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November 11, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: Sanken Electric Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 6707
URL: https://www.sanken-ele.co.jp/
Representative: Hiroshi Takahashi , Representative Director, President & CEO
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Scheduled date to file semi-annual securities report: November 13, 2026
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, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	37,275	(9.1)	(2,556)	-	(2,958)	-	(2,527)	-
September 30, 2025	41,011	(43.7)	(916)	-	(837)	-	(1,397)	-

Note: Comprehensive income For the six months ended September 30, 2026: ¥ (2,542) million [-%]
For the six months ended September 30, 2025: ¥ (704) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	(126.42)	-
September 30, 2025	(65.18)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	229,584	117,416	51.1
March 31, 2026	239,456	119,965	50.1

Reference: Equity
As of September 30, 2026: ¥ 117,416 million
As of March 31, 2026: ¥ 119,965 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, 2026	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2027	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)			-	-	-

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

Note 2: No interim dividend will be paid for the fiscal year ending March 31, 2027, and the year-end dividend forecast remains undetermined. For details, please refer to section (3), "Consolidated financial forecasts and other forward-looking statements."

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	82,000	2.3	1,400	-	100	-	1,000	-	48.26

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

Note 2: Only the net sales forecast for the fiscal year ending March 31, 2027 has been revised. For details, please refer to section (3), "Consolidated financial forecasts and other forward-looking statements."

*** 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, 2026	20,925,360 shares
As of March 31, 2026	20,925,360 shares

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

As of September 30, 2026	934,808 shares
As of March 31, 2026	934,522 shares

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

Six months ended September 30, 2026	19,990,666 shares
Six months ended September 30, 2025	21,446,519 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 forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable. These statements are not intended as a guarantee that the Company will achieve such forecasts. Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts and precautions regarding their use, please refer to section (3), "Consolidated financial forecasts and other forward-looking statements."

1. Qualitative information about consolidated business results for the six months ended September 30, 2026

(1) Analysis of operating results

During the six months ended September 30, 2026 (the "period under review"), the global economic outlook remained uncertain due to factors such as the slowdown in the Chinese economy, continued tensions in the Middle East, and uncertainty surrounding trade policies. Sanken Electric Co., Ltd. (the "Company") continued to face a challenging business environment due to factors such as persistently high energy prices and rising component prices.

Under these circumstances, in the automotive market, the Company focused on expanding sales of both power devices for engine-powered vehicles, including hybrid vehicles, and power modules for air-conditioning systems that support electrification, while closely monitoring demand trends in the EV market. In the white goods market, the Company promoted sales activities, including proposals to South Korean and Chinese customers to switch to new products, while working to expand its customer base by acquiring new customers in markets such as India and by increasing sales to existing customers. In the industrial machinery market, the Company planned to expand into new applications, including commercial air-conditioning systems, while in the consumer goods market, the Company planned to increase its market share in the TV segment through digital power supply ICs. To achieve these goals, in addition to its existing activities, the Company promoted initiatives aimed at securing the top line in the near term and achieving medium- to long-term growth through the establishment of the Asia Strategy Office and the Mobility Strategy Office, with a focus on broadening the geographic scope of its sales activities and expanding into data centers and new areas of mobility.

To generate profits, the Company worked to reduce fixed and variable costs while implementing various measures to improve profitability. In particular, to address soaring metal prices, the Company worked closely with customers to secure appropriate selling price terms while pursuing cost reductions through material substitutions from gold to copper. The Company also continued its efforts to improve the profitability of new products.

With regard to the financial results for the period under review, consolidated net sales were ¥37,275 million, down ¥3,736 million (9.1%) from the same period of the previous fiscal year. Of this decrease, approximately ¥1,500 million was attributable to the withdrawal from the unit products business, while approximately ¥2,200 million was attributable to a decline in sales from continuing operations. As previously announced, the decline in sales from continuing operations was mainly due to the growing adoption of Chinese-made semiconductors in the Chinese white goods market since the second quarter of the previous fiscal year.

