September 18, 2026

Consolidated Financial Results for the Three Months Ended August 20, 2026 (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 three months ended August 20, 2026 (from May 21, 2026 to August 20, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 20, 2026	7,814	54.0	545	–	580	–	661	–
August 20, 2025	5,075	(39.6)	(389)	–	(79)	–	(68)	–

Note: Comprehensive income For the three months ended August 20, 2026: ¥824 million [63.1%]
For the three months ended August 20, 2025: ¥505 million [445.8%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
August 20, 2026	16.08	–
August 20, 2025	(1.67)	–

(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
August 20, 2026	61,704	51,836	84.0	1,260.17
May 20, 2026	60,576	52,163	86.1	1,268.13

Reference: Equity
As of August 20, 2026: ¥51,836 million
As of May 20, 2026: ¥52,163 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, 2026	–	27.00	–	28.00	55.00
Fiscal year ending May 20, 2027	–				
Fiscal year ending May 20, 2027 (Forecast)		30.00	–	30.00	60.00

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

3. Consolidated financial forecast for the fiscal year ending May 20, 2027 (from May 21, 2026 to May 20, 2027)

(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
Six months ending November 20, 2026	15,380	38.1	970	–	1,030	779.1	1,430	–	34.76
Fiscal year ending May 20, 2027	31,800	27.0	2,300	–	2,400	798.1	2,600	–	63.21

Note: Revisions to the financial forecast most recently announced: Yes

* **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: None

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 August 20, 2026	41,186,100 shares
As of May 20, 2026	41,186,100 shares

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

As of August 20, 2026	51,938 shares
As of May 20, 2026	51,938 shares

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

Three months ended August 20, 2026	41,134,162 shares
Three months ended August 20, 2025	41,134,170 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 the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes 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.

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1. Overview of operating results, etc.

(1) Overview of operating results for the period

During the three months under review, the global economy maintained growth despite concerns over the impact of destabilization of the situation in the Middle East. This was driven by the fact that the impact was less severe than initially anticipated due to measures such as securing alternative sources of resources and energy, as well as robust demand related to AI. However, uncertainty regarding the situation in the Middle East remains high, and the outlook is becoming increasingly uncertain due to soaring prices and the resulting increases in policy interest rates in various countries, among other factors. Looking at each geographical region, the United States continued to show resilience despite a slowdown in personal consumption due to rising energy prices, driven by AI-related capital investment among other factors. Japan and Europe also experienced the impact of destabilization of the situation in the Middle East but remained solid. On the other hand, China continued to show a slowing trend due to weak domestic demand.

In the electronics industry, demand for semiconductors for servers and data centers continued to increase against the backdrop of promoting digitalization of society through the use of AI. Additionally, there are signs that the automotive and industrial equipment sectors showed a recovery trend.

Under these circumstances, the Group has continued to promote efforts to expand sales through customer visits and strengthen cooperation between the sales and development departments, focusing on making proposals to key customers, particularly centered on new products. Furthermore, in its collaboration with LITE-ON TECHNOLOGY CORPORATION (“LITEON”), the Company continued to focus on activities to expand sales of new brand “COSELSYNC.” products and LITEON products, which have begun to gradually contribute to sales results.

In regard to new products, the Company launched “PDW30F” and “PDW50F” unit-type multi-output AC-DC power supplies, which can be used in a wide range of fields such as FA control equipment and semiconductor production machinery, as well as “FDA50F,” “FDA150F,” and “FDA200F” compact AC-DC power supplies for high-input voltage. The Company also expanded its lineup by introducing “MUS15,” a new model of low-profile, compact general-purpose DC-DC converter in the “MU Series.” This diverse lineup, including existing models, enhances the Company’s ability to meet customer needs.

As a result, with regard to financial results for the three months under review, orders received showed an expansion trend at ¥13,001 million (up 154.9% year on year), while net sales came to ¥7,814 million (up 54.0% year on year). In terms of profit, despite the impact of rising material prices and increases in personnel expenses and other costs, a significant improvement in profitability driven by a recovery in net sales resulted in an operating profit of ¥545 million (operating loss of ¥389 million in the same period of the previous fiscal year) and an ordinary profit of ¥580 million (ordinary loss of ¥79 million in the same period of the previous year). In addition, profit attributable to owners of parent came to ¥661 million (loss attributable to owners of parent of ¥68 million in the same period of the previous fiscal year) mainly due to the recording of profit on liquidation of subsidiaries and associates resulting from the share transfer of a consolidated subsidiary of the Company, Powerbox International AB.

