Note: This document has been translated from a part of 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.

Securities Code: 6905
July 14, 2017

To Our Shareholders:

Masato Tanikawa
President and Representative Director
COSEL CO., LTD.
6-43 Kamiakaemachi, 1-chome,
Toyama City, Toyama

Notice of the 48th Annual General Meeting of Shareholders

You are cordially invited to attend the 48th Annual General Meeting of Shareholders of COSEL CO., LTD. (the "Company"), which will be held as indicated below.

If you are unable to attend the Meeting in person, you may exercise your voting rights by mail. Please examine the attached Reference Documents for General Meeting of Shareholders and return the enclosed voting card indicating your vote of approval or disapproval of the proposal no later than 5:15 p.m. on Tuesday, August 8, 2017 (JST).

1. Date and Time: Wednesday, August 9, 2017, at 10:00 a.m.

2. Venue: Hall 10F, The Toyama Chamber of Commerce and Industry
1-3 Sogawa 2-chome, Toyama City, Toyama

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and Consolidated Financial Statements for the 48th Fiscal Year (from May 21, 2016 to May 20, 2017), as well as the audit reports of the Financial Auditors and the Audit & Supervisory Board for Consolidated Financial Statements
2. Financial Statements for the 48th Fiscal Year (from May 21, 2016 to May 20, 2017)

Matters to be resolved

Proposal No. 1 Election of Nine (9) Directors

Proposal No. 2 Determination of Amount and Other Details of the Performance-linked Share-based Compensation for Directors

4. Matter prescribed for convocation

If you diversely exercise your voting rights, you are requested to notify the Company in writing of your intention to do so and state the reason for this no later than three (3) days before the Meeting.

◎ When you attend the Meeting, you are kindly requested to present the enclosed voting card at the reception.

◎ If any changes are made to the Reference Documents for General Meeting of Shareholders, such changes will be posted on the Company's website (https://www.cosel.co.jp/).

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this meeting.

Therefore, the Company proposes to elect nine (9) Directors, including one (1) new candidate.

The candidates for Directors are as follows:

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career Summary, Position and Responsibility in the Company
(Significant Concurrent Position outside the Company)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">1</td><td>Masato Tanikawa
(August 8, 1956)</td><td>Mar. 1979
Jul. 1998
Aug. 2003
Jun. 2004
May 2008
Jun. 2008
Aug. 2013
Nov. 2013</td><td>Joined the Company
General Manager, Application Design Department
Director
General Manager, Quality Management Department
Supervisor of Production, Materials and Information Systems
Managing Director and Supervisor of Production and Materials
Managing Director and Supervisor of Sales, Production and Materials
President and Representative Director
(incumbent)</td><td>72,168 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Mr. Masato Tanikawa appropriately supervises the management of the Company as President and Representative Director. He appropriately manages the Board of Directors as a chair, enhancing the decision-making function of the Board based on reports from executive directors concerning important business matters. He also leads the management of the Company and strives to pursue sustainable growth and increase of corporate value through the dissemination and practice of its corporate philosophy within the Group.
Taking into account the above facts, the Company determines that he is suitable for the leader of the Company to realize its medium- and long-term vision; therefore, the Company appoints him as a candidate for Director for re-election.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career Summary, Position and Responsibility in the Company
(Significant Concurrent Position outside the Company)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">2</td><td>Takashi Yamakage
(February 8, 1958)</td><td>Mar. 1980
Jun. 1993
May 2004
Aug. 2005

Aug. 2010
Aug. 2011
Aug. 2013
Dec. 2013
May 2014

Aug. 2016

</td><td>Joined the Company
General Manager, On-Board Department
General Manager, International Sales Department
Director
(incumbent)
Supervisor of Sales
Supervisor of Development Management
In charge of Quality Management
In charge of Quality Management and Information Systems
In charge of Quality Management and Information Systems and General Manager, Information Systems Department
In charge of Materials and Information Systems and General Manager, Information Systems Department
(incumbent)</td><td>90,301 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Mr. Takashi Yamakage appropriately supervises the management of the Company as Director in charge of Materials and Information Systems operations. At the Board of Directors, he provides sufficient and appropriate explanations on matters regarding profit-generating activities, thereby enhancing the decision-making function of the Board. He also strives to promote effective dialogue with customers and build trust with them, based on his broad experience and past performance in the areas of international sales operations and sales supervision.
Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career Summary, Position and Responsibility in the Company
(Significant Concurrent Position outside the Company)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Satoshi Kiyosawa
(September 28, 1960)</td><td>Apr. 1983
May 2002
Aug. 2010
Aug. 2011

