



Earnings Presentation

FY2024

(From April 1, 2024 to March 31, 2025)

May 14, 2025

SANSHA ELECTRIC MFG. CO., LTD.

(Tokyo Stock Exchange Standard Market 6882)

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About us (As of Mar. 31, 2025)



Company Name	SANSHA ELECTRIC MANUFACTURING CO., LTD.
Headquarters location	3-1-56, Nishiawaji, Higashiyodogawa-ku, Osaka, Japan
Foundation	March,1933
Capital	2,774,277,500 Yen
Representative	Representative Director & President Hajimu Yoshimura
Number of employees	Consolidated 1,400
Branches and Sales Offices	Tokyo, Aichi, Fukuoka, Ishikawa, Finland, Korea,Taiwan
Plants	Shiga, Okayama
Consolidated subsidiaries	Domestic: 3 Overseas: 6
Number of shareholders	11,887

Purpose

Moving society forward with power electronics and creativity

Vision

Global Power Solution Partner

specific elements that we aim to obtain in the long term

Technology

We will have world-leading technologies related to power electronics, which have been our strength since our founding.

Solution

Capitalizing on power electronics technologies, we will thoroughly identify customers' problems and resolve them.

Global

Taking a global perspective, we will operate our business on a wholly global scale.

Trust

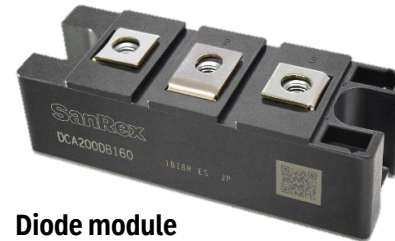
We will earn the unrivaled trust of society for our quality and sincerity.

Our Business

Semiconductor Business

Power semiconductors, which are used in power supplies for controlling high current and voltage, rather than integrated circuit semiconductors.

Ranked 5th in global market share for the thyristor and diode module market.※ 1



Diode module

Power Supply Business

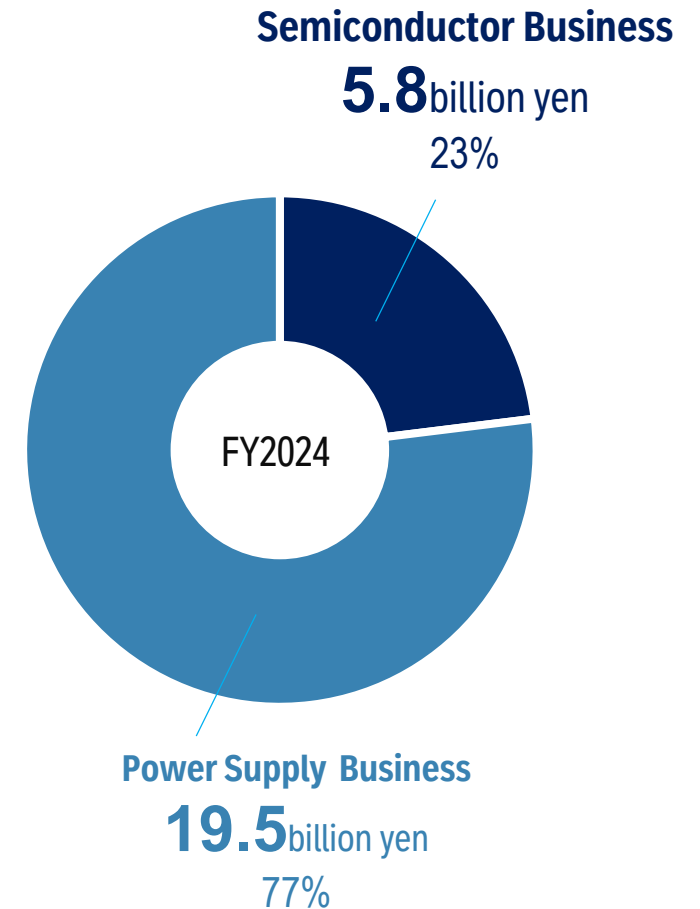
Various types of industrial power equipment supporting sectors such as environment and energy, as well as infrastructure and facilities.

Ranked No. 1 in domestic market share for power supplies used in surface treatment.※ 2



Power Supply for Surface Treatment

Sales Composition









※1 : OMDIA 「Annual Power Semiconductor Reports-2023」








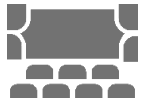




※2 : Estimated by Sansha Electric Manufacturing Co., Ltd. on the basis of the Japan Surface Finishing Suppliers Association:2021 Dynamic Statistics of Power Supply Sales

Products of Sansha Electric Manufacturing that Support Society

Power Semiconductor

<p>Thyristors/Diodes/ SiCs</p>  <p>Manufacturing facilities</p>	<p>Thyristors/Diodes</p>  <p>Welding machines</p>	<p>Diodes</p>  <p>commercial air Conditioners/ Elevators</p>	<p>Diodes</p>  <p>Solar (PV) power generation</p>	<p>Diodes</p>  <p>Auxiliary power supplies for electric railway</p>	<p>Triacs</p>  <p>Home appliances</p>
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Power Supplies

<p>Power conditioners for fuel cells /for water electrolysis</p>  <p>New energy</p>	<p>Power supplies for testing and evaluation</p>  <p>Storage battery/ Power conditioners</p>	<p>Power supplies for surface treatment</p>  <p>Smartphones/ Automobiles</p>	<p>Welding machines</p>  <p>Automobiles/ships</p>	<p>Uninterruptible power supplies (UPS)</p>  <p>Electronic toll collection (ETC)/production facilities</p>	<p>Electric Power Regulators</p>  <p>Various furnaces</p>
<p>Power sources for copper foil generation</p>  <p>Lithium ion batteries</p>	<p>Power supplies for light sources</p>  <p>Movie theaters/ TV studios, halls</p>	<p>Power conditioners , for fuel cells</p>  <p>Fuel cells</p>	<p>Power supplies for ozone generation</p>  <p>Water supply and sewage facilities</p>	<p>Plasma ash melting power supplies</p>  <p>Waste disposal plants</p>	<p>Small power supplies</p>  <p>ATMs/Medical equipment</p>

