

March 21, 2025

## Consolidated Financial Results for the Nine Months Ended February 20, 2025 (Under Japanese GAAP)



Company name: COSEL CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6905  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended February 20, 2025 (from May 21, 2024 to February 20, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 20, 2025	21,217	(32.7)	730	(87.8)	639	(90.5)	281	(94.0)
February 20, 2024	31,521	24.7	5,990	75.8	6,723	87.0	4,657	83.9

Note: Comprehensive income For the nine months ended February 20, 2025: ¥121 million [(97.7)%]  
 For the nine months ended February 20, 2024: ¥5,356 million [117.8%]

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
February 20, 2025	7.10	—
February 20, 2024	140.46	—

#### (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
February 20, 2025	60,842	56,774	93.3	1,380.23
May 20, 2024	54,397	47,257	86.6	1,419.11

Reference: Equity  
 As of February 20, 2025: ¥56,774 million  
 As of May 20, 2024: ¥47,086 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 20, 2024	—	27.00	—	27.00	54.00
Fiscal year ending May 20, 2025	—	27.00	—		
Fiscal year ending May 20, 2025 (Forecast)				28.00	55.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated financial forecast for the fiscal year ending May 20, 2025 (from May 21, 2024 to May 20, 2025)

(Percentages indicate year-on-year changes.)

	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
Fiscal year ending May 20, 2025	29,174	(29.6)	1,245	(82.0)	1,278	(83.7)	751	(85.5)	18.76

Note: Revisions to the financial forecast most recently announced: None

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - 2) Changes in accounting policies due to other reasons: None
  - 3) Changes in accounting estimates: None
  - 4) Restatement: None
- (4) Number of issued shares (common shares)

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

As of February 20, 2025	41,186,100 shares
As of May 20, 2024	35,712,000 shares

- 2) Number of treasury shares at the end of the period

As of February 20, 2025	51,834 shares
As of May 20, 2024	2,531,838 shares

- 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 20, 2025	39,663,633 shares
Nine months ended February 20, 2024	33,161,384 shares

- (Note) At the Board of Directors meeting held on April 30, 2024, COSEL CO., LTD. resolved to conclude a capital and business alliance agreement with LITE-ON TECHNOLOGY CORPORATION, as well as to issue new shares and dispose of treasury shares through third-party allotment to LITE-ON TECHNOLOGY CORPORATION. Payment from LITE-ON TECHNOLOGY CORPORATION was completed on July 11, 2024. As a result, the total number of issued shares (including treasury shares) as of February 20, 2025 increased by 5,474,100 shares due to the issuance of new shares, and the number of treasury shares as of February 20, 2025 decreased by 2,476,900 shares due to the disposal of treasury shares.

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

- \* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements such as result forecasts included in this document are based on the information currently available to us at the time of the announcement and on certain assumptions considered reasonable, and we make no representations as to their achievability. Actual results may differ substantially due to various factors.

(Availability of supplementary material on financial results)

Supplementary material on financial results is disclosed via TDnet on the same day as the date of this document. Said material is also scheduled to be posted on our website on the same day.

(Review by certified public accountants or an audit firm)

After the review of the Japanese-language originals of the quarterly consolidated financial statements by certified public accountants or an audit firm is completed, we plan to disclose the quarterly financial results with the review report attached.

(Scheduled disclosure date of quarterly financial results after completion of review)

Friday, March 28, 2025

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# 1. Overview of operating results, etc.

## (1) Overview of operating results for the period

During the nine months under review, the global economy maintained steady growth, driven by factors including an improvement in real incomes as inflation stabilized. Strong growth continued in the United States due to a stable income environment and solid domestic demand. In Europe, the economy showed signs of recovery thanks to reduced inflationary pressure, but the conditions remain stagnant in some regions due to political instability among other reasons. In China, concerns about tariff increases by the new U.S. government drove an export rush, which boosted growth, but domestic demand remained sluggish, primarily due to structural issues in the real estate market. Japan remained on course for a gradual economy recovery, supported by the continued improvement in personal consumption.

