



Results Briefing FY2024 1H (2Q)



FY2024 1H Results

Both 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 of demand due to economic slowdown 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)
- LITEON business & capital alliance expenses (0.2 billion yen)

FY2024 Forecast

Both sales and profit down from plan

- Sales are expected to increase for some semiconductor-related customers, but overall sales are expected to be weak as in 1H
- Profit will decrease due to sales decline, despite efforts to reduce fixed costs
- Orders for the 2H are expected to recover from the fourth quarter, mainly semiconductor-related orders

Business & Capital Alliance with LITEON

Progressing as planned

- Promoting collaborative activities
- Joint numerical targets to be finalized
- Cross-selling will begin in the 2H

FY2024 1H Consolidated Financial Results

Financial year ending May 20, 2025

1H Consolidated cumulative period result



Sales : Sales of products for semiconductor manufacturing equipment and factory automation were sluggish due to customer's inability to digest inventories

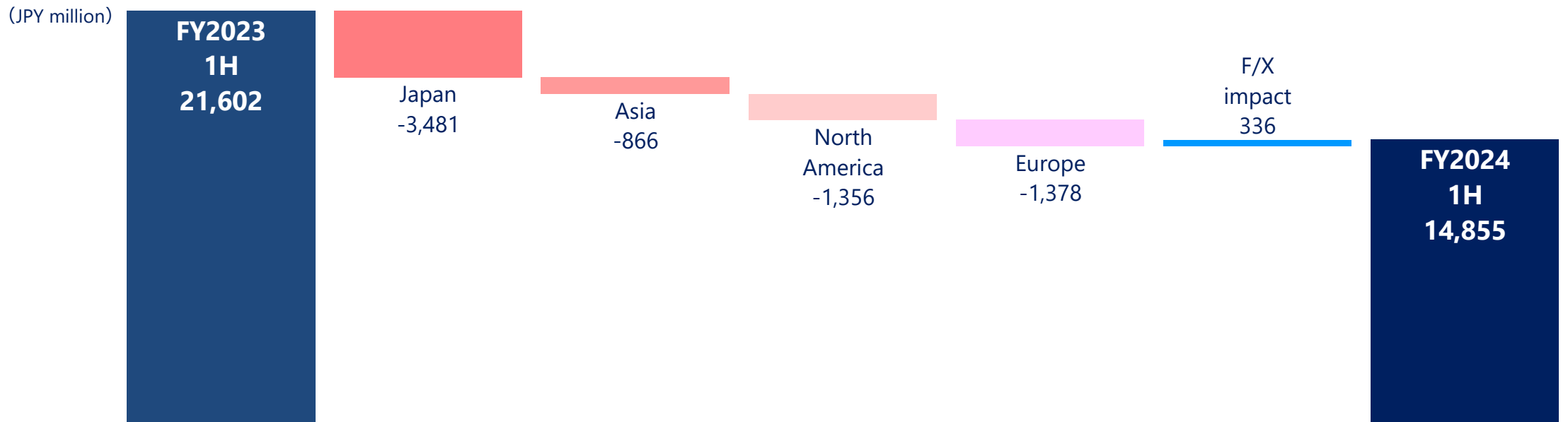
Operating profit : Opportunity losses associated with core system replacement (0.3 billion yen)
LITEON business & capital alliance expenses (0.2 billion yen)

(JPY million)	FY2023-1H	FY2024-1H					
		Forecast	Result	YoY		vs. Forecast	
				Change	%	Change	%
Net sales	21,602	17,910	14,855	-6,746	-31.2%	-3,054	-17.1%
Operating profit	4,218	2,102	634	-3,584	-85.0%	-1,467	-69.8%
%	19.5%	11.7%	4.3%	-15.2p	-	-7.4p	-
Ordinary profit	4,898	2,170	594	-4,304	-87.9%	-1,575	-72.6%
%	22.7%	12.1%	4.0%	-18.7p	-	-8.1p	-
Profit attributable to owners of parent	3,539	1,332	278	-3,260	-92.1%	-1,053	-79.1%
Average exchange rate							
USD / JPY	+143.72	+147.00	+152.11	+8.39	-	+5.11	-
EUR / JPY	+155.38	+160.00	+165.77	+10.39	-	+5.77	-
SEK / JPY	+13.32	+14.00	+14.48	+1.16	-	+0.48	-

Year - on - Year Changes in Sales

-6.7 billion yen YoY (-31.2%)

- 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

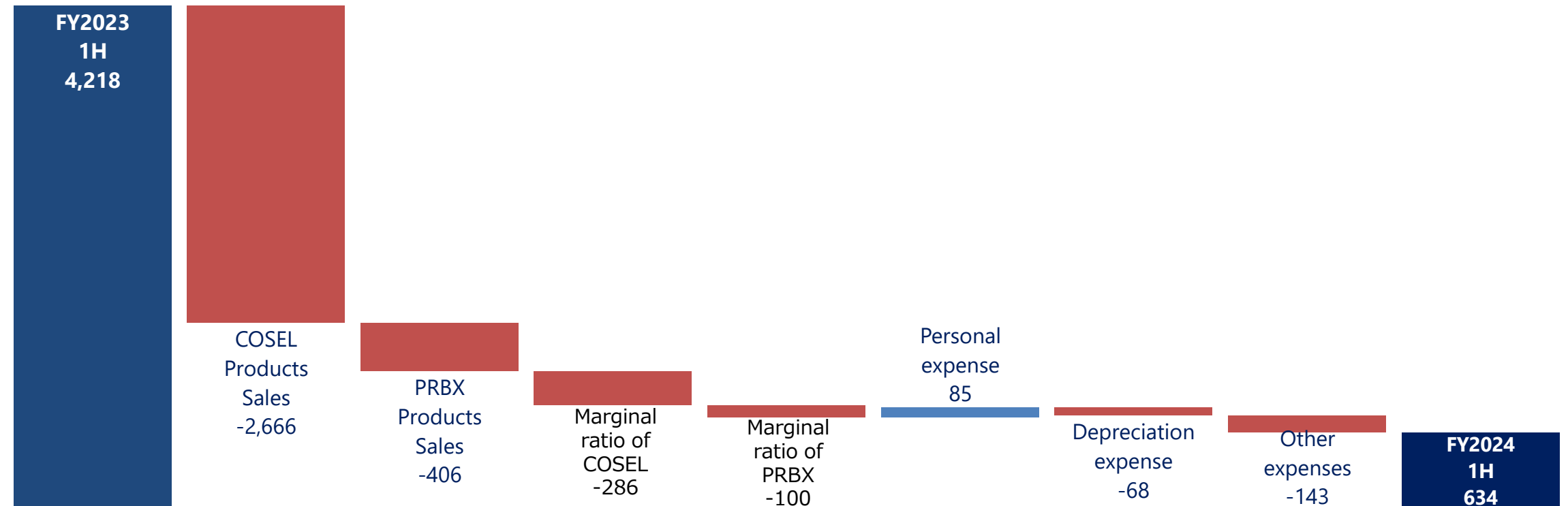


Year - on - Year Changes in Operating Profit

-3.5 billion yen YoY (-85.0%)