Aug. 2011

Dec. 2012
Aug. 2013

Nov. 2013

May 2014
Aug. 2016

</td><td>Joined the Company
General Manager, General Affairs Department
General Manager, Eastern Japan Sales Department
Director
(incumbent)
Supervisor of Domestic Sales and General Manager, Domestic Sales Department
Supervisor of Sales
In charge of Personnel and Labor and General Manager, Human Resources Development Department
Supervisor of Sales, in charge of Personnel and Labor, and General Manager, Human Resources Development Department
Supervisor of Sales and in charge of Personnel and Labor
In charge of Quality Assurance and in charge of Personnel and Labor
(incumbent)</td><td>19,801 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Mr. Satoshi Kiyosawa appropriately supervises the management of the Company by using his wide-ranging experience and past performance in personnel and human resources development amid a company-wide effort to promote total quality management (TQM), which is a pillar of management, from a perspective of strengthening the structures formed by links between individuals and the organization, and between organizations. He also strives to improve the quality of decision-making on the overall business operations as well as the effectiveness of governance systems of the entire Group by focusing on dialogue with on-site employees while providing advice on human resources development initiatives such as small-group activities at a company-wide level and career support activities.
Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</td></tr>
<tr><td rowspan="2">4</td><td rowspan="2">Yukichi Konishi
(February 3, 1958)</td><td>Jul. 2011
Jul. 2011
Aug. 2013

Aug. 2013

May 2015

Aug. 2015

</td><td>Joined the Company
General Manager, General Affairs Department
Director
(incumbent)
In charge of General Affairs and Accounting and General Manager, Administration Department
In charge of General Affairs and Accounting and General Manager, Accounting Department
In charge of General Affairs, Accounting and Subsidiary in Vietnam, and General Manager, Accounting Department
(incumbent)</td><td>5,375 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Mr. Yukichi Konishi appropriately supervises the management of the Company focusing on legal compliance and financial matters as Director in charge of General Affairs and Accounting based on his experience of working in financial institutions. At the Board of Directors, he reports on financial results status and provides sufficient and appropriate opinions on important business matters, thereby enhancing the decision-making function of the Board.
Taking into account the above facts, the Company determines that he is capable of contributing to the promotion of effective corporate governance; therefore, the Company appoints him as a candidate for Director for re-election.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career Summary, Position and Responsibility in the Company
(Significant Concurrent Position outside the Company)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Morio Saito
(July 14, 1959)</td><td>Mar. 1982
Feb. 2003
May 2004
Aug. 2006
Aug. 2011
Dec. 2011