In the electronics industry, demand for semiconductors for servers and data centers continued to increase, thanks in large part to new investments in the use of AI to promote digitalization in society. However, in the industrial equipment market, capital investment remained weak, due in part to the impact of the stagnant Chinese economy. Also, in the auto industry, the slump in demand for electric vehicles continued, leading to low levels of demand for parts and capital investment.

Against this backdrop, the Group further stepped up sales expansion activities through door-to-door based sales, and focused on making proposals to key customers, particularly on new products, while strengthening cooperation between its sales and development departments.

We also advanced a business alliance with LITE-ON TECHNOLOGY CORPORATION (“LITEON”), and in the third quarter of the fiscal year ending May 20, 2025, North America Sales Business started accepting orders for and cross-selling LITEON products. We are also advancing initiatives aimed at starting the cross-selling of LITEON products in other regional segments as well.

In regard to new products, we have launched two new models of our PDA series of unit-type single output AC-DC power supplies that can be used in a wide range of fields, including FA control equipment, measuring instruments, and semiconductor production machinery.

In overseas markets, we launched UMPS60F, an AC-DC power supply that corresponds to the standards required by medical electrical equipment.

As a result, with regard to financial results for the nine months under review, orders received were ¥13,232 million (down 15.9% year on year), and net sales came to ¥21,217 million (down 32.7% year on year). At the profit level, operating profit came to ¥730 million (down 87.8% year on year) due to a decline in profitability resulting from a considerable decrease in net sales and the effects of factors such as temporary opportunity losses accompanying the replacement of core systems. In addition, due to the impact of forex among other factors, ordinary profit came to ¥639 million (down 90.5% year on year), and although factors such as income taxes presented less of a burden compared to the year-ago period, profit attributable to owners of parent came to ¥281 million (down 94.0% year on year).

The following are the financial results by segment.

### (i) Japan Production and Sales Business

In Japan, there was a recovery in demand for semiconductor production equipment-related products due to the promotion of digitalization of society, including the use of AI. Overall, however, customers have continued to adjust orders since the previous fiscal year due to a reaction to the sharp increase in orders received in previous fiscal years as a result of advanced arrangements and the resulting overstock of inventory. Orders adjustment led to a decrease in new orders, resulting in a decline in sales.

With regard to sales activities, we have worked to strengthen information sharing with dealers and have increased sales expansion activities through door-to-door sales, with a focus on promoting new products.

As a result, sales to external customers came to ¥13,552 million (down 31.1% year on year), and segment profit was ¥674 million (down 84.3% year on year).

### (ii) North America Sales Business

In the United States, excess inventory at customers continued due to shipments in response to increased production in the previous fiscal year. Also, demand remains in an adjustment phase as customers take a wait-

and-see stance due to the uncertain outlook following the inauguration of the new U.S. administration. Orders adjustment at customers led to a decrease in new orders, resulting in a significant decline in sales.

With regard to sales activities, we have focused on sales expansion activities, such as strengthening promotions that use videos featuring new products, in collaboration with factory representatives. We have also focused on promoting the cross-selling of LITEON products, and the results of these efforts manifested in the orders and sales achieved during the third quarter of the fiscal year ending May 20, 2025.

As a result, sales to external customers came to ¥1,111 million (down 63.5% year on year), and segment profit was ¥46 million (down 91.3% year on year).

#### (iii) Europe Production and Sales Business

In Europe, orders remained weak due to adjustments in advance arrangement demand caused by economic uncertainty. Sales decreased due to a decline in new orders caused by order adjustments by customers, as well as requests from customers to postpone shipment and delivery dates, although there was a slight recovery in the third quarter of the fiscal year ending May 20, 2025.