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

(JPY million)

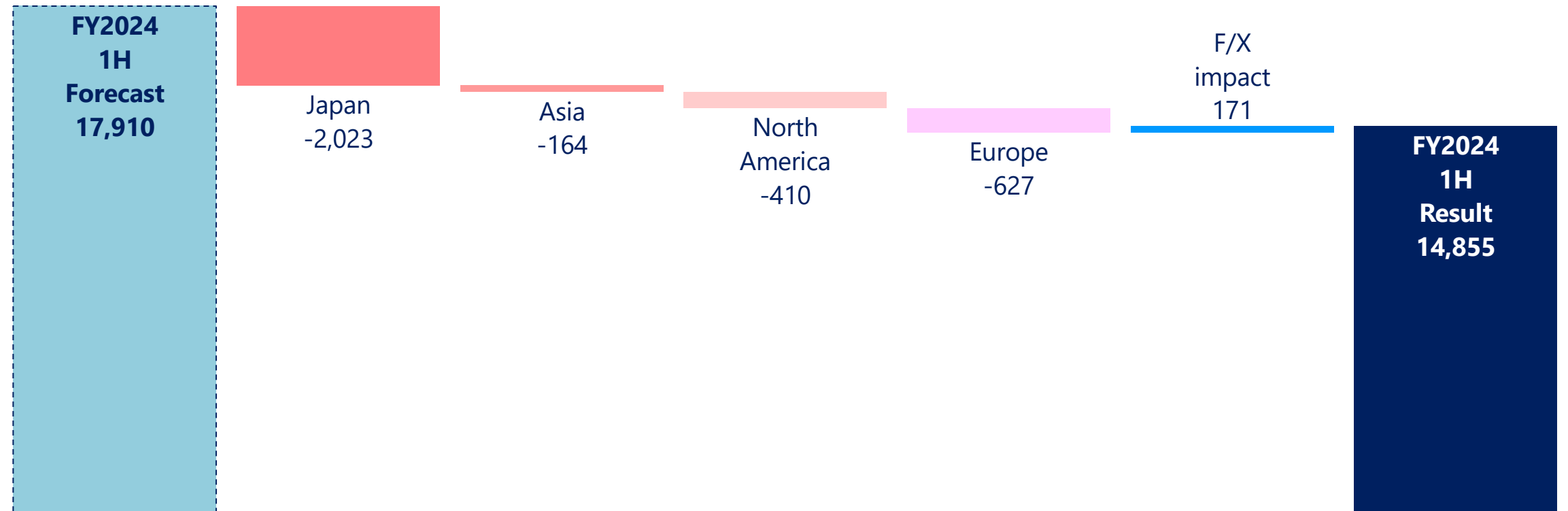


Sales Compared to Forecast

-3.0 billion yen vs. forecast (-17.1%)

- by segment : Japan -17.1% Asia -11.2% North America -34.9% Europe -18.1%
- Order adjustment due to customers' advance arrangements, demand adjustment due to the U.S. presidential election, demand adjustment due to China's economic slowdown

(JPY million)

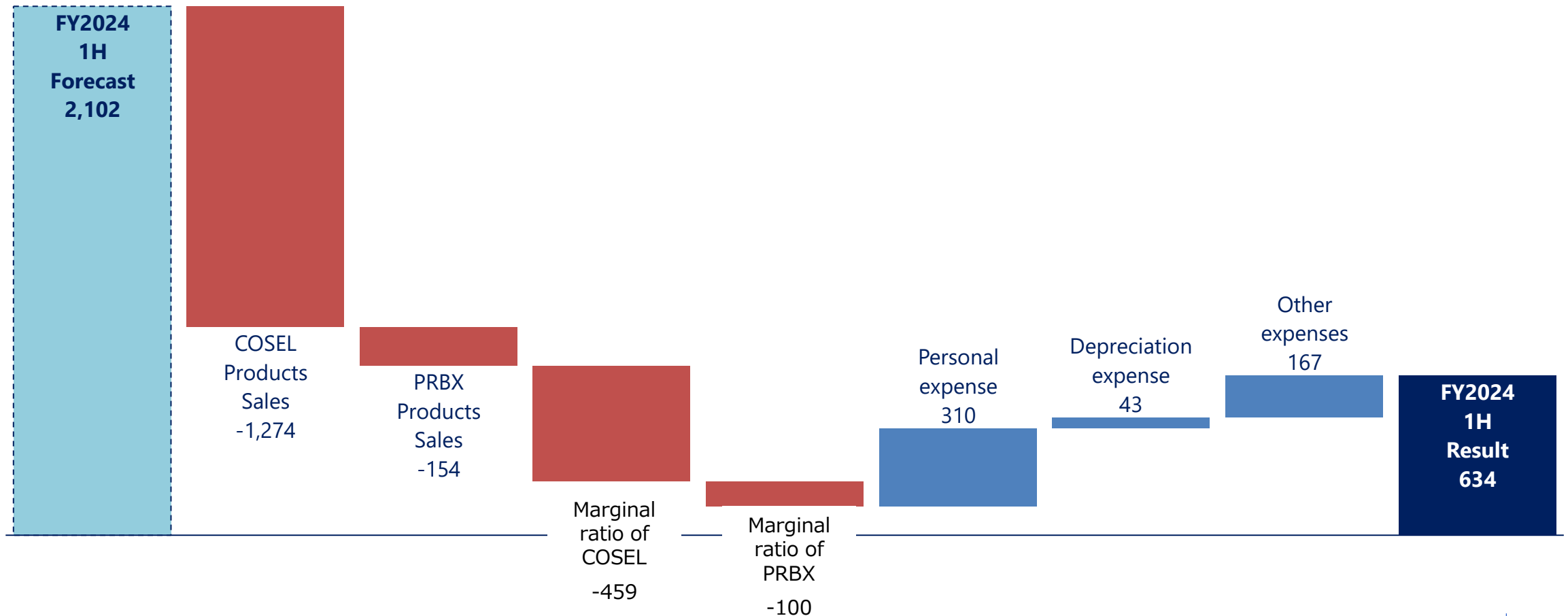


Operating Profit Compared to Forecast

-1.4 billion yen vs. forecast (-69.8%)

