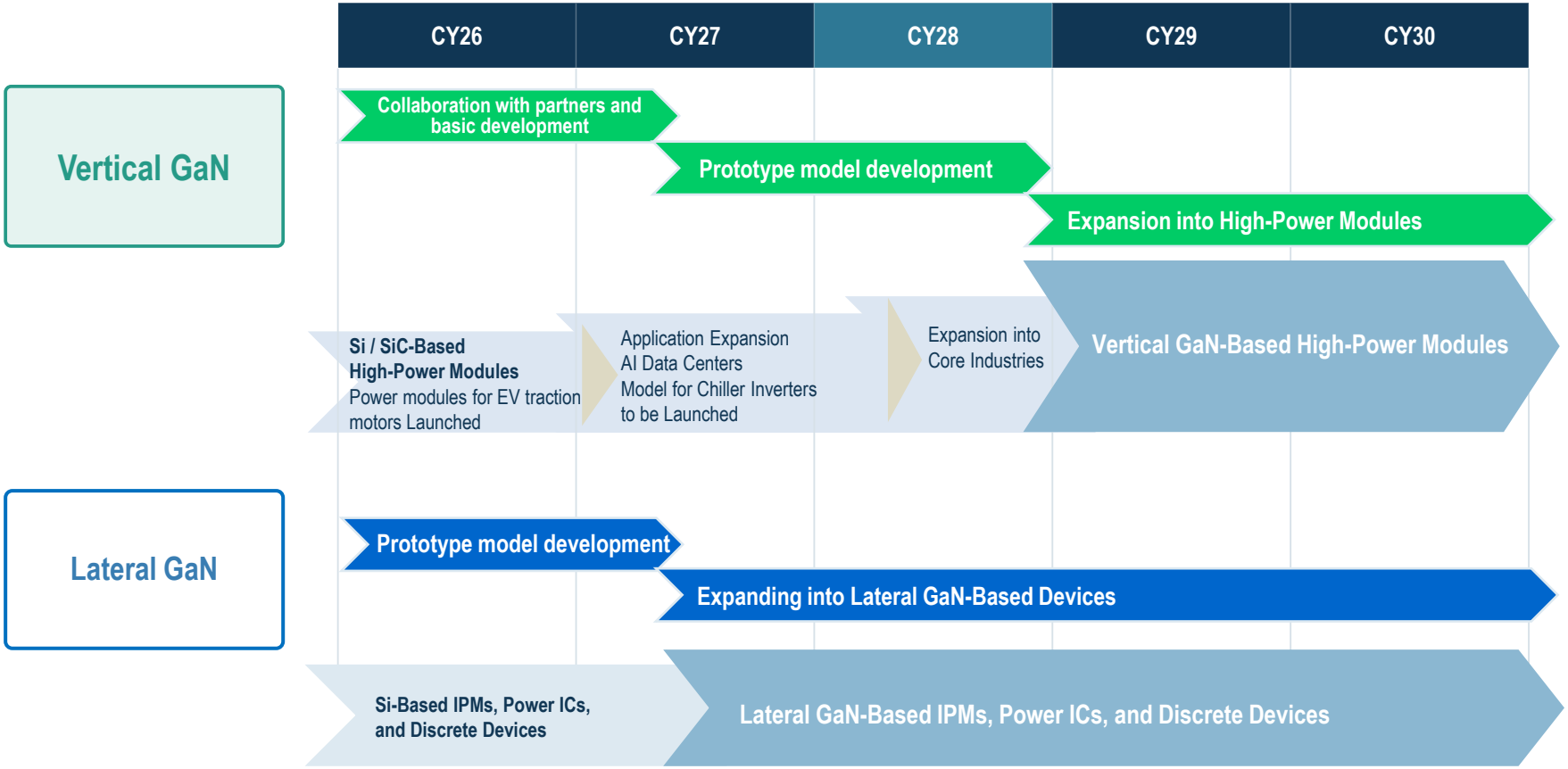
Early establishment of GaN portfolio / Expand the range of GaN-based products to lead in uniqueness and differentiation

Vertical GaN : Pioneering the Next-Generation High-Power Domain
Lateral GaN : Expanding into IPMs, Power ICs, and Discrete Devices



Expand the range of products based on lateral and vertical GaN (+SiC) and leverage the uniqueness and differentiation of our products to achieve highly competitive product offerings

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Collaboration in Manufacturing of LEDs and Power Devices in India

(Sanken Electric and Kaynes Semicon Agree to Explore Strategic Partnership in Manufacturing of LEDs and Power Devices)

Sanken Power Electronics for Your Innovation

Sanken Electric and Kaynes Semicon Agree to Explore Strategic Partnership in Manufacturing of LEDs and Power Devices

Sanken Electric Co., Ltd. (“Sanken Electric”), headquartered in Saitama, Japan, today announced that it has reached an agreement with Kaynes Semicon Private Limited (“Kaynes”), an India-based provider of semiconductor assembly and test services (OSAT) headquartered in Karnataka, to explore a strategic collaboration in outsourced manufacturing of LEDs and Power Devices in India (the “Collaboration”).