With regard to sales activities, in addition to sales expansion activities through teleworking, we have increased sales expansion activities through door-to-door based sales.

As a result, sales to external customers came to ¥4,512 million (down 23.3% year on year), and segment loss was ¥365 million (segment profit of ¥245 million in the same period of the previous fiscal year).

#### (iv) Asia Sales Business

In Asia, a phase of demand adjustment continued amid stagnation in the Chinese economy. Orders have been gradually recovering, due to an increase in some demand for semiconductor manufacturing equipment. Although sales continued to be impacted by customers adjusting orders in response to excess inventory, there was a slight recovery in the third quarter of the fiscal year ending May 20, 2025.

With regard to sales activities, we continued to focus on web marketing to develop new business and expand sales of new products, as we did in the previous fiscal year.

As a result, sales to external customers came to ¥2,041 million (down 29.8% year on year), and segment profit was ¥69 million (down 61.1% year on year).

#### (v) China Production Business

In the China Production Business, we continued to adjust our production volumes as customers have been adjusting their orders due to a fallback from the surge in orders in past years. With regard to production activities, we have established new production lines and advanced activities to raise the productivity of each of our production lines with a view to increasing production capacity. Additionally, in the third quarter of the fiscal year ending May 20, 2025, we started the production and shipment of two new models, PDA100F and PDA150F.

As a result, intersegment sales came to ¥1,392 million (down 49.5% year on year), and segment profit was ¥74 million (down 88.7% year on year).

For reference, the following are the financial results by product.

1) Orders received and backlog of orders received

	Nine months ended February 20, 2025		As of February 20, 2025	
	Orders received (Millions of yen)	Year-on-year change (%)	Backlog of orders received (Millions of yen)	Year-on-year change (%)
COSEL products (*1)				
Unit power supplies	6,429	(22.6)	4,135	(65.2)
Onboard power supplies	2,771	(23.3)	1,751	(73.8)
EMI filters	613	0.3	221	(54.3)
PRBX products (*2)	3,418	7.2	3,879	(8.6)
Total	13,232	(15.9)	9,987	(57.1)

2) Net sales

	Nine months ended February 20, 2025	
	Net sales (Millions of yen)	Year-on-year change (%)
COSEL products (*1)		
Unit power supplies	11,171	(33.8)
Onboard power supplies	5,781	(34.7)
EMI filters	795	(37.1)
PRBX products (*2)	3,469	(23.4)
Total	21,217	(32.7)

(\*1) From the nine months ended February 20, 2025 onward, figures include the results of cross-selling activities with LITE-ON TECHNOLOGY CORPORATION.

(\*2) PRBX products: Products developed, manufactured and sold by Powerbox International AB

**(2) Overview of financial position for the period**

(Assets)

Current assets as of February 20, 2025, were ¥48,021 million, up ¥6,860 million from the end of the previous fiscal year. This was mainly due to increases of ¥10,155 million in cash and deposits, ¥200 million in securities, ¥229 million in inventories, and ¥760 million in other, despite decreases of ¥3,565 million in notes and accounts receivable - trade, and ¥921 million in electronically recorded monetary claims - operating.

Non-current assets were ¥12,821 million, down ¥414 million from the end of the previous fiscal year. This was mainly due to decreases in ¥66 million in property, plant and equipment, and ¥302 million in total investments and other assets such as investment securities.

As a result, total assets were ¥60,842 million, up ¥6,445 million from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of February 20, 2025, were ¥2,835 million, down ¥3,172 million from the end of the previous fiscal year. This was mainly due to decreases of ¥552 million in accounts payable - trade, ¥673 million in accounts payable - other, ¥1,316 million in income taxes payable, ¥373 million in the provision for bonuses, and ¥227 million in other.

Non-current liabilities were ¥1,232 million, up ¥100 million from the end of the previous fiscal year.

As a result, total liabilities were ¥4,067 million, down ¥3,071 million from the end of the previous fiscal year.

