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To Whom It May Concern

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Notice of Differences Between Forecast and Actual Results for the Six Months Ended September 30, 2025, and Revision of the Full-Year Financial Results Forecast

Sanken Electric Co., Ltd. (the "Company") hereby announces that differences have arisen between the financial results forecast for the six months ended September 30, 2025, announced on May 14, 2025, and the actual results. The Company also announces that it has revised its full-year financial results forecast for the fiscal year ending March 31, 2026.

1. Differences between First-half Forecast and Actual Results
(From April 1, 2025 to September 30, 2025)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(yen)
Previous forecast (A) (Announce on May 14, 2025)	43,800	-1,100	-1,300	-4,100	-170.61
Actual results (B)	41,011	-916	-837	-1,397	-65.18
Change (B-A)	-2,788	183	462	2,702	105.43
Ratio of change (%)	-6.4%	—	—	—	—
<Reference> Results of the six months ended September 30, 2024	72,792	-5,658	-14,243	48,000	1,987.72

Reasons for differences between the forecast and results for the six months

Despite downward pressures such as declining sales and soaring material costs, consolidated operating loss decreased as a result of the reduction of fixed costs and increased production following the reorganization of production operations in the back-end process. Consolidated ordinary loss also decreased as both a gain on investments in investment partnerships and a share of loss of entities accounted for using the equity method were better than initial forecasts. Furthermore, loss attributable to owners of the parent decreased due to the recording of a gain on sale of non-current assets of ¥1,203 million in the second quarter, which was anticipated to be recorded for the third quarter at the time of the previous forecast announcement, and a gain on change in equity of ¥1,239 million.

2. Revision of the full-year consolidated financial results forecast for the fiscal year ending March 31, 2026
(from April 1, 2025 to March 31, 2026)

	Net sales	Operating profit	Ordinary profit	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

Reason for revision

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.