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May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 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 , RepresentativeDirector, President & CEO
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Telephone: +81-48-472-1111
Scheduled date of annual general meeting of shareholders: June 26, 2026
Scheduled date to commence dividend payments: -
Scheduled date to file annual securities report: June 24, 2026
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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	80,175	(34.1)	(4,728)	-	(8,839)	-	(9,798)	-
March 31, 2025	121,619	(48.3)	(3,788)	-	(14,276)	-	50,934	-

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ (3,957) million [-%]
For the fiscal year ended March 31, 2025: ¥ 22,083 million [(4.6) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	(472.88)	-	(7.3)	(3.5)	(5.9)
March 31, 2025	2,119.53	-	38.2	(4.4)	(3.1)

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥ (2,125) million
For the fiscal year ended March 31, 2025: ¥ (3,666) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	239,456	119,965	50.1	6,001.00
March 31, 2025	259,067	147,928	56.9	6,371.74

Reference: Equity
As of March 31, 2026: ¥ 119,965 million
As of March 31, 2025: ¥ 147,433 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	(8,898)	(10,279)	(7,040)	34,840
March 31, 2025	(9,706)	98,051	(47,891)	60,744

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended March 31, 2026	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2027 (Forecast)	-	-	-	-	-		-	

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
Six months ending September 30, 2026	39,300	(4.2)	(2,400)	-	(2,900)	-	(2,900)	-	(139.96)
Full year	86,500	7.9	1,400	-	100	-	1,000	-	48.26

*** Notes**

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

Newly included: - companies( )

Excluded: - companies( )

(2) 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

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	20,925,360 shares
As of March 31, 2025	25,098,060 shares

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

As of March 31, 2026	934,522 shares
As of March 31, 2025	1,959,396 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	20,720,614 shares
Fiscal Year ended March 31, 2025	24,031,163 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	72,544	(12.6)	(7,612)	-	(9,100)	-	(10,557)	-
March 31, 2025	83,024	13.8	(4,013)	-	(10,034)	-	79,345	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	(509.51)	-
March 31, 2025	3,301.76	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	169,819	62,491	36.8	3,126.02
March 31, 2025	194,140	96,083	49.5	4,152.51

Reference: Equity

As of March 31, 2026: ¥ 62,491 million

As of March 31, 2025: ¥ 96,083 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The above statements regarding future matters, including financial forecasts, are based on information currently available and assumptions deemed reasonable by the Company, and do not guarantee the achievement of such forecasts. Actual results may differ materially from these forecasts due to various factors. For the assumptions underlying the forecasts and precautions regarding their use, please refer to the following section, "Forecast for the future".

1. Operating results

(1) Analysis of operating results

During the consolidated fiscal year ended March 31, 2026, we saw significant changes, including the stagnation of the Chinese economy, the U.S. tariff measures, and the worldwide spread of an “EV chasm” driven by the U.S.

The business environment grew increasingly challenging, due to factors such as procurement pressures resulting from higher price quotation of metals and the yen’s depreciation. In this business environment, the Group has been advancing the Medium-Term Management Plan 2024 (hereinafter referred to as the “24 Medium-Term Plan”) since the previous fiscal year. However, the above-mentioned changes in the business environment have been adversely affecting the progress of these initiatives. Therefore, we have set priority issues to be addressed to help us get back on track. To drive top-line growth and recover our market share in the Chinese white goods sector, we established the new Asia Strategy Office effective January 1, 2026, mainly to promote efforts aimed at expanding orders across Asia as a whole, and have launched initiatives to enhance customer satisfaction. In addition, to secure new applications, we have focused on the industrial machinery market and worked to expand sales of commercial air conditioners and products for AI data centers. On the cost-reduction front, we have worked to reduce fixed costs and optimize expense control across the Group, while also pursuing variable-cost reductions through measures such as material substitutions to reduce the use of gold and expansion of parts commonality through platform integration. However, due to the continued rise in price quotation of metals, further cost reductions became necessary.

As part of our new initiatives, 24 Medium-Term Plan aims to achieve growth through the effective use of outside resources. As part of this effort, on April 1, 2025, we acquired Powdec K.K. and have since been advancing development to enable the early market launch of high-performance GaN power devices. Furthermore, on January 27, 2026, we reached an agreement with Minebea Power Semiconductor Device Inc. to enter into a technical partnership involving back-end production collaboration and joint product development in the Intelligent Power Module (IPM, the “Power Module”) market.

