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11th Medium-Term Management Plan

FY2026-FY2028

June 19, 2026

COSEL CO.,LTD.

TSE Prime 6905

Review of the 10th Medium-Term Management Plan

Review of the 10th Medium-Term Management Plan

1. Proper profit and cost management

Operating margin Target: 15.0%+ ➡ Actual: -2.8%

- Price revisions during the year temporarily improved profit, but variable costs (material costs and assembly costs) continued to rise, reducing profit
- A sharp decline in sales due to inventory adjustments increased the fixed-cost and significantly lowered the operating margin

2. Improving the new-product sales ratio

New-product ratio Target: 21.0%+ ➡ Actual: 13.6%

- We pursued earnings improvement by shifting to new products, but switching to successor models took longer than expected, and the new-product contribution ratio fell short of the target
- As a standard power supply maker, we reaffirmed the importance of successor-model lineup and revised our development plan

3. Strengthening the European business

EU sales Target: EUR71.6M ➡ Actual: EUR 36.3M

- To create synergies from the PRBX acquisition aimed at expanding sales in Europe, at PRBX the number of COSEL power-supply development projects incorporating COSEL products has increased, but contributing to sales is taking time
- Partly due to the European economic slowdown, sales in Europe declined significantly

4. Business alliance with LITEON

Building the foundation for the 11th Medium-Term Management Plan

- July 2024 Capital and business alliance with Taiwanese power supply maker LITEON
- Toward the 11th Medium-Term Plan (FY2026-2028), we carried out five business-cooperation team activities
- FY2025 onward, launched products under the new mid-range market brand COSELSYNC. and strengthened the product development structure

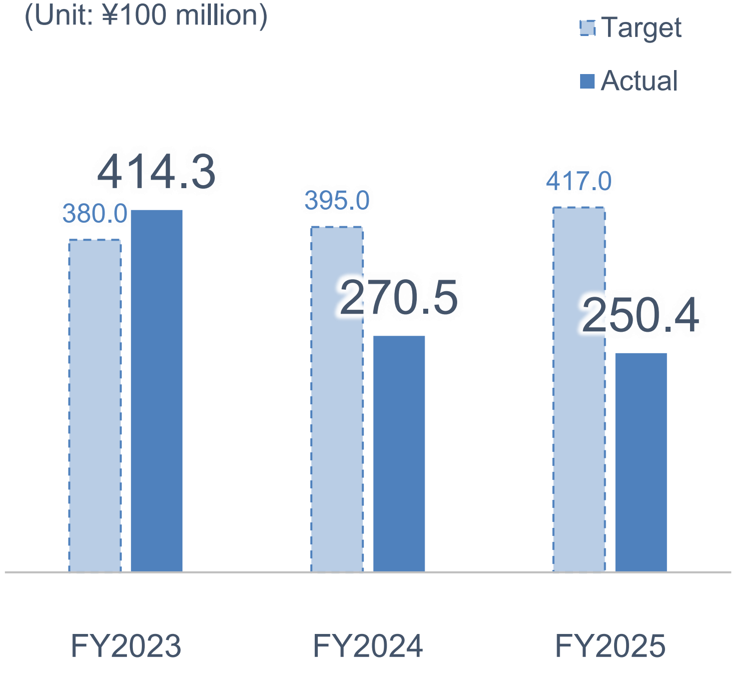
Review of the 10th Medium-Term Management Plan

Our response to changes in the market environment was delayed, and the plan was not achieved

Taking the shortfall seriously, we will rebuild our earnings base under the 11th Medium-Term Management Plan

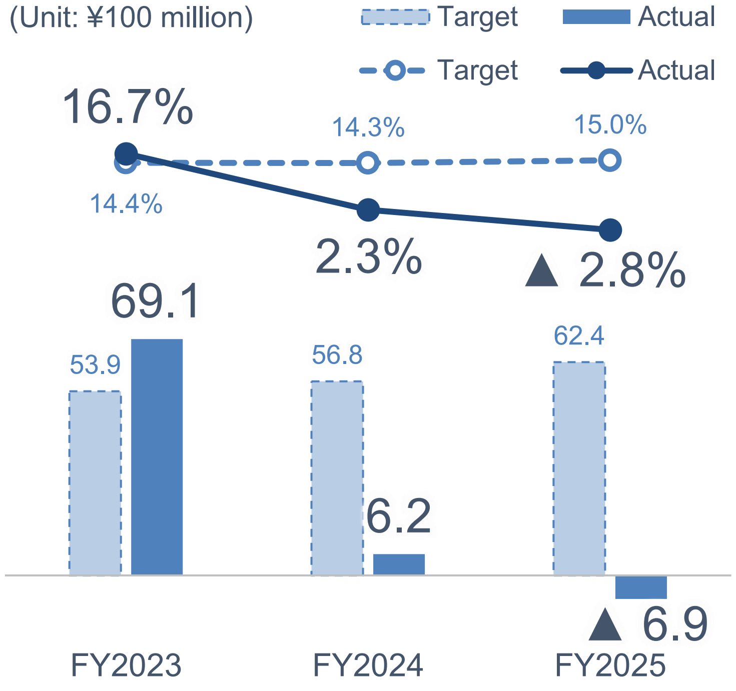
Consolidated Net Sales

(Unit: ¥100 million)

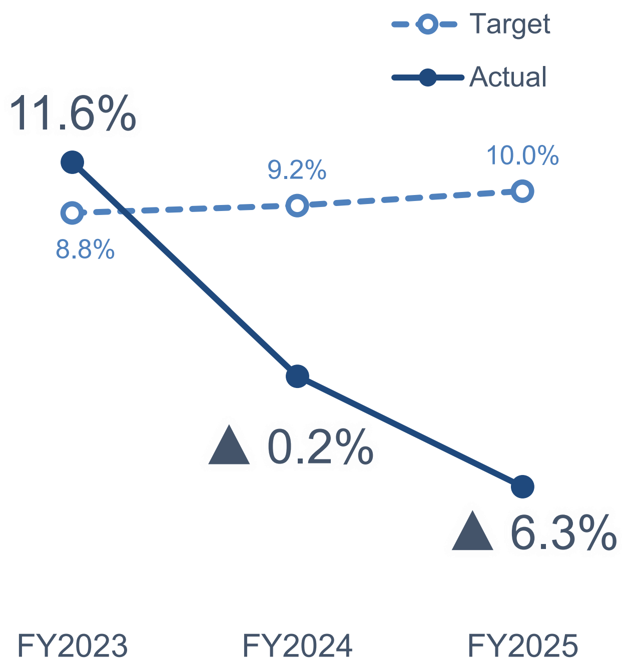


Consolidated Operating Profit and Margin

(Unit: ¥100 million)