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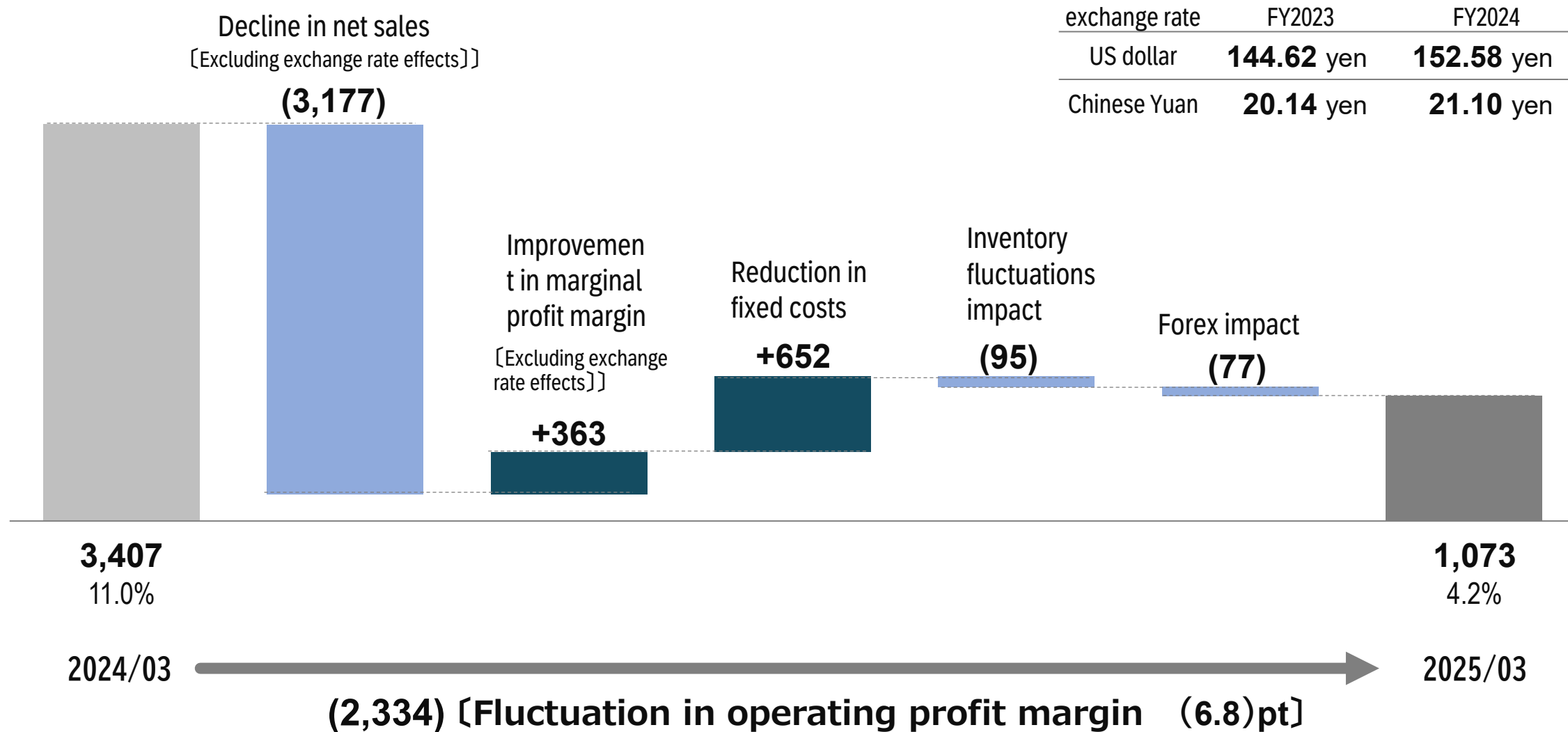
FY2024 Consolidated Financial Summary

- Due to geopolitical risks, a slowdown in the Chinese economy, and a cautious approach to private capital investment, there has been a decline in both revenue and profit.
- Although the mid-term management plan "CF26" has been initiated and strategic progress can be observed, its contribution to performance will take time.

(million yen)	FY2023	FY2024	YoY		Disclosure of earnings forecasts (2025/1/31)
			Increase/Decrease	Percentage change	
Net sales	31,005	25,440	(5,565)	(17.9%)	25,700
Operating profit	3,407	1,073	(2,334)	(68.5%)	900
(Operating profit margin)	11.0%	4.2%			3.5%
Ordinary profit	3,473	1,180	(2,292)	(66.0%)	1,000
Profit attributable to owners of parent	2,955	502	(2,452)	(83.0%)	700
Earnings per share (yen)	222.19	37.80	(184.39)	(83.0%)	52.63
Capital investment	1,304	2,140	+836	+64.1%	—
Depreciation	901	905	+4	+0.4%	—
Research and development expenses	1,791	1,508	(283)	(15.8%)	—

Analysis of Changes in Consolidated Operating Profit (YoY)

(million yen)



Cash flows

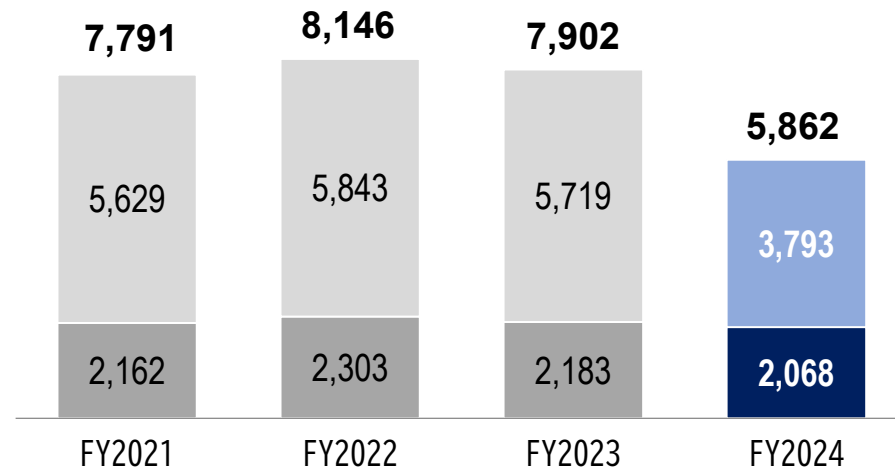
(million yen)	FY2023	FY2024	YoY	Factors driving the change
Net cash provided by (used in) operating activities	2,303	950	(1,353)	Profit before income taxes, Decrease in accounts receivable.
Net cash provided by (used in) investing activities	(1,097)	(2,392)	(1,295)	Major investments : <ul style="list-style-type: none"> • Introduction of semiconductor rationalization equipment • Upgrading of core systems
Free Cash Flow	1,206	(1,442)	(2,648)	
Net cash provided by (used in) financing activities	488	1,410	+ 922	Increase in short-term borrowings.
Cash and cash equivalents at end of period	5,825	5,756	(69)	

