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November 11, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: Sanken Electric Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 6707
URL: <https://www.sanken-ele.co.jp/>
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Scheduled date to file semi-annual securities report: November 13, 2025
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	41,011	(43.7)	(916)	-	(837)	-	(1,397)	-
September 30, 2024	72,792	(40.1)	(5,658)	-	(14,243)	-	48,000	978.9

Note: Comprehensive income For the six months ended September 30, 2025: ¥ (704) million [-%]
For the six months ended September 30, 2024: ¥ 17,297 million [(44.1) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	(65.18)	-
September 30, 2024	1,987.72	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	233,033	123,755	52.9
March 31, 2025	259,067	147,928	56.9

Reference: Equity

As of September 30, 2025: ¥ 123,227 million
As of March 31, 2025: ¥ 147,433 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, 2025	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)			-	0.00	0.00

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

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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
Full year	78,800	(35.2)	(6,000)	-	(8,300)	-	(9,700)	-	(452.29)

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

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

Newly included: - companies()
Excluded: - companies()

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(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: None
- (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 September 30, 2025	25,098,060 shares
As of March 31, 2025	25,098,060 shares

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

As of September 30, 2025	5,107,334 shares
As of March 31, 2025	1,959,396 shares

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

Six months ended September 30, 2025	21,446,519 shares
Six months ended September 30, 2024	24,148,658 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The above description about future matters including financial forecast is based upon information available as of the present time and assumptions we considered valid, and we do not promise that these forecasts will be accomplished. Due to various factors, our actual performance could greatly differ from the forecast. For assumptions and precautions to use the forecasts, refer to following "DESCRIPTION OF CONSOLIDATED FINANCIAL FORECAST, etc".

1. QUALITATIVE INFORMATION ABOUT CONSOLIDATED BUSINESS RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

(1) DESCRIPTION OF CONSOLIDATED OPERATING RESULTS

With regard to the business environment during the current interim consolidated accounting period, the economic outlook remained unpredictable, partly due to the stagnation of the Chinese economy and the U.S. tariff measures. Having launched the 2024 Medium-Term Management Plan (hereinafter referred to as the “24 Medium-Term Plan”) in the previous fiscal year, the Group designated the fiscal year ended March 31, 2025, the first year of the 24 Medium-Term Plan, as a period for reconstruction following the 2024 Noto Peninsula Earthquake, and positioned the next three-year period starting from the fiscal year ending March 31, 2026, the second year of the 24 Medium-Term Plan, as a phase for achieving full-scale growth. Accordingly, we introduced a CxO (Chief x Officer) system in the fiscal year under review to clarify the division of responsibilities and roles in business execution. Furthermore, we have determined that Sanken Core’s highlight priority will be to improve profitability during the period of the 24 Medium-Term Plan. To this end, we are advancing key initiatives essential for achieving this goal, such as increasing the sales ratio of new products, obtaining appropriate selling price terms for existing products, and implementing thorough cost reduction measures including restructuring production.

In addition to these initiatives, the Company carried out an absorption-type merger with POWDEC K.K. on October 1, 2025, which was acquired by the Company in April 2025, with the aim of launching high-performance GaN power devices as early as possible to gain competitive advantage in the GaN power device market where the Company aims to expand its business. The Company also completed the repurchase of its own shares in September 2025 as planned, which had been implemented since December 2024 as a shareholder return measure. The Company repurchased a total of 4.17 million shares (equivalent to 16.6 % of the total number of shares issued), and the total amount of repurchase amounted to ¥29,900 million. All shares acquired as a result of this were canceled on October 3, 2025.

With regard to the financial results of the current interim consolidated accounting period, consolidated net sales were ¥41,011 million, down ¥31,780 million (43.7%) from the same period of the previous year, as Allegro MicroSystems, Inc. (“Allegro”) was excluded from the scope of consolidation and became an equity method affiliate of the Company in August 2024. In Sanken Core, sales in the automotive market remained firm, but sales in the white goods market decreased by 11.8% year on year due to a decrease of market share resulting from intensified competition in the Chinese market.

In terms of profit and loss, despite downward pressures such as declining sales and soaring material costs, the Company recorded a consolidated operating loss of ¥916 million (consolidated operating loss of ¥5,658 million for the same period of the previous fiscal year), and a consolidated ordinary loss of ¥837 million (consolidated ordinary loss of ¥14,243 million for the same period of the previous fiscal year), as a result of the reduction of fixed costs and increased production following the reorganization of production operations in the back-end process. Loss attributable to owners of parent was ¥1,397 million (profit attributable to owners of parent of ¥48,000 million for the same period of the previous fiscal year), primarily due to the recording of extraordinary income from a gain on sale of non-current assets of ¥1,203 million at P.T. Sanken Indonesia and a gain on change in equity of ¥1,239 million, while extraordinary losses from extra retirement payments of ¥2,408 million at Ishikawa Sanken Co., Ltd. and P.T. Sanken Indonesia were recorded.