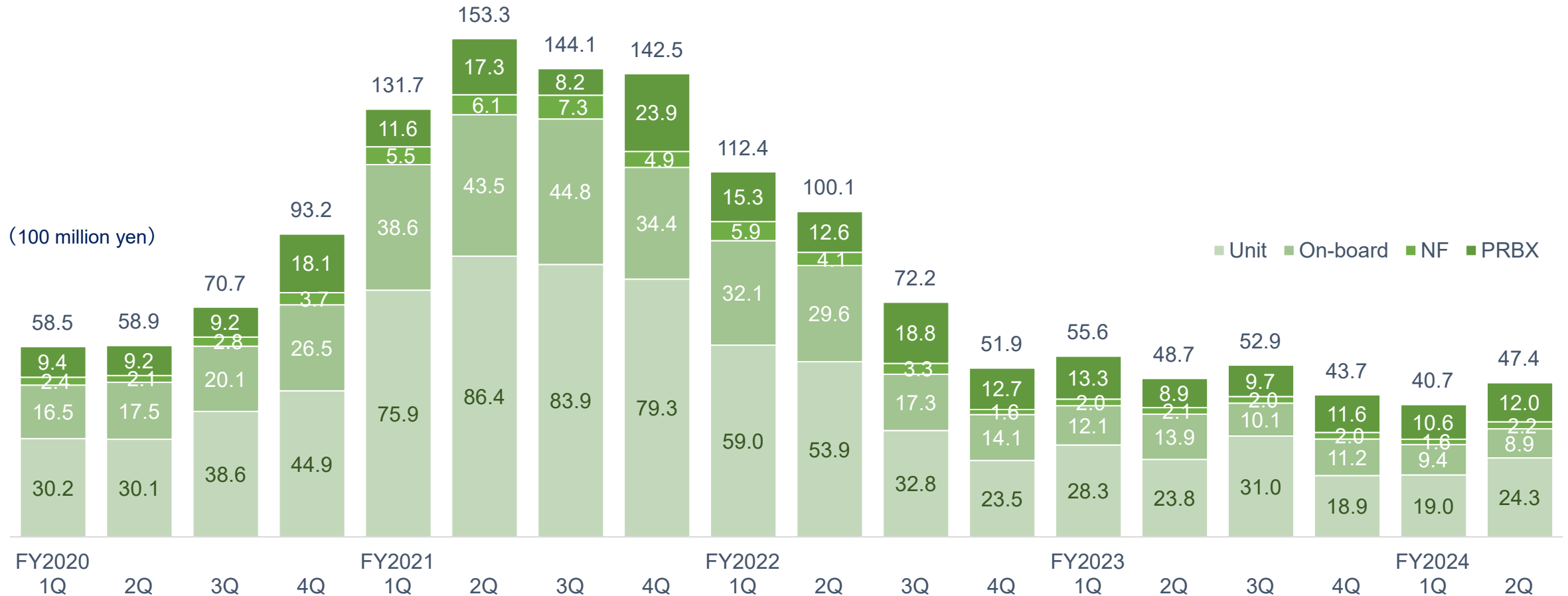
- Decrease in operating profit due to weak sales as customers failed to digest inventory
- Slow recovery of demand due to economic slowdown in China

(JPY million)



Orders Received

- 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



Consolidated Balance Sheets



Total Assets : 62.6 billion yen (+8.2 billion yen YoY) Equity-to-asset ratio : 92.6% (+6.0p)

Cash and deposits +11.2 billion yen (Capital increase by LITEON)

Inventories +0.5 billion yen (Increased in preparation for next fiscal year's orders)

(JPY millions)	May 20 2024	November 20 2024	Changes
Cash and deposits	16,909	28,195	11,285
Notes and accounts receivable - trade	9,785	7,075	▲ 2,710
Electronically recorded monetary claims - operating	2,422	1,738	▲ 684
Inventories	11,533	12,085	551
Total current assets	41,161	49,532	8,371
Total property, plant and equipment	7,566	7,575	8
Total intangible assets	1,441	1,463	22
Total investments and other assets	4,227	4,113	▲ 114
Total non-current assets	13,235	13,152	▲ 83
Total Assets	54,397	62,685	8,287
Equity-to-asset ratio	86.6%	92.6%	6.0pt

	May 20 2024	November 20 2024	Changes
Accounts payable - trade	1,776	1,511	▲ 264
Accounts payable - other	1,092	444	▲ 647
Total current liabilities	6,008	3,446	▲ 2,561
Deferred tax liabilities	462	597	135
Total non-current liabilities	1,131	1,206	74
Total liabilities	7,139	4,652	▲ 2,486
Total shareholders' equity	44,544	55,523	10,979
Total accumulated other comprehensive income	2,542	2,508	▲ 33
Equity	47,086	58,031	10,946
Non-controlling interests	170	0	▲ 170
Total net assets	47,257	58,032	10,774
Total liabilities and net assets	54,397	62,685	8,287

