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Results Briefing FY2024 3Q

COSEL CO.,LTD.

March 21, 2025

FY2024 3Q Results

Sales and profit decreased YoY

Sales

- Sales of products for semiconductor manufacturing equipment and factory automation were sluggish due to customer's inability to digest inventories
- Slow recovery in demand due to economic stagnation in China
- Opportunity losses associated with core system replacement (0.7 billion yen)

Operating profit

- Decline in profitability due to lower sales and higher volatility ratio
- Opportunity losses associated with core system replacement (0.3 billion yen)
- Cost of business & capital alliance with LITEON (0.2 billion yen)

FY2024 Forecast

Sales and profit down from forecast

- Sales for semiconductor-related applications are expected to increase, but overall sales will remain weak
- Profit down due to weak sales despite efforts to reduce fixed costs
- Orders for the 2H are expected to recover from 4Q, mainly semiconductor-related orders

Business & Capital Alliance with LITEON

Progressing as planned

- Started cross-selling in the North American market from 3Q, contributing to earnings as planned
- Promoting collaborative activities
- Joint numerical targets finalized

FY2024 3Q Consolidated Financial Results

Financial Year Ending May 20, 2025

3Q Consolidated Cumulative Period Result



- | | |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales | <ul style="list-style-type: none"> • Sales of products for semiconductor manufacturing equipment and factory automation were sluggish due to customer's inability to digest inventories • Slow recovery in demand due to economic stagnation in China |
| Operating Profit | <ul style="list-style-type: none"> • Opportunity losses associated with core system replacement (0.3 billion yen) • Cost of business & capital alliance with LITEON (0.2 billion yen) |

(JPY million)	FY2023 3Q YTD	FY2024 3Q YTD	YoY	
			Change	%
Net sales	31,521	21,217	-10,304	-32.7%
Gross profit	10,804	5,715	-5,088	-47.1%
SG&A	4,813	4,985	+172	3.6%
Operating profit	5,990	730	-5,260	-87.8%
%	19.0%	3.4%	-15.6p	-
Ordinary profit	6,723	639	-6,083	-90.5%
%	21.3%	3.0%	-18.3p	-
Profit attributable to owners of parent	4,657	281	-4,376	-94.0%
USD / JPY	144.74	152.94	+8.20	-
EUR / JPY	156.77	164.62	+7.85	-
SEK / JPY	13.57	14.35	+0.78	-

Year-on-Year Changes in Sales

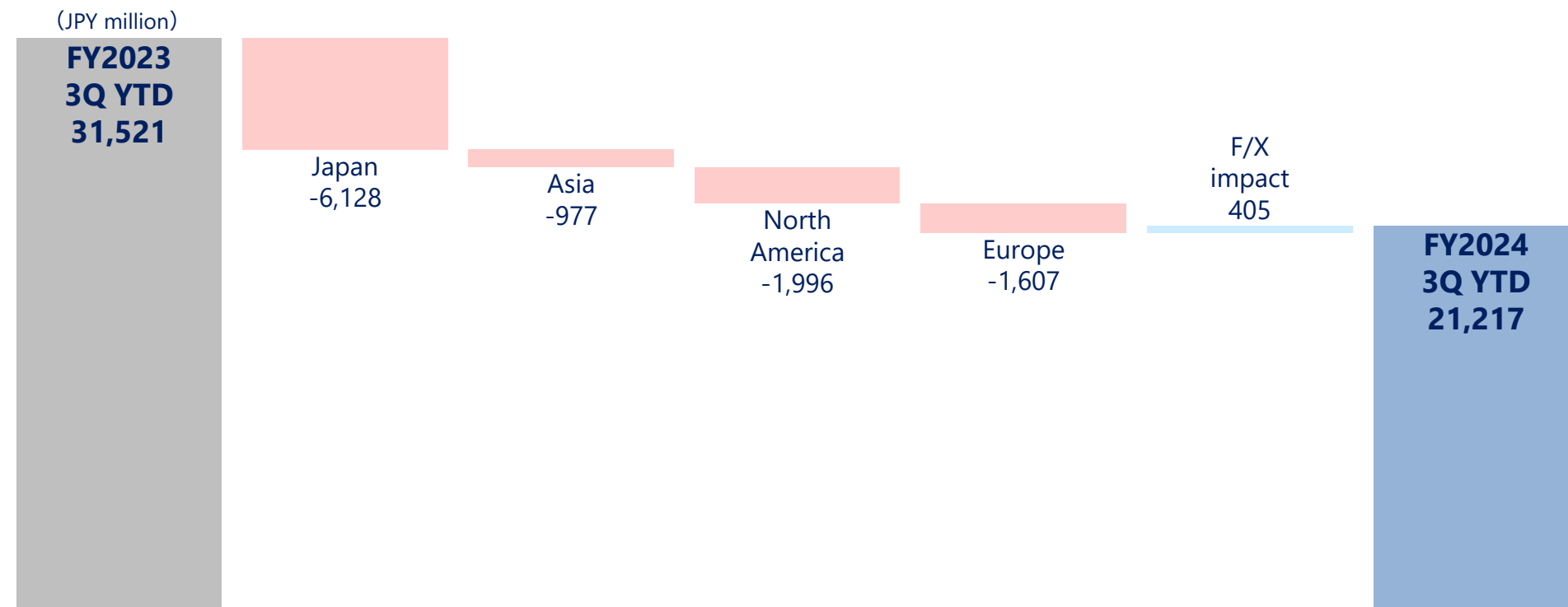
Sales : 21.2 billion yen (-10.3 billion yen YoY, -32.7%)

Japan : Although there was a recovery in demand for some semiconductor manufacturing equipment-related products, orders were adjusted due to customers' prior arrangements

Asia : Demand adjustment phase continues due to sluggish Chinese economy

North America : Excess inventory on the customer side in response to increased production in the previous fiscal year, demand adjustment due to the U.S. presidential election

