

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: Sanshin Electronics Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8150
 URL: <http://www.sanshin.co.jp>
 Representative: Toshiro Suzuki, Representative Director, CEO
 Inquiries: Jun-ichi Murakami, Director, Senior Executive Officer and Senior General Manager of Finance & Accounting Division
 Telephone: +81-3-3453-5111
 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 nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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	%
Nine months ended								
December 31, 2025	128,513	11.7	4,576	16.1	4,003	21.7	3,323	40.4
December 31, 2024	115,028	6.2	3,939	0.8	3,289	31.4	2,366	34.9

Note: Comprehensive income For the nine months ended December 31, 2025: ¥5,327 million [48.0%]
 For the nine months ended December 31, 2024: ¥3,598 million [17.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	271.62	-
December 31, 2024	193.72	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	85,871	44,107	51.3
March 31, 2025	84,049	40,551	48.2

Reference: Equity
 As of December 31, 2025: ¥44,048 million
 As of March 31, 2025: ¥40,485 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	-	30.00	-	105.00	135.00
Fiscal year ending March 31, 2026	-	40.00	-		
Fiscal year ending March 31, 2026 (Forecast)				110.00	150.00

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, 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
Fiscal year ending March 31, 2026	164,000	4.2	5,500	(5.0)	4,900	(0.7)	3,900	10.7	318.56

Note: Revisions to the earnings forecasts most recently announced: None

* **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: 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 December 31, 2025	16,281,373 shares
As of March 31, 2025	16,281,373 shares

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

As of December 31, 2025	4,038,755 shares
As of March 31, 2025	4,050,682 shares

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

Nine months ended December 31, 2025	12,236,451 shares
Nine months ended December 31, 2024	12,216,613 shares

Note: The number of treasury shares at the end of the fiscal year includes directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors). The Company's shares (111,800 shares in the third quarter of the fiscal year ending March 31, 2026 and 123,800 shares in the fiscal year ending March 31, 2025) held by the trust related to the performance-linked stock-based compensation plan. 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 (117,996 shares in the third quarter of the fiscal year ending March 31, 2026 and 137,948 shares in the third quarter of the fiscal year ending March 31, 2025).

* 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	2
(1) Overview of Business Results for the First Three Quarters of the Fiscal Year Ending March 31, 2026	2
(2) Overview of Financial Position for the First Three Quarters of the Fiscal Year Ending March 31, 2026	2
(3) Explanation of Forecasts for Consolidated Business Performance and Other Future Prospects	2
2. Quarterly Consolidated Financial Statements and Main Notes.....	3
(1) Quarterly Consolidated Balance Sheets	3
(2) Quarterly Consolidated Profit and Loss Statement, Consolidated Comprehensive Income Statement	5
(3) Notes on Quarterly Consolidated Financial Statements	7
(Notes on segment information and Other).....	7
(Notes Regarding Remarkable Change of Shareholders' Equity).....	7
(Notes Regarding Going Concern)	7
(Notes Regarding Quarterly Consolidated Statement of Cash Flows).....	7
(Notes Regarding Revenue Recognition)	8

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 December 31, 2025.

(1) Overview of Business Results for the First Three Quarters of the Fiscal Year Ending March 31, 2026

In the consolidated first three quarters under review, the outlook for the global economy remained uncertain due to ongoing uncertainty surrounding policies implemented by the United States and persistent geopolitical risks. In the electronics industry, which is the Group's domain of operations, demand for next-generation technologies such as AI continued to drive growth in the semiconductor market. The ICT industry in Japan enjoyed continued strong demand for system upgrades aimed at improving productivity and operational efficiency within companies.

Against this background, the Group is fully committed to tackling the key challenges outlined in the long-term vision announced on May 10, 2024. As the first phase of implementing this vision, we have formulated the V76 Medium-Term Management Plan, whose final year is the fiscal year ending March 31, 2027 (the 76th term). 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. We are focusing on initiatives to drive sustainable business growth, improve capital efficiency, and promote sustainability efforts.