Consolidated ROE



11th Medium-Term Management Plan

Vision: 11th Medium-Term Plan to the 12th Medium-Term Plan (FY2031)

With products and services that capture customer-centric needs, become an indispensable presence in a smart energy society

Key Measures: 11th Medium-Term Plan (FY2028)

Maintaining the trust built in the standard power supply business and through active investment in growth fields, we aim for sustainable corporate growth

	11th Medium-Term Plan FY2028		12th Medium-Term Plan FY2031
ROE	5.2%+	→	8%+
Operating margin	8.5%+	→	15%+

11th Medium-Term Management Plan: Our Operating Environment

■ External Environment

Global Economic Trends

- Amid concerns over the impact of U.S. tariffs, AI demand growth sustains overall expansion
- The U.S., Europe, and Japan grow moderately, while China slows as the effects of stimulus measures fade
- Toward carbon neutrality, efforts in renewable energy use, resource conservation, and energy conservation are accelerating

Electronics Industry

- AI-driven acceleration of digitalization is rapidly expanding semiconductor demand for servers and data centers
- The industrial equipment market remains sluggish due to delayed inventory adjustments and China's economic slowdown
- Demand related to renewable energy, energy conservation, and energy storage will continue to expand

■ Internal Environment

The Company's Situation

- Investment in growth fields such as semiconductor manufacturing equipment and renewable energy has been limited
- Our domestic standard power supply share is high at about 1/3 but is saturated, while overseas sales have not grown and our share remains low
- Further component price increases are expected against a backdrop of rising material costs

11th Medium-Term Management Plan: Outlook for the Next 3 Years

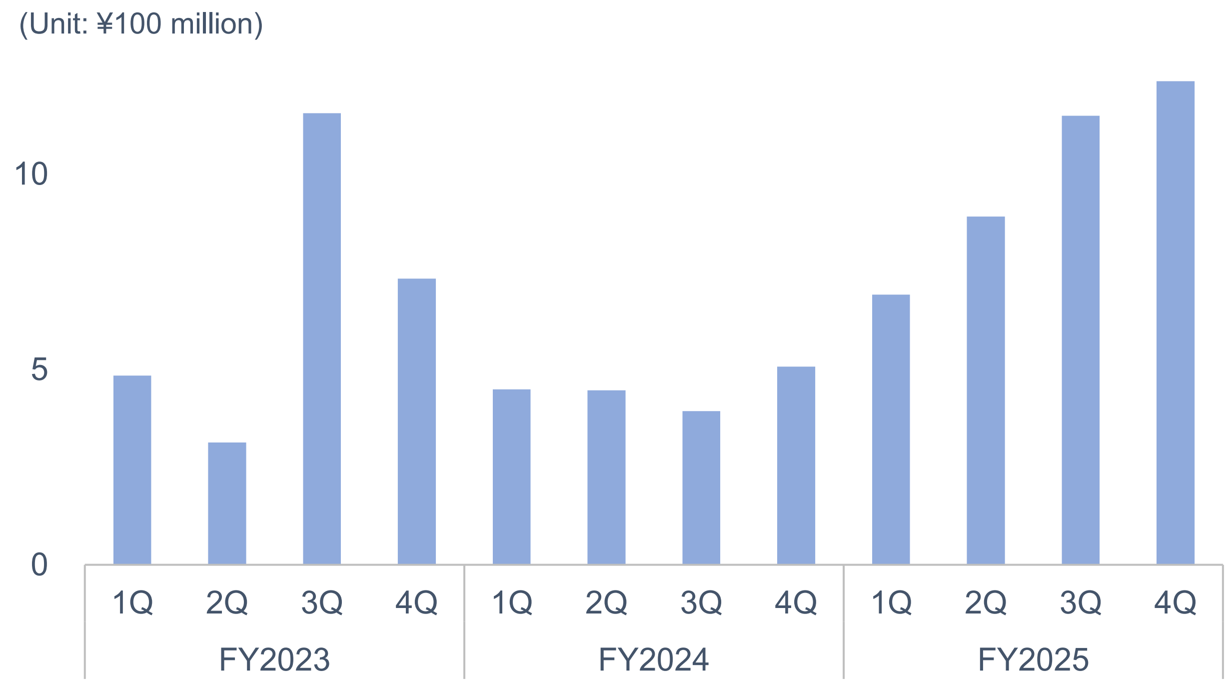
	External Environment: Overall Market	External Environment: Electronics Industry	Internal Environment
Opportunities	• AIGrowing demand • Renewable energy use toward carbon neutrality • Accelerating resource and energy conservation efforts • Infrastructure renewal	• Digitalization and AI investment acceleration • Renewable energy, energy conservation, and energy storage demand will keep expanding • Stronger decarbonization response	• Brand strength in high quality and high reliability • Before- and after-care service • Expanded product lineup
Risks	• Increasing geopolitical risk • Chinese economic slump • Uncertainty in component procurement • Impact of population decline • Foreign-exchange fluctuations	• Slowdown in the semiconductor manufacturing equipment market • Promotion of in-house production under Chinese national policy • Stagnant EV demand • Intensifying price competition	• Dependence on the Japanese market • Imbalanced product portfolio • Development lead time • Rising component procurement prices

11th Medium-Term Management Plan: Growth Drivers - Orders for Semiconductor Manufacturing Equipment