Europe : Adjustment of demand for advance arrangements due to economic uncertainty

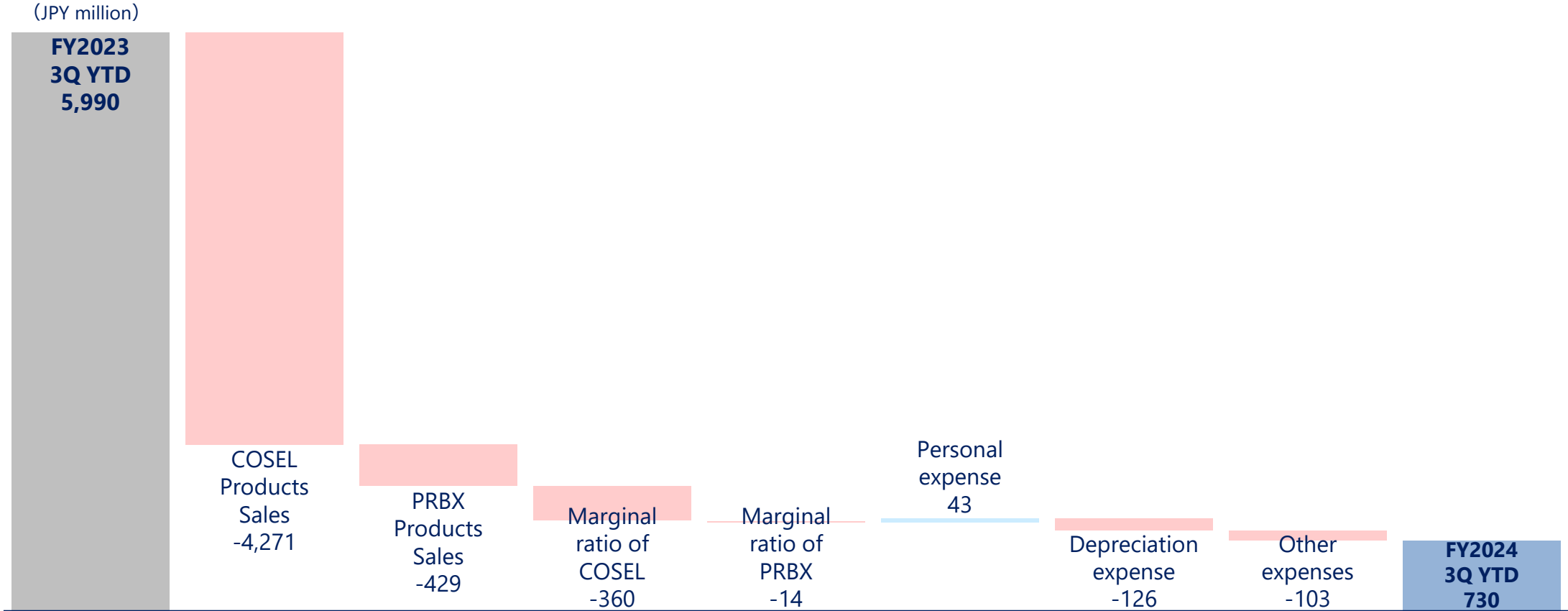


Year-on-Year Changes in Operating Profit



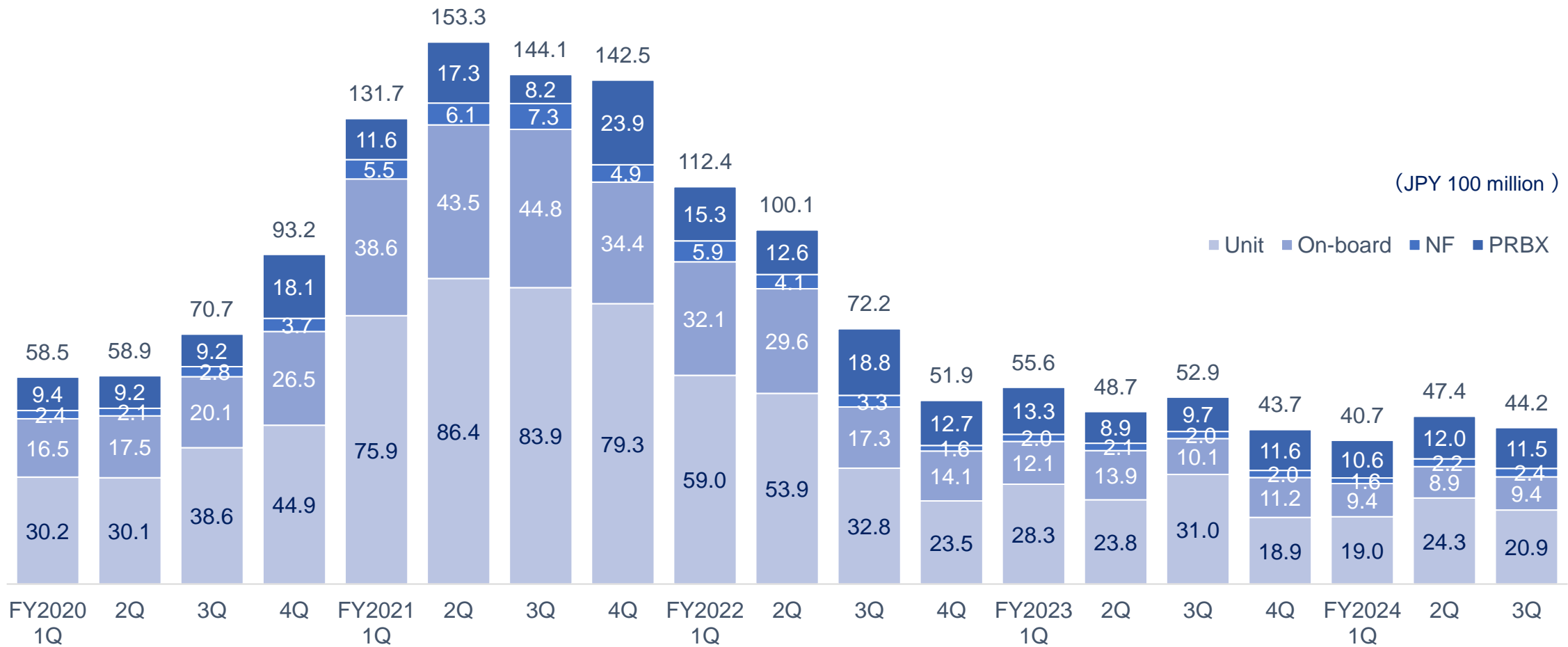
Operating profit : 0.7 billion yen (-5.2 billion yen YoY, -87.8%)

