Financial Results Meeting Materials

for the Three Months Ended September 30, 2025

November 14, 2025

TESS Holdings Co., Ltd.

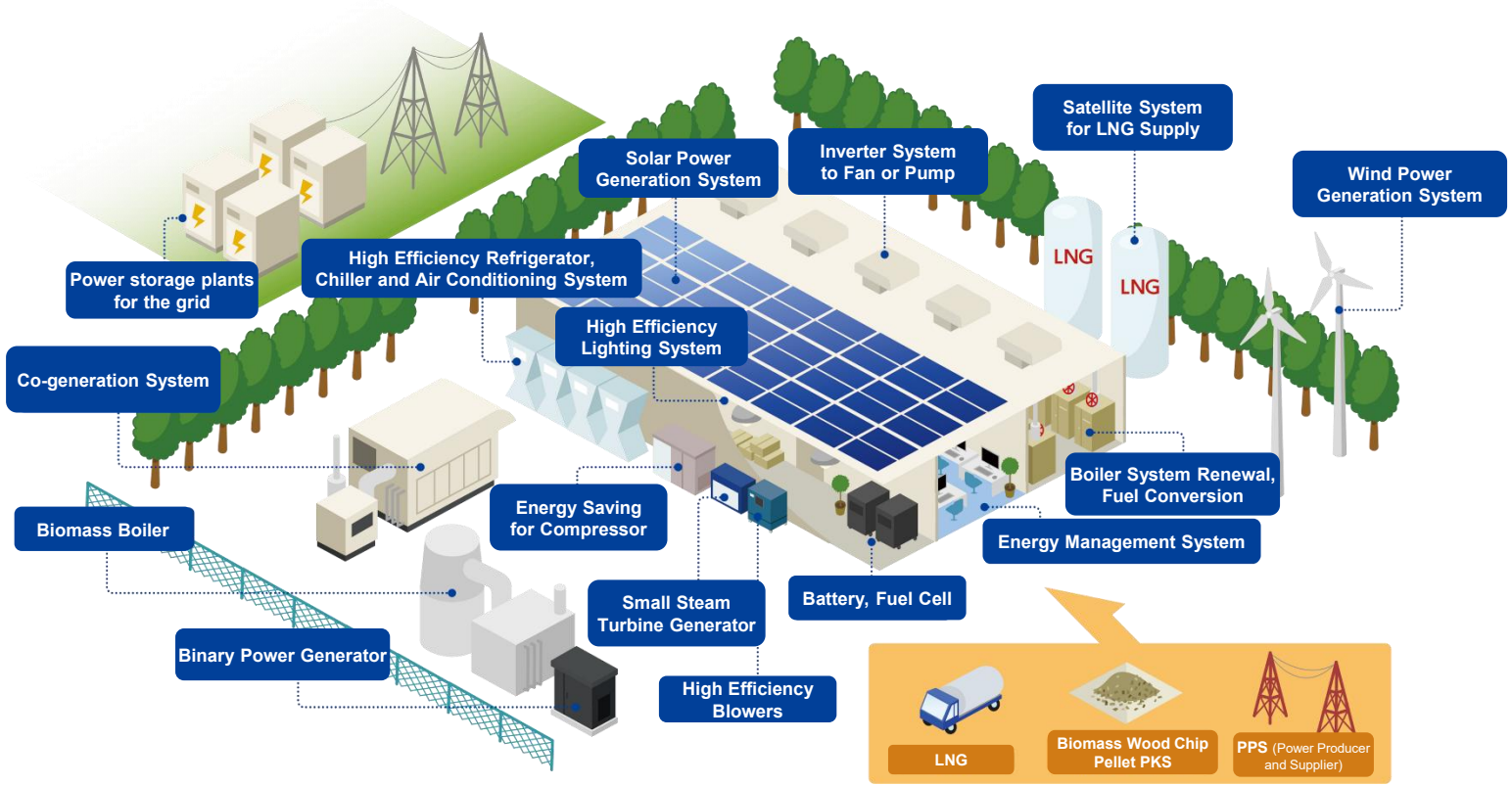
Securities code: 5074

A leading company in decarbonization

A company that realizes Total Energy Savings & Solutions for customers

Items handled by the TESS Group

TESS Group original characters
“Tecchan & Soochan”