The following are the financial results by segment.

(i) Japan Production and Sales Business

In Japan, driven by the promotion of digitalization in society through the use of AI and robust expansion of capital investment in data centers, demand for semiconductor production equipment is growing rapidly. At the same time, this rapid expansion in demand has raised concerns about the supply of memory and printed circuit boards, among other products, leading to uncertainty regarding future market trends. At the Company, orders have continued to recover since the third quarter of the previous fiscal year, and net sales for the first quarter of the fiscal year under review remained strong.

With regard to sales activities, the Company has continued to strengthen door-to-door sales and is focusing on expanding sales of COSEL new products, as well as COSELSYNC. and LITEON products. In addition, the Company has worked to strengthen information sharing with dealers to respond to the rapid expansion in demand.

As a result, sales to external customers came to ¥4,806 million (up 81.3% year on year), and segment profit was ¥535 million (segment loss of ¥291 million in the same period of the previous fiscal year).

(ii) North America Sales Business

In the United States, demand recovery has continued since the third quarter of the previous fiscal year, partly due to large orders, and net sales for the first quarter of the fiscal year under review remained robust.

With regard to sales activities, the Company is focusing on developing new business by strengthening collaboration with sales representatives and distributors to expand sales of COSELSYNC. and LITEON products, with the aim of making a full-scale entry into the mid-range market.

As a result, sales to external customers came to ¥569 million (up 81.5% year on year), and segment profit was ¥80 million (segment loss of ¥15 million in the same period of the previous fiscal year).

(iii) Europe Production and Sales Business

In Europe, although economic uncertainty has eased somewhat, the demand adjustment phase that began in the previous fiscal year has continued, and as customers have continued to adjust their orders, net sales for the first quarter of the fiscal year under review remained sluggish.

With regard to sales activities, in addition to new COSEL products, the Company is pursuing new business development to expand sales of COSELSYNC. and LITEON products, targeting the mid-range market in a manner similar to the North America Sales Business.

As a result, sales to external customers came to ¥1,515 million (down 0.3% year on year), and segment loss was ¥207 million (segment loss of ¥184 million in the same period of the previous fiscal year).

(iv) Asia Sales Business

In Asia, orders have surged since the third quarter of the previous fiscal year, driven by customers reducing their inventory levels as well as contributions from orders received for major projects. In line with the recovery in demand, net sales for the first quarter of fiscal year under review remained robust.

With regard to sales activities, the Company is pursuing new business development to expand sales of COSEL products, targeting the growing semiconductor production equipment industry in particular.

As a result, sales to external customers came to ¥922 million (up 56.4% year on year), and segment profit was ¥61 million (up 246.8% year on year).

(v) China Production Business

In the China Production Business, orders for both existing and new products have remained robust since the first quarter of the fiscal year under review, and as a result, production volumes are increasing. As orders are expected to continue expanding, the Company is working to strengthen its production system and enhance its parts procurement capabilities to accommodate the increase in production volume.

With regard to new products, the Company has strengthened and expanded production lines for four models in the “FDA Series” and three models in the “PJA Series.” In addition, it is continuously promoting improvement activities with the goals of “maintaining and improving quality” and “improving productivity.”

As a result, intersegment sales came to ¥876 million (up 130.2% year on year), and segment profit was ¥73 million (segment loss of ¥13 million in the same period of the previous fiscal year).

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

1) Orders received and backlog of orders received

	Three months ended August 20, 2026		As of August 20, 2026	
	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	7,357	219.2	8,172	144.3
Onboard power supplies	3,245	135.3	4,267	156.2
EMI filters	747	191.2	716	257.5
PRBX products (*2)	1,650	42.4	4,741	18.4
Total	13,001	154.9	17,898	94.2

2) Net sales

	Three months ended August 20, 2026	
	Net sales (Millions of yen)	Year-on-year change (%)
COSEL products (*1)		
Unit power supplies	4,307	77.7
Onboard power supplies	1,819	47.6
EMI filters	460	77.9
PRBX products (*2)	1,226	5.7
Total	7,814	54.0

(*1) Includes COSELSYNC. and LITEON products.

(*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 August 20, 2026, were ¥48,352 million, down ¥214 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥1,761 million in cash and deposits, despite increases of ¥619 million in notes and accounts receivable - trade, ¥347 million in electronically recorded monetary claims - operating and ¥530 million in inventories.