FY2024 Consolidated Financial Results Forecast

FY2024 Forecast



FY2024 Forecast

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

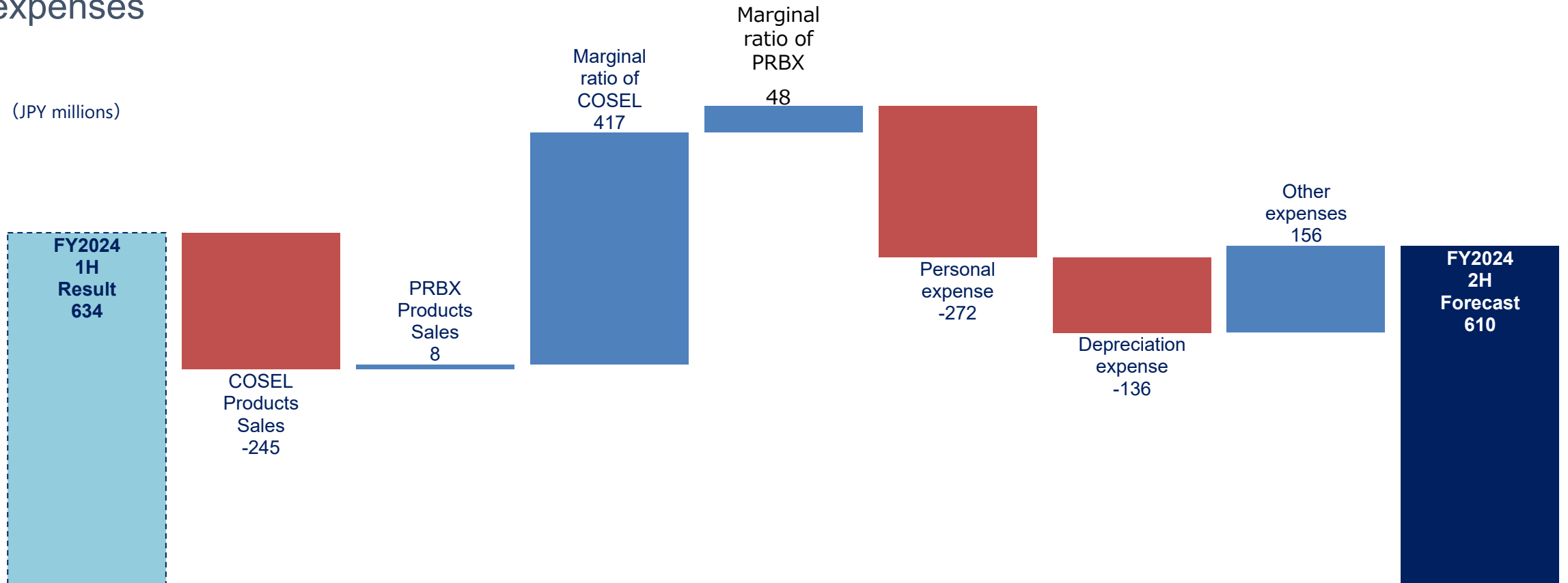
Operating profit : 1.2 billion yen (Change from initial forecast -4.0 billion yen -76.6%)

(JPY million)	FY2024			FY2024			Change		
	[As of Jun.19]			Result	Revised Forecast		1H	2H	Full Year
	1H	2H	Full Year	1H	2H	Full Year			
Net sales	17,910	20,090	38,000	14,855	14,318	29,174	-3,054	-5,772	-8,826
Operating profit	2,102	3,217	5,319	634	610	1,245	-1,467	-2,607	-4,074
%	11.7%	16.0%	14.0%	4.3%	4.3%	4.3%	-7.4pt	-11.7pt	-9.7pt
Ordinary Profit	2,170	3,274	5,444	594	683	1,278	-1,575	-2,591	-4,166
%	12.1%	16.3%	14.3%	4.0%	4.8%	4.4%	-8.1pt	-11.5pt	-9.9pt
Profit attributable to owners of parent	1,332	2,360	3,692	278	472	751	-1,053	-1,888	-2,941
Average exchange rate									
USD / JPY	147.00	147.00	147.00	152.11	145.00	148.56	+5.11	-2.00	+1.56
EUR / JPY	160.00	160.00	160.00	165.77	161.00	163.39	+5.77	+1.00	+3.39
SEK / JPY	14.00	14.00	14.00	14.48	14.00	14.24	+0.48	+0.00	+0.24

FY2024 2H Operating Profit Forecast Compared to 1H Result



Orders forecast for the 2H 3Q : Sluggish, 4Q : Moderate recovery mainly in semiconductor-related
 Sales remain soft through the end of this fiscal year
 Operating profit will decrease from 1H due to lower sales, despite efforts to raise prices and reduce expenses



FY2024 2H 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
- Start cross-selling with LITEON and prepare for product expansion

FY2025 Forecast

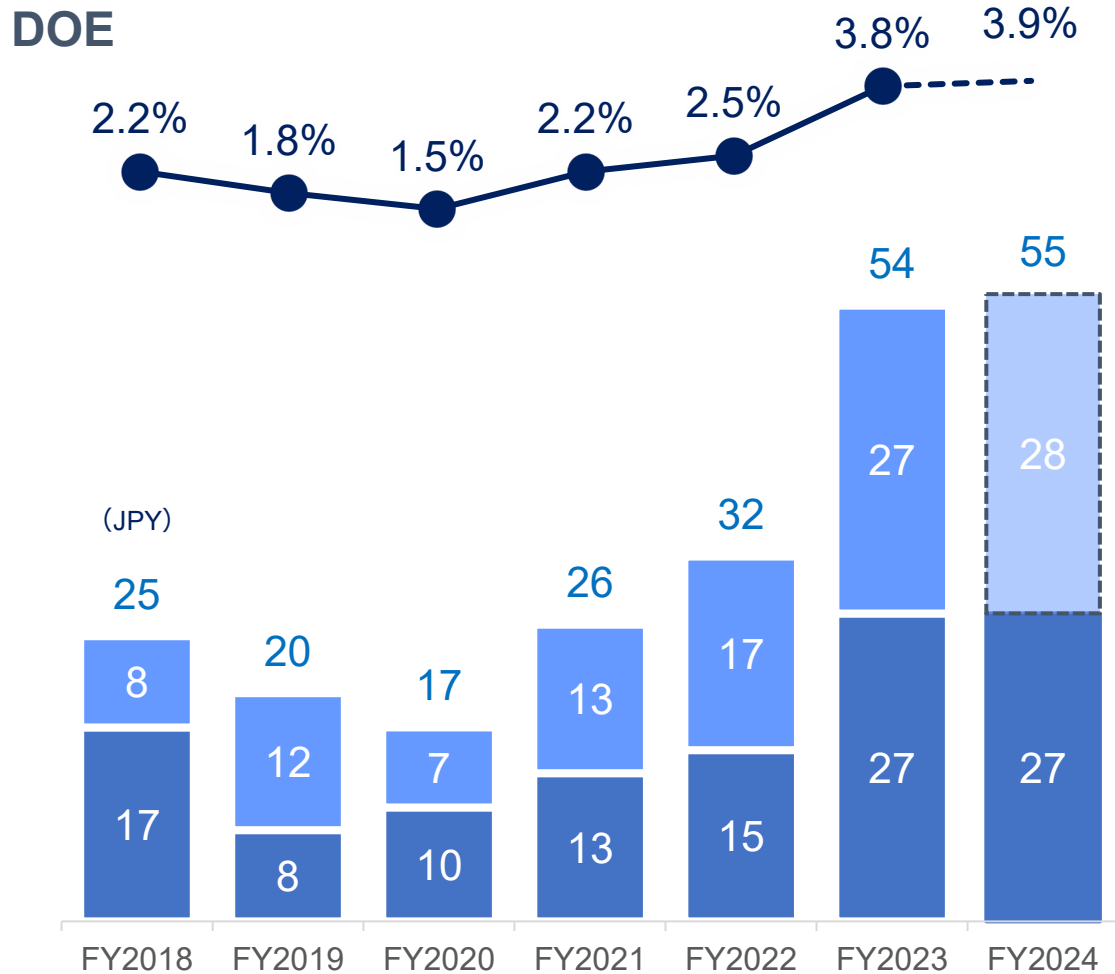
- Aiming to increase sales to existing customers
- Obtaining orders from new customers
- Profit improvement in low-profit products
- Expand cross-selling with LITEON
- Consider and implement drastic measures to achieve the mid-term management plan