Results by Segment

Semiconductor Business

Net sales

(million yen)



YoY (2,040 million yen) (25.8%)

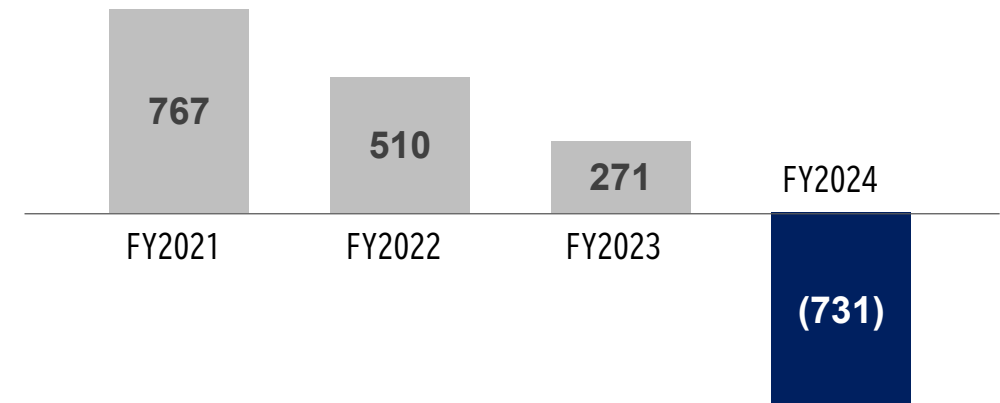
Power module YoY (33.7%)

Discrete others YoY (5.2%)

Due to the prolonged inventory adjustment, order levels remain low, resulting in a significant decline in revenue from power modules and power discretes.

Operating profit

(million yen)

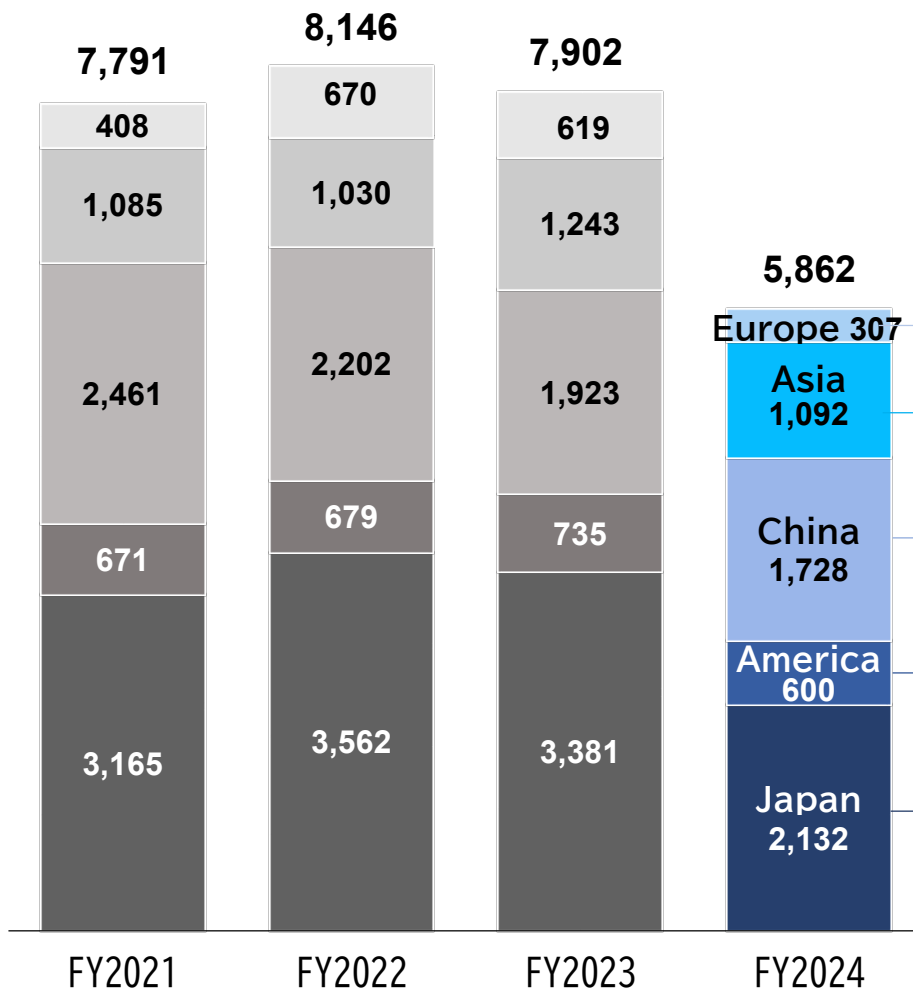


YoY (1,003 million yen) (369.0%)

Significant revenue decline and a decrease in earnings due to changes in the product mix.
Efforts are being made to reduce fixed costs, but they are not sufficient to cover the shortfall.