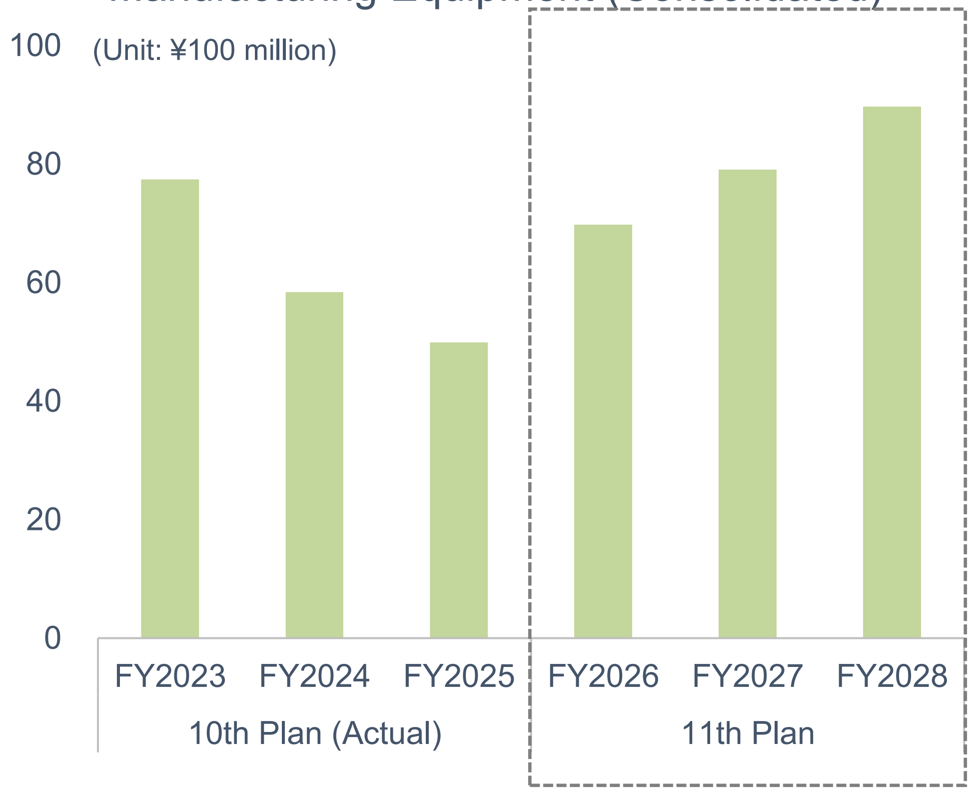
COSEL

AI adoption advances and demand for high-end semiconductors for servers and data centers rapidly expands, this is creating new demand for semiconductor manufacturing equipment, expanding in both volume and applications

Order trends of the top 15 customers in semiconductor manufacturing equipment



Net Sales Related to Semiconductor Manufacturing Equipment (Consolidated)



11th Medium-Term Management Plan: Three Key Strategies

1. Business Portfolio Restructuring

KPI Net sales in growth fields FY2025 ¥5.0 billion ➡ FY2028 ¥9.3 billion or more
(semiconductor manufacturing equipment-related and renewable energy-related fields)

- In light of the slowing growth of the standard power supply business, strengthen the earnings base of existing businesses while creating new businesses through aggressive investment in growth fields

2. Strengthening Overseas Strategy

KPI Overseas net sales FY2025 ¥6.4 billion ➡ FY2028 ¥13.9 billion or more
(PRBX excluded)

- LITEON jointly developed brand COSELSYNC. products for full-scale entry into the mid-range market
- Rebuild region-specific sales expansion strategies to drive overseas sales growth

3. Structural Reform (Improving the Profit Structure)

KPI Operating margin FY2025 -2.8% ➡ FY2028 8.5% or more

- Transform into a highly profitable structure that generates stable profits by optimizing product prices and improving the break-even point

COSEL

1. Business Portfolio Restructuring

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Overall	Standard power supply: COSEL (Standard power supply)	Standard power supply: COSEL (NF)	Standard power supply: COSEL SYNC	Standard power supply: LITEON (Cross-selling)	Specific industries (Semiconductor manufacturing equipment)	New business (Renewable Energy)
Japan	Customer value, reliability Enhanced support	Expanding cost-cutting efforts, expanding into niche markets Enhanced measurement services	Expanding the product lineup Increasing brand awareness	Low-cost, general-purpose lineup Increasing brand awareness	High value-added, niche Strengthening relationships with prospects	High value-added, niche Strengthening relationships with prospects
Overseas: USA	High value-added, reliability, and standards Enhanced support	Expanding cost-cutting efforts, expanding into niche markets	Value for money, reliable quality, product lineup	Low-cost, general-purpose lineup, niche	Expanding initiatives launched in Japan to the rest of the world	
Overseas: EU	High value-added, reliability, and standards Enhanced support			Increasing brand awareness		
Overseas: ASIA	Customer value, reliability, and growing markets Enhanced support	Increasing brand awareness, and enhanced measurement services	Increasing brand awareness			

11th Medium-Term Management Plan: Three Key Strategies

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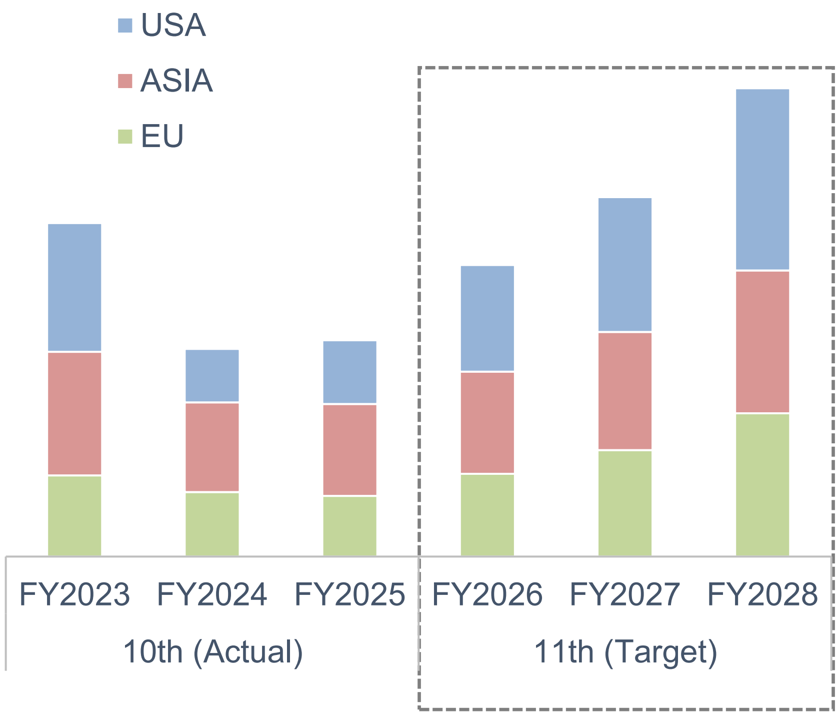
Overseas sales
(PRBX excluded)



Aiming to expand market share with standard power supplies

(1) USA
- LITEON/COSELSYNC. products to expand sales
- Stronger sales expansion in medical device-related products

(2) ASIA
- China/South Korea: semiconductor manufacturing equipment-related products
- COSELSYNC. products to expand sales
- Stronger sales expansion in the Indian market

(3) EU
- COSELSYNC. products to expand sales
- Stronger sales expansion in European semiconductor manufacturing equipment-related products

PRBX : Products developed, manufactured, and sold by our 100% subsidiary Powerbox International AB in Sweden