- Decline in profitability due to lower sales and higher volatility ratio
- Opportunity losses associated with core system replacement (0.3 billion yen)
- Cost of business & capital alliance with LITEON (0.2 billion yen)



Orders Received (by Product)

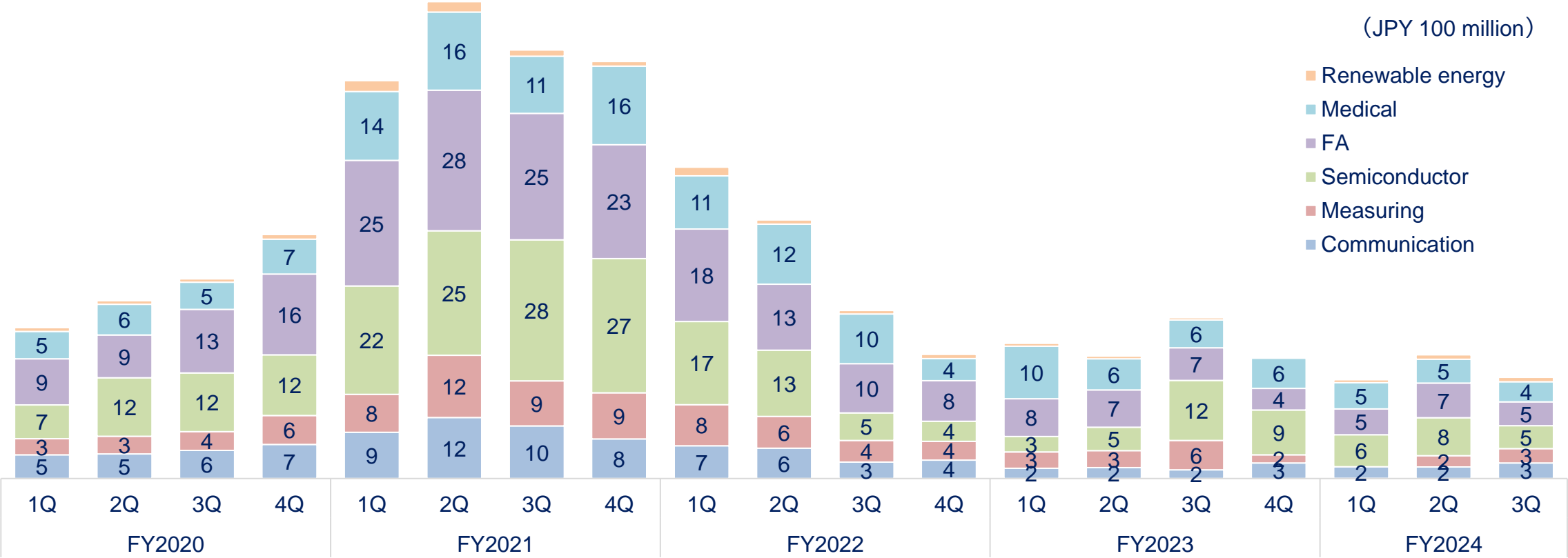
- Continued adjustment phase from 4Q FY2022 onward in reaction to increased orders in past fiscal years
- Unconsumed inventory at distributors and customers discourages new orders



Orders Received (by Industry)

- Continued adjustment phase due to the reaction to the increase in orders in the past fiscal year
- Sales for semiconductor production equipment and measuring equipment are expected to bottom out in FY2024 3Q and recover moderately from 4Q

6 focused industries (excluding other industries and PRBX)



Consolidated Balance Sheets



Total assets : 60.8 billion yen (+6.4 billion yen YoY) Equity-to-asset ratio : 93.3% (+6.7pt)
 Cash and deposits +10.1 billion yen (Capital increase by LITEON) Inventories +0.2 billion yen

(JPY millions)	May 20 2024	February 20 2025	Changes
Cash and deposits	16,909	27,065	10,155
Notes and accounts receivable - trade	9,785	6,220	▲ 3,565
Electronically recorded monetary claims - operating	2,422	1,500	▲ 921
Inventories	11,533	11,762	229
Total current assets	41,161	48,021	6,860
Total property, plant and equipment	7,566	7,499	▲ 66
Total intangible assets	1,441	1,395	▲ 45
Total investments and other assets	4,227	3,925	▲ 302
Total non-current assets	13,235	12,821	▲ 414
Total Assets	54,397	60,842	6,445
Equity-to-asset ratio	86.6%	93.3%	6.7pt

	May 20 2024	February 20 2025	Changes
Accounts payable - trade	1,776	1,224	▲ 552
Accounts payable - other	1,092	418	▲ 673
Total current liabilities	6,008	2,835	▲ 3,172
Deferred tax liabilities	462	659	197
Total non-current liabilities	1,131	1,232	100
Total liabilities	7,139	4,067	▲ 3,071
Total shareholders' equity	44,544	54,415	9,871
Total accumulated other comprehensive income	2,542	2,359	▲ 182
Equity	47,086	56,774	9,688
Non-controlling interests	170	0	▲ 170
Total net assets	47,257	56,774	9,517
Total liabilities and net assets	54,397	60,842	6,445