Business & Capital Alliance with LITEON

- Continue to expand collaborative activities
- Demonstrate synergy

Shareholder Return

Dividend per share forecast



FY2024 Dividend

Interim dividend **27.00 yen**
 (scheduled to be 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%

Progress of Business & Capital Alliance with LITEON

Expand business by combining the technologies, products and commercial distribution of the two companies



COSEL • LITEON Joint Vision

**Become a worldwide leading brand
in Standard power solution**

100 Days of Collaboration Overview

1st 100DAY : 2024.07-09

2nd 100DAY : 2024.10-12

Next 100DAY : 2025.01-03

	1 st 100DAY : 2024.07-09	2 nd 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 	<ul style="list-style-type: none"> • 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 	

Details of Business & Capital Alliance with LITEON

- Synergy Creation : ① Start of cross-selling ② Joint development of power supplies for medical and industrial applications
- LITEON×COSEL co-brand – Competitive price point and quality / performance

Next 100DAY Action Plan – Key points



Basic Activity Policy

- A) Start selling LITEON products in each region
- B) Joint development and mass production of new products
- C) Opening of COSEL Taipei and establishment of a development laboratory in LITEON's building



Sales by region (Cross-selling)

North America

- Establishment of a contact point in North America for LITEON products
- Establishment of FAE team by both companies

Japan

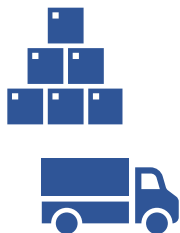
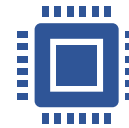
- Establishment of a contact point in Japan for LITEON products

Preparing for cross-selling in Europe and Asia



Development

- Development of medical and industrial equipment power supplies for North America
- Development of high-density, high-power power supplies
- Development of power supplies for Japan
- Development of industrial power supplies for Europe and Asia



Procurement

- Change the commercial distribution of transformers and develop new suppliers
- Stable procurement and reduction of inventory risk and logistics costs and environmental impact through joint purchasing