The proposed Collaboration is intended to strengthen the companies’ competitive position in India’s rapidly growing market, in line with the Government of India’s “Make in India” initiative. By leveraging the respective resources and capabilities of both companies, Sanken Electric and Kaynes aim to mitigate risks associated with fluctuations in demand while maximizing investment efficiency.

By combining Sanken Electric’s global customer base and high-quality product portfolio with Kaynes’ manufacturing capabilities in India, the two companies intend to pursue new business opportunities across India’s automotive, industrial, and consumer markets, the scope of the Collaboration to encompass products more broadly.

In the LED business, Sanken Electric will explore opportunities for expanding its presence in the Indian market, with Kaynes providing support as a OSAT partner.

Going forward, the two companies will continue to discuss key matters for consideration on the outsourced manufacturing of LEDs and Power Devices.

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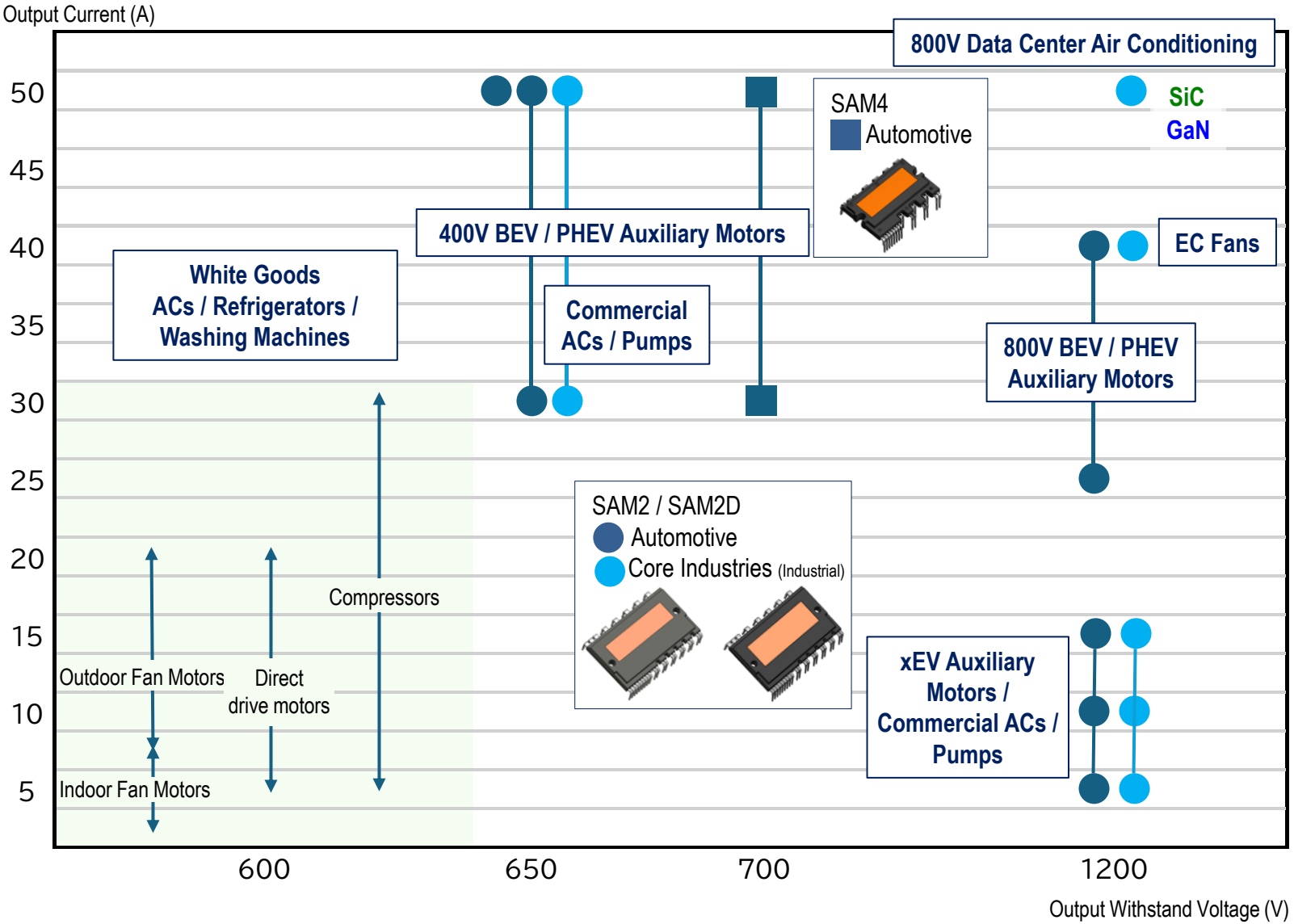
IPM Applications and Technology Development