FY2024 Consolidated Financial Results Forecast

FY2024 Forecast (Unchanged from December 20, 2024)



Sales : 29.1 billion yen (Change from initial forecast -8.8 billion yen, -23.2%)

Operating profit : 1.2 billion yen (Change from initial forecast -4.0 billion yen, -76.6%)

(JPY million)	FY2024				
	1H Result	2H Forecast	3Q Result	4Q Forecast	Full Year Forecast
Net sales	14,855	14,318	6,361	7,956	29,174
Operating profit	634	610	95	514	1,245
%	4.3%	4.3%	1.5%	6.5%	4.3%
Ordinary Profit	594	683	45	638	1,278
%	4.0%	4.8%	0.7%	8.0%	4.4%
Profit attributable to owners of parent	278	472	2	469	751
Average exchange rate					
USD / JPY	152.11	145.00	-	-	148.56
EUR / JPY	165.77	161.00	-	-	163.39
SEK / JPY	14.48	14.00	-	-	14.24

Outlook for the 4Q and beyond

FY2024 4Q Forecast

- Anticipate an increase in orders from existing customers (semiconductor manufacturing equipment, measuring instruments, factory automation equipment, medical equipment) and prepare for increased sales in the next fiscal year
- Increase in new customers (semiconductor related and others)
- Profit improvement plan for low-profit products
- Expand cross-selling with LITEON and prepare for product expansion

FY2025 Forecast

- Aiming to increase sales to existing customers
- Obtaining orders from new customers
- Profit improvement in low-profit products
- Expand cross-selling with LITEON
- Study and implement structural reforms to achieve the mid-term management plan

Business & Capital Alliance with LITEON

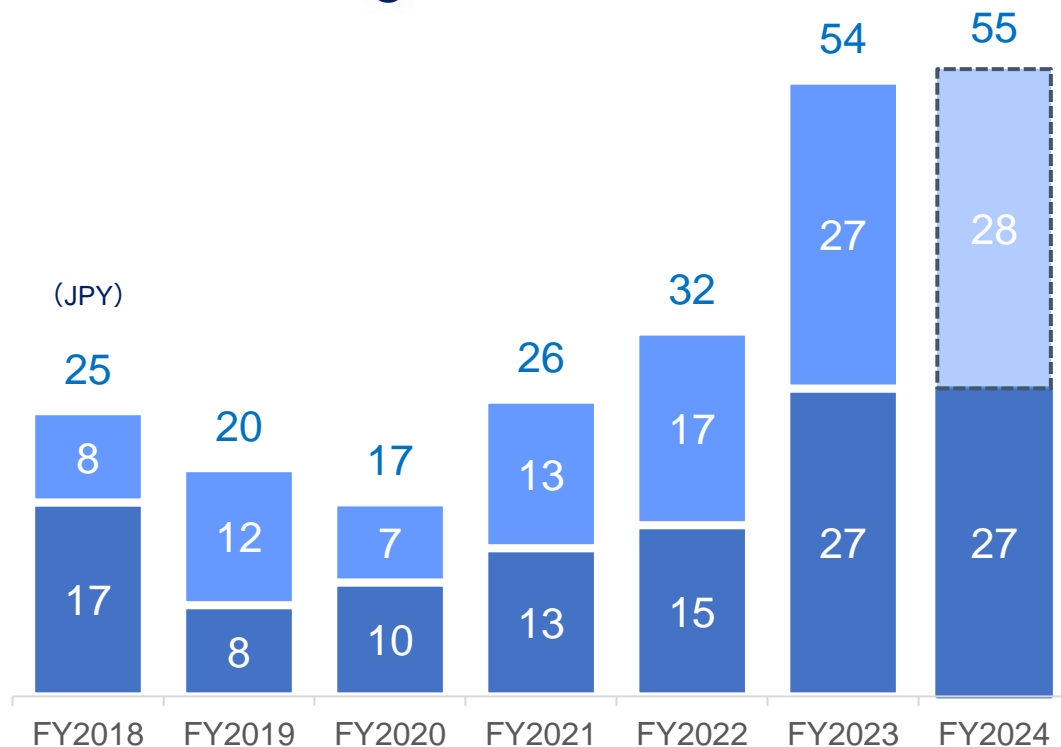
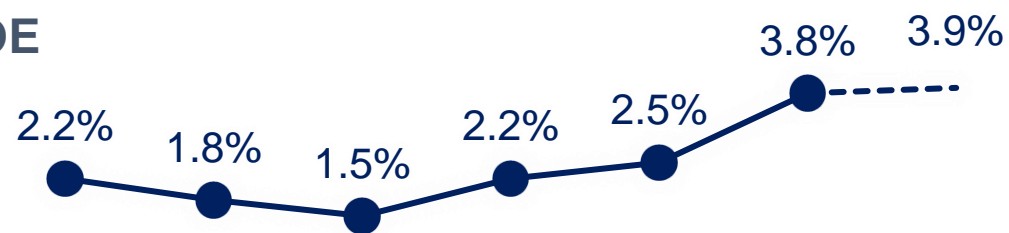
- Continue to expand collaborative activities
- Demonstrate synergy
- Expanding North American cross-selling, which began in 3Q, to other regions
- Announcement on jointly developed product brands

Shareholder Return

Dividend per Share Forecast

No change in dividend policy, annual dividend of 55 yen for FY2024

DOE



FY2024 Dividend per share

Interim dividend **27.00 yen**
(paid in early February 2025)

Year-end dividend **28.00 yen**
(scheduled to be paid in late July 2025)

Annual dividend **55.00 yen**

Dividend policy changed from FY2024
Before change : Aim for a dividend payout ratio of 35%
After change : Aim for a DOE of 3.5%