Net sales by market and product are as follows.

Following the change in Allegro’s status during the previous interim consolidated accounting period, from a consolidated subsidiary to an equity method affiliate, the “Other” segment has been added to net sales by market and by product. This new segment includes net sales from Allegro’s products and the switching power supply (former unit products) business, which is scheduled to discontinue product sales by the end of the fiscal year under review.

As a result of the above change, net sales are now presented by market and product, rather than by market, region, and product.

• Sales by market

(Millions of yen)

	Six months ended Sep.30,2024		Six months ended Sep.30,2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Automotive	15,736	21.6%	14,960	36.5%	(775)	(4.9%)
White Goods	22,459	30.9%	18,712	45.6%	(3,747)	(16.7%)
Industrial machinery, consumer goods, others	6,530	9.0%	5,797	14.1%	(733)	(11.2%)
Others	28,066	38.6%	1,541	3.8%	(26,524)	(94.5%)
Total	72,792	100.0%	41,011	100.0%	(31,780)	(43.7%)

(Note)

With the addition of the new segment described above, the following retroactive changes have been made to sales by market for the six months ended September 30, 2024: ¥20,043 million for Allegro's products and ¥1,660 million for the switching power supply (former unit products) business, previously included in "Automotive" (¥37,440 million); ¥1,461 million for Allegro's products, previously included in "White Goods" (¥23,920 million); and ¥4,323 million for Allegro's products and ¥577 million for the switching power supply (former unit products) business, previously included in "Industrial Machinery, Consumer Goods, Others" (¥11,430 million). These amounts have been reclassified under the "Other" market segment (¥28,066 million).

• Sales by region

(Millions of yen)

	Six months ended Sep.30,2024		Six months ended Sep.30,2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Japan	18,836	25.9%	-	-	-	-
Asia	43,365	59.6%	-	-	-	-
North America / Latin America	5,619	7.7%	-	-	-	-
Europe	4,971	6.8%	-	-	-	-
Total	72,792	100.0%	-	-	-	-

(Note)

Due to the declining importance of regional sales within our group, we have omitted this information from the consolidated cumulative results for the second quarter.

• Sales by product

(Millions of yen)

	Six months ended Sep.30,2024		Six months ended Sep.30,2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Power module	24,580	33.8%	20,422	49.8%	(4,158)	(16.9%)
Power device	20,145	27.7%	19,048	46.4%	(1,097)	(5.4%)
Others	28,066	38.6%	1,541	3.8%	(26,524)	(94.5%)
Total	72,792	100.0%	41,011	100.0%	(31,780)	(43.7%)

(Note)

With the addition of the new segment described above, the following retroactive changes have been made to sales by product for the six months ended September 30, 2024: ¥2,238 million for the switching power supply (former unit products) business, previously included in "Power Module" (¥26,818 million); ¥8,240 million for Allegro's products, previously included in "Power Device" (¥28,385 million); and ¥17,587 million for Allegro's products, previously included in "Sensor" (¥17,587 million). These amounts have been reclassified under the "Other" product segment (¥28,066 million).

(2) DESCRIPTION OF CONSOLIDATED FINANCIAL POSITION

1) Status of Assets, Liabilities, and Net Assets

Assets as of the end of the current interim consolidated accounting period totaled ¥233,033 million, a decrease of ¥26,033 million from the end of the previous consolidated fiscal year. This was mainly due to decreases in cash and deposits of ¥15,918 million and other under current assets of ¥13,935 million.

Liabilities were ¥109,278 million, a decrease of ¥1,859 million from the end of the previous consolidated fiscal year. This was mainly due to decreases in current portion of bonds payable of ¥5,000 million and long-term accounts payable – other of ¥7,048 million.

Net assets were ¥123,755 million, a decrease of ¥24,173 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in treasury shares of ¥23,468 million.

2) Status of Cash Flows

Balance of cash and cash equivalents at the end of the current interim consolidated accounting period was ¥28,840 million, a decrease of ¥31,903 million as compared to the end of the previous consolidated fiscal year.

Net cash used in operating activities was ¥882 million, a decrease in expenditures of ¥637 million as compared to the previous interim consolidated accounting period. This was mainly due to a decrease in interest paid.

Net cash used in investing activities was ¥14,662 million, a decrease in income of ¥122,000 million as compared to the previous interim consolidated accounting period. This was mainly due to proceeds from sale of investment securities in the previous interim consolidated fiscal period.