11th Medium-Term Management Plan: Three Key Strategies

3. Structural Reform (Improving the Profit Structure)

KPI Operating margin FY2025 -2.8% ➡ FY2028 8.5% or higher

- Transform into a highly profitable structure that can stably generate profit by optimizing product pricing and improving the break-even point

Productivity improvement and optimization of the fixed-cost structure

- Achieve productivity improvement through reviewing business processes and advancing DX
- Build an appropriate cost structure that can flexibly respond to changes in the business environment

Advanced variable-cost management and improved profitability

- Thoroughly manage profitability with a focus on the marginal profit margin, and prevent unprofitable projects
- Improve profitability by reducing material costs and advancing an appropriate pricing strategy
- Profit management focused on contribution margin by product and operating income for the entire business

Optimal allocation of organization and resources

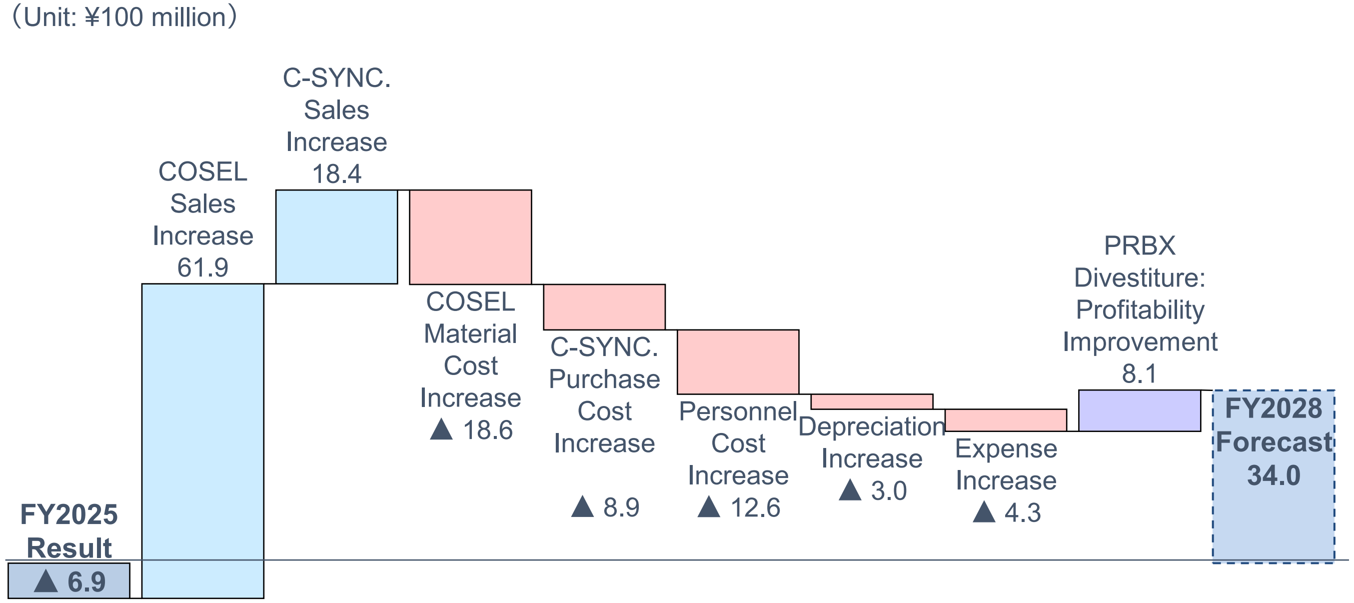
- Flexibly reallocate human and organizational resources in line with the business portfolio
- Shift from departmental optimization to company-wide optimization and maximize the efficient use of management resources

11th Medium-Term Management Plan: Earnings Forecast

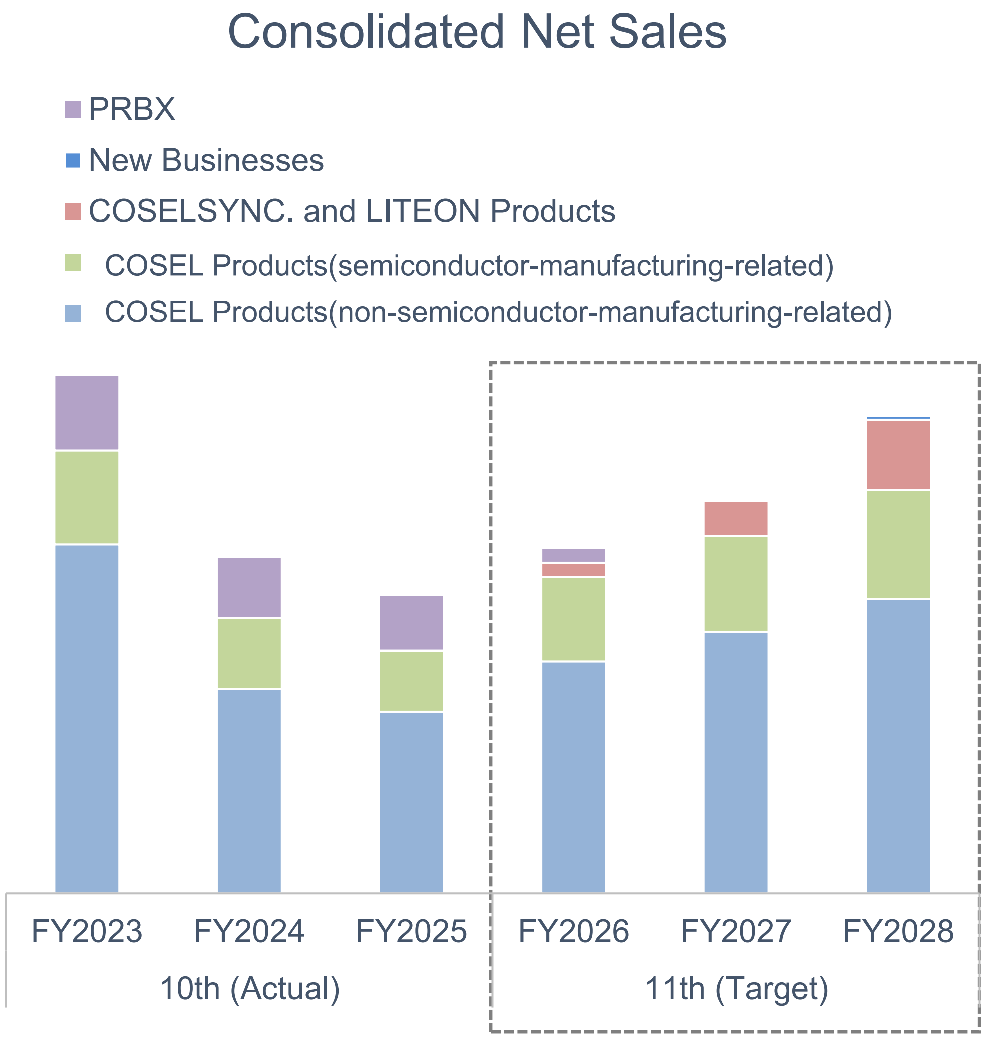
- Transform the profit structure with revenue growth as the core
  Capture growth fields (semiconductor manufacturing equipment-related, and renewable energy-related) and expand the business alliance with LITEON
- Strengthen the earnings structure through pricing strategy, containment of material cost increases, and fixed-cost management
- Operating profit FY2025 -¥0.69 billion ➞ FY2028 ¥3.4 billion