Business & Capital Alliance with LITEON

100 Days of Collaboration Overview

1st 100DAY : 2024.07-09

2nd 100DAY : 2024.10-12

Next 100DAY : 2025.01-03

Purpose	<ul style="list-style-type: none"> • Target setting • Sharing of effects and measures • Preparing for the next 100 days 	<ul style="list-style-type: none"> • Promotion of activities among collaborative teams • Joint numerical targets to be finalized 	Accumulate financial benefits from synergies
Action	<ul style="list-style-type: none"> • Definition of the collaboration model • Mutual understanding • Sales expansion and procurement system study 	<ul style="list-style-type: none"> • Promotion of performance effectiveness measures • Set joint targets by product and revenue • Determination of area of attack 	<ul style="list-style-type: none"> • Action plan execution • Introduction of progress management tools • Introduction of tools to improve collaboration efficiency
Results & Plans	<ul style="list-style-type: none"> • Regular meetings to deepen mutual understanding • Formulation and implementation of collaboration model (Sales • Procurement • Development) • Clarify the direction of renewable energy • Finalized collaboration to start cross-selling between Japan and US 	<ul style="list-style-type: none"> • Start of cross-selling and restructuring of sales structure • Finalize joint development products and schedule • Secure resources and start development • Evaluation of newly adopted components • Technical exchange on bi-directional converters • Co-development brand formulation 	<ul style="list-style-type: none"> • Start cross-selling in North America and restructuring of sales structure • Finalize joint development products and schedule • Co-development brand formulation