Aug. 2013

Aug. 2013
May 2014
Aug. 2015
Aug. 2016
</td><td>Joined the Company
General Manager, On-Board Production Department
General Manager, Eastern Japan Sales Department
General Manager, Unit Production Department
Project Leader, Wuxi Cosel Development Project
Legal Representative, Wuxi Cosel Electronics Co., Ltd.
(incumbent)
Director
(incumbent)
In charge of Global Procurement and Production
In charge of Middle-range Global Power Supply
In charge of Production in China
Supervisor of Production
(incumbent)</td><td>23,841 shares</td></tr>
<tr><td colspan="2">(Significant Concurrent Position outside the Company)
• Legal Representative, Wuxi Cosel Electronics Co., Ltd.</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Mr. Morio Saito has broad experience in the areas of Production including innovative activities as well as Sales. He also appropriately supervises the management of the Company from global perspectives as the Supervisor of Production and leader of production projects in China, thereby enhancing the decision-making function of the Board of Directors based on such experience and insight.
Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</td></tr>
<tr><td rowspan="2">6</td><td rowspan="2">Isao Yasuda
(January 11, 1963)</td><td colspan="2">Apr. 1985 Joined the Company
May 2007 General Manager, Application Standard Design Department
May 2013 General Manager in charge of Intelligent Power System Business Promotion
Aug. 2013 Director
(incumbent)
Aug. 2013 Supervisor of Development
Dec. 2013 Supervisor of Development and General Manager, On-Board Standard Design Department
May 2015 Supervisor of Development
Aug. 2016 Supervisor of Sales and in charge of Sales and International R&D
(incumbent)</td><td>16,743 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Mr. Isao Yasuda appropriately supervises management of the Company as the Supervisor of Sales and Director in charge of Sales and International R&D. At Board of Directors, he provides appropriate explanations on matters regarding progress and results on management plans in light of market and customer trends, thereby enhancing the decision-making function of management. Moreover, based on his past performance and broad experience in the area of Development, he is achieving progress in opening up overseas markets through the launch of local development in China and other such measures.
Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career Summary, Position and Responsibility in the Company
(Significant Concurrent Position outside the Company)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="2">7</td><td>Tatsuya Mano
(September 7, 1969)</td><td>Mar. 1995
May 2011
May 2013
Dec. 2013
Aug. 2016

Aug. 2016
</td><td>Joined the Company
General Manager, New-market Standard Design Department
General Manager, R&D Department
General Manager, Intelligent Power System Design Department
Director
(incumbent)
Supervisor of R&D, and General Manager, Intelligent Power System Design Department
(incumbent)</td><td>775 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Director
Mr. Tatsuya Mano has advanced technological expertise and knowledge as the Supervisor of R&D, and he advances product development based on needs from the customer's perspective, taking account of dialogue with customers and market trends. He also has the ability to develop the Company's current technologies and promote new businesses, and as such he sustainably increases corporate value.
Taking into account the above facts, the Company determines that he is suitable for achieving sustainable growth and enhanced corporate value; therefore, the Company appoints him as a candidate for Director for re-election.</td></tr>
</table>

No.	Name (Date of birth)	Career Summary, Position and Responsibility in the Company (Significant Concurrent Position outside the Company)	Number of the Company's shares held
8	Yasuro Uchida (May 2, 1966)	Apr. 1998 Full-time Lecturer, Faculty of Economics, University of Toyama Apr. 2000 Assistant Professor, Faculty of Economics, University of Toyama Apr. 2007 Associate Professor, Faculty of Economics, University of Toyama Apr. 2008 Professor, Faculty of Economics, University of Toyama (incumbent) Oct. 2010 Director, Japan Academy of International Business Studies (incumbent) Apr. 2013 Head, Faculty of Economics Department of Business Administration, University of Toyama Aug. 2014 Director, Transcultural Management Society (incumbent) Apr. 2015 Deputy Dean, Faculty of Economics, University of Toyama (incumbent) Jul. 2015 Director, Academy of Multinational Enterprises (incumbent) Aug. 2015 Outside Director, the Company (incumbent) (Significant Concurrent Positions outside the Company) • Professor, Faculty of Economics, University of Toyama • Director, Japan Academy of International Business Studies • Director, Transcultural Management Society • Deputy Dean, Faculty of Economics, University of Toyama • Director, Academy of Multinational Enterprises	-

Reasons for nomination as candidate for Outside Director

Mr. Yasuro Uchida has never been involved in the management of a company. However, he supervises and provides appropriate advice for the management of the Company based on his professional knowledge and experience as a university professor gained from his research activities on business management strategies (global competition strategies) as well as practical business instructions through the case study of other companies.

Taking into account the above facts, the Company desires that he supervises the management of the Company for continually enhancing its corporate value; therefore, the Company appoints him as a candidate for Outside Director for re-election.