Non-current assets were ¥13,352 million, up ¥1,342 million from the end of the previous fiscal year. This was mainly due to increases of ¥1,196 million in property, plant and equipment, including buildings and structures, and ¥207 million in total investments and other assets, including investment securities.

As a result, total assets were ¥61,704 million, up ¥1,127 million from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of August 20, 2026, were ¥5,956 million, up ¥1,652 million from the end of the previous fiscal year. This was mainly due to increases of ¥578 million in accounts payable - trade and ¥1,430 million in accounts payable - other, despite decreases of ¥154 million in provision for bonuses, ¥91 million in provision for loss on liquidation of subsidiaries and associates and ¥117 million in other.

Non-current liabilities were ¥3,911 million, down ¥197 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥355 million in provision for loss on liquidation of subsidiaries and associates, despite an increase of ¥183 million in deferred tax liabilities.

As a result, total liabilities were ¥9,868 million, up ¥1,455 million from the end of the previous fiscal year.

(Net assets)

Total net assets as of August 20, 2026, were ¥51,836 million, down ¥327 million from the end of the previous fiscal year. This was due to a decrease of ¥490 million in shareholders' equity, despite an increase of ¥162 million in accumulated other comprehensive income. The increase in accumulated other comprehensive income is mainly due to an increase of ¥154 million in valuation difference on available-for-sale securities. The decrease in shareholders' equity is mainly due to the recording of profit attributable to owners of parent of ¥661 million and dividends of surplus of ¥1,151 million.

As a result, the equity-to-asset ratio was 84.0% (86.1% as of the end of the previous fiscal year).

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

The Company has reassessed its first half and full-year financial forecasts to take into account the progress of financial results during the three months under review, as well as the future economic environment and market trends. As a result, it has revised the first half and full-year financial forecasts it announced in "Consolidated Financial Results for the Fiscal Year Ended May 20, 2026" announced on June 19, 2026.

For specific details, please refer to the "Notice Regarding Revisions of Financial Forecasts for the Second Quarter (Interim Period) and Full Year Ending May 2027" released today (September 18, 2026).

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of May 20, 2026	As of August 20, 2026
Assets		
Current assets		
Cash and deposits	28,370	26,609
Notes and accounts receivable - trade	7,147	7,767
Electronically recorded monetary claims - operating	1,610	1,957
Securities	1,900	1,800
Merchandise and finished goods	2,530	2,805
Work in process	818	895
Raw materials and supplies	5,865	6,044
Other	329	477
Allowance for doubtful accounts	(5)	(4)
Total current assets	48,566	48,352
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,820	10,246
Accumulated depreciation	(4,403)	(4,445)
Buildings and structures, net	3,416	5,800
Machinery, equipment and vehicles	8,296	8,262
Accumulated depreciation	(6,942)	(6,978)
Machinery, equipment and vehicles, net	1,353	1,283
Tools, furniture and fixtures	7,052	6,942
Accumulated depreciation	(6,395)	(6,308)
Tools, furniture and fixtures, net	656	634
Land	1,225	1,225
Leased assets	764	734
Accumulated depreciation	(546)	(544)
Leased assets, net	218	190
Construction in progress	1,125	58
Total property, plant and equipment	7,997	9,193
Intangible assets		
Software	133	126
Software in progress	23	31
Technical assets	171	148
Customer relationship	692	653
Other	5	5
Total intangible assets	1,027	965
Investments and other assets		
Investment securities	2,413	2,638
Retirement benefit asset	332	335
Deferred tax assets	92	81
Other	146	138
Total investments and other assets	2,985	3,192
Total non-current assets	12,009	13,352
Total assets	60,576	61,704

(Millions of yen)

	As of May 20, 2026	As of August 20, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,430	2,008
Accounts payable - other	398	1,829
Lease liabilities	128	112
Income taxes payable	187	204
Provision for bonuses	291	137
Provision for product warranties	87	92
Provision for loss on liquidation of subsidiaries and associates	669	578
Other	1,111	994
Total current liabilities	4,304	5,956
Non-current liabilities		
Deferred tax liabilities	937	1,120
Retirement benefit liability	209	209
Lease liabilities	98	80
Provision for loss on liquidation of subsidiaries and associates	2,775	2,419
Other	88	81
Total non-current liabilities	4,109	3,911
Total liabilities	8,413	9,868
Net assets		
Shareholders' equity		
Share capital	6,042	6,042
Capital surplus	7,157	7,157
Retained earnings	35,208	34,717
Treasury shares	(57)	(57)
Total shareholders' equity	48,351	47,861
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,270	1,424
Foreign currency translation adjustment	2,522	2,535
Remeasurements of defined benefit plans	19	14
Total accumulated other comprehensive income	3,812	3,974
Total net assets	52,163	51,836
Total liabilities and net assets	60,576	61,704