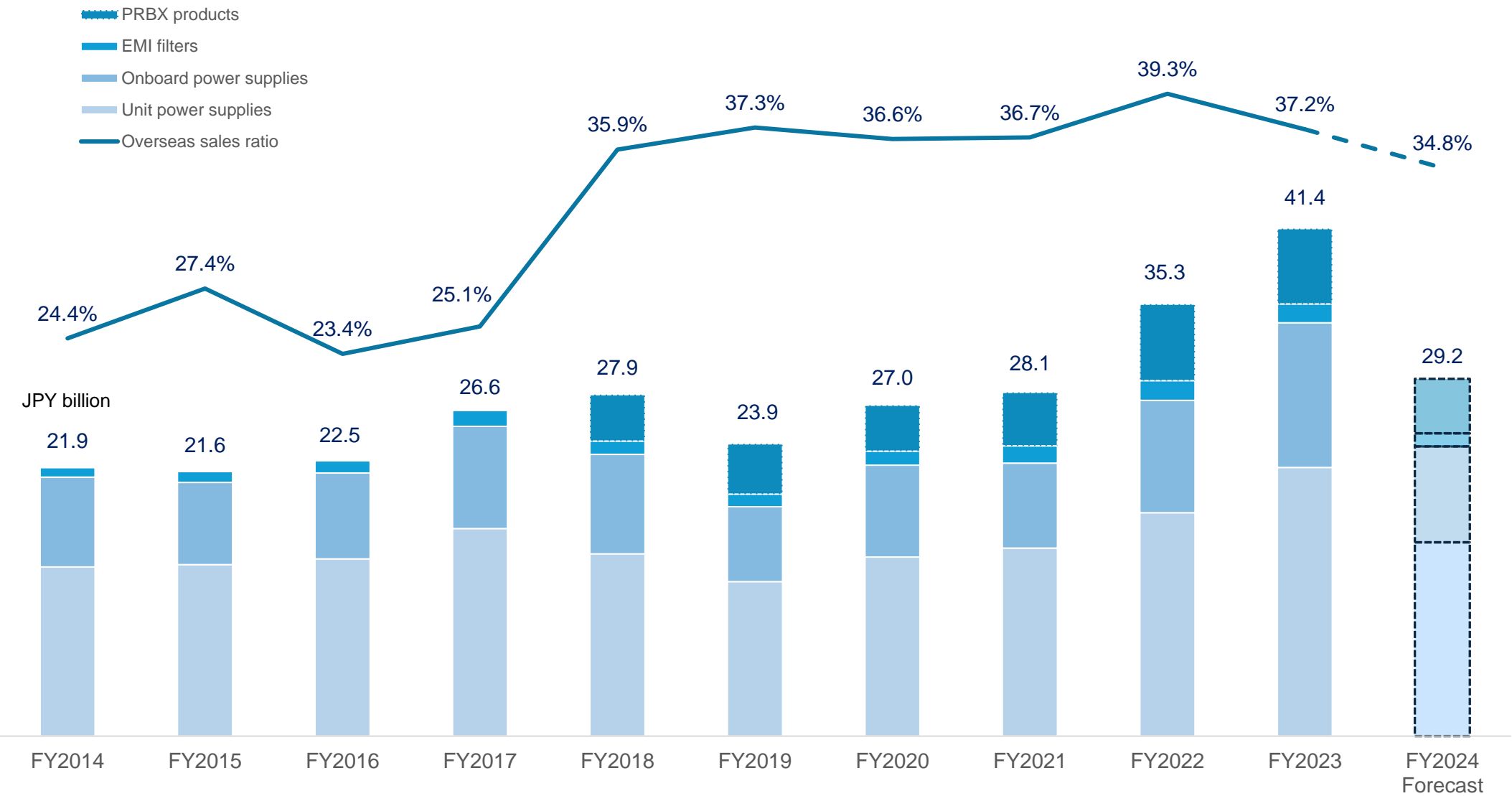
Appendix

Quarterly Changes

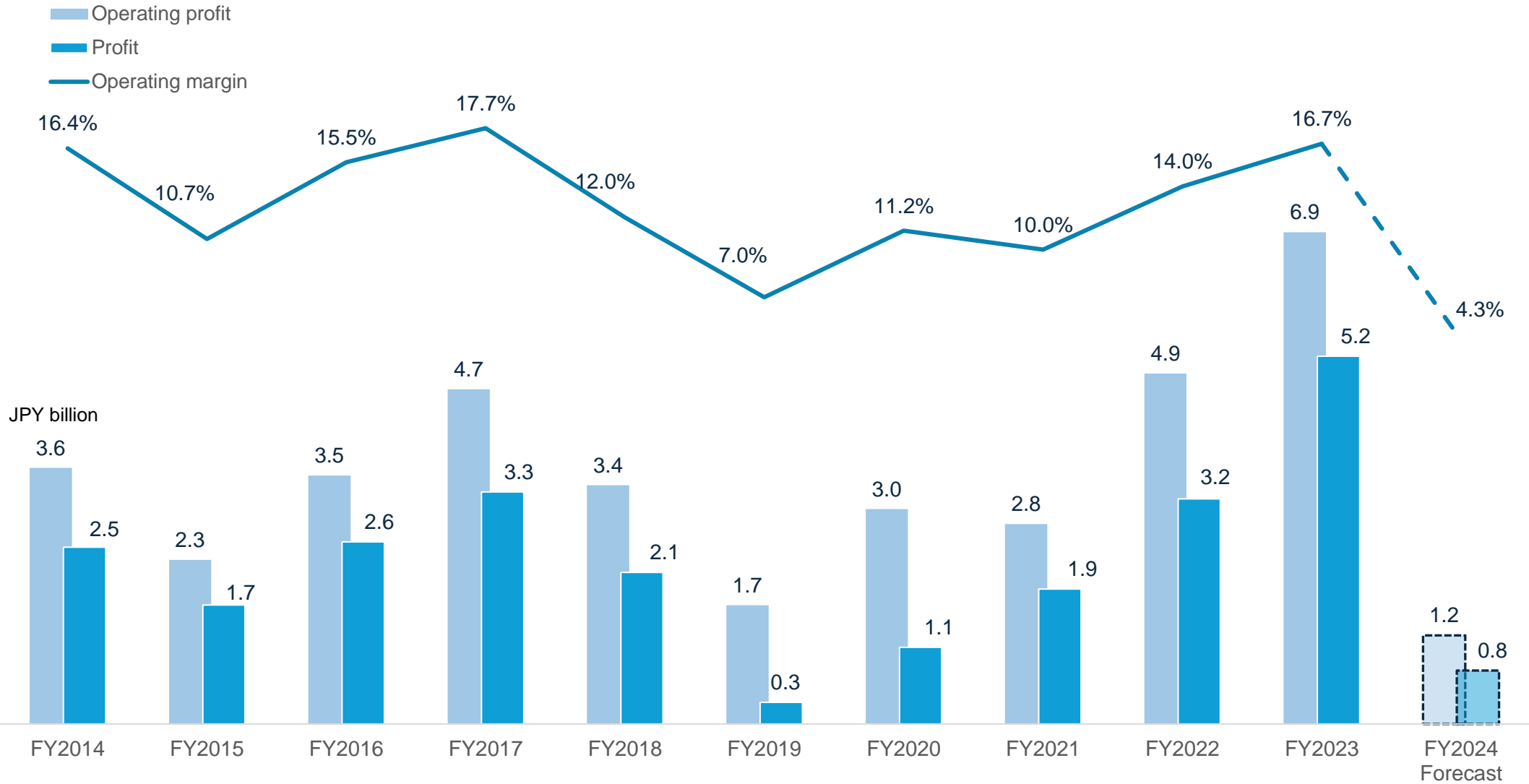


(JPY million)	FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q Forecast
Sales	10,390	11,211	9,919	9,915	8,409	6,445	6,361	7,956
Gross profit	3,593	3,830	3,380	2,939	2,437	1,611	1,667	2,384
SG&A	1,529	1,675	1,607	2,018	1,859	1,555	1,571	1,869
Operating profit	2,063	2,154	1,772	921	578	55	95	514
%	19.9%	19.2%	17.9%	9.3%	6.9%	0.9%	1.5%	6.5%
Ordinary Profit	2,268	2,629	1,824	1,126	464	129	45	638
%	21.8%	23.5%	18.4%	11.4%	5.5%	2.0%	0.7%	8.0%
Profit attributable to owners of parent	1,682	1,856	1,118	511	293	-14	2	469