Broad Product Lineup for Core Industries, Automotive, and White Goods Enhancing Competitiveness in the Medium-Power Domain



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Shareholder Return

We suspend payment of the interim dividend to prioritize profitability improvement at Sanken Core

Dividend Policy

- We have decided not to pay an interim dividend for that fiscal year.
- With regard to the year-end dividend for the fiscal year ending March 31, 2027, the Company maintains its policy of considering the dividend while closely monitoring progress in improving the profitability of Sanken Core, as well as external environment and other factors. However, the year-end dividend forecast remains undetermined. The Company will steadily implement measures to improve profitability as it works to execute its business plan for the second half of the fiscal year.

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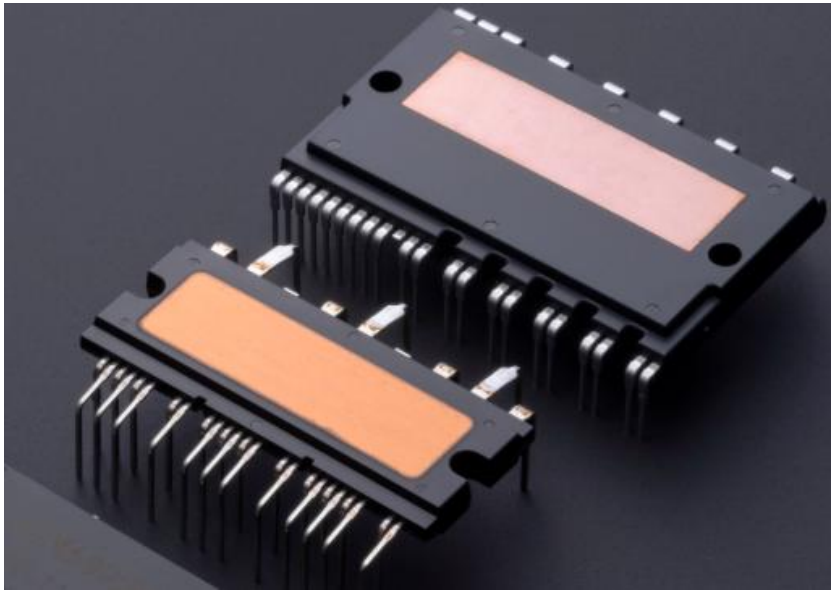
Market Position

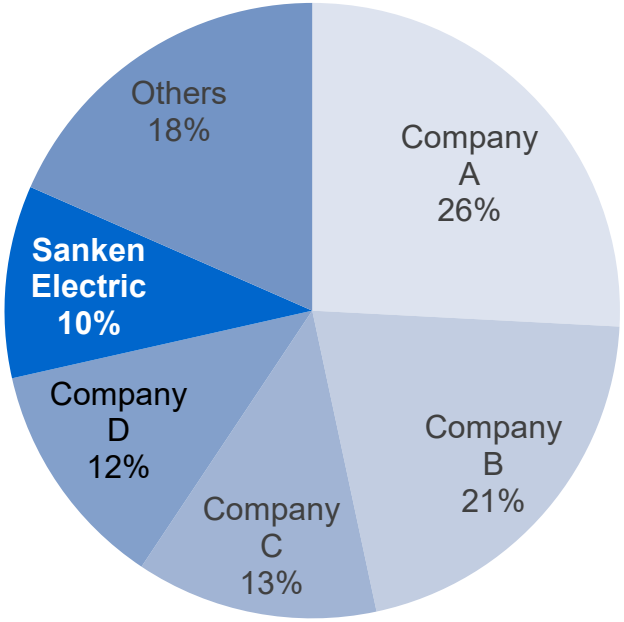
Establishing a global position in the power semiconductor market

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”

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Power Electronics
for Your Innovation

Fiscal Year March 2027 Q2 Financial Results

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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.

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