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June 19, 2026

Company name：	COSEL CO., LTD
Listing：	Tokyo Stock Exchange Prime Market
Securities code：	6905
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Notice Regarding Recognition of Extraordinary Losses

As disclosed in the "Notice Regarding Transfer of Shares of Consolidated Subsidiary" dated May 20, 2026, the Company had been assessing the gain/loss and other financial impacts associated with the share transfer. The accounting treatment for the consolidated financial statements for the fiscal year ended May 20, 2026 has now been finalized, and the Company hereby announces that it has recognized the following extraordinary losses.

1. Details of Extraordinary Losses

(1) Loss on Reorganization of an Affiliate

As disclosed in the "Notice Regarding Transfer of Shares of Consolidated Subsidiary" dated May 20, 2026, the Company entered into an agreement to transfer all shares of Powerbox International AB ("PRBX"), which it owned.

The impact on earnings, which had been under review at the time of the above disclosure, has now been determined.

As a result of recording a valuation loss on loans to PRBX and various expenses associated with the share transfer, the Company recognized a loss on reorganization of an affiliate of ¥3,633 million as an extraordinary loss for the fiscal year ended May 20, 2026.

(2) Impairment Loss

The Company recognized an impairment loss of ¥53 million as an extraordinary loss after reviewing the recoverability of intangible assets held by the Group based on future earnings projections and other relevant factors.

2. Impact on Financial Results

The above extraordinary losses have been reflected in the "Consolidated Financial Results for the Fiscal Year Ended May 20, 2026 (Japanese GAAP)" announced today.

The above extraordinary losses are also included among the factors contributing to the variance described in the "Notice of Differences between Forecast and Actual Results for the Fiscal Year Ended May 2026" announced today.