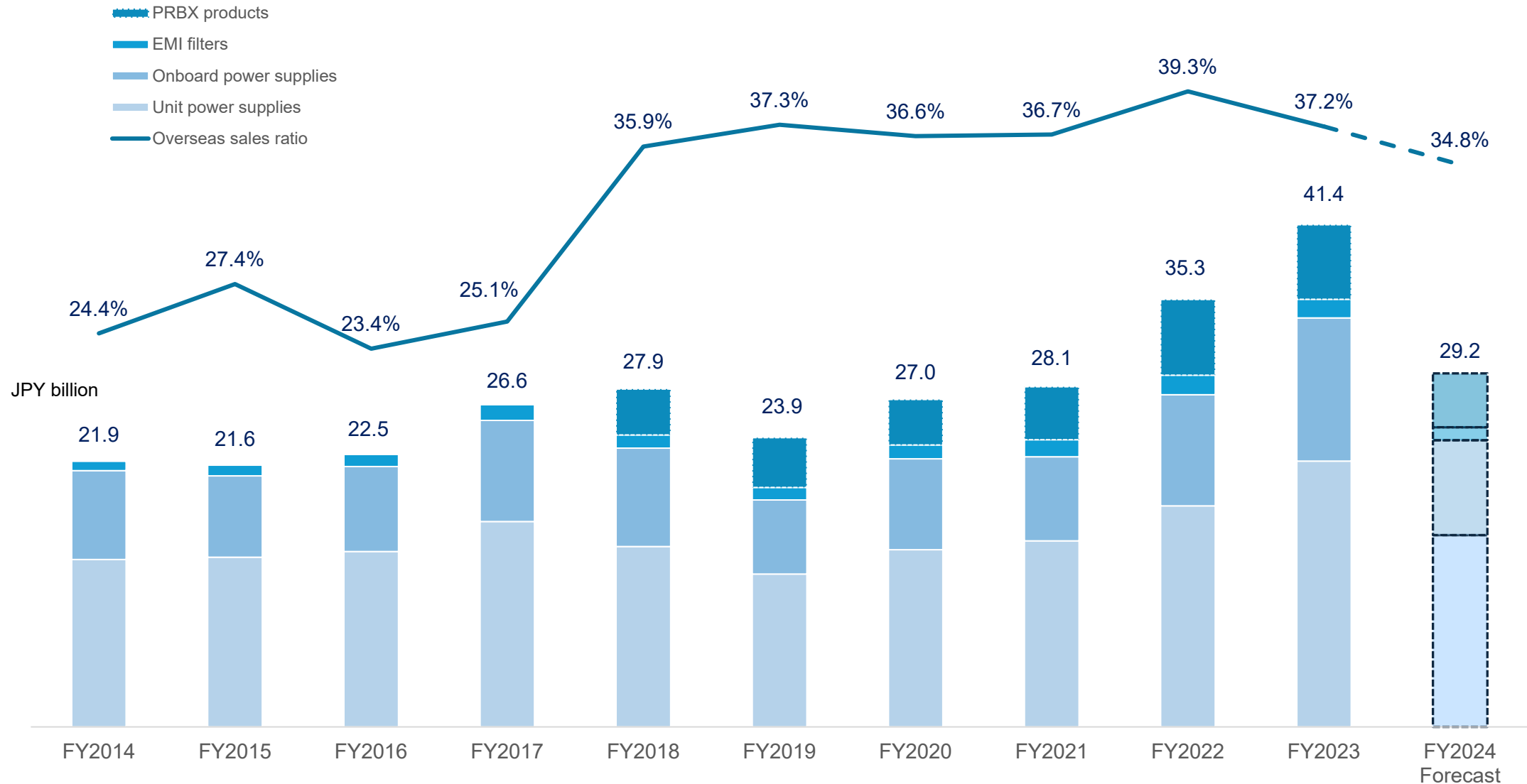


Manufacturing

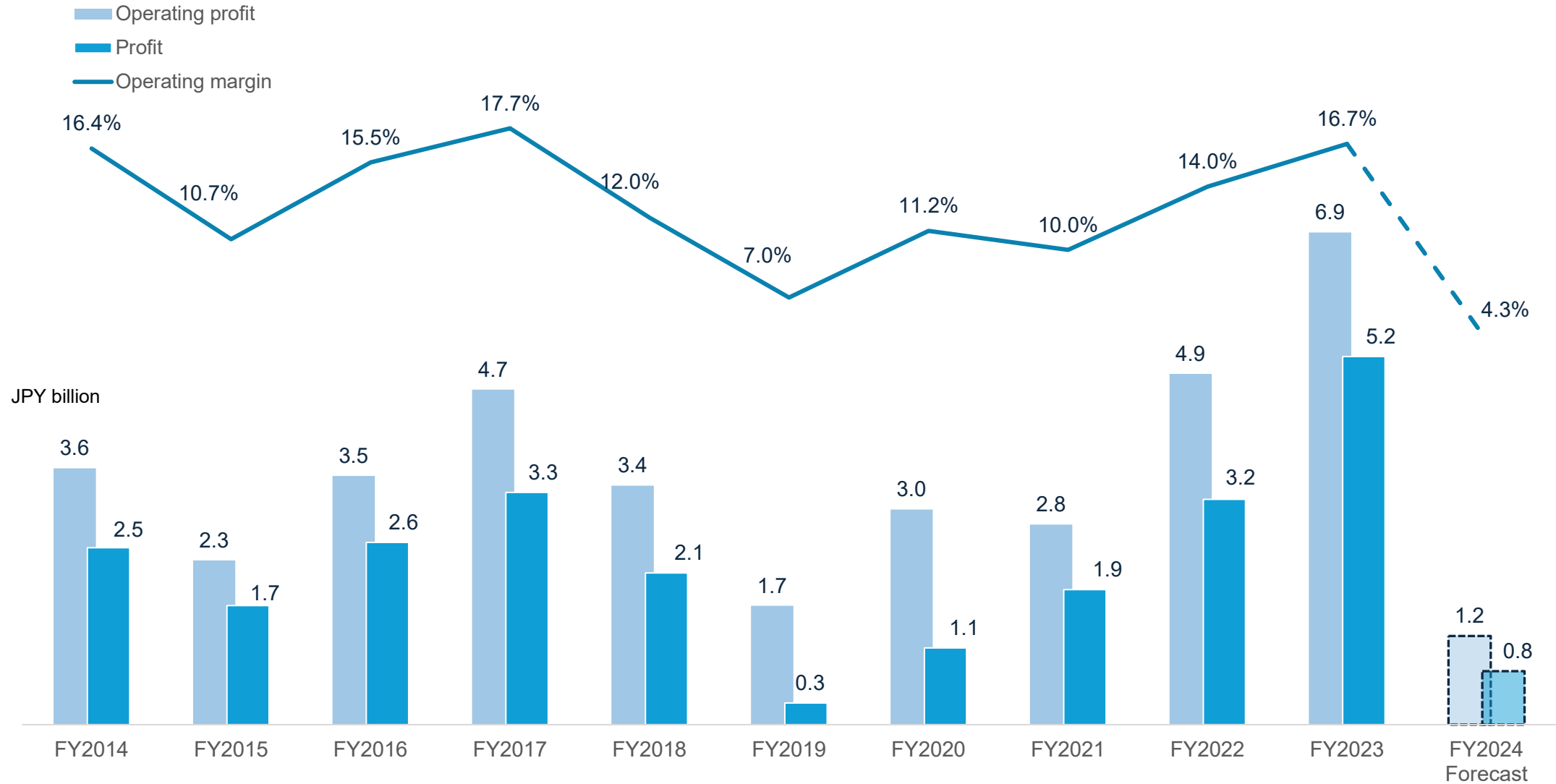
- Sharing the manufacturing system of both companies
- Streamlining the LITEON production line
- Establishment of a quality assurance system

