MEMBERSHIP

December 19, 2025

Company name : COSEL CO., LTD
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 2026 and Revision of Full-Year Financial Result Forecast

COSEL CO., LTD. ("we") hereby announces differences between our operating performance forecast announced on June 18, 2025 and actual results for the first half of the fiscal year ending May 20, 2026. 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, 2026 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 2026 (from May 21, 2025 to November 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)	14,728	628	713	406	10.14
Actual Results (B)	11,134	△659	117	△6	△0.15
Change (B-A)	△3,593	△1,287	△595	△412	
Change (%)	△24.4	–	△83.6	–	
(Reference) Consolidated results for the first half of the fiscal year ended May 20, 2025	14,855	634	594	278	7.16

Differences between Non-Consolidated Operating Performance Forecast and Non-Consolidated Results for the First Half of the Fiscal Year Ending May 2026 (from May 21, 2025 to November 20, 2025)

	Net sales	Ordinary profit	Profit	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	10,750	770	500	15.00
Actual Results (B)	7,846	660	490	11.93
Change (B-A)	△2,903	△109	△9	
Change (%)	△27.0	△14.2	△1.9	
(Reference) Non-Consolidated results for the first half of the fiscal year ended May 20, 2025	11,547	1,379	1,133	29.12

Reasons for the differences

With regard to the results of the second quarter (interim period) of this fiscal year, signs of recovery were visible in the semiconductor-related field, with demand recovery and progress in customer inventory reduction leading to an increase in the Group's overall order intake compared to the same period last year. However, inventory adjustments continue at some customers.

Our initial forecast anticipated that customer inventory reduction would gradually progress, leading to a recovery in orders starting from the first quarter. In reality, however, customer inventory reduction was slower than expected, delaying the timing of the order recovery. As a result, net sales fell short of the previously announced forecast.

Regarding profits, despite efforts to reduce personnel and other expenses, profitability declined due to the significant decrease in sales. Consequently, operating profit, ordinary profit, and interim profit attributable to owners of parent all fell below the previously announced forecast.

II. Revisions of Full-Year Business Forecast

Revisions of Consolidated Financial Results Forecasts for the Current Fiscal Year (from May 21, 2025 to May 20, 2026)

	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)	33,325	2,626	2,793	1,907	47.65
Revised forecasts (B)	24,119	△814	47	30	0.73
Change (B-A)	△9,206	△3,440	△2,746	△1,877	
Change (%)	△27.6	–	△98.3	△98.4	
(Reference) Consolidated results for the fiscal year ended May 20, 2025	27,052	628	740	△113	△2.84

Revision of Non-Consolidated Financial Results Forecast for the Current Fiscal year (from May 21, 2025 to May 20, 2026)

	Net sales	Ordinary profit	Profit	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	24,380	2,170	1,410	42.80
Revised forecasts (B)	17,252	776	544	13.23
Change (B-A)	△7,128	△1,394	△866	
Change (%)	△29.2	△64.2	△61.4	
(Reference) Non-Consolidated results for the fiscal year ended May 20, 2025	20,044	1,509	818	20.44

Reason for revision

The environment surrounding the switching power supply market in which our group operates continues to face risks such as the potential impact of U.S. tariffs and uncertainty stemming from China's economic slowdown. However, against the backdrop of advancing digitalization driven by AI, we anticipate continued growth in demand for semiconductor manufacturing equipment. Additionally, inventory digestion by customers is progressing in FA-related equipment, medical devices, measuring instruments, and other areas, leading us to expect demand to shift toward a recovery trend.

Our Group also expects continued demand growth, primarily in the semiconductor sector. However, due to the delayed recovery in orders during the first half, sales are projected to fall below the previously announced forecast for both consolidated and non-consolidated results. Regarding profits, the impact of reduced sales is significant. Despite efforts to cut expenses, the full-year forecast is expected to fall below the previous announcement, leading us to revise our earnings forecast downward.

The exchange rates on which the full-year business forecast is based on the assumption of 1 US dollar = 148.61 yen, 1 euro = 172.77 yen, and 1 Swedish kronor = 15.58 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.