As a result, business performance in the consolidated first three quarters under review was as follows. Net sales were ¥128,513 million (up 11.7% year-on-year), operating profit was ¥4,576 million (up 16.1% year-on-year), ordinary profit was ¥4,003 million (up 21.7% year-on-year). Profit attributable to owners of parent was ¥3,323 million (up 40.4% year-on-year), due to recording of extraordinary profits (gain on sales of non-current assets) associated with the transfer of land and buildings for 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 first three quarters 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 business segment, our leading products are semiconductors (including system LSIs, microcomputers, power semiconductors, LCD driver ICs and memory) and electronic components (including connectors, capacitors, LCD panels and modules). These products are sold mainly to electronics manufacturers. We also provide technical support such as software development and module development.

In the consolidated first three quarters under review, net sales were ¥114,006 million (up 9.2% year-on-year), mainly due to strong sales of mechanical parts and products from overseas manufacturers, and the new business in the automotive sector, which launched in earnest in the second half of the previous fiscal year, contributing to performance from the beginning of the current fiscal year. However, segment profit was ¥1,978 million (down 15.3% year-on-year) due to factors such as a decrease in gross profit margin associated with changes in the sales structure and an increase in SG&A expenses.

Solution segment

In the solution business segment, we provide one-stop services spanning from design and construction to operation and maintenance of network devices and security products that utilize ICT in accordance with 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.

In the consolidated first three quarters under review, strong results were propelled by the business related to ICT networks (Network Systems BU), supported by burgeoning corporate needs for DX implementation. Net sales were ¥14,506 million (up 36.2% year-on-year). Although SG&A expenses rose, these were offset by rising revenue, and gross profit margin advanced. Segment profit was ¥2,024 million (up 112.6% year-on-year).

(2) Overview of Financial Position for the First Three Quarters of the Fiscal Year Ending March 31, 2026

(Assets)

As of December 31, 2025, assets increased ¥1,821 million compared with March 31, 2025, to ¥85,871 million. This was mainly attributable to a ¥2,851 million increase in trade receivables and a ¥1,383 million decrease in cash and deposits.

(Liabilities)

As of December 31, 2025, liabilities decreased ¥1,734 million compared with March 31, 2025, to ¥41,763 million. This was mainly attributable to a ¥2,136 million decrease in short-term loans payable.

(Net Assets)

As of December 31, 2025, net assets increased ¥3,556 million compared with March 31, 2025, to ¥44,107 million. This was mainly attributable to a ¥1,532 million increase in retained earnings and a ¥1,484 million increase in foreign currency translation adjustment.

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

Consolidated business performance and year-end dividends for March 2026 term remain unchanged from the following forecast figures announced on November 6, 2025.

(Forecasts for Consolidated Business Performance for March 2026 Term)

Net sales	¥164,000 million	(up 4.2% year-on-year)
Operating profit	¥5,500 million	(down 5.0% year-on-year)
Ordinary profit	¥4,900 million	(down 0.7% year-on-year)
Net profit attributable to shareholders of parent company	¥3,900 million	(up 10.7% year-on-year)
Year-end dividend	¥110 per share	(annual dividend ¥150 per share including the interim dividend)

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	9,361	7,977
Notes and accounts receivable - trade, and contract assets	38,533	41,135
Electronically recorded monetary claims - operating	2,095	2,345
Merchandise	19,750	18,705
Partly-finished work	5	183
Other	5,161	5,282
Allowance for doubtful accounts	(29)	(36)
Total current assets	74,878	75,592
Non-current assets		
Property, plant and equipment	6,067	6,227
Intangible assets	247	305
Investments and other assets		
Retirement benefit asset	353	364
Other	2,512	3,385
Allowance for doubtful accounts	(10)	(4)
Total investments and other assets	2,854	3,745
Total non-current assets	9,170	10,278
Total assets	84,049	85,871
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,558	15,130
Short-term borrowings	24,121	21,984
Income taxes payable	846	750
Provisions	675	370
Other	1,567	2,182
Total current liabilities	42,768	40,419
Non-current liabilities		
Other	729	1,344
Total non-current liabilities	729	1,344
Total liabilities	43,497	41,763

	As of March 31, 2025	As of December 31, 2025
Net assets		
Shareholders' equity		
Share capital	14,811	14,811
Capital surplus	16	16
Retained earnings	28,553	30,085
Treasury shares	(8,712)	(8,691)
Total shareholders' equity	34,668	36,221
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,038	1,644
Deferred gains or losses on hedges	26	(57)
Foreign currency translation adjustment	4,536	6,021
Remeasurements of defined benefit plans	215	219
Total accumulated other comprehensive income	5,816	7,827
Non-controlling interests	65	58
Total net assets	40,551	44,107
Total liabilities and net assets	84,049	85,871