(Unit: ¥100 million)	FY2025 Actual	FY2028 Plan	Changes
Net sales	250.4	400.0	+400.0 +59.7%
Operating profit	-6.9	34.0	+40.9
Operating margin	-2.8%	8.5%	+11.3pt
ROE	-6.3%	5.2%	+11.5pt
USD / JPY	151.95	155.00	+3.05
EUR / JPY	176.74	182.50	+5.76

Changes in Operating Profit



11th Medium-Term Management Plan: Earnings Forecast



COSEL Products(non-semiconductor-manufacturing-related)
- As Japan‘s top maker of standard power supplies, build continuing relationships with customers through stable supply of high-quality, high-reliability, high-performance products and a strengthened support structure

COSEL Products(semiconductor-manufacturing-related)
- Stable supply via a production system that can keep up with demand fluctuations
- Develop new products matched to the evolution of semiconductor manufacturing equipment and capture rising demand in AI-related markets

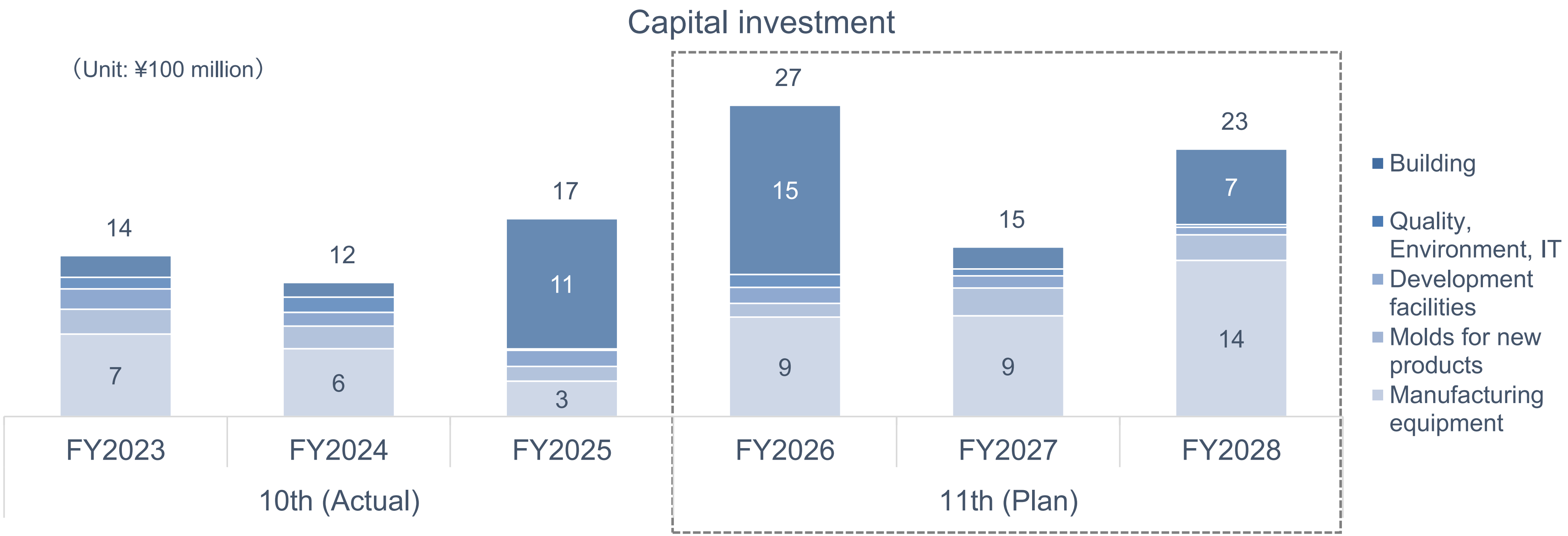
COSELSYNC. and LITEON Products
- COSELSYNC. products and capture middle-range market demand, centered on overseas markets

New Businesses
- Make a full-scale entry into the renewable energy field, which is expected to keep growing in Japan, and contribute to revenue in the 12th Medium-Term Plan (FY2029-2031)

PRBX：Products developed, manufactured, and sold by our 100% subsidiary Powerbox International AB in Sweden

Capital investment plan based on existing businesses

M&A and similar are currently under consideration and are not included in the Medium-Term Plan

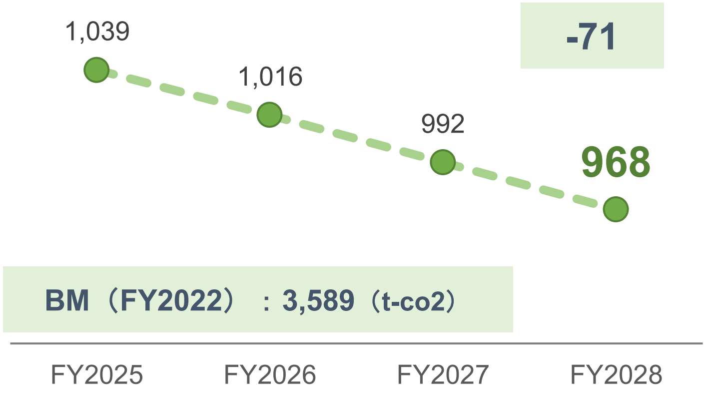


Capital investment (3-year)	Total ¥6.5 billion
Expansion of production capacity	approx. ¥3.1 billion
Extension and renovation of the head office plant	approx. ¥2.3 billion
Expansion and acceleration of new products	approx. ¥0.9 billion