Net cash used in financing activities was ¥16,382 million, an increase in income of ¥12,111 million as compared to the previous interim consolidated accounting period. This was mainly due to increases in short-term borrowings and commercial papers.

(3) DESCRIPTION OF CONSOLIDATED FINANCIAL FORECAST, etc.

In the white goods market, our main market in China has seen the rise of local semiconductor manufacturers. Furthermore, due to U.S.-China trade friction, Chinese set manufacturers have accelerated their shift to Chinese-made components. Consequently, our market share has declined faster than anticipated, and we expect that this trend is likely to continue. In the automotive market, the Company anticipate increased sales for internal combustion engines, including HEVs. However, the adoption of BEVs is expected to be delayed beyond initial projections. Consequently, the Company anticipates that sales of automotive products will be insufficient to fully offset the decline in sales of white goods products.

Based on these factors, the Company expects a significant decline in sales and anticipates a substantial decrease in profits. The Company plans to reduce production volumes in the back-end process reorganization and implement production adjustments at the factory to address this. Additionally, the Company expects to record approximately ¥900 million in extraordinary losses related to the closure of the Ishikawa Sanken - Shika Plant due to the earthquake impact, which had been scheduled for the next fiscal year, during the current second half. Based on these factors, the Company has decided to revise its full-year financial results forecast announced on May 14, 2025. The assumed exchange rate will remain at ¥145 per dollar.

Revision of the Forecasted Business Results for the Fiscal Year (From April 1, 2025 to March 31, 2026)

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A) (Announced on May 14, 2025)	(millions of yen) 89,200	(millions of yen) 400	(millions of yen) (1,200)	(millions of yen) (4,400)	(yen) (183.10)
Revised forecast (B)	78,800	(6,000)	(8,300)	(9,700)	(452.29)
Change (B-A)	(10,400)	(6,400)	(7,100)	(5,300)	(269.19)
Ratio of change (%)	(11.7%)	-	-	-	-
<Reference> Results of the previous year (FY ended March 31, 2025)	121,619	(3,788)	(14,276)	50,934	2,119.53

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	51,405	35,486
Notes and accounts receivable - trade	20,329	14,489
Electronically recorded monetary claims - operating	3,324	4,034
Merchandise and finished goods	11,911	16,246
Work in process	24,810	26,287
Raw materials and supplies	6,949	6,753
Other	18,254	4,318
Allowance for doubtful accounts	(29)	(158)
Total current assets	136,955	107,457
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,225	17,035
Machinery, equipment and vehicles, net	12,881	12,091
Tools, furniture and fixtures, net	1,192	1,260
Land	2,764	2,763
Leased assets, net	587	697
Construction in progress	16,404	17,166
Total property, plant and equipment	51,056	51,014
Intangible assets		
Software	468	540
Goodwill	809	1,740
Other	90	144
Total intangible assets	1,368	2,425
Investments and other assets		
Investment securities	15,632	17,891
Shares of subsidiaries and associates	47,819	47,913
Deferred tax assets	238	169
Retirement benefit asset	5,071	5,598
Other	998	631
Allowance for doubtful accounts	(72)	(67)
Total investments and other assets	69,687	72,136
Total non-current assets	122,111	125,576
Total assets	259,067	233,033

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,888	5,317
Electronically recorded obligations - operating	3,909	3,418
Short-term borrowings	9,972	15,696
Current portion of long-term borrowings	11,736	14,230
Current portion of bonds payable	5,000	-
Commercial papers	1,000	3,000
Lease liabilities	26	79
Accrued expenses	4,763	4,422
Income taxes payable	1,441	331
Provision for loss on disaster	287	0
Provision for performance-linked compensations	214	107
Other	10,123	10,619
Total current liabilities	54,363	57,225
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	25,336	27,378
Long-term accounts payable - other	18,900	11,851
Lease liabilities	71	218
Deferred tax liabilities	1,095	1,322
Provision for share-based payments	359	394
Provision for retirement benefits for directors (and other officers)	5	0
Retirement benefit liability	274	295
Other	730	591
Total non-current liabilities	56,774	52,053
Total liabilities	111,138	109,278
Net assets		
Shareholders' equity		
Share capital	20,896	20,896
Capital surplus	65,217	65,216
Retained earnings	60,148	58,750
Treasury shares	(10,781)	(34,249)
Total shareholders' equity	135,481	110,614
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	694	918
Foreign currency translation adjustment	10,957	11,385
Remeasurements of defined benefit plans	300	310
Total accumulated other comprehensive income	11,952	12,613
Non-controlling interests	495	527
Total net assets	147,928	123,755
Total liabilities and net assets	259,067	233,033