Semiconductor sales by region (by location of sales destination)

(million yen)



Europe : Semiconductors for welding machines have decreased due to the sluggish performance of the automotive industry. [YoY (50.3 %)]

Asia : Weak sales of semiconductors for water heaters, which are mainly sold in Southeast Asia [YoY (12.1 %)]

China : In addition to the economic downturn, government policies have encouraged the adoption of products from Chinese manufacturers. [YoY (10.1 %)]

America : Due to inventory adjustments by major customers, order levels are sluggish. [YoY (18.4 %)]

Japan : The inventory adjustment has been prolonged. [YoY (36.9 %)]

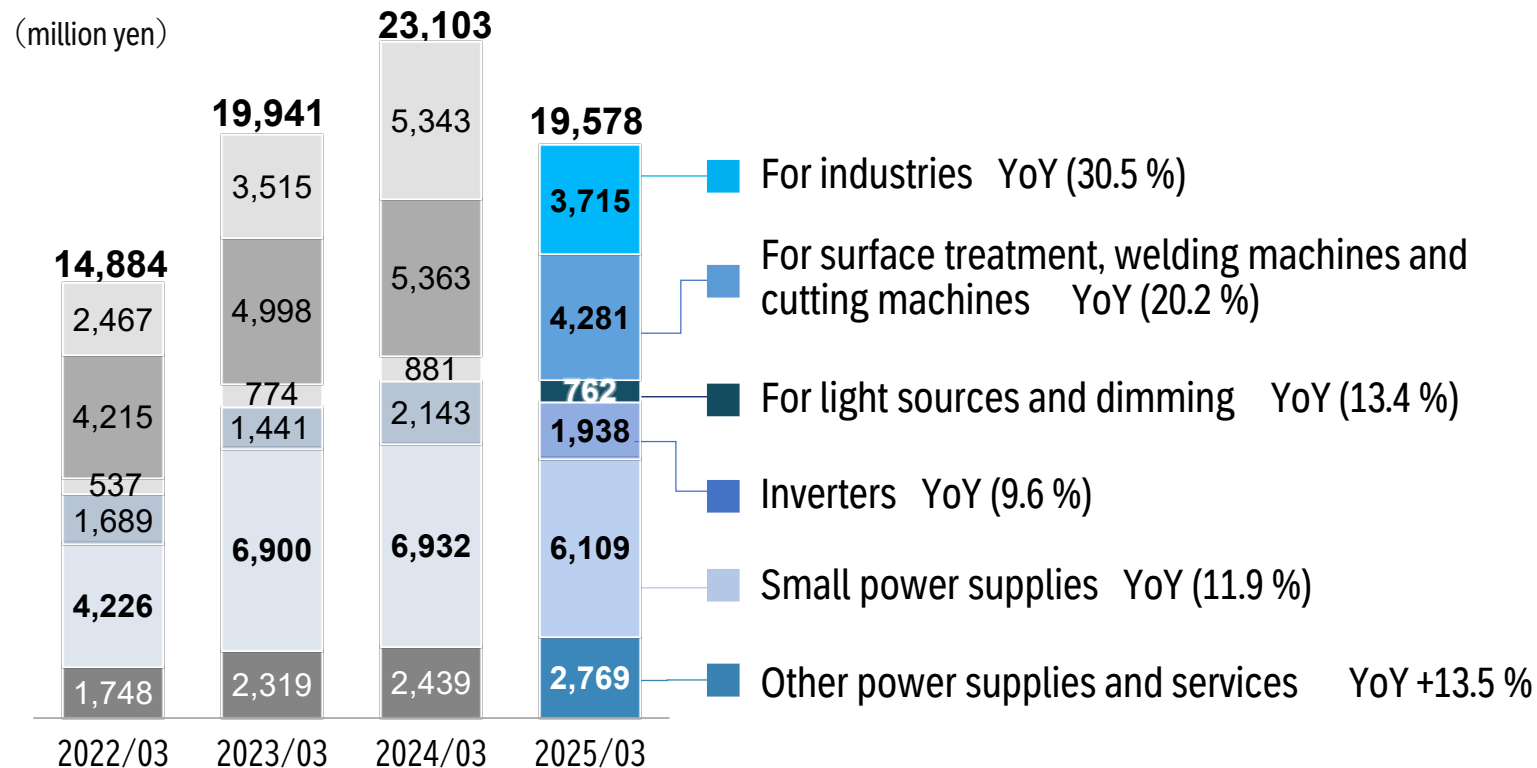
Results by Segment

Power Supply Business

Net sales

YoY (3,524 million yen) (15.3%)

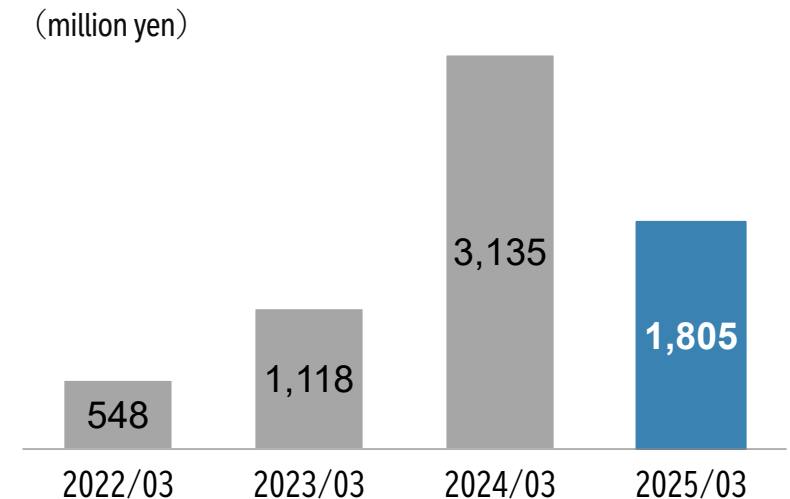
Due to a shortage of large-scale special projects and a slowdown in demand in the domestic market, we experienced a general revenue decline. Although we achieved revenue growth overseas, it was not enough to offset the decline in the domestic market.



Operating profit

YoY (1,330 million yen) (42.4%)

We have focused on improving the profitability of individual orders, but due to the significant decline in revenue, we experienced a substantial decrease in profits.