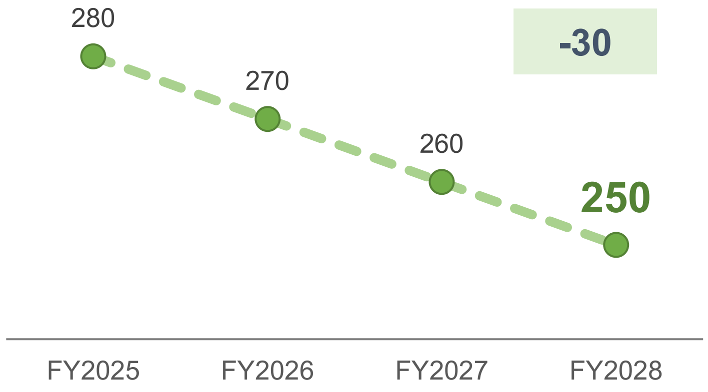
11th Medium-Term Management Plan: Key Management Indicators (Non-Financial)

Reducing climate-change risk

CO2 emissions (t-co2) [Scope1,2] (consolidated)

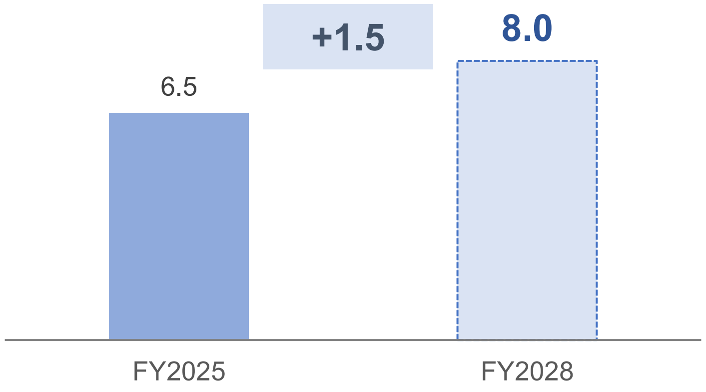


Total emissions (t)

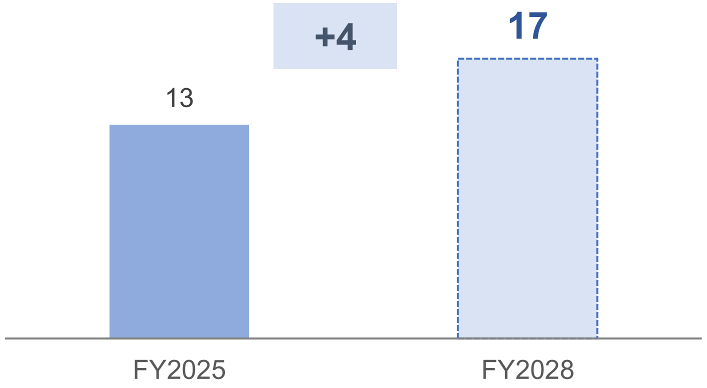


Leveraging the capabilities of diverse talent

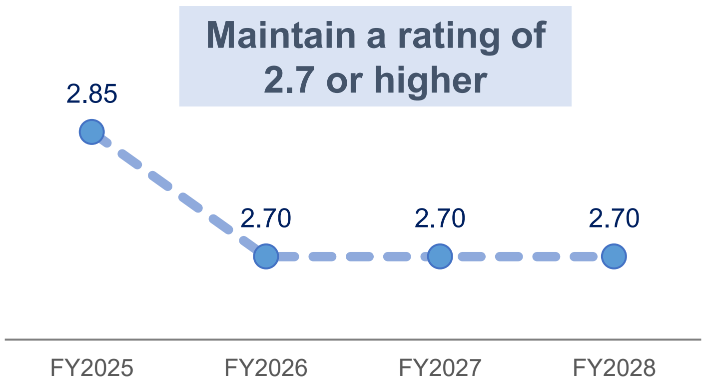
Women in management rate（%）



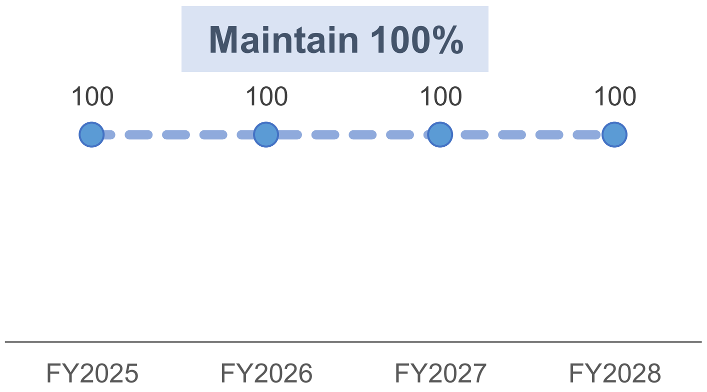
Number of foreign employees



Employment rate for people with disabilities（%）



Male childcare leave rate（%）



11th Medium-Term Management Plan: Key Management Indicators (Non-Financial)

COSEL

E

Reducing climate-change risk

- Reduce CO2 emissions in production activities
- Reduce waste

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

S

Leveraging the capabilities of diverse talent / Improving employee engagement

- Promote health management
- Strengthen management, management strategy, and management capabilities
- Acquire technologies, skills, and knowledge

4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

G

Strengthening the corporate governance structure

- Strengthen risk management through ERM

※ERM: Enterprise Risk Management

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

11th Medium-Term Management Plan: DX Promotion

COSEL's DX elevates the practices cultivated through TQM activities with data utilization and digital technologies, and transforms our business model and organizational culture

DX Management

Substantially enhance corporate value by integrating a quality-first corporate culture with data utilization