In terms of net sales by market, sales in the automotive market slightly exceeded the plan due to solid demand for engine-powered vehicles, including hybrid vehicles. In the white goods market, sales fell significantly below the plan due to deteriorating market conditions resulting from the slowdown in the global economy, reduced production by set manufacturers in various regions, and changes in demand among component manufacturers. In the industrial machinery and consumer goods market, sales exceeded the plan as efforts to expand sales for new applications and to new customers proved successful.

In terms of consolidated profit or loss, due to the decline in net sales, the impact of production adjustments, and other factors, operating loss was ¥2,556 million (operating loss of ¥916 million for the same period in the previous fiscal year), ordinary loss was ¥2,958 million (ordinary loss of ¥837 million for the same period in the previous fiscal year), and loss attributable to owners of the parent was ¥2,527 million (loss attributable to owners of the parent of ¥1,397 million for the same period in the previous fiscal year).

Net sales by market and product are as follows.

・Sales by market (Millions of yen)

	Six months ended Sep.30,2025		Six months ended Sep.30,2026		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Automotive	14,960	36.5%	14,802	39.7%	(157)	(1.1%)
White Goods	18,712	45.6%	16,421	44.1%	(2,290)	(12.2%)
Industrial machinery, consumer goods	5,797	14.1%	6,050	16.2%	253	4.4%
Others	1,541	3.8%	-	-	(1,541)	(100.0%)
Total	41,011	100.0%	37,275	100.0%	(3,736)	(9.1%)

・Sales by region (Millions of yen)

	Six months ended Sep.30,2025		Six months ended Sep.30,2026		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Japan	12,171	29.7%	11,386	30.6%	(785)	(6.5%)
Asia	26,026	63.5%	24,287	65.2%	(1,739)	(6.7%)
Europe, the United States, and others	2,813	6.9%	1,602	4.3%	(1,211)	(43.0%)
Total	41,011	100.0%	37,275	100.0%	(3,736)	(9.1%)

・Sales by product (Millions of yen)

	Six months ended Sep.30,2025		Six months ended Sep.30,2026		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Power modules	20,422	49.8%	17,541	47.1%	(2,880)	(14.1%)
Power devices	19,048	46.4%	19,733	52.9%	685	3.6%
Others	1,541	3.8%	-	-	(1,541)	(100.0%)
Total	41,011	100.0%	37,275	100.0%	(3,736)	(9.1%)

(2) Analysis of financial conditions

1) Status of assets, liabilities, and net assets

As of the end of the period under review, total assets were ¥229,584 million, a decrease of ¥9,872 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥9,929 million in cash and deposits.

Total liabilities were ¥112,167 million, a decrease of ¥7,323 million from the end of the previous fiscal year. This was mainly due to decreases of ¥3,110 million in short-term borrowings, including the current portion of long-term borrowings, and of ¥5,429 million in long-term accounts payable – other.

Total net assets were ¥117,416 million, a decrease of ¥2,548 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥2,527 million in retained earnings.

2) Status of cash flows

As of the end of the period under review, the balance of cash and cash equivalents was ¥24,010 million, a decrease of ¥10,830 million from the end of the previous fiscal year.

Net cash used in operating activities was ¥3,776 million, an increase in expenditures of ¥2,893 million compared with the six months ended September 30, 2025. This was mainly due to increases in advance payments and extra retirement payments.

Net cash used in investing activities was ¥10,558 million, a decrease in expenditures of ¥4,104 million compared with the six months ended September 30, 2025. This was mainly due to an increase in time deposits during the six months ended September 30, 2025.

Net cash provided by financing activities was ¥3,453 million, a decrease in expenditures of ¥19,835 million compared with the six months ended September 30, 2025. This was mainly due to expenditures for share repurchases during the six months ended September 30, 2025.

(3) Consolidated financial forecasts and other forward-looking statements

With regard to the full-year financial forecast, the Company has revised its net sales forecast announced on May 13, 2026, taking into account factors such as the demand outlook and sales trends in the white goods market.