(Net assets)

Total net assets as of February 20, 2025, were ¥56,774 million, up ¥9,517 million from the end of the previous fiscal year. This was due to an increase of ¥9,871 million in shareholders' equity, despite decreases of ¥182 million in total accumulated other comprehensive income and ¥170 million in non-controlling interests. The increase in shareholders' equity was mainly due to the recording of profit attributable to owners of parent of ¥281 million, dividends of surplus of ¥2,006 million, as well as a ¥3,987 million increase in share capital due to the issuance of new shares and the disposal of treasury shares, etc. through third-party allotment, a ¥4,870 million increase in capital surplus, and a ¥2,738 million decrease in treasury shares. The decrease in total accumulated other comprehensive income was mainly due to a decrease of ¥155 million in foreign currency translation adjustment. In addition, the decrease in non-controlling interests is due to the conversion of consolidated subsidiary SHANGHAI COSEL INTERNATIONAL TRADING CO., LTD. to a wholly owned subsidiary.

As a result, the equity-to-asset ratio was 93.3% (86.6% as of the end of the previous fiscal year).

### **(3) Explanation of consolidated financial forecasts and other forward-looking statements**

No changes have been made to the full-year consolidated financial forecasts in the "Consolidated Financial Results for the Six Months Ended November 20, 2024" announced on December 20, 2024.



## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheets

(Thousands of yen)

	As of May 20, 2024	As of February 20, 2025
Assets		
Current assets		
Cash and deposits	16,909,879	27,065,328
Notes and accounts receivable - trade	9,785,666	6,220,018
Electronically recorded monetary claims - operating	2,422,864	1,500,906
Securities	—	200,000
Merchandise and finished goods	3,045,102	3,231,066
Work in process	765,610	711,754
Raw materials and supplies	7,722,844	7,819,818
Other	515,961	1,276,549
Allowance for doubtful accounts	(6,553)	(3,695)
Total current assets	41,161,376	48,021,746
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,645,196	7,658,378
Accumulated depreciation	(3,878,075)	(4,047,878)
Buildings and structures, net	3,767,121	3,610,500
Machinery, equipment and vehicles	8,242,277	7,989,956
Accumulated depreciation	(6,709,706)	(6,462,951)
Machinery, equipment and vehicles, net	1,532,570	1,527,005
Tools, furniture and fixtures	6,798,769	6,882,957
Accumulated depreciation	(6,068,093)	(6,158,635)
Tools, furniture and fixtures, net	730,676	724,321
Land	1,220,328	1,276,671
Leased assets	611,700	619,298
Accumulated depreciation	(306,950)	(335,819)
Leased assets, net	304,749	283,478
Construction in progress	10,984	77,551
Total property, plant and equipment	7,566,429	7,499,527
Intangible assets		
Software	25,579	22,192
Software in progress	302,191	414,523
Technical assets	293,203	234,223
Customer relationship	751,661	671,294
Goodwill	63,655	48,254
Other	5,337	5,454
Total intangible assets	1,441,628	1,395,943
Investments and other assets		
Investment securities	3,741,258	3,485,842
Retirement benefit asset	167,601	169,643
Deferred tax assets	85,621	63,825
Other	233,166	206,222
Total investments and other assets	4,227,647	3,925,533
Total non-current assets	13,235,705	12,821,004
Total assets	54,397,081	60,842,751

(Thousands of yen)