Appendix

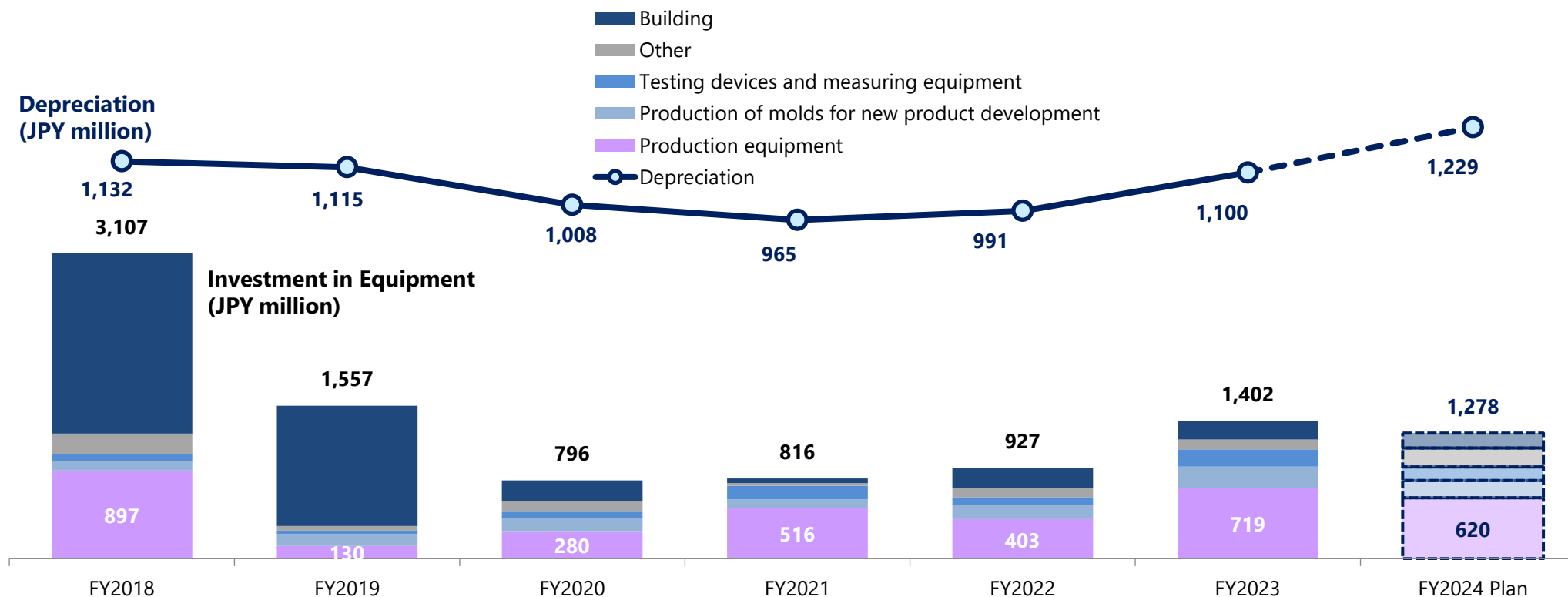
Consolidated Sales and Overseas Sales Ratio



Consolidate Profit

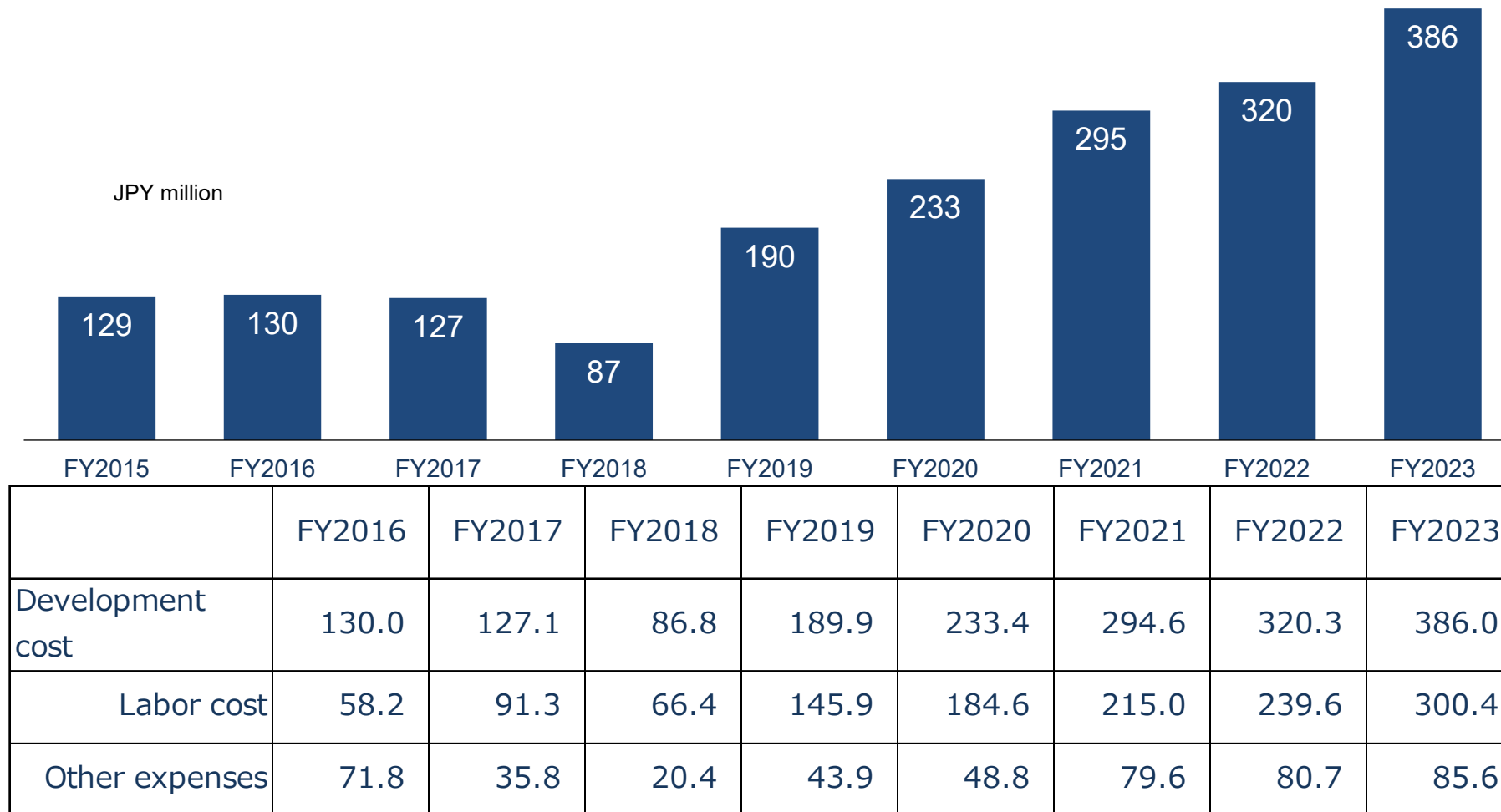


Capital Investment



Main contents of equipment investment	FY2021	FY2022	FY2023	FY2024 Plan
Production equipment	516	403	719	620
(In China)	80	81	52	89
Production of molds for new product development	87	142	217	176
Testing devices and measuring equipment	139	83	177	138
Quality improvement and cost reduction	28	92	101	193
Building	HQ / Tateyama factory	HQ / Tateyama factory	HQ / Tateyama factory	HQ / Tateyama factory
	46	208	189	152

Development Cost



- COSEL : Development cost (Manufacturing ・ Selling) + Laboratory cost
- WUXI : Development department cost
- PRBX : Increment of Development Costs *FY2019~

Powerbox International AB Results

Sales and income down sharply from the previous fiscal year due to the sluggish European economy
Sales -27.7% compared to the previous 2H, Ordinary margin -13.3%

