April 21, 2026

To whom it may concern

Name of the Company	SUNWELS Co., Ltd.
Name of Representative	Ryotatsu Nawashiro, President and Representative Director
Securities Code	9229 Tokyo Stock Exchange Prime Market
Contact	Eiichi Ueno, Director +81-76-272-8982

(Change to Previously Disclosed Matters)
Notice of Changes to Loan Repayment Terms and Uses of Funds

At a meeting of the Board of Directors held on April 21, 2026, the Company resolved to amend the repayment terms of its existing loans, having obtained the consent of its financial institution partners in advance to changes to such repayment terms, including a deferral of principal repayments for a certain period.
In conjunction with this amendment to the loan repayment terms, the Company has also decided to change the intended use of the funds raised through the disposal of treasury shares and the secondary offering of shares, as disclosed in the "Notice of Changes to Uses of Funds" dated November 14, 2025, as set forth below.

1. Changes to Loan Repayment Terms

(1) Reason for the change

The business environment surrounding the Company is undergoing a major transformation, driven by changes in external factors such as the 2026 medical fee revision. In light of these circumstances, the Company has positioned the fiscal year ending March 2027 as a period for implementing structural reforms, and is working to transform its revenue model, reform its cost structure, and improve utilization rates.
As these structural reforms will require a certain amount of time to implement, securing sufficient cash reserves to address the anticipated deterioration in business performance during this period has become an urgent priority. Accordingly, the Company held a bank meeting on March 27, 2026, and submitted a proposal to its nine financial institution partners requesting a repayment deferral from April 30, 2026, to September 30, 2026, as well as the execution of necessary amendments to loan agreements and other related contracts. As a result, the Company has obtained the agreement of all nine financial institutions regarding this proposal. The Company will utilize this repayment deferral period to steadily implement structural reform measures, rebuild its business foundation, restore profitability, and advance the establishment of a framework aimed at achieving stable future growth.

(2) Overview of changes to loan repayment terms

The Company has obtained the consent of all nine of its financial institutions to defer repayment during the period from April 30, 2026, to September 30, 2026, of a total principal amount of 574 million yen in borrowings for which the repayment deadline falls during the same period (out of total repayment obligations of 6,197 million yen as of the end of March 2026).
Interest payments will continue as usual during the repayment deferral period. Going forward, the Company will sequentially enter into agreements with each financial institution regarding the changes to the repayment terms.
Furthermore, with respect to the period following the end of the repayment deferral period (i.e., from October 2026 onward), the Company plans to discuss, at the next bank meeting scheduled for September 2026, the conditions for resuming repayments (including repayment amounts and repayment periods), as well as whether to implement an additional repayment deferral.

2. Changes to Uses of Funds

(1) Reason for the change

As disclosed in the "Notice of Changes to Uses of Funds" dated November 14, 2025, the Company had planned to allocate a portion of the funds raised through the disposal of treasury shares and the secondary offering of shares to the repayment of borrowings obtained from financial institutions for the purpose of financing facilities for "PD House."
However, the Company has now been granted a grace period for the repayment of the principal of such borrowings. As a result, the repayment terms of the borrowings have been modified. Accordingly, the Company has reviewed the originally planned allocation of funds and has determined to allocate the relevant funds to working capital, from the perspective of ensuring the stability of its business operations for the time being.
In addition, in connection with a review of the "PD House" opening plan for the fiscal year ending March 2027, the Company has also decided to allocate a portion of the funds originally intended to be used for the purchase of furniture, appliances, equipment and other related items for "PD House" to working capital.

(2) Details of the change

The details of the changes to the use of funds are as follows. (Changed portions are underlined.)

[Before Change]

Specific use	Amount (Millions of yen)	Scheduled timing of expenditure
Funds for capital expenditures to construct two new "PD House" facilities	1,585	Up to and including the fiscal year ending March 31, 2027
<u>Funds for the purchase of furniture, appliances, equipment and other related items for 21 "PD House" facilities</u>	<u>1,485</u>	<u>Up to and including the fiscal year ending March 31, 2027</u>
Repayment of borrowings	<u>1,475</u>	<u>From December 2025 through the fiscal year ending March 31, 2027</u>
Total	4,545	–

*The loans scheduled for repayment are borrowings from financial institutions obtained to fund capital expenditures for the construction of "PD House."

[After change]

Specific use	Amount (Millions of yen)	Scheduled timing of expenditure
Funds for capital expenditures to construct two new "PD House" facilities	1,585	Up to and including the fiscal year ending March 31, 2027
<u>Funds for the purchase of furniture, appliances, equipment and other related items for 20 "PD House" facilities</u>	<u>1,400</u>	<u>Up to and including the fiscal year ending March 31, 2026</u>
Repayment of borrowings	<u>398</u>	<u>From December 2025 through March 2026</u>
<u>Working capital</u>	<u>1,162</u>	<u>From April 2026 through September 2026</u>
Total	4,545	

*The loans scheduled for repayment are borrowings from financial institutions obtained to fund capital expenditures for the construction of "PD House."

3. Future outlook

The Company expects the impact of this change on its financial results for the fiscal year ending March 2027 to be minimal.
The impact will be reflected in and disclosed together with the financial forecasts for the fiscal year ending March 2027 when such forecasts are announced.

End

Note: This document has been translated from the original document in Japanese. In the event of any discrepancy between this English translation and the original document in Japanese, the original document in Japanese shall prevail.