On the other hand, the Company 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 yen. All shares acquired as a result of this were canceled on October 3, 2025.

With regard to the financial results during the consolidated fiscal year ended March 31, 2026, consolidated net sales were 80,175 million yen, down 41,444 million yen (34.1%) from the same period of the previous year, as Allegro MicroSystems, Inc. (“Allegro”), formerly a subsidiary, was excluded from the scope of consolidation and became an equity method affiliate of the Company in August 2024. Also, in the automotive market, which is one of Sanken Core, although growth in battery EVs has slowed, demand for engine-powered vehicles, including hybrids, remained stable. Meanwhile, in the white goods market, sales dropped sharply from the second quarter due to a decrease of our market share in the Chinese market amid the shift toward local semiconductor manufacturers.

Consequently, in terms of profit and loss, despite the positive effects of fixed-cost reductions and increased production following the reorganization of production operations in the back-end process, the impact of surging metal prices and lower sales of white goods in the Chinese market led to a consolidated operating loss of 4,728 million yen (compared with a consolidated operating loss of 3,788 million yen for the previous fiscal year) and consolidated ordinary loss of 8,839 million yen due to share of loss of entities accounted for using the equity method and foreign exchange losses (compared with a consolidated ordinary loss of 14,276 million yen for the previous fiscal year). Loss attributable to owners of the parent amounted to 9,798 million yen (profit attributable to owners of parent of 50,934 million yen for the previous fiscal year) due to the recording of 2,446 million yen of extraordinary losses mainly from extra retirement payments at Ishikawa Sanken Co., Ltd., partially offset by extraordinary income of 1,136 million yen from a gain on sale of non-current assets at P.T. Sanken Indonesia and 2,483 million yen from gains on changes in equity.

Net sales by market, region and product are as follows.

Following the change in Allegro’s status from a consolidated subsidiary to an equity method affiliate, which occurred during the fiscal year ended March 31, 2025, 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.

・Sales by market (Millions of yen)

	FY2024		FY2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Automotive	31,668	26.0%	31,390	39.2%	(277)	(0.9%)
White Goods	46,462	38.2%	36,485	45.5%	(9,977)	(21.5%)
Industrial machinery, consumer goods, others	11,907	9.8%	10,734	13.4%	(1,172)	(9.8%)
Others	31,580	26.0%	1,564	2.0%	(30,016)	(95.0%)
Total	121,619	100.0%	80,175	100.0%	(41,444)	(34.1%)

(Note)

With the addition of the new segment described above, the following retroactive changes have been made to sales by market for the fiscal year ended March 31, 2025: 20,821 million yen for Allegro's products and 3,072 million yen for the switching power supply (former unit products) business, previously included in "Automotive" (55,562 million yen); 1,490 million yen for Allegro's products, previously included in "White Goods" (47,953 million yen); and 4,409 million yen for Allegro's products and 1,786 million yen for the switching power supply (former unit products) business, previously included in "Industrial Machinery, Consumer Goods, Others" (18,103 million). These amounts have been reclassified under the "Other" market segment (31,580 million yen).

・Sales by region (Millions of yen)

	FY2024		FY2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Japan	24,876	20.5%	31,419	39.2%	6,543	26.3%
Asia	62,139	51.1%	44,498	55.5%	(17,640)	(28.4%)
Europe and America	3,023	2.5%	2,692	3.4%	(330)	(10.9%)
Others	31,580	26.0%	1,564	2.0%	(30,016)	(95.0%)
Total	121,619	100.0%	80,175	100.0%	(41,444)	(34.1%)

(Note)

Due to a decline in importance, the classification has been changed from "North America/Latin America" and "Europe" to "Europe and the Americas." With the addition of the new segment described above, the following retroactive changes have been made to sales by market for the fiscal year ended March 31, 2025: 6,213 million yen for Allegro's products and 1,414 million yen for the switching power supply (former unit products) business, previously included in "Japan" (32,504 million yen); 11,381 million yen for Allegro's products and 3,443 million yen for the switching power supply (former unit products) business, previously included in "Asia" (76,964 million yen); and 9,126 million yen for Allegro's products and 0 million yen for the switching power supply (former unit products) business, previously included in "North America/Latin America" and "Europe" (12,150 million yen). These amounts have been reclassified under the "Other" segment (31,580 million yen).