Order

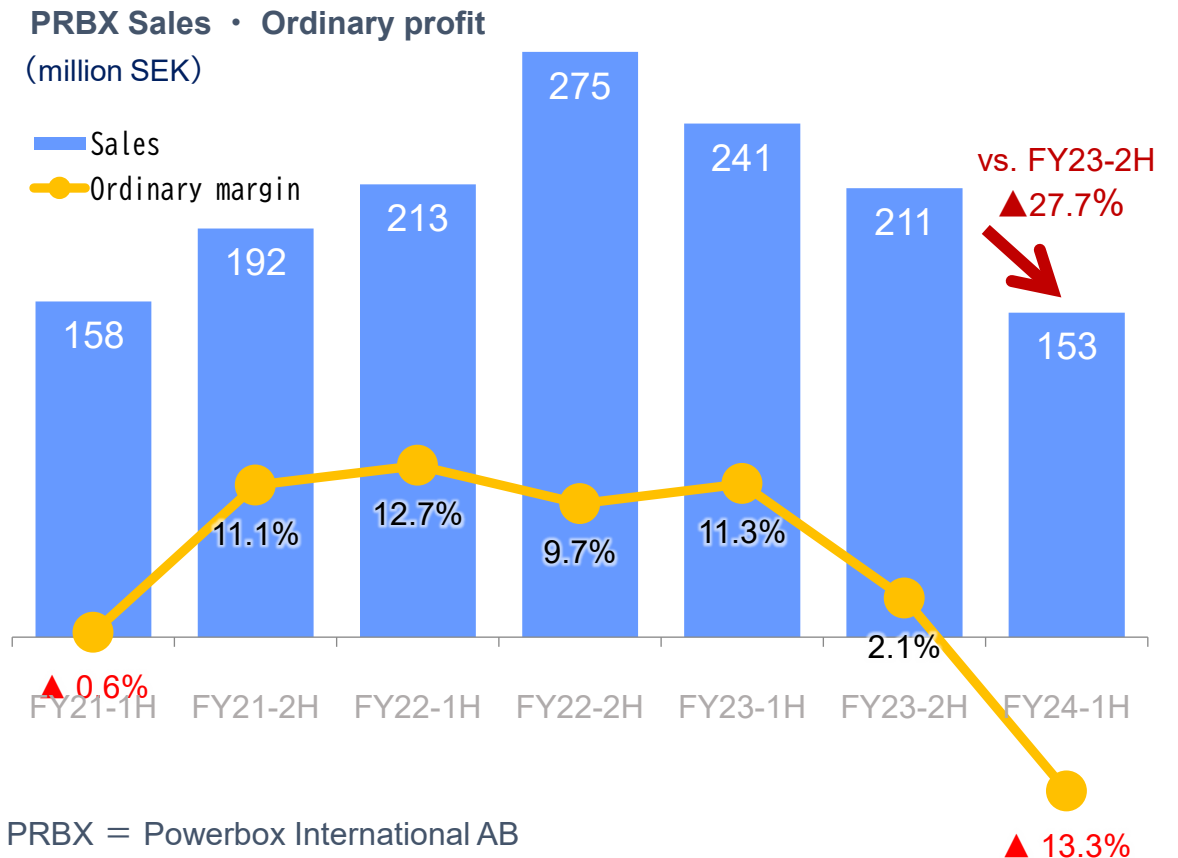
- New orders from customers are postponed
- Slight recovery in 2Q compared to 1Q
- 3Q is expected to be weak due to the Christmas season

Sales

- Customer requests for extension of shipment delivery date
- Sales decline due to loss of large orders

Profit

- Fewer high-profit projects, lower gross margins
- Operating loss due to inability to absorb fixed costs

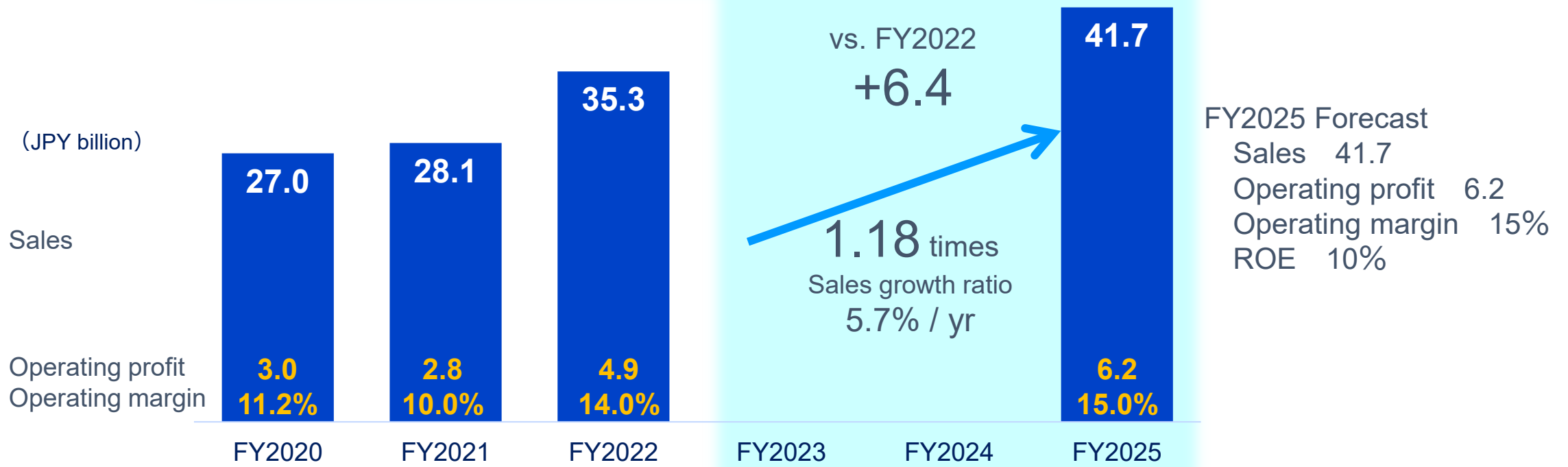


PRBX = Powerbox International AB
Development, manufacturing and sales of power supplies in Sweden, wholly owned subsidiary

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.	<ul style="list-style-type: none"> ① Achieve appropriate profit and cost control ② Increase ratio of new products ③ Strengthen European business





[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.