Note: Mr. Yasuro Uchida is the Deputy Dean of the Faculty of Economics, University of Toyama. The Company provides donations to the university, and has paid 100,000 yen as donation in the fiscal year ended May 20, 2017. The amount is less than 1% of the consolidated net sales of the Company. Therefore, Mr. Uchida still maintains his independence and has no relationship of special interest in the Company.

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career Summary, Position and Responsibility in the Company
(Significant Concurrent Position outside the Company)</th><th>Number of the Company's shares held</th></tr>
<tr><td rowspan="3">9</td><td rowspan="2">* Akio Misuta
(October 6, 1954)</td><td>Apr. 1977</td><td>Joined Pokka Lemon Co., Ltd.
May 1981 Joined Tombow Beverage Co. Ltd.
Jun. 1987 Director and Senior Managing Officer, Tombow Beverage Co. Ltd.
Jun. 1998 President and CEO, Tombow Beverage Co. Ltd. (incumbent)</td><td rowspan="2">-</td></tr>
<tr><td colspan="2">(Significant Concurrent Positions outside the Company)
• President and CEO, Tombow Beverage Co. Ltd.
• Chairman, Hokuriku Soft Drink Industry Cooperative Association
• Vice-Chairman, The Toyama Chamber of Commerce and Industry
• Executive Secretary, Toyama Association of Corporate Executives
• Chairman, Toyama Food Hygiene Association</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Outside Director
Mr. Akio Misuta has expert knowledge of management from his many years of involvement in management in the senior management of a long-established soft drink manufacturer. In an environment dominated by overseas companies and major domestic players, he leveraged proprietary technologies and expertise to promote product development and continues to achieve steady growth.
Taking into account the above facts, the Company desires that he supervises the management of the Company for continually enhancing its corporate value; therefore, the Company newly appoints him as a candidate for Outside Director.</td></tr>
</table>

(* indicates newly-appointed candidate for Director.)

Notes: 1. There is no special interest between any of the candidates and the Company.

2. The number of the Company's shares held by each candidate is the number of shares held as of the end of the fiscal year under review (May 20, 2017) including the number of shares held by each candidate under the name of the COSEL Directors' and Officers' Shareholding Association.
3. Both Yasuro Uchida and Akio Misuta are candidates for Outside Director.
4. Yasuro Uchida is currently serving as an Outside Director of the Company, and at the conclusion of this meeting, his tenure will have been two years.
5. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Yasuro Uchida to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for by Article 425, paragraph 1 of the same Act, and if the reelection of Yasuro Uchida is approved, the Company plans to renew the aforementioned agreement with him. In addition, if the election of Akio Misuta is approved, the Company plans to enter into the same agreement with him.
6. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Yasuro Uchida has been designated as an independent officer as provided for by the aforementioned exchange. If the reelection of Yasuro Uchida is approved, the Company plans to maintain his position as independent officer. In addition, if the election of Akio Misuta is approved, the Company plans to submit notification to Tokyo Stock Exchange, Inc. that he is designated as an independent officer as provided for by the aforementioned exchange.

Proposal No. 2 Determination of Amount and Other Details of the Performance-linked Share-based Compensation for Directors

The Company proposes to newly introduce a performance-linked share-based compensation plan (the "Plan"), in addition to the current compensation for Directors of the Company, which consists of the base compensation (monetary compensation) only.

Specifically, the Company proposes to introduce the Plan to provide monetary compensation receivables for issuance of the Company's common shares with upper limit of 30 million yen in value per year (90 million yen in total for three consecutive fiscal years) to the Company's Executive Directors (the "Eligible Directors") as the new share-based compensation in line with the level of achievement of targeted performance in consolidated net sales, consolidated ordinary profit and consolidated ROE during the period of three consecutive fiscal years (Initial plan period covers from fiscal year ending May 20, 2018 till fiscal year ending May 20, 2020) ("Plan Period").

The Company's Board of Directors may approve to continue the Plan after the expiration of the above initial Plan Period, to the extent approved at this General Meeting of Shareholders, by making the next three consecutive fiscal years a Plan Period.