On the profit side, although the first half of the fiscal year was affected by production adjustments carried over from the previous fiscal year, the Company expects an improvement in profit of approximately ¥3,500 million in the second half compared with the first half, driven by changes in production levels and other factors. In addition, the Company expects an improvement in profit of approximately ¥2,300 million through the optimization of manufacturing costs by shifting material specifications from gold to copper, as well as through initiatives to secure appropriate selling prices for existing products that use gold materials. Furthermore, the Company expects an improvement in profit of approximately ¥1,100 million through additional cost-reduction measures. In light of these factors, the Company has maintained its full-year operating profit forecast of ¥1,400 million.

The Company has also maintained its forecasts for ordinary profit and profit attributable to owners of the parent, based on the same assumptions regarding share of profit or loss of entities accounted for using the equity method and gains or losses on investments in investment partnerships as those underlying the previous financial forecast.

In addition, although both the interim and year-end dividend forecasts for the fiscal year ending March 31, 2027 were left undetermined in the announcement on May 13, 2026, the Company has 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 the 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.

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	34,840	24,911
Notes and accounts receivable - trade	16,755	14,856
Electronically recorded monetary claims - operating	2,854	3,214
Merchandise and finished goods	15,132	13,122
Work in process	26,462	28,077
Raw materials and supplies	5,928	6,600
Other	7,064	3,966
Allowance for doubtful accounts	(165)	(155)
Total current assets	108,872	94,594
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,245	18,132
Machinery, equipment and vehicles, net	12,596	12,268
Tools, furniture and fixtures, net	1,256	1,142
Land	2,549	2,641
Leased assets, net	583	494
Construction in progress	17,036	16,921
Total property, plant and equipment	52,266	51,599
Intangible assets		
Software	557	559
Goodwill	1,621	1,586
Other	144	139
Total intangible assets	2,323	2,285
Investments and other assets		
Investment securities	16,345	16,833
Shares of subsidiaries and associates	51,304	52,504
Deferred tax assets	182	217
Retirement benefit asset	7,666	7,788
Other	562	3,822
Allowance for doubtful accounts	(68)	(62)
Total investments and other assets	75,993	81,103
Total non-current assets	130,583	134,989
Total assets	239,456	229,584

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,542	4,358
Electronically recorded obligations - operating	2,336	2,637
Short-term borrowings	28,244	38,237
Current portion of long-term borrowings	14,631	1,528
Current portion of bonds payable	-	7,000
Commercial papers	1,000	2,000
Lease liabilities	74	78
Accrued expenses	4,577	2,733
Income taxes payable	129	465
Provision for performance-linked compensations	106	61
Other	11,072	6,887
Total current liabilities	66,715	65,988
Non-current liabilities		
Bonds payable	10,000	3,000
Long-term borrowings	26,369	32,158
Long-term accounts payable - other	12,730	7,301
Lease liabilities	220	168
Deferred tax liabilities	1,952	2,202
Provision for share-based payments	446	510
Retirement benefit liability	307	359
Other	748	478
Total non-current liabilities	52,775	46,179
Total liabilities	119,491	112,167
Net assets		
Shareholders' equity		
Share capital	20,896	20,896
Capital surplus	60,236	60,236
Retained earnings	25,330	22,803
Treasury shares	(4,252)	(4,259)
Total shareholders' equity	102,210	99,677
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,125	1,808
Foreign currency translation adjustment	15,297	14,823
Remeasurements of defined benefit plans	1,331	1,107
Total accumulated other comprehensive income	17,754	17,738
Total net assets	119,965	117,416
Total liabilities and net assets	239,456	229,584