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

(Quarterly Consolidated Profit and Loss Statement of the First Three Quarters)

(in millions of yen)

	Q1-3 March 2025 Term (Apr. 1, 2024 – Dec. 31, 2024)	Q1-3 March 2026 Term (Apr. 1, 2025 – Dec. 31, 2025)
Net sales	115,028	128,513
Cost of sales	103,163	115,414
Gross profit	11,865	13,099
Selling, general and administrative expenses	7,925	8,523
Operating profit	3,939	4,576
Non-operating income		
Interest income	119	108
Dividend income	37	43
Other	60	78
Total non-operating income	218	230
Non-operating expenses		
Interest expenses	478	362
Foreign exchange losses	337	418
Other	51	22
Total non-operating expenses	868	803
Ordinary profit	3,289	4,003
Extraordinary income		
Gain on sale of non-current assets	0	1,082
Gain on sale of investment securities	73	-
Gain on extinguishment of tie-in shares	8	-
Total extraordinary income	82	1,082
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Loss on sale of investment securities	70	-
Loss from money transfer scam at foreign subsidiary	-	263
Total extraordinary losses	70	263
Profit before income taxes	3,301	4,822
Income taxes - current	722	1,365
Income taxes - deferred	211	139
Total income taxes	934	1,505
Profit	2,366	3,316
Loss attributable to non-controlling interests	(0)	(7)
Profit attributable to owners of parent	2,366	3,323

(Quarterly Consolidated Comprehensive Income Statement of the First Three Quarters)

(in millions of yen)

	Q1-3 March 2025 Term (Apr. 1, 2024 – Dec. 31, 2024)	Q1-3 March 2026 Term (Apr. 1, 2025 – Dec. 31, 2025)
Profit	2,366	3,316
Other comprehensive income		
Valuation difference on available-for-sale securities	54	605
Deferred gains or losses on hedges	(73)	(83)
Foreign currency translation adjustment	1,255	1,484
Remeasurements of defined benefit plans, net of tax	(4)	4
Total other comprehensive income	1,231	2,010
Comprehensive income	3,598	5,327
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,598	5,334
Comprehensive income attributable to non-controlling interests	(0)	(7)

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on segment information and Other)

Segment Information

I. The nine months of the previous fiscal year (April 1, 2024 to December 31, 2024)

1. 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	104,381	10,647	115,028
Transactions with other segments	-	-	-
Total	104,381	10,647	115,028
Segment Profit	2,336	952	3,289

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

II. The nine months of the current fiscal year (April 1, 2025 to December 31, 2025)

1. 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	114,006	14,506	128,513
Transactions with other segments	-	-	-
Total	114,006	14,506	128,513
Segment Profit	1,978	2,024	4,003

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 three quarters under review. Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill in the consolidated first three quarters are as follows.

	Q1-3 March 2025 Term (Apr. 1, 2024 – Dec. 31, 2024)	Q1-3 March 2026 Term (Apr. 1, 2025 – Dec. 31, 2025)
Depreciation and amortization	¥227 million	¥219 million
Amortization of goodwill	¥20 million	¥13 million

(Notes Regarding Revenue Recognition)

(Breakdown of revenue generated from contracts with customers)

(in millions of yen)

Report segment	Q1–3 March 2025 Term (Apr. 1, 2024 – Dec. 31, 2024)	Q1–3 March 2026 Term (Apr. 1, 2025 – Dec. 31, 2025)
Device segment		
By type of supplier		
Mechanical parts manufacturers	46,828	50,366
Overseas manufacturers	41,841	44,281
Other manufacturers	15,710	19,358
Subtotal	104,381	114,006
Solution segment		
By business unit (BU)		
Network Systems BU	5,005	7,354
Firefighting and Disaster Preparedness BU	372	690
Platform BU	1,862	2,469
Application Systems BU	2,117	2,743
Imaging Systems BU	1,289	1,248
Subtotal	10,647	14,506
Total	115,028	128,513