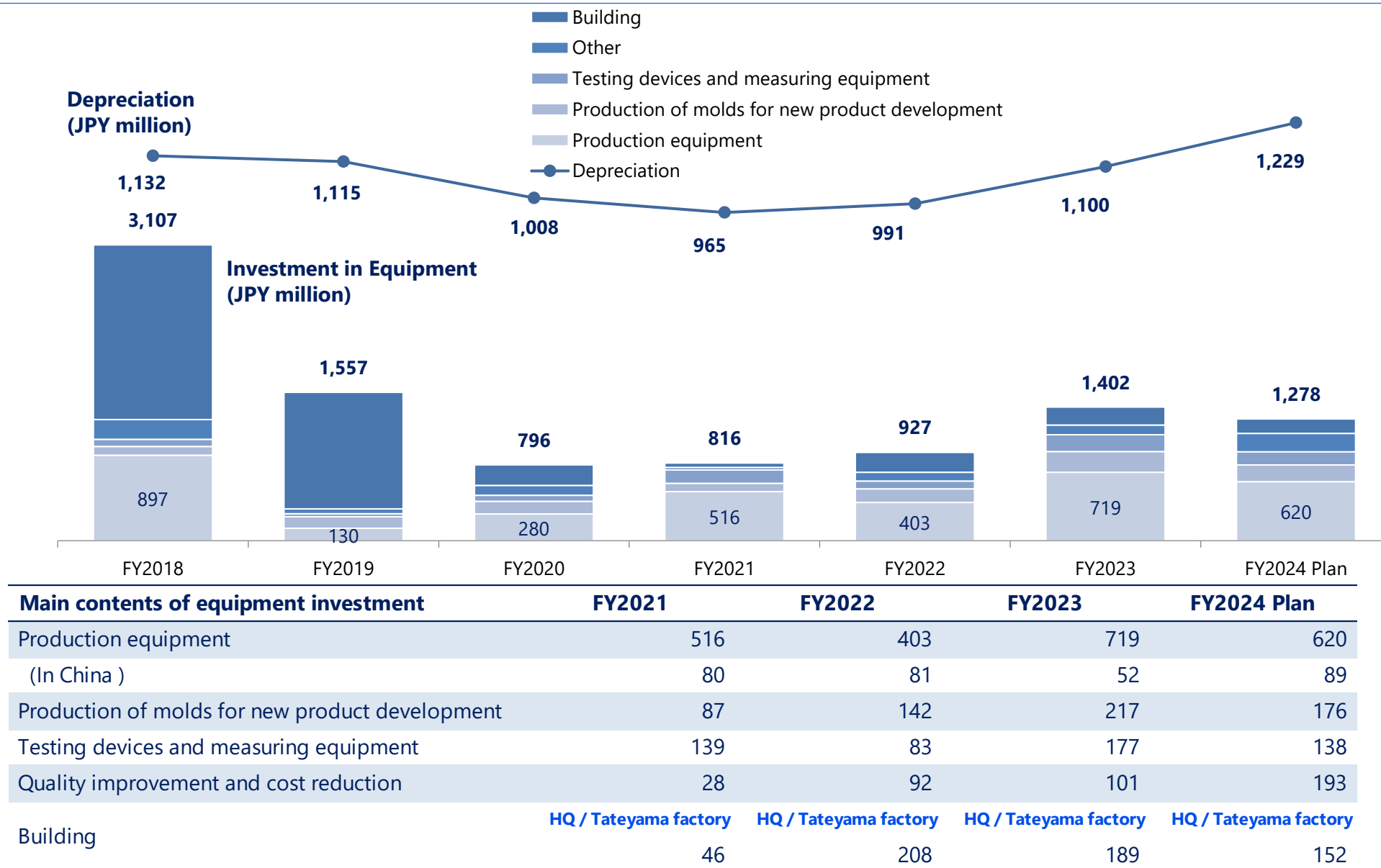
Consolidated Sales and Overseas Sales Ratio

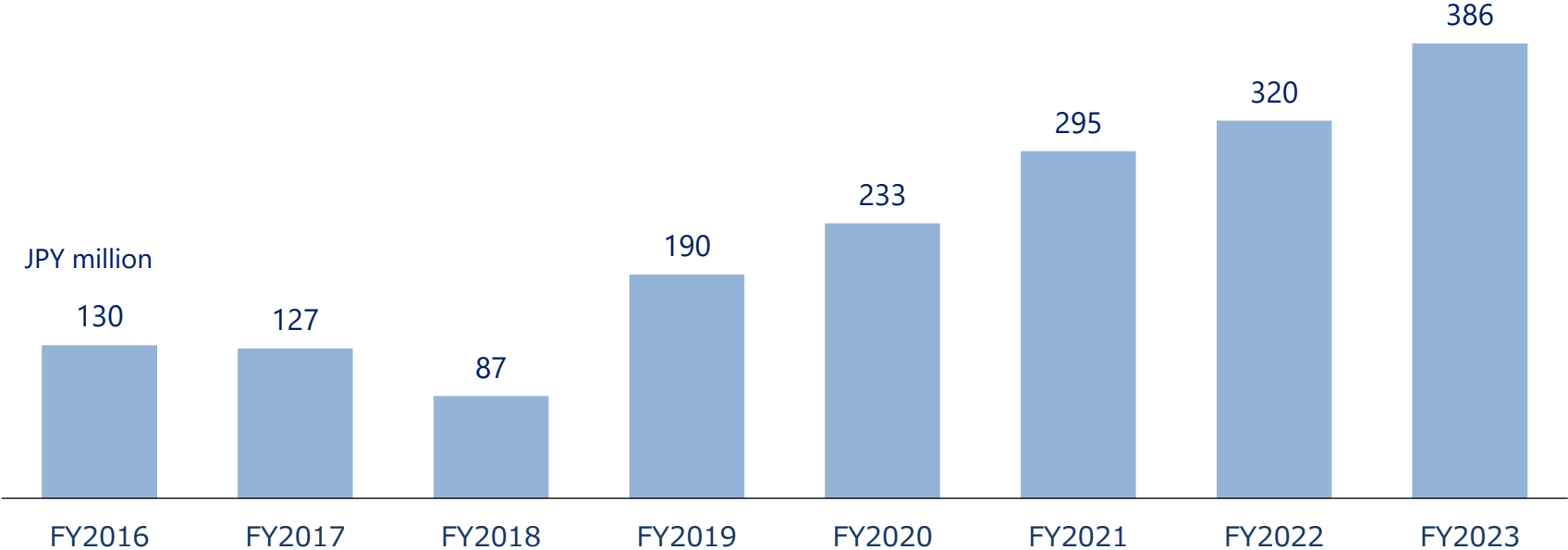


Consolidated Profit



Capital Investment





	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Development cost	130.0	127.1	86.8	189.9	233.4	294.6	320.3	386.0
Labor cost	58.2	91.3	66.4	145.9	184.6	215.0	239.6	300.4
Other expenses	71.8	35.8	20.4	43.9	48.8	79.6	80.7	85.6