	As of May 20, 2024	As of February 20, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,776,682	1,224,066
Accounts payable - other	1,092,414	418,779
Lease liabilities	104,657	119,988
Income taxes payable	1,453,601	136,656
Provision for bonuses	468,511	94,763
Provision for product warranties	155,000	112,000
Other	957,254	729,473
Total current liabilities	6,008,122	2,835,727
Non-current liabilities		
Deferred tax liabilities	462,347	659,766
Retirement benefit liability	245,934	246,595
Lease liabilities	220,423	178,570
Other	202,843	147,170
Total non-current liabilities	1,131,549	1,232,102
Total liabilities	7,139,671	4,067,830
Net assets		
Shareholders' equity		
Share capital	2,055,000	6,042,881
Capital surplus	2,287,728	7,157,955
Retained earnings	42,996,740	41,271,911
Treasury shares	(2,795,411)	(57,248)
Total shareholders' equity	44,544,057	54,415,499
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	662,345	629,514
Foreign currency translation adjustment	1,887,354	1,731,737
Remeasurements of defined benefit plans	(7,321)	(1,830)
Total accumulated other comprehensive income	2,542,377	2,359,421
Non-controlling interests	170,974	—
Total net assets	47,257,410	56,774,920
Total liabilities and net assets	54,397,081	60,842,751

**(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**

**Quarterly consolidated statements of income**  
**Cumulative third quarter**

(Thousands of yen)

	Nine months ended February 20, 2024	Nine months ended February 20, 2025
Net sales	31,521,702	21,217,347
Cost of sales	20,717,493	15,501,460
Gross profit	10,804,208	5,715,887
Selling, general and administrative expenses	4,813,267	4,985,695
Operating profit	5,990,941	730,192
Non-operating income		
Interest income	54,796	75,151
Dividend income	37,365	46,452
Foreign exchange gains	423,367	—
Compensation income	204,237	114,598
Other	19,961	9,626
Total non-operating income	739,728	245,829
Non-operating expenses		
Interest expenses	7,384	10,075
Foreign exchange losses	—	290,931
Share issuance costs	—	35,454
Other	0	—
Total non-operating expenses	7,384	336,461
Ordinary profit	6,723,284	639,559
Extraordinary income		
Gain on sale of non-current assets	1,063	6
Total extraordinary income	1,063	6
Extraordinary losses		
Loss on sale of non-current assets	—	24
Loss on retirement of non-current assets	8,066	2,731
Loss on valuation of investment securities	12,462	—
Loss on disaster	4,281	—
Loss on abandonment of inventories	—	2,019
Loss on valuation of inventories	104,638	—
Total extraordinary losses	129,448	4,774
Profit before income taxes	6,594,900	634,791
Income taxes - current	1,627,535	82,813
Income taxes - deferred	255,220	250,992
Total income taxes	1,882,756	333,806
Profit	4,712,144	300,985
Profit attributable to non-controlling interests	54,456	19,322
Profit attributable to owners of parent	4,657,688	281,662

**Quarterly consolidated statements of comprehensive income**  
**Cumulative third quarter**

(Thousands of yen)

	Nine months ended February 20, 2024	Nine months ended February 20, 2025
Profit	4,712,144	300,985
Other comprehensive income		
Valuation difference on available-for-sale securities	114,546	(32,830)
Foreign currency translation adjustment	532,328	(151,928)
Remeasurements of defined benefit plans, net of tax	(2,789)	5,491
Total other comprehensive income	644,085	(179,268)
Comprehensive income	5,356,229	121,717
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,293,910	98,706
Comprehensive income attributable to non-controlling interests	62,319	23,011

### **(3) Notes to quarterly consolidated financial statements**

Our quarterly consolidated financial statements have been prepared in accordance with Article 4, paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. by Tokyo Stock Exchange Inc. and accounting standards for quarterly financial statements generally accepted in Japan (however, the omissions set forth in Article 4, paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. have been applied).

#### **(Notes on changes in accounting policies)**

(Application of the “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations)  
We have applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending May 20, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, with regard to the revisions related to changes to the treatment in consolidated financial statements when gain or loss on sales arising from sales of shares of subsidiaries, etc., between consolidated companies are deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first quarter of the fiscal year ending May 20, 2025. This change in accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year. This change in accounting policy has no impact on the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year.