Linking Management Strategy with Digital

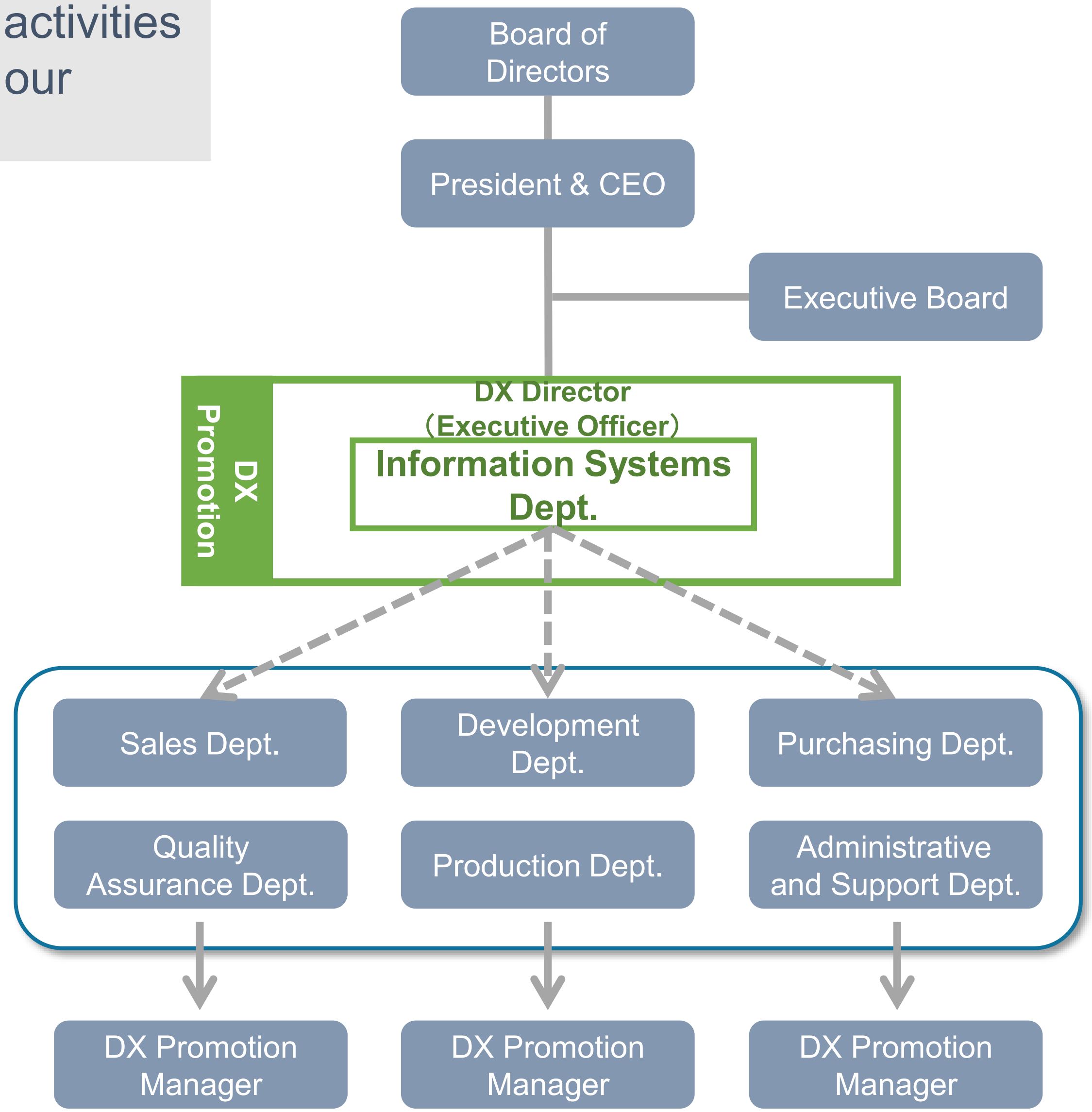
Strengthen our role in a smart-energy society by linking our management vision with our DX strategy

Organizational Strengthening through DX Entrenchment

Continuously enhance organizational competitiveness by improving our data infrastructure and embedding data-driven decision-making

Growth Strategy

Strengthen DX-driven management through initiatives such as turning products in priority fields into data services and developing decarbonization technologies



Broader, faster, in sync with the world.

COSELSYNC.

Synchronization

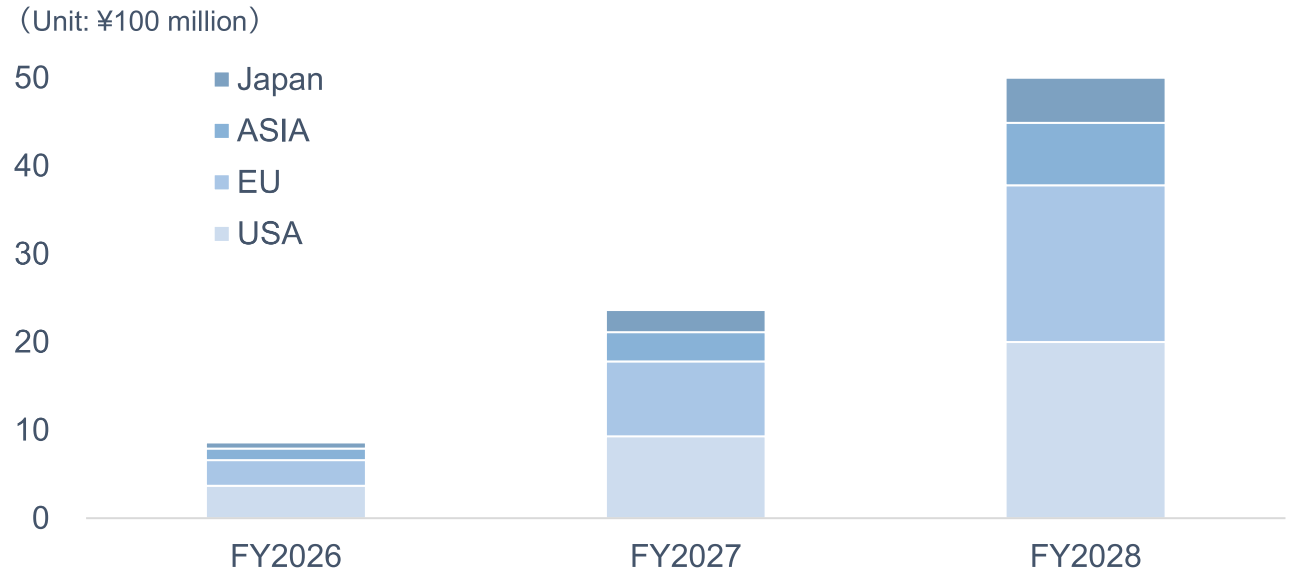
COSEL brand will further sharpen its strengths in the premium market,
COSELSYNC. brand, we will make a full-scale entry into the world's mid-range market.

