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Listing： Tokyo Stock Exchange Prime Market
Securities code： 6905
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Notice of Differences between Forecast and Actual Results for the First Half of the Fiscal Year Ending May 2025 and Revision of Full-Year Financial Result Forecast

COSEL CO., LTD. (“we”) hereby announces differences between our operating performance forecast announced on June 19, 2024 and actual results for the first half of the fiscal year ending May 20, 2024. Moreover, based on a review of recent trends in our operating performance and other factors, we revised our operating performance forecast for the fiscal year ending May 20, 2025 as described below.

I. Differences between Forecast and Actual Results

Differences between Consolidated Operating Performance Forecast and Consolidated Results for the First Half of the Fiscal Year Ending May 2025 (from May 21, 2024 to November 20, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	17,910	2,102	2,170	1,332	40.16
Actual Results (B)	14,855	634	594	278	7.16
Change (B-A)	△3,054	△1,467	△1,575	△1,053	
Change (%)	△17.1	△69.8	△72.6	△79.1	
(Reference) Consolidated results for the first half of the fiscal year ended May 20, 2024	21,602	4,218	4,898	3,539	106.75

Differences between Non-Consolidated Operating Performance Forecast and Non-Consolidated Results for the First Half of the Fiscal Year Ending May 2025 (from May 21, 2024 to November 20, 2024)

	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	14,190	2,040	2,480	1,710	51.56
Actual Results (B)	11,547	647	1,379	1,133	29.12
Change (B-A)	△2,642	△1,392	△1,100	△576	
Change (%)	△18.6	△68.3	△44.4	△33.7	
(Reference) Non-Consolidated results for the first half of the fiscal year ended May 20, 2024	16,588	2,984	3,887	2,869	86.55

Reasons for the differences

With regard to the results of the second quarter (interim period) of this fiscal year, our group as a whole has continued to adjust orders at customers since the previous consolidated fiscal year due to the rebound in orders received due to advance arrangements in the previous fiscal year and the resulting impact of excessive inventory at customers. New orders declined

due to order adjustments, and both consolidated and non-consolidated sales were lower than the previously announced forecast.

Operating profit, ordinary profit, and interim profit attributable to owners of parent were lower than previously announced forecasts on a consolidated basis due to a significant decline in net sales and a resulting decline in profitability, as well as an increase in personnel costs, depreciation and amortization expenses.

II. Revisions of Full-Year Business Forecast

Revisions of Consolidated Financial Results Forecasts for the Current Fiscal Year (from May 21, 2024 to May 20, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	38,000	5,319	5,444	3,692	111.32
Revised forecasts (B)	29,174	1,245	1,278	751	18.76
Change (B-A)	△8,826	△4,074	△4,166	△2,941	
Change (%)	△23.2	△76.6	△76.5	△79.7	
(Reference) Consolidated results for the fiscal year ended May 20, 2024	41,437	6,912	7,850	5,169	155.87

Revision of Non-Consolidated Financial Results Forecast for the Current Fiscal year (from May 21, 2024 to May 20, 2025)

	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	30,040	4,790	5,270	3,640	109.75
Revised forecasts (B)	22,602	1,210	1,988	1,552	38.78
Change (B-A)	△7,438	△3,580	△3,282	△2,088	
Change (%)	△24.8	△74.7	△62.3	△57.4	
(Reference) Non-Consolidated results for the fiscal year ended May 20, 2024	31,772	4,882	6,086	4,074	122.84

Reason for revision

As for the outlook, the situation is likely to remain unpredictable due to heightened geopolitical risks, such as the protracted conflict in Ukraine and the escalating tensions in the Middle East, which have intensified uncertainty in the global economy and the turmoil in the international political situation.

As for the environment surrounding the switching power supply market, to which our group belongs, we expect that the recovery in demand for FA-related equipment and medical equipment will be delayed due to the prolonged stagnation of the Chinese economy, although semiconductor manufacturing equipment-related products are gradually recovering due to the expansion of IoT, AI, and 5G fields.

Under these circumstances, our group expects an increase in demand for some semiconductor-related products, but overall demand is expected to remain as low as in the first half. For the full fiscal year, we assume that sales will continue to be weak in the second half of the year, and both consolidated and non-consolidated sales are expected to be lower than the previously announced forecast. In terms of profits, while we are striving to reduce expenses, we have significantly impacted the decline in sales, and our full-year forecast is expected to be lower than the previously announced forecast, and we have revised our earnings forecast downward.

The exchange rates on which the full-year business forecast is based on the assumption of 1 US dollar = 145.00 yen, 1 euro = 161.00 yen, and 1 Swedish kronor = 14.00 yen.

*Business forecasts are calculated based on information obtained at the time of publication, but include many uncertainties, such as changes in demand trends, fluctuations in exchange rates between various currencies, and trends in stock markets. Therefore, please be aware that actual results may deviate from earnings forecasts due to changes in the domestic and external environment.