**(Notes on segment information)**

## Segment information

(1) Nine months ended February 20, 2024 (from May 21, 2023 to February 20, 2024)

## 1) Information about net sales and profit (or loss) by reportable segment

(Thousands of yen)

	Reportable segments						Adjustments (Note 1)	Total amount recorded in quarterly consolidated statements of income (Note 2)
	Japan Production and Sales Business	North America Sales Business	Europe Production and Sales Business	Asia Sales Business	China Production Business	Total		
Net sales								
Sales to external customers	19,680,640	3,048,779	5,883,462	2,908,819	—	31,521,702	—	31,521,702
Intersegment sales	4,633,103	—	—	—	2,758,459	7,391,563	(7,391,563)	—
Total	24,313,744	3,048,779	5,883,462	2,908,819	2,758,459	38,913,265	(7,391,563)	31,521,702
Segment profit	4,302,931	534,848	245,067	177,865	657,883	5,918,596	72,344	5,990,941

- (Notes) 1. Adjustments for segment profit of ¥72,344 thousand consists of elimination of intersegment transactions of ¥147,145 thousand and elimination of unrealized gain (loss) on non-current assets and inventories of negative ¥74,800 thousand.
2. Total segment profit and adjustments are consistent with operating profit as reported in the quarterly consolidated statements of income.

## 2) Information on impairment losses on non-current assets and goodwill by reportable segment

Not applicable.

(2) Nine months ended February 20, 2025 (from May 21, 2024 to February 20, 2025)

## 1) Information about net sales and profit (or loss) by reportable segment

(Thousands of yen)

	Reportable segments						Adjustments (Note 1)	Total amount recorded in quarterly consolidated statements of income (Note 2)
	Japan Production and Sales Business	North America Sales Business	Europe Production and Sales Business	Asia Sales Business	China Production Business	Total		
Net sales								
Sales to external customers	13,552,338	1,111,584	4,512,328	2,041,095	—	21,217,347	—	21,217,347
Intersegment sales	2,603,476	—	200	—	1,392,521	3,996,198	(3,996,198)	—
Total	16,155,814	1,111,584	4,512,529	2,041,095	1,392,521	25,213,545	(3,996,198)	21,217,347
Segment profit (loss)	674,199	46,498	(365,459)	69,126	74,053	498,418	231,773	730,192

- (Notes) 1. Adjustments for segment profit (or loss) of ¥231,773 thousand consists of elimination of intersegment transactions of ¥101,467 thousand and elimination of unrealized gain (loss) on non-current assets and inventories of ¥130,305 thousand.
2. Total segment profit (loss) and adjustments are consistent with operating profit as reported in the quarterly consolidated statements of income.

## 2) Information on impairment losses on non-current assets and goodwill by reportable segment

Not applicable.

**(Notes on significant changes in the amount of shareholders' equity)**

At the Board of Directors meeting held on April 30, 2024, COSEL CO., LTD. resolved to conclude a capital and business alliance agreement with LITE-ON TECHNOLOGY CORPORATION, as well as to issue new shares and dispose of treasury shares through third-party allotment to LITE-ON TECHNOLOGY CORPORATION. Payment from LITE-ON TECHNOLOGY CORPORATION was completed on July 11, 2024. As a result, we issued 5,474,100 new shares and disposed of 2,476,900 treasury shares. Consequently, for the nine months under review, share capital increased by ¥3,987,881 thousand, capital surplus increased by ¥4,861,979 thousand, and treasury shares decreased by ¥2,734,745 thousand.

**(Notes on going-concern assumptions)**

Not applicable.

**(Notes on quarterly consolidated statements of cash flows)**

We have not prepared quarterly consolidated statements of cash flows for the nine months under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended February 20, 2024 and 2025 are as follows.

	(Thousands of yen)	
	Nine months ended February 20, 2024	Nine months ended February 20, 2025
Depreciation	975,856	1,091,673
Amortization of goodwill	17,932	12,839