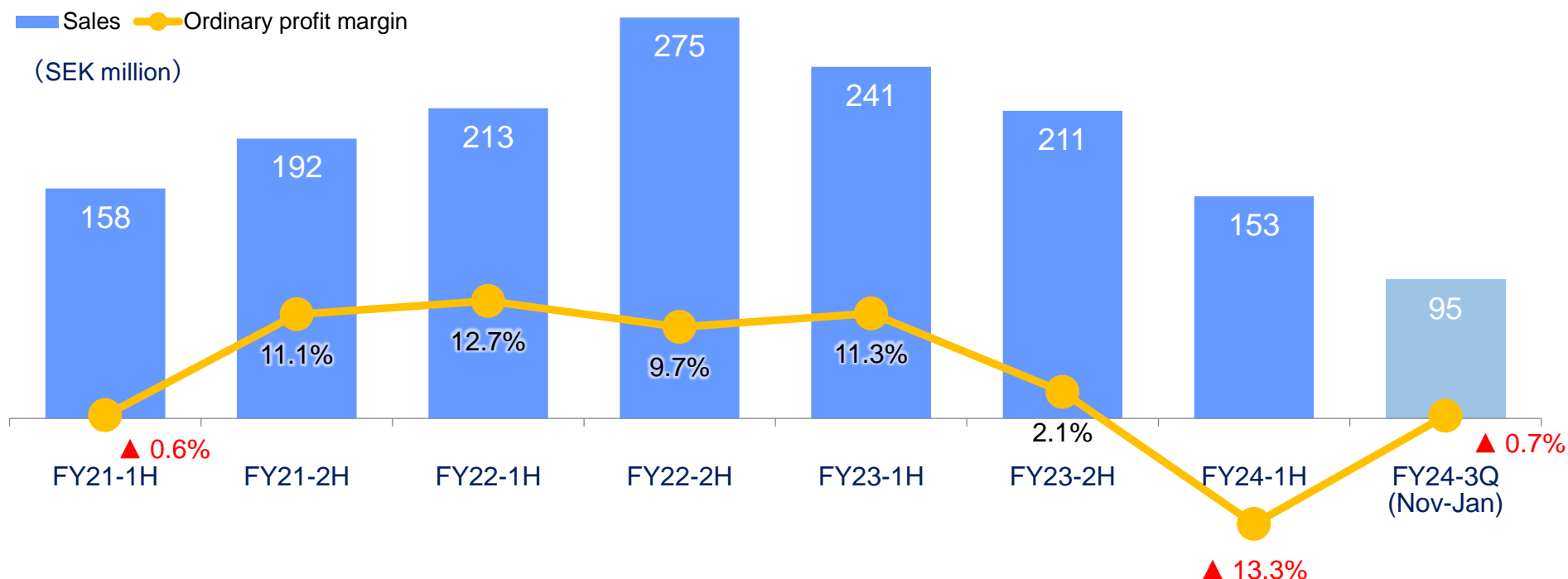
COSEL : Development cost (manufacturing ・ selling) + Laboratory cost
WUXI : Development department cost
PRBX : Increment of development cost *FY2019～

Powerbox International AB Results

- Decline in sales continues due to economic slowdown in Europe
- Ordinary profit has decreased in line with the decline in sales

PRBX Sales • Ordinary profit

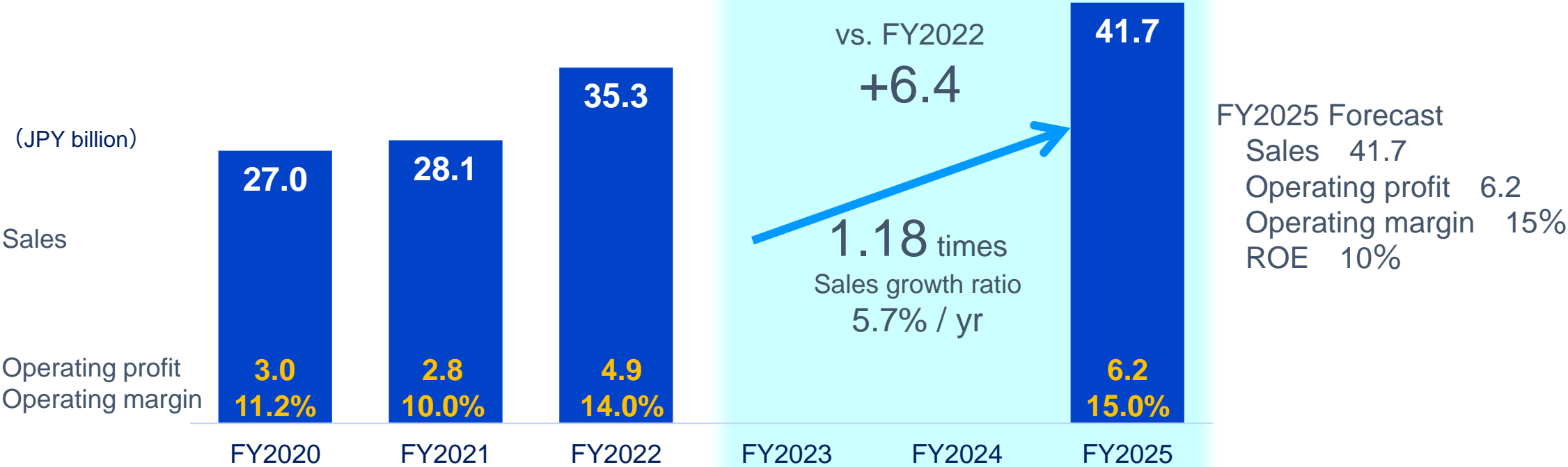
PRBX = Powerbox International AB
Development, manufacturing and sales of power supplies in Sweden, wholly owned subsidiary



Third Medium-Term Management Plan (FY2023 – FY2025)



Priority Measures	Key Points
To become a high-margin company by transforming our profit structure through the promotion of continuous product enhancements.	<div>① Achieve appropriate profit and cost control</div> <div>② Increase ratio of new products</div> <div>③ Strengthen European business</div>





[Cautionary statements with respect to forward-looking statements]

The forecasts and projections presented in this document are formulated based on the Company's assessment at the time of document preparation and may entail inherent risks and uncertainties.

It is important to recognize that fluctuations in various factors may cause actual results to differ materially.