Global rollout of a two-brand strategy spanning premium and mid-range

- **Greatly expand coverage of two distinct markets**
- **Each serves as a gateway for the other, maximizing synergy**

LITEON Business Alliance

COSELSYNC. Products Sales Target



Key growth drivers
USA market: unit-type products
EU market: DIN-rail-type products

COSELSYNC.'s strengths
Easy-to-choose price points and services, offering a new option

COSELSYNC. is COSEL's new brand targeting the mid-range market.
COSEL will capture new markets it has previously been unable to enter, becoming a second growth driver that dramatically elevates corporate value

Shareholder Returns

Strengthening Shareholder Returns

Continuation of the progressive dividend and a higher DOE level
(Progressive dividend: a policy that, in principle, maintains or increases dividends without reducing them)

We position the enhancement of medium- to long-term corporate value and the strengthening of shareholder returns as key management priorities

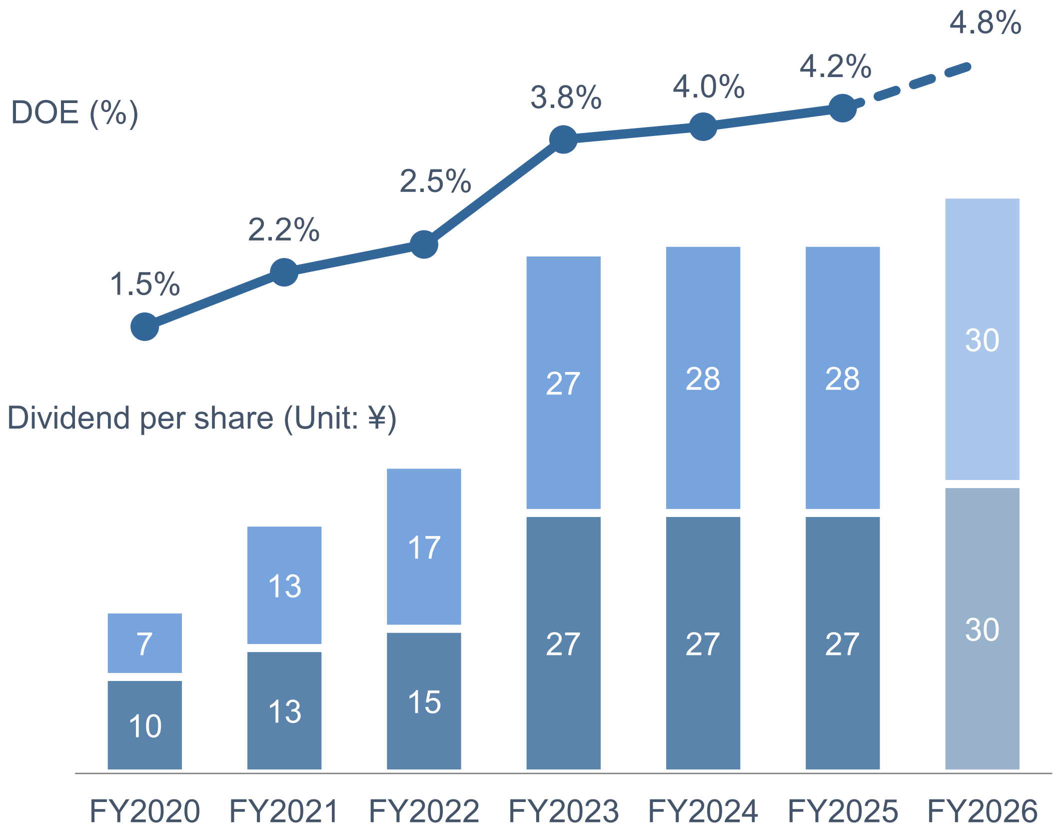
Under the 11th Medium-Term Plan, we will continue our progressive dividend policy and, to further strengthen shareholder returns, raise the lower limit of DOE (Dividend on Equity), an indicator of dividend level, from 3.5% to 4.5%

- Aim for earnings recovery under the 11th Medium-Term Plan and raise the DOE level
- Continue the progressive dividend (in principle, no dividend cut)
- Promote both growth investment and shareholder returns
- Implement stable and continuous shareholder returns

Strengthening Shareholder Returns

COSEL

Dividend on equity (DOE) 4.5% as our basic policy of a progressive dividend with this level as the lower limit, provide a continuous and stable distribution of surplus, and aim to curb the cost of capital by enhancing trust from the capital markets



Dividend Policy

- Provide continuous and stable dividends DOE 4.5% or higher
- Progressive dividend (a dividend policy of, in principle, not cutting the dividend but maintaining or increasing it)
- Flexible shareholder returns aimed at improving capital efficiency, while balancing them against future investment for growth

Dividend Results and Forecast (per share)

FY2025 (Actual)
Interim ¥27 + Year-end ¥28: Full-year ¥55

FY2026 (Forecast)
Interim ¥30 + Year-end ¥30: Full-year ¥60

From FY2026, the dividend policy (DOE level) is changed
Before: DOE 3.5% → After: DOE **4.5%**

Introduction of a Shareholder Benefit Program

As a token of appreciation for the continued support, for shareholders who have continuously held our shares for 1 year or more, we have decided to introduce a shareholder benefit program.

As for the contents of the benefit program, with the aim of satisfying our shareholders and out of our wish to contribute to Toyama, our home region, we will offer foods and local specialties such as crafts from the Hokuriku region, centered on Toyama Prefecture.

Eligible Shareholders

Shareholders who are recorded in the Company's shareholder register as of the record date and who have continuously held 300 shares (three trading units) or more for at least one year will be eligible for the program.

For details, please refer to the separate notice "Notice Regarding the Introduction of a Shareholder Benefit Program“ released on the same date.

Update on Cost of Capital and Stock Price–Conscious Management Initiatives

Basic Approach to Enhancing Corporate Value

Aim to maintain a state where ROE consistently exceeds the cost of capital

11th Medium-Term Plan prioritizes earnings recovery, and in the 12th we aim to ROE8% or higher to stably exceed the cost of capital

Balancing effective growth investment with active shareholder returns

Valuing dialogue with shareholders and investors and strengthening IR activities

Capital-Efficiency-Focused Cash Allocation

While maintaining financial discipline, advance growth investment, business-foundation-strengthening investment, and shareholder returns

Funding Source

Cash on Hand
+
Operating Cash Flow
3-Year Cumulative (FY2026–2028)

Approx. ¥30.0 billion

① Growth Investment
- M&A & alliances
- New businesses & new market development

② Business Base Investment
- Production capacity expansion
- DX/IT investment

③ Shareholder Returns
- DOE4.5% floor, progressive dividend
- Stable and continuous returns

Financial Discipline & Capital Policy
・Maintain a sound financial base
・Secure the liquidity on hand needed for business continuity
・Pursue agile financing in line with growth opportunities

Cautionary Note Regarding Forward-Looking Statements

Forward-looking statements in this material, such as the earnings outlook, are based on information currently available to the Company and on certain assumptions that the Company judges to be reasonable, and they are not intended as a commitment by the Company that they will be achieved.

In addition, actual results and other outcomes may differ materially due to various factors.