Consolidated balance sheets

(million yen)	FY2023	FY2024	Increase/Decrease	Factors driving the change
Total assets	35,334	33,571	(1,763)	
Current assets	27,393	24,900	(2,493)	
Cash and Cash Equivalents	5,825	5,760	(65)	
Notes Receivable / Accounts Receivable / Electronically Recorded Monetary Claims	12,437	9,517	(2,920)	Due to a decrease in sales
Inventories	8,873	8,821	(52)	
Non-current assets	7,941	8,671	+ 730	
Property, plant and equipment	5,770	6,505	+ 735	Primarily semiconductor capital investment
Intangible assets	211	522	+ 311	Software investment
Investments and other assets	1,959	1,643	(316)	
Total liabilities	10,901	9,230	(1,671)	
Current liabilities	10,522	8,691	(1,831)	Decrease in notes payable and accounts payable
Non-current liabilities	378	538	+ 160	Increase in long-term lease liabilities
Total net assets	24,432	24,341	(91)	
Shareholders' equity	22,493	22,325	(168)	
Accumulated other comprehensive income	1,939	2,016	+77	
Total liabilities and net assets	35,334	33,571	(1,763)	

Semiconductor Business

New Product Development

Highly efficient and high-performance power control is realized, and is expected to be utilized in diverse fields.

1700V/300A SiC-MOSFET module



- ✓ Improved energy efficiency by supporting high voltage and high current
- ✓ Contributes to energy saving in various industrial facilities

High-speed diode module



- ✓ Achieves both high withstand voltage and high-speed switching
- ✓ Proprietary technology realizes fast recovery characteristics
- ✓ Contributes to miniaturization of welding machines, power supplies for induction heating, etc.

Power Supply Business

New Product Development

Power Supply for Surface Treatment

Further improved conversion efficiency while maintaining compatibility with conventional products

MRT



Power Supply for Testing and Evaluation of Modular Battery Systems

The modular design enables safety and performance evaluation of various types and capacities of energy storage devices.

S-LOOP



Delivered to “Toyohashi Micro Grid” in Toyohashi City, Aichi Prefecture

Delivering products that are at the core of power conversion and control

- DC/DC converters for storage batteries
- DC/DC converters for PV
- Grid-connected inverters
- Inverters for gas power generation connection

A microgrid is a small-scale power grid that utilizes distributed energy sources such as solar power and batteries. It supplies electricity while coordinating with the main power grid during normal conditions and can operate independently during emergencies.

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Medium-term management plan (2024 to 2026)

Basic policy

The period of the CF26 medium-term management plan (2024 to 2026) is positioned as three years of managerial reforms to become the Global Power Solution Partner to achieve a return on equity (ROE) of 10% or higher. We aim to achieve the growth of our business and the improvement of profitability through strategic investments and investments in intangible assets.

Business growth

- | | |
|------------------------|--|
| Semiconductor Business | <ul style="list-style-type: none">● Focusing efforts on sales in the infrastructure● Enhancement of SiC products and global expansion● Improving profit margins through automation initiatives |
| Power Supply Business | <ul style="list-style-type: none">● Global expansion of power supplies for surface treatment and market development through compact power supplies● Strengthening collaboration with capital and business alliance partners● Streamlining through Design Revisions and Standardization of Components |

Investing in intangible assets and reducing the cost of capital

- Promoting sustainability and reforming the organizational climate stabilization Technologies
- Inventory Optimization
- Maximizing the use of investment capital

Numerical targets (FY2026) Unit: 100 million yen

Net sales	330
Operating profit	22
Ordinary profit	22
Profit attributable to owners of parent	15
ROE	6.2%

CO₂ Emissions reduction target (FY2030)

(46%) (Compared to FY2013)

Target number of female managers (FY2030)

10people 11%

(Actual number as of the end of March 2025: 5 people 5.4%)

What we aspire to be (FY2033)

Net sales
50billion yen

Operating profit margin
10% or more

ROE
10% or more

ROA
10% or more

Priority Measures for FY2025

Semiconductor Business

Strengthen sales promotion activities 

- Development of new applications for SiC products. (Medical devices, Railway / Mobility)
- Strengthening sales in the inverter, renewable energy, communication infrastructure, and servo markets.

Target market



Medical devices



Railway / Mobility



Renewable Energy / Energy Storage



Telecommunications



Servos

New product development 

- Expansion of the lineup of SiC products.
- Model change for core products.

Profitability improvement 

- Establishment of an efficient production system and equipment operation.

Power Supply Business

New product development 

- Development of new energy-related products
- Development of overseas models for surface treatment power supplies.

Strengthen sales promotion activities 

- Development of applications for surface treatment power supplies
- Expand sales of power supplies for testing and evaluation
- Strengthening sales of uninterruptible power supply (UPS) systems.

Service enhancement 

- Expansion of orders for long-term maintenance contracts
- Establishment of a system for the overseas development of maintenance services.

Profitability improvement 

- Promotion of standardization of customized products
- Enhancement of inspection facilities.

FY2025 Full-Year Forecast for Consolidated Results

- The semiconductor business is expected to experience demand expansion starting in the second half of the year.
- The power supply business is expected to see a decline in profits due to an increase in fixed costs as investments are made to improve productivity towards the final year of the medium-term management plan. At the same time, we are promoting the development of standard products in the new energy sector and exploring new applications for DC rectifiers, anticipating an increase in revenue.

(million yen)	FY2024 Results	FY2025 Forecast	Y o Y	
			Increase/Decrease	Percentage change
Net sales	25,440	27,700	+2,259	+8.9%
Semiconductor Business	5,862	7,100	+1,237	+21.1%
Power Supply Business	19,578	20,600	+1,021	+5.2%
Operating profit	1,073	1,200	+126	+11.8%
Operating Profit Margin	4.2%	4.3%		
Semiconductor Business	(731)	0	+731	—
Power Supply Business	1,805	1,200	(605)	(33.5%)
Ordinary profit	1,180	1,200	+19	+1.6%
Profit attributable to owners of parent	502	840	+337	+67.1%
Earnings per share(yen)	37.80	63.16	+25.36	+67.1%

Shareholder Returns

Basic Approach

- Profits generated from business activities are primarily retained as internal reserves and utilized for strengthening the business foundation and making growth investments.
- We will provide stable and continuous dividends, setting the annual dividend per share at the higher of either a 30% payout ratio or 40 yen.