・Sales by product (Millions of yen)

	FY2024		FY2025		Fluctuation	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Ratio of increase/decrease
Power module	50,067	41.2%	40,554	50.6%	(9,512)	(19.0%)
Power device	39,971	32.9%	38,056	47.5%	(1,915)	(4.8%)
Others	31,580	26.0%	1,564	2.0%	(30,016)	(95.0%)
Total	121,619	100.0%	80,175	100.0%	(41,444)	(34.1%)

(Note)

With the addition of the new segment described above, the following retroactive changes have been made to sales by market for the fiscal year ended March 31, 2025: 4,858 million yen for the switching power supply (former unit products) business, previously included in “Power Module” (54,925 million yen); 8,405 million for Allegro’s products, previously included in “Power Device” (48,377 million yen); and 18,315 million yen for Allegro’s products, previously included in “Sensor” (18,315 million yen). These amounts have been reclassified under the “Other” product segment (31,580 million yen).

(2) Analysis of financial conditions

Assets as of the end of the current consolidated fiscal year were 239,456 million yen, a decrease of 19,610 million yen from the end of the previous consolidated fiscal year. This was mainly due to decreases in cash and deposits of 16,564 million yen and notes and accounts receivable-trade of 3,573 million yen.

Liabilities were 119,491 million yen, an increase of 8,353 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 21,167 million increase in short-term borrowings, including the current portion of long-term borrowings.

Net assets were 119,965 million yen, a decrease of 27,963 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in retained earnings of 34,817 million yen.

(3) Status of cash flows

Balance of cash and cash equivalents at the end of the current consolidated fiscal year was 34,840 million yen, a decrease of 25,903 million as compared to the end of the previous consolidated fiscal year.

Net cash used in operating activities was 8,898 million yen, an increase in income of 808 million yen as compared to the previous fiscal year. This was mainly due to a decrease in notes and accounts receivable-trade.

Net cash provided by investing activities was 10,279 million yen, a decrease in income of 108,330 million as compared to the previous fiscal year. This was mainly due to proceeds from sale of investment securities at the end of the previous consolidated fiscal year.

Net cash used in financing activities was 7,040 million yen, an increase in income of 40,851 million yen as compared to the previous fiscal year. This was mainly due to an increase in short-term borrowings and the proceeds from long-term borrowings.

Our index trend concerning the financial conditions is as follows.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Equity ratio	38.8%	36.8%	31.1%	56.9%	50.1%
Equity ratio on the basis of market price	51.3%	84.4%	42.2%	60.1%	59.1%
Redemption years for liabilities	4.9 years	4.3 years	9.1 years	-	-
Interest coverage ratio	24.5 times	19.8 times	6.0 times	-	-

Equity ratio: Equity / Total assets

Equity ratio on the basis of market price: Total amount of market price of stocks / Total assets

Redemption years for liabilities: Interest-bearing debts / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest paid

* All figures are calculated based on consolidated financial data.

* Total amount of market price of stocks is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period (excluding treasury stock).

* Cash flow from operating activities is derived from the cash flow from operating activities section of the statements of cash flows. Interest-bearing debt refers to all liabilities recorded on the consolidated balance sheet for which interest is paid. In addition, interest paid is based on the figure in the consolidated statements of cash flows.

* The redemption years for liabilities and interest coverage ratio for the fiscal years ended March 31, 2025 and March 31, 2026 are not presented because cash flows from operating activities was negative.

(4) Forecast for the future

As with the fiscal year ended March 31, 2026, we expect the external environment to remain challenging. Under these circumstances, the Company recognizes that, in order to secure the top line necessary to achieve our targets for the fiscal year ending March 31, 2027, it is important to continue advancing initiatives in the automotive and white goods markets, which we regard as our core markets. In the automotive market, we will continue to steadily capture demand for engine-powered vehicles, including hybrids, and will also work to expand sales of power modules for automotive air-conditioning systems.