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

Quarterly consolidated statements of income
Cumulative first quarter

(Millions of yen)

	Three months ended August 20, 2025	Three months ended August 20, 2026
Net sales	5,075	7,814
Cost of sales	3,777	5,489
Gross profit	1,297	2,324
Selling, general and administrative expenses	1,687	1,779
Operating profit (loss)	(389)	545
Non-operating income		
Interest income	24	26
Dividend income	33	39
Foreign exchange gains	198	-
Compensation income	53	0
Other	2	3
Total non-operating income	312	70
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	-	34
Other	0	-
Total non-operating expenses	1	36
Ordinary profit (loss)	(79)	580
Extraordinary income		
Profit on liquidation of subsidiaries and associates	-	355
Gain on sale of non-current assets	-	0
Total extraordinary income	-	355
Extraordinary losses		
Loss on retirement of non-current assets	0	6
Total extraordinary losses	0	6
Profit (loss) before income taxes	(79)	929
Income taxes - current	15	167
Income taxes - deferred	(26)	100
Total income taxes	(10)	267
Profit (loss)	(68)	661
Profit (loss) attributable to owners of parent	(68)	661

Quarterly consolidated statements of comprehensive income
Cumulative first quarter

(Millions of yen)

	Three months ended August 20, 2025	Three months ended August 20, 2026
Profit (loss)	(68)	661
Other comprehensive income		
Valuation difference on available-for-sale securities	148	154
Foreign currency translation adjustment	455	13
Remeasurements of defined benefit plans, net of tax	(30)	(4)
Total other comprehensive income	573	162
Comprehensive income	505	824
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	505	824

(3) Notes to quarterly consolidated financial statements

The Company's 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 the accounting principles applicable to interim consolidated 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 segment information)

(1) Three months ended August 20, 2025 (from May 21, 2025 to August 20, 2025)

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

(Millions 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	2,651	313	1,520	589	–	5,075	–	5,075
Intersegment sales	731	–	–	–	380	1,112	(1,112)	–
Total	3,383	313	1,520	589	380	6,188	(1,112)	5,075
Segment profit (loss)	(291)	(15)	(184)	17	(13)	(486)	96	(389)

(Notes) 1. Adjustments for segment profit (or loss) of ¥96 million consists of elimination of intersegment transactions of ¥30 million and elimination of unrealized gain (loss) on inventories of ¥66 million.

2. Total segment profit (loss) and adjustments are consistent with operating loss 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) Three months ended August 20, 2026 (from May 21, 2026 to August 20, 2026)

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

(Millions 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	4,806	569	1,515	922	–	7,814	–	7,814
Intersegment sales	1,200	–	–	–	876	2,077	(2,077)	–
Total	6,007	569	1,515	922	876	9,892	(2,077)	7,814
Segment profit (loss)	535	80	(207)	61	73	543	1	545

(Notes) 1. Adjustments for segment profit (or loss) of ¥1 million consists of elimination of intersegment transactions of ¥34 million and elimination of unrealized gain (loss) on inventories of ¥(32) million.

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)

Not applicable.

(Notes on going-concern assumptions)

Not applicable.

(Notes on quarterly consolidated statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the three months under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended August 20, 2025 and 2026 are as follows.

(Millions of yen)

	Three months ended August 20, 2025	Three months ended August 20, 2026
Depreciation	336	312
Amortization of goodwill	3	–

(Additional information)

Change in consolidated subsidiary (transfer of shares)

On May 20, 2026, the Company concluded an agreement to transfer all shares of its consolidated subsidiary, Powerbox International AB, and completed the transfer of those shares on September 1, 2026.
Following the completion of this share transfer, the Company expects to record an additional profit on liquidation of subsidiaries and associates as extraordinary income in the second quarter. Although the amount may change due to final adjustments to the transfer price, etc., the impact currently expected has been taken into account in the consolidated financial forecasts released today.
Additionally, the Company plans to exclude Powerbox International AB and its subsidiaries from the scope of consolidation starting in the second quarter.