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, 2025	For the six months ended September 30, 2026
Net sales	41,011	37,275
Cost of sales	35,683	34,097
Gross profit	5,328	3,178
Selling, general and administrative expenses	6,245	5,734
Operating loss	(916)	(2,556)
Non-operating income		
Interest income	589	375
Dividend income	24	31
Share of profit of entities accounted for using equity method	-	635
Gain on investments in investment partnerships	1,948	-
Miscellaneous income	129	262
Total non-operating income	2,692	1,304
Non-operating expenses		
Interest expenses	368	634
Foreign exchange losses	826	528
Share of loss of entities accounted for using equity method	1,157	-
Loss on investments in investment partnerships	-	305
Miscellaneous losses	260	237
Total non-operating expenses	2,613	1,706
Ordinary loss	(837)	(2,958)
Extraordinary income		
Gain on sale of non-current assets	1,203	-
Gain on change in equity	1,239	1,531
Total extraordinary income	2,442	1,531
Extraordinary losses		
Loss on disposal of non-current assets	37	72
Impairment losses	38	-
Extra retirement payments	2,408	527
Total extraordinary losses	2,485	600
Loss before income taxes	(880)	(2,026)
Income taxes	507	500
Loss	(1,388)	(2,527)
Profit attributable to non-controlling interests	9	-
Loss attributable to owners of parent	(1,397)	(2,527)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Loss	(1,388)	(2,527)
Other comprehensive income		
Valuation difference on available-for-sale securities	230	683
Foreign currency translation adjustment	432	495
Remeasurements of defined benefit plans, net of tax	2	(226)
Share of other comprehensive income of entities accounted for using equity method	17	(968)
Total other comprehensive income	683	(15)
Comprehensive income	(704)	(2,542)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(736)	(2,542)
Comprehensive income attributable to non-controlling interests	32	-

Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Loss before income taxes	(880)	(2,026)
Depreciation	2,685	2,607
Impairment losses	38	-
Increase (decrease) in allowance for doubtful accounts	(4)	(15)
Decrease (increase) in retirement benefit asset	(303)	(410)
Increase (decrease) in retirement benefit liability	(27)	18
Increase (decrease) in provision for loss on disaster	(287)	-
Interest and dividend income	(614)	(406)
Interest expenses	368	634
Loss (gain) on disposal of property, plant and equipment	37	72
Loss (gain) on sale of property, plant and equipment	(1,203)	-
Loss (gain) on change in equity	(1,239)	(1,531)
Loss (gain) on investments in investment partnerships	(1,948)	305
Extra retirement payments	2,408	527
Decrease (increase) in trade receivables	5,429	1,753
Decrease (increase) in inventories	(5,474)	(132)
Increase (decrease) in trade payables	(1,264)	(94)
Decrease (increase) in advance payments to suppliers	56	(3,442)
Decrease (increase) in accounts receivable - other	330	708
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	3,295	3,094
Other, net	(437)	(3,716)
Subtotal	964	(2,054)
Interest and dividends received	614	406
Interest paid	(362)	(637)
Income taxes paid	(1,740)	(312)
Extra retirement payments	(359)	(1,178)
Net cash provided by (used in) operating activities	(882)	(3,776)
Cash flows from investing activities		
Decrease (increase) in time deposits	(5,955)	(920)
Purchase of property, plant and equipment	(2,406)	(1,970)
Proceeds from sale of property, plant and equipment	1,732	1
Purchase of intangible assets	(167)	(67)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,080)	-
Payments for business restructuring	(6,768)	(7,427)
Proceeds from collection of loans receivable	0	1
Other, net	(15)	(175)
Net cash provided by (used in) investing activities	(14,662)	(10,558)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	5,677	9,930
Increase (decrease) in commercial papers	2,000	1,000
Repayments of finance lease liabilities	(33)	(42)
Proceeds from long-term borrowings	25,073	6,187
Repayments of long-term borrowings	(20,630)	(13,615)
Redemption of bonds	(5,000)	-
Purchase of treasury shares	(23,468)	(6)
Dividends paid	(1)	(1)
Net cash provided by (used in) financing activities	(16,382)	3,453
Effect of exchange rate change on cash and cash equivalents	23	51
Net increase (decrease) in cash and cash equivalents	(31,903)	(10,830)
Cash and cash equivalents at beginning of period	60,744	34,840
Cash and cash equivalents at end of period	28,840	24,010