In terms of profitability, in the first half, earnings are expected to be negative due to the continued impact of production adjustments carried over from the previous fiscal year, but we aim to recover in the second half. Specifically, in addition to the effects of fixed-cost reduction measures at Ishikawa Sanken Co., Ltd., from the second half, we anticipate an increase in added value resulting from recovery in production, as well as productivity improvements from the completion of back-end process reorganization. Furthermore, we will continue to advance initiatives to reduce fixed costs in order to enhance the competitiveness of our front-end process at Yamagata Sanken Co., Ltd.

In addition, in order to reduce variable costs, we will continue the expense reduction measures implemented on an emergency basis since the second half of the previous fiscal year, and will optimize manufacturing costs by revising material specifications from gold to copper, while also strengthening our efforts to secure appropriate selling prices for existing products that use gold materials. With regard to new products, we will increase the proportion of new products made with materials that have lower procurement costs in order to improve profitability.

In addition to these short-term measures, we have established two new strategic organizations aimed at achieving medium- to long-term results. We have established the Mobility Strategy Office to strengthen our activities in the automotive and industrial machinery sectors, which require long development lead times. By engaging with customers from the early stages of development, we aim to secure mass-production projects over the medium- to long-term. In addition, we have established the Asia Strategy Office to drive short-term sales growth across Asia and strengthen our product planning capabilities over the medium- to long-term. By accelerating the decision-making and execution processes, the Company will work to maintain and expand its presence in the white goods domain while also promoting sales growth in the industrial machinery domain, such as data centers, where demand is rising.

For the consolidated financial forecast for the fiscal year ending March 31, 2027, we expect to achieve consolidated net sales of 86,500 million yen, consolidated operating profit of 1,400 million yen, consolidated ordinary profit of 100 million yen, and profit attributable to owners of parent of 1,000 million yen based on the assumed foreign exchange rate of 155 yen to the US dollar.

(Note)

The forecast described above is based upon information available as of the present time and assumptions we considered valid. Please be advised that there is a host of uncertain factors that could greatly impact actual performance, including global economic trends, the introduction of new products and their acceptance or lack thereof, and the impact of fair-market-value accounting.

(5) Dividends for the next fiscal year

Regarding dividend payments for the fiscal year ending March 31, 2027, we will make a decision depending on the expected improvement in Sanken Core’s profitability while closely monitoring the external environment. Therefore, we have not yet determined the dividend at this time.

2. Basic concept of selecting accounting standards

The Company adopts Japanese accounting standards in consideration of the comparability of consolidated financial statements over different accounting periods and the comparability among the consolidated financial statements of different companies. The Company will appropriately respond to the adoption of the IFRS in consideration of various conditions in Japan and overseas.

Consolidated Financial Statements and Primary Notes

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	51,405	34,840
Notes and accounts receivable - trade	20,329	16,755
Electronically recorded monetary claims - operating	3,324	2,854
Merchandise and finished goods	11,911	15,132
Work in process	24,810	26,462
Raw materials and supplies	6,949	5,928
Other	18,254	7,064
Allowance for doubtful accounts	(29)	(165)
Total current assets	136,955	108,872
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,225	18,245
Machinery, equipment and vehicles, net	12,881	12,596
Tools, furniture and fixtures, net	1,192	1,256
Land	2,764	2,549
Leased assets, net	587	583
Construction in progress	16,404	17,036
Total property, plant and equipment	51,056	52,266
Intangible assets		
Software	468	557
Goodwill	809	1,621
Other	90	144
Total intangible assets	1,368	2,323
Investments and other assets		
Investment securities	15,632	16,345
Shares of subsidiaries and associates	47,819	51,304
Deferred tax assets	238	182
Retirement benefit asset	5,071	7,666
Other	998	562
Allowance for doubtful accounts	(72)	(68)
Total investments and other assets	69,687	75,993
Total non-current assets	122,111	130,583
Total assets	259,067	239,456