1. Reasons for proposal and justification of the compensation
   The Company considers that it is reasonable to introduce the Plan to clarify the linkage between the compensation of Eligible Directors and Company's business performance, enhance the willingness to contribute to the business growth of the Group as a whole over the medium- to long-term and to the enhancement of corporate value, and to enhance the management's focus on shareholder interests.
   If the Proposal No. 1 "Election of Nine (9) Directors" is approved as originally proposed, the number of Directors eligible for the Plan will be seven (7) excluding two (2) Outside Directors. However, the number of Eligible Directors may change due to the new appointment or retirement of Directors during the Plan Period.

2. Amounts of compensation, etc. under the Plan and other details
   (1) Outline of the Plan
   The Plan is a performance-linked share-based compensation plan that issues the Company's common shares to Eligible Directors in line with the level of achievement of targeted performance in consolidated net sales, consolidated ordinary profit and consolidated ROE during the Plan Period. The issuance of the Company's common shares to the Eligible Directors is conducted after the end of the Plan Period.
   Since the Plan issues the Company's common shares in accordance with the level of achievement of the Company's performance indicators, whether or not the shares will be issued, the Eligible Directors to whom they will be issued, and the number of shares to be issued are not decided at the time when the Plan is introduced.
   (2) Upper limit of compensation amount, etc.
   The Company determines a standard compensation receivable amount in line with the level of achievement of targeted performance in consolidated net sales, consolidated ordinary profit and consolidated ROE during the Plan Period (determined in accordance with the compensation standard based on each Eligible Director's role, duties, and rank), and then multiplies this by a predetermined figure to calculate the amount of compensation receivables to be paid to individual Eligible Directors. The Eligible Directors make an in-kind contribution of the monetary compensation receivables when the Company issues shares or disposes of treasury shares to acquire the determined number of the Company's common shares in accordance with the provisions of (3) and (4) below.
   The total amount of monetary compensation receivables to be provided to the Eligible Directors for them to make a contribution in kind based on the Plan shall have an upper limit of 30 million yen in value per year (90 million yen in total for three consecutive fiscal years), within a total fixed portion for Director compensation (up to 200 million yen per year), and a variable portion (up to 1% of profit for the previous fiscal year) approved by the 43rd Annual General Meeting of Shareholders held on August 10, 2012.

(3) Calculation method and upper limit of the number of the Company's shares to be obtained by Eligible Directors

The number of shares to be issued to each Eligible Director shall be determined by the Board of Directors based on the amount of monetary compensation receivables determined pursuant to the provision of (2) above, within a range that does not confer any special benefit to the Eligible Directors receiving the Company's common shares.

The total number of the Company's common shares to be issued by the Company to the Eligible Directors shall have an upper limit of 30,000 shares per year (90,000 shares in total for three consecutive fiscal years). However, in the event that the Company's total number of issued shares changes due to a share consolidation, a share split, a gratis allocation of shares, and so forth, the upper limit and the number of shares to be issued to Eligible Directors shall be rationally adjusted by that ratio.

Moreover, in the event that conducting an issuance of the number of the Company's common shares provided above presents a risk of exceeding the upper limit of the amount of monetary compensation receivables determined above in (2) or the upper limit of the total amount of issued shares mentioned above, the number of shares to be issued to the Eligible Directors shall be proportionally and rationally reduced to a range that does not exceed the upper limits.

(4) Criteria for the issuance of the Company's common shares to the Eligible Directors

The Company's common shares shall be issued to the Eligible Directors on the condition that satisfying the following criteria for the issuance of the Company's common shares (from 1) through 3)) after the end of the Plan Period.

1) The person was in office as a Director of the Company during the Plan Period.
2) The person has committed neither wrongful nor illegal conduct.
3) The person meets other conditions set by the Board of Directors that are deemed consistent with the purposes of the Plan.

If an Eligible Director retires during the Plan Period for a reason that the Company considers to be just, the Company will issue a number of the Company's common shares in proportion to the number of years of services up to the time of retirement. Furthermore, Eligible Directors who are newly appointed during the Plan Period will also be issued with a number of the Company's common shares in proportion to the number of years of service.