FY2025 dividends(forecast)

Interim dividends

per share

10 yen

Year-end dividend

per share

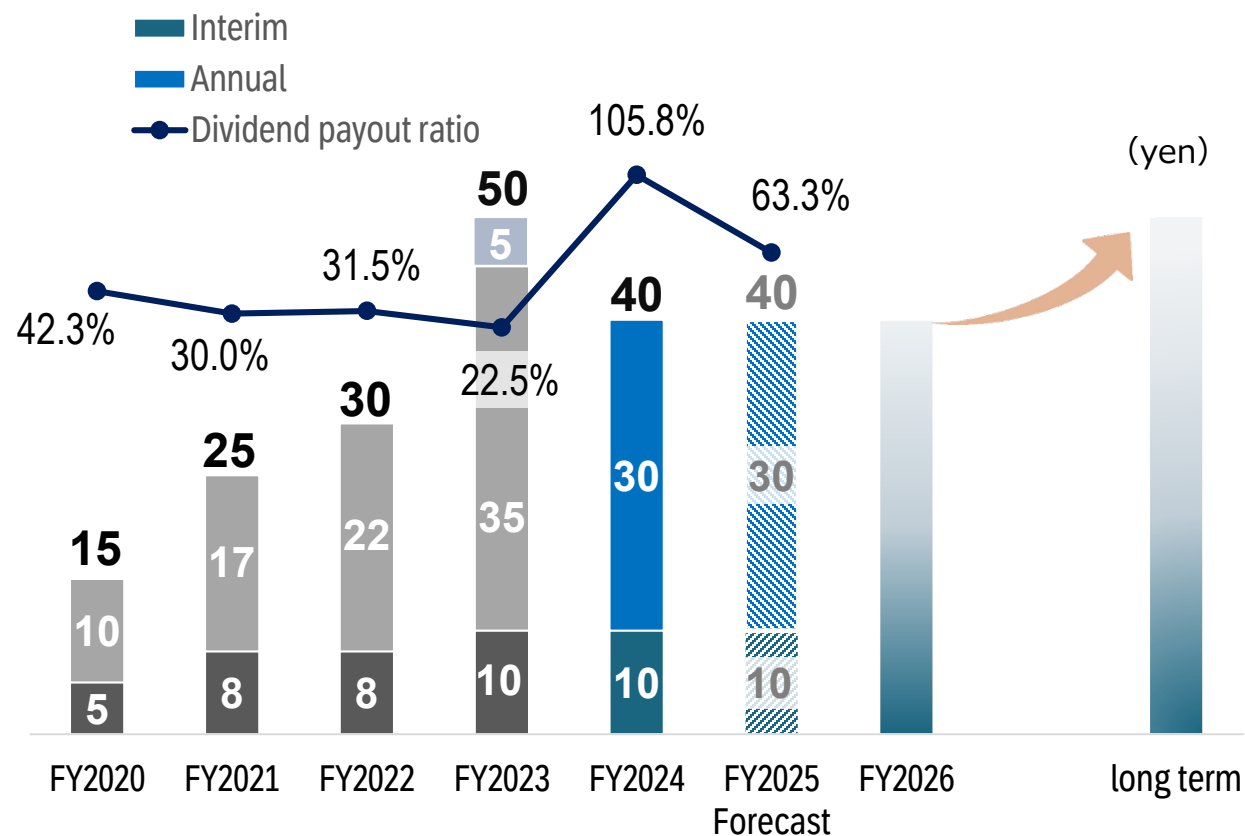
30 yen

Annual dividend

per share

40 yen

Dividend per share and dividend payout ratio



Notice: FY2023 includes a commemorative dividend of 5 yen for the 90th anniversary of the company's founding

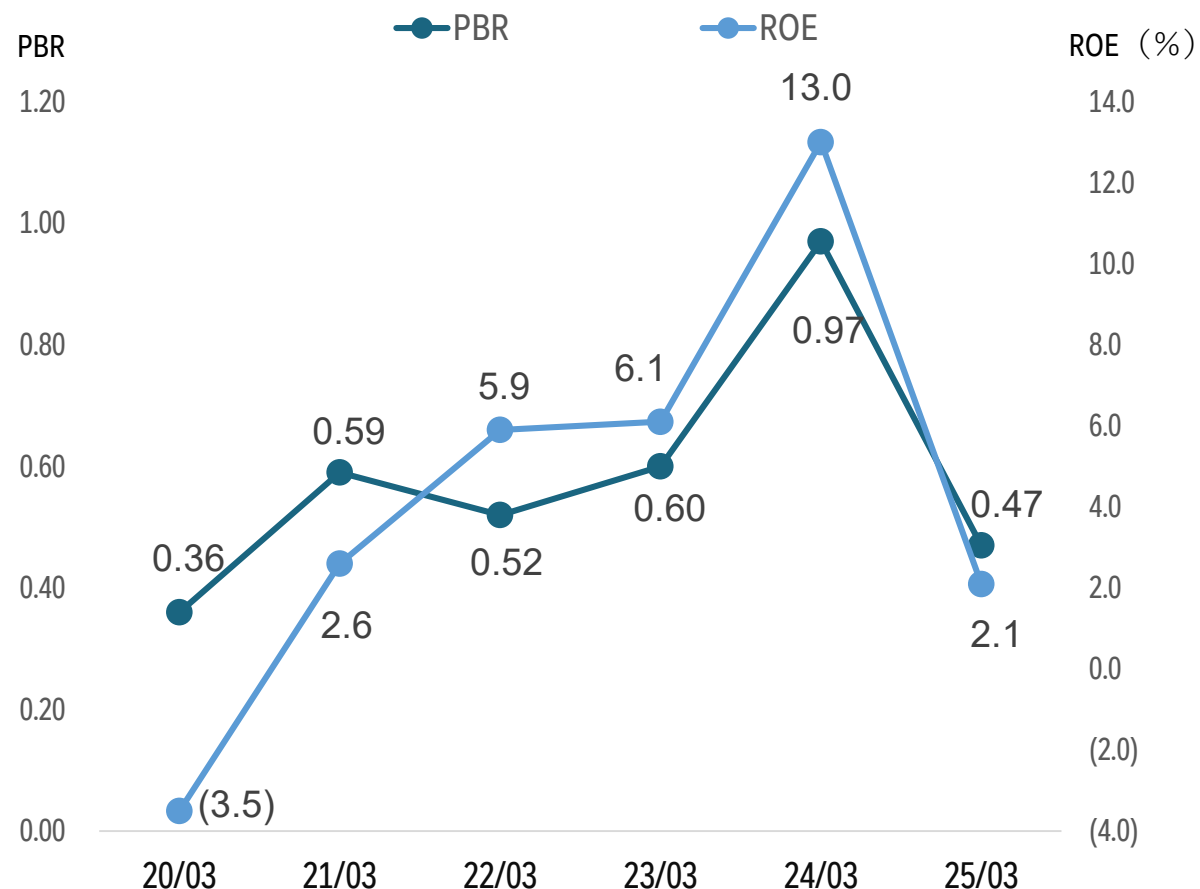
Trend of ROE/PBR

ROE

In FY2024, the company achieved a level of 13.0%, above the cost of shareholders' equity. However, net income decreased significantly due to a large decline in revenue and the recording of deferred tax liabilities resulting from a change in the dividend policy of a subsidiary. As a result, ROE was 2.1%.