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	72,792	41,011
Cost of sales	56,410	35,683
Gross profit	16,382	5,328
Selling, general and administrative expenses	22,040	6,245
Operating loss	(5,658)	(916)
Non-operating income		
Interest income	533	589
Dividend income	16	24
Gain on investments in money held in trust	71	-
Subsidies for employment adjustment	175	-
Gain on investments in investment partnerships	-	1,948
Miscellaneous income	230	129
Total non-operating income	1,027	2,692
Non-operating expenses		
Interest expenses	1,479	368
Foreign exchange losses	5,925	826
Share of loss of entities accounted for using equity method	1,953	1,157
Miscellaneous losses	254	260
Total non-operating expenses	9,612	2,613
Ordinary loss	(14,243)	(837)
Extraordinary income		
Gain on sale of non-current assets	1,530	1,203
Gain on change in equity	97,148	1,239
Gain on transfer from business divestitures	7,510	-
Total extraordinary income	106,188	2,442
Extraordinary losses		
Loss on disposal of non-current assets	8	37
Impairment losses	1,330	38
Extra retirement payments	-	2,408
Loss on disaster	14	-
Loss on business restructuring	39,958	-
Total extraordinary losses	41,311	2,485
Profit (loss) before income taxes	50,633	(880)
Income taxes	4,349	507
Profit (loss)	46,284	(1,388)
Profit (loss) attributable to non-controlling interests	(1,716)	9
Profit (loss) attributable to owners of parent	48,000	(1,397)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit (loss)	46,284	(1,388)
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	230
Foreign currency translation adjustment	(24,014)	432
Remeasurements of defined benefit plans, net of tax	104	2
Share of other comprehensive income of entities accounted for using equity method	(5,034)	17
Total other comprehensive income	(28,987)	683
Comprehensive income	17,297	(704)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,515	(736)
Comprehensive income attributable to non-controlling interests	(13,218)	32

Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	50,633	(880)
Depreciation	7,377	2,685
Impairment losses	1,330	38
Increase (decrease) in allowance for doubtful accounts	(18)	(4)
Decrease (increase) in retirement benefit asset	(425)	(303)
Increase (decrease) in retirement benefit liability	(470)	(27)
Increase (decrease) in provision for loss on disaster	-	(287)
Interest and dividend income	(549)	(614)
Share-based payment expenses	1,545	-
Interest expenses	1,479	368
Loss (gain) on sale of property, plant and equipment	(1,530)	(1,203)
Loss (gain) on change in equity	(97,148)	(1,239)
Gain on transfer from business divestitures	(7,510)	-
Loss on business restructuring	39,958	-
Loss (gain) on investments in investment partnerships	-	(1,948)
Extra retirement payments	-	2,408
Decrease (increase) in trade receivables	7,037	5,429
Decrease (increase) in inventories	(5,235)	(5,474)
Increase (decrease) in trade payables	4,145	(1,264)
Decrease (increase) in accounts receivable - other	(681)	330
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	1,614	3,295
Other, net	(746)	(344)
Subtotal	805	964
Interest and dividends received	276	614
Interest paid	(1,379)	(362)
Income taxes paid	(1,222)	(1,740)
Extra retirement payments	-	(359)
Net cash provided by (used in) operating activities	(1,520)	(882)
Cash flows from investing activities		
Decrease (increase) in time deposits	-	(5,955)
Purchase of property, plant and equipment	(15,201)	(2,406)
Proceeds from sale of property, plant and equipment	2,070	1,732
Purchase of intangible assets	(282)	(167)
Purchase of investment securities	(0)	-
Proceeds from sale of investment securities	131,371	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,080)
Payments for transfer of business divestitures	(2,436)	-
Payments for business restructuring	(7,986)	(6,768)
Loan advances	(5)	-
Proceeds from collection of loans receivable	0	0
Other, net	(191)	(15)
Net cash provided by (used in) investing activities	107,338	(14,662)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(4,913)	5,677
Increase (decrease) in commercial papers	(5,000)	2,000
Repayments of finance lease liabilities	(497)	(33)
Proceeds from long-term borrowings	224	25,073

Repayments of long-term borrowings	(18,304)	(20,630)
Redemption of bonds	-	(5,000)
Purchase of treasury shares	(2)	(23,468)
Dividends paid	(0)	(1)
Net cash provided by (used in) financing activities	(28,494)	(16,382)
Effect of exchange rate change on cash and cash equivalents	349	23
Net increase (decrease) in cash and cash equivalents	77,673	(31,903)
Cash and cash equivalents at beginning of period	48,115	60,744
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(27,899)	-
Cash and cash equivalents at end of period	97,890	28,840