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,888	4,542
Electronically recorded obligations - operating	3,909	2,336
Short-term borrowings	9,972	28,244
Current portion of long-term borrowings	11,736	14,631
Current portion of bonds payable	5,000	-
Commercial papers	1,000	1,000
Lease liabilities	26	74
Accrued expenses	4,763	4,577
Income taxes payable	1,441	129
Provision for loss on disaster	287	-
Provision for performance-linked incentive compensation	214	106
Other	10,123	11,072
Total current liabilities	54,363	66,715
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	25,336	26,369
Long-term accounts payable - other	18,900	12,730
Lease liabilities	71	220
Deferred tax liabilities	1,095	1,952
Provision for share-based payments	359	446
Provision for retirement benefits for directors (and other officers)	5	0
Retirement benefit liability	274	307
Other	730	747
Total non-current liabilities	56,774	52,775
Total liabilities	111,138	119,491
Net assets		
Shareholders' equity		
Share capital	20,896	20,896
Capital surplus	65,217	60,236
Retained earnings	60,148	25,330
Treasury shares	(10,781)	(4,252)
Total shareholders' equity	135,481	102,210
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	694	1,125
Foreign currency translation adjustment	10,957	15,297
Remeasurements of defined benefit plans	300	1,331
Total accumulated other comprehensive income	11,952	17,754
Non-controlling interests	495	-
Total net assets	147,928	119,965
Total liabilities and net assets	259,067	239,456

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	121,619	80,175
Cost of sales	96,684	72,674
Gross profit	24,935	7,500
Selling, general and administrative expenses	28,723	12,229
Operating loss	(3,788)	(4,728)
Non-operating income		
Interest income	1,298	1,135
Dividend income	33	48
Gain on investments in money held in trust	73	-
Subsidies for employment adjustment	180	-
Miscellaneous income	447	241
Total non-operating income	2,033	1,426
Non-operating expenses		
Interest expenses	1,806	851
Foreign exchange losses	5,509	1,243
Share of loss of entities accounted for using equity method	3,666	2,125
Loss on investments in investment partnerships	1,305	854
Miscellaneous losses	234	462
Total non-operating expenses	12,522	5,537
Ordinary loss	(14,276)	(8,839)
Extraordinary income		
Gain on sale of non-current assets	1,613	1,136
Gain on change in equity	98,262	2,483
Gain on transfer from business divestitures	7,433	-
Total extraordinary income	107,309	3,620
Extraordinary losses		
Loss on disposal of non-current assets	45	412
Environmental expenses	128	368
Loss on liquidation of subsidiaries and associates	883	-
Impairment losses	1,449	399
Extra retirement payments	-	2,446
Loss on disaster	15	-
Loss on business restructuring	40,008	-
Total extraordinary losses	42,531	3,627
Profit (loss) before income taxes	50,501	(8,846)
Income taxes - current	2,963	922
Income taxes - deferred	(1,660)	17
Total income taxes	1,303	939
Profit (loss)	49,198	(9,786)
Profit (loss) attributable to non-controlling interests	(1,736)	11
Profit (loss) attributable to owners of parent	50,934	(9,798)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit (loss)	49,198	(9,786)
Other comprehensive income		
Valuation difference on available-for-sale securities	187	437
Foreign currency translation adjustment	(24,440)	1,190
Remeasurements of defined benefit plans, net of tax	315	1,030
Share of other comprehensive income of entities accounted for using equity method	(3,177)	3,169
Total other comprehensive income	(27,114)	5,828
Comprehensive income	22,083	(3,957)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,301	(3,996)
Comprehensive income attributable to non-controlling interests	(13,217)	38

Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,896	65,961	9,213	(4,282)	91,788
Changes during period					
Profit (loss) attributable to owners of parent			50,934		50,934
Purchase of treasury shares				(6,506)	(6,506)
Disposal of treasury shares		(1)		8	6
Cancellation of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests		(656)			(656)
Share-based payments		(85)			(85)
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(744)	50,934	(6,498)	43,692
Balance at end of period	20,896	65,217	60,148	(10,781)	135,481

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	500	26,879	206	27,585	79,244	198,619
Changes during period						
Profit (loss) attributable to owners of parent				-		50,934
Purchase of treasury shares				-		(6,506)
Disposal of treasury shares				-		6
Cancellation of treasury shares				-		-
Change in ownership interest of parent due to transactions with non-controlling interests				-		(656)
Share-based payments				-		(85)
Transfer from retained earnings to capital surplus				-		-

