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May 15, 2026

To whom it may concern:

Company name TESS Holdings Co., Ltd.
Representative Kazuki Yamamoto,
Representative Director and President
(Code: 5074,
Prime Market, Tokyo Stock Exchange)
Inquiries Masaaki Hirakura,
Executive Officer, General Manager of the Administration Department
(Tel: +81-6-6308-2794)

Notice Regarding Execution of a Loan Agreement with Financial Covenants by a Subsidiary

TESS Holdings Co., Ltd. (the "Company") hereby announces that TESS Engineering Co., Ltd. (the "Borrower"), a consolidated subsidiary of the Company, has decided today to execute a loan agreement with financial covenants, as described below.

1. Overview of the subsidiary

Name	TESS Engineering Co., Ltd.
Address	6-1-1 Nishinakajima, Yodogawa-ku, Osaka, Japan
Name and title of representative	Toshihiro Takasaki, Representative Director and President
Business outline	Management consultation to introduce environmental protection/energy-saving systems such as co-generation systems, engineering, procurement, construction, maintenance, 24-hour operation monitoring, supporting operation management by "Energy Management System," energy supply services, PPS (Power Producer and Supplier) business, power generation by renewable energy
Paid-up capital	¥100,000,000

2. Reason for the execution of the loan agreement with financial covenants

For the purpose of securing working capital for the Borrower

3. Details of the loan agreement

(1) Counterparty attributes and agreement form

A commitment line agreement with a syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation (total commitment amount of 15,400 million yen)

(2) Details of collateral

No collateral

(3) Date of execution of the loan agreement, principal of debt, and repayment due

The Borrower, for the purpose of securing optimal financing in accordance with its capital needs, has made a short-term borrowing request under the commitment line agreement, with repayment due on the last business day of each month as follows.

Date of resolution	May 15, 2026
Date of execution	May 15, 2026
Principal of debt	10,780 million yen
Repayment due	June 30, 2026

4. Details of financial covenants included in the loan agreement

(1) The Borrower shall maintain the total amount of net assets in the non-consolidated balance sheet in the financial statements as of the last day of each fiscal year at an amount not less than the higher of (i) 75% of the total amount of net assets in the non-consolidated balance sheet in the financial statements as of the end of the fiscal year ended June 30, 2021, or (ii) 75% of the total amount of net assets in the non-consolidated balance sheet in the financial statements as of the end of the immediately preceding fiscal year.

(2) The Borrower shall not incur an ordinary loss in the non-consolidated statement of income in the financial statements as of the end of each fiscal year.

5. Future outlook

This matter is expected to have minimal impact on the consolidated financial results for the fiscal year ending June 30, 2026. Should the impact on consolidated financial results become significant in the future, the relevant information is expected to be disclosed in a timely manner.

End