PBR

As of March 31, 2025, the PBR had fallen significantly to 0.47x.
*Share price at the end of the period: 865 yen
Net assets per share 1,830.19 yen



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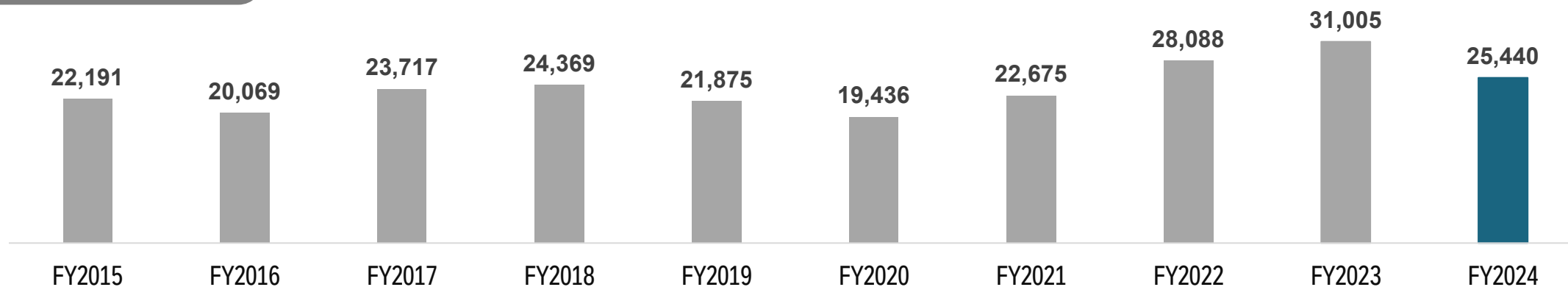
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Consolidated Financial Results

Net sales

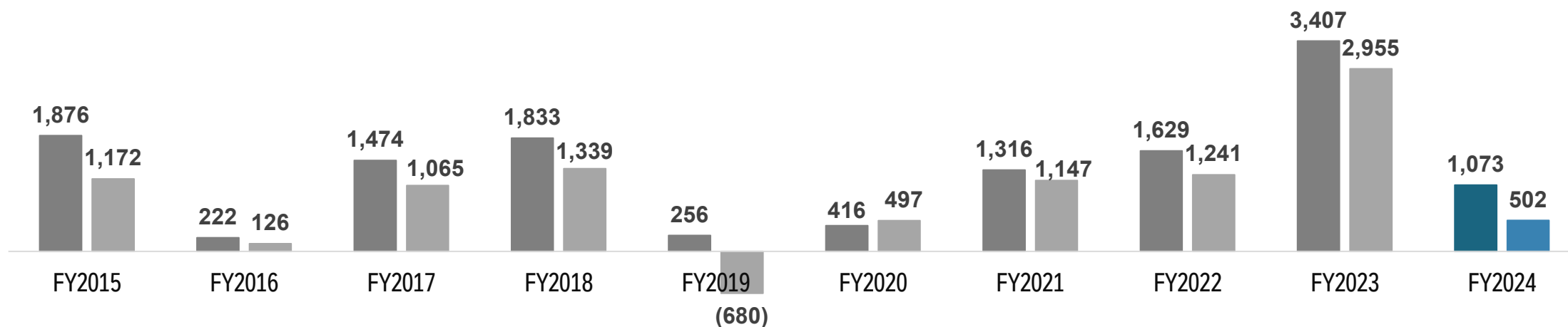
(million yen)



Operating profit

(million yen)