Net changes in items other than shareholders' equity	194	(15,921)	94	(15,633)	(78,749)	(94,382)
Total changes during period	194	(15,921)	94	(15,633)	(78,749)	(50,690)
Balance at end of period	694	10,957	300	11,952	495	147,928

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,896	65,217	60,148	(10,781)	135,481
Changes during period					
Profit (loss) attributable to owners of parent			(9,798)		(9,798)
Purchase of treasury shares				(23,508)	(23,508)
Disposal of treasury shares		(0)		37	36
Cancellation of treasury shares		(29,999)		29,999	-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Share-based payments					-
Transfer from retained earnings to capital surplus		25,019	(25,019)		-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(4,980)	(34,817)	6,528	(33,270)
Balance at end of period	20,896	60,236	25,330	(4,252)	102,210

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	694	10,957	300	11,952	495	147,928
Changes during period						
Profit (loss) attributable to owners of parent				-		(9,798)
Purchase of treasury shares				-		(23,508)
Disposal of treasury shares				-		36
Cancellation of treasury shares				-		-

Change in ownership interest of parent due to transactions with non-controlling interests				-		-
Share-based payments				-		-
Transfer from retained earnings to capital surplus				-		-
Net changes in items other than shareholders' equity	430	4,339	1,031	5,801	(495)	5,306
Total changes during period	430	4,339	1,031	5,801	(495)	(27,963)
Balance at end of period	1,125	15,297	1,331	17,754	-	119,965

Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	50,501	(8,846)
Depreciation	10,843	5,363
Impairment losses	1,449	399
Increase (decrease) in allowance for doubtful accounts	5	1
Decrease (increase) in retirement benefit asset	(840)	(1,004)
Increase (decrease) in retirement benefit liability	(502)	(11)
Increase (decrease) in provision for loss on disaster	(400)	(287)
Interest and dividend income	(1,331)	(1,184)
Share-based payment expenses	1,544	-
Interest expenses	1,806	851
Loss (gain) on disposal of property, plant and equipment	45	412
Loss (gain) on sale of property, plant and equipment	(1,613)	(1,136)
Loss (gain) on change in equity	(98,262)	(2,483)
Gain on transfer from business divestitures	(7,433)	-
Loss on business restructuring	40,008	-
Loss (gain) on investments in investment partnerships	1,305	854
Environmental expenses	128	368
Loss on liquidation of subsidiaries and associates	883	-
Extra retirement payments	-	2,446
Decrease (increase) in trade receivables	1,527	4,675
Decrease (increase) in inventories	(8,810)	(3,444)
Increase (decrease) in trade payables	2,498	(3,611)
Decrease (increase) in accounts receivable - other	(923)	(480)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(751)	814
Other, net	1,155	238
Subtotal	(7,167)	(6,064)
Interest and dividends received	1,123	1,187
Interest paid	(1,748)	(846)
Income taxes paid	(1,913)	(2,391)
Extra retirement payments	-	(782)
Net cash provided by (used in) operating activities	(9,706)	(8,898)
Cash flows from investing activities		
Decrease (increase) in time deposits	-	965
Purchase of property, plant and equipment	(17,837)	(4,712)
Proceeds from sale of property, plant and equipment	2,197	1,799
Purchase of intangible assets	(403)	(203)
Purchase of investment securities	(15)	-
Proceeds from sale of investment securities	131,355	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,080)
Payments for transfer of business divestitures	(2,513)	-
Payments for business restructuring	(14,533)	(7,052)
Loan advances	(5)	-
Proceeds from collection of loans receivable	2	1
Other, net	(194)	4
Net cash provided by (used in) investing activities	98,051	(10,279)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(14,556)	18,190

Increase (decrease) in commercial papers	(8,000)	-
Repayments of finance lease liabilities	(329)	(73)
Proceeds from long-term borrowings	603	25,074
Repayments of long-term borrowings	(19,104)	(21,224)
Redemption of bonds	-	(5,000)
Purchase of treasury shares	(6,503)	(23,471)
Dividends paid	(1)	(2)
Dividends paid to non-controlling interests	-	(533)
Net cash provided by (used in) financing activities	(47,891)	(7,040)
Effect of exchange rate change on cash and cash equivalents	74	314
Net increase (decrease) in cash and cash equivalents	40,527	(25,903)
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	60,744	34,840