■ Operating profit ■ Profit attributable to owners of parent

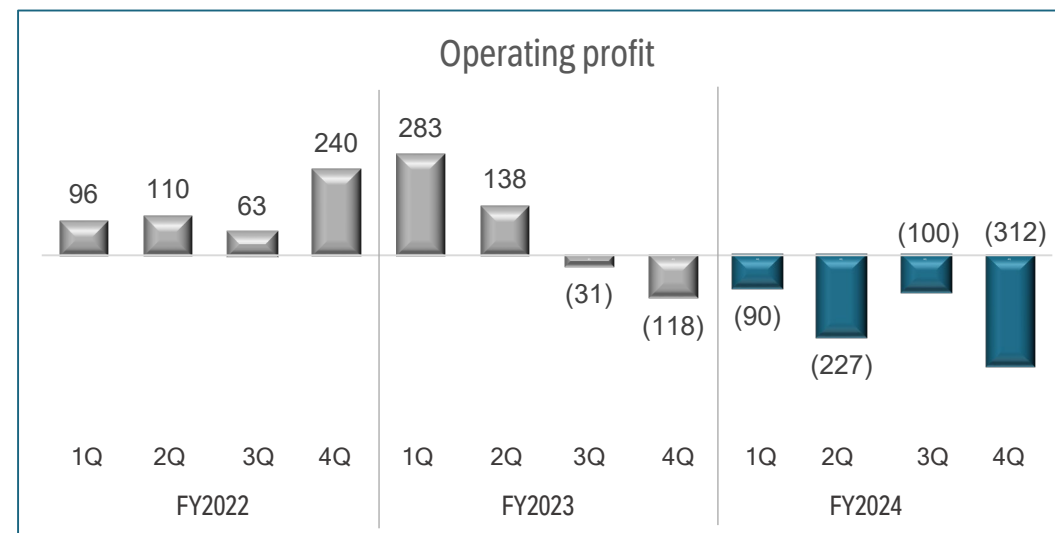
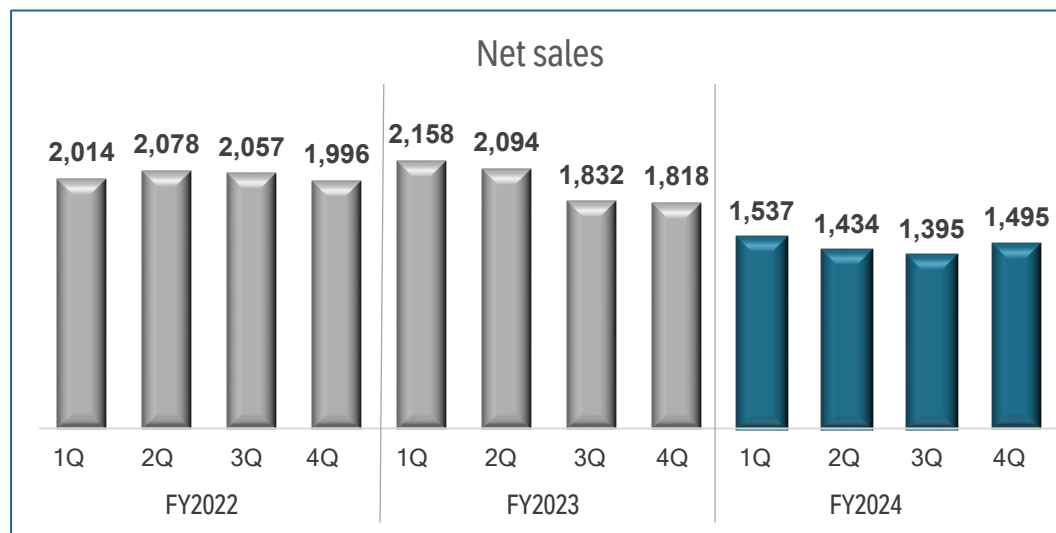


Consolidated Quarterly Results

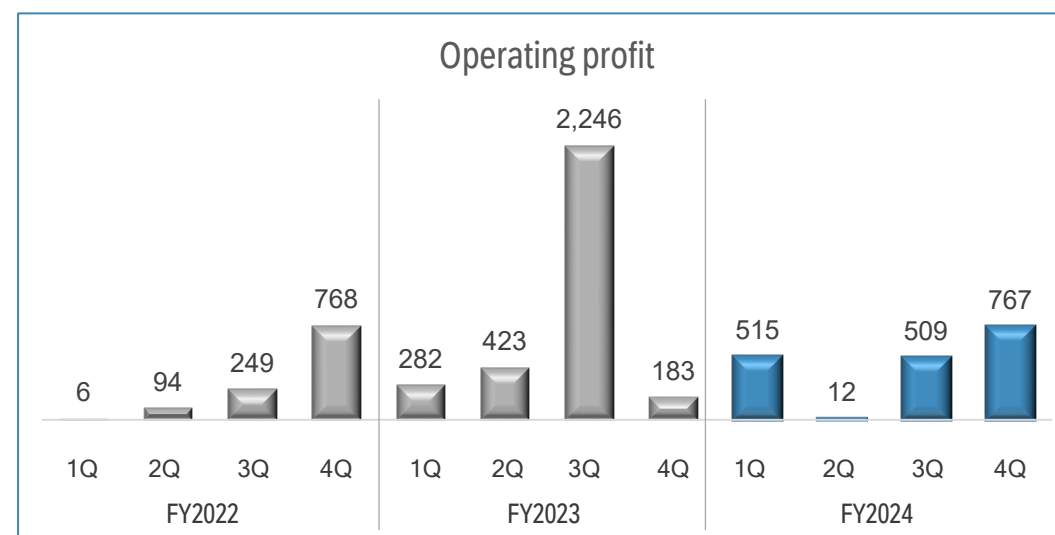
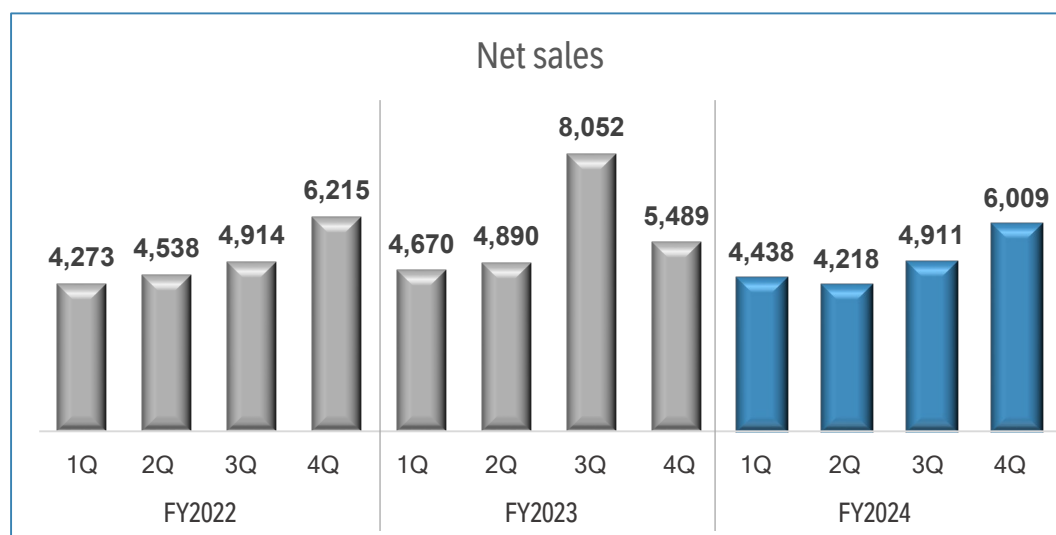
SanRex

(million yen)

Semiconductor Business



Power Supply Business



Notice

1. The future forecasts regarding performance and other matters included in the materials for this presentation are based on certain assumptions that the company deems reasonable, using information available at this time. Actual performance may differ from these forecasts due to various factors.
2. The materials for this presentation are intended for the purpose of providing information and do not constitute an invitation to trade the company's stock.
3. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.