Executive Summary

FYE 06/2026 Q1 Consolidated Results

Net sales	Gross profit	Operating profit	Ordinary profit	Profit attributable to owners of parent	ROE	ROIC
12,709 million yen (+53.0% YoY)	2,298 million yen (+9.3% YoY)	995 million yen (+5.3% YoY)	577 million yen (-23.7% YoY)	25 million yen (-96.3% YoY)	0.1%	0.5%

Entire Business

- Consolidated financial results for the three months ended September 30, 2025 for operating profit and above show year-on-year increases in both revenue and profit.

Engineering Segment

- While sales increased due to steady progress in construction work centered on power storage system projects in renewable energy EPC (commissioned), unprofitable biomass EPC projects (including provisions recorded) resulted in a year-on-year increase in revenue and decrease in profit.
- Customer inquiries for storage batteries EPC continued to increase. Focus on materializing leads in the pipeline.

Energy Supply Segment

- Increased sales revenue from renewable energy power generation and strong sales performance for retail electricity supply led to year-on-year increases in revenue and profit.
- Total renewable energy power plant generation capacity is approximately 402.3 MW. Approximately 3.7 MW is new and supplied by on-site PPA.

Consolidated Results Forecast and Dividend Forecast FYE 06/2026

No change from forecast announced on August 14, 2025

Net sales	Gross profit	Operating profit	Ordinary profit (loss)	Profit attributable to owners of parent	ROE	ROIC	Dividend per Share
47,000 million yen (+28.1% YoY)	9,000 million yen (+20.7% YoY)	3,600 million yen (+41.3% YoY)	1,800 million yen (loss of 641 million yen for FYE 06/2025)	1,200 million yen (+485.8% YoY)	2.8%	1.7%	5.80 yen

Entire Business

- Both revenue and profit are expected to increase year on year for consolidated financial results for the fiscal year ending June 30, 2026.
- Dividend forecast is 5.80 yen per share based on a consolidated payout ratio of 30%.
- Although the Kyoto Prefecture development project is making steady progress, the schedule has not been finalized as of the announcement date of the financial results for the fiscal year ended June 30, 2025. This is not included in the consolidated financial results forecast for the fiscal year ending June 30, 2026.

1. Summary of Consolidated Financial Results for the Three Months Ended September 30, 2025

Consolidated Financial Results

- **Consolidated financial results for the three months ended September 30, 2025 (from July 1, 2025 to September 30, 2025) showed year-on-year increases in both revenue and profit for operating profit and above.**

(Millions of yen)

	FYE 06/2025 Q1	FYE 06/2026 Q1	FYE 06/2026 Full-year target	Year-on-year changes	Percentage of full-year target achieved
Net sales	**8,308**	**12,709**	**47,000**	**53.0%**	**27.0%**
Gross profit	**2,103**	**2,298**	**9,000**	**9.3%**	**25.5%**
(Profit margin)	(25.3%)	(18.1%)	(19.1%)		
Operating profit	**944**	**995**	**3,600**	**5.3%**	**27.6%**
(Profit margin)	(11.4%)	(7.8%)	(7.7%)		
Ordinary profit	**757**	**577**	**1,800**	**-23.7%**	**32.1%**
(Profit margin)	(9.1%)	(4.5%)	(3.8%)		
Profit attributable to owners of parent	**684**	**25**	**1,200**	**-96.3%**	**2.1%**
(Profit margin)	(8.2%)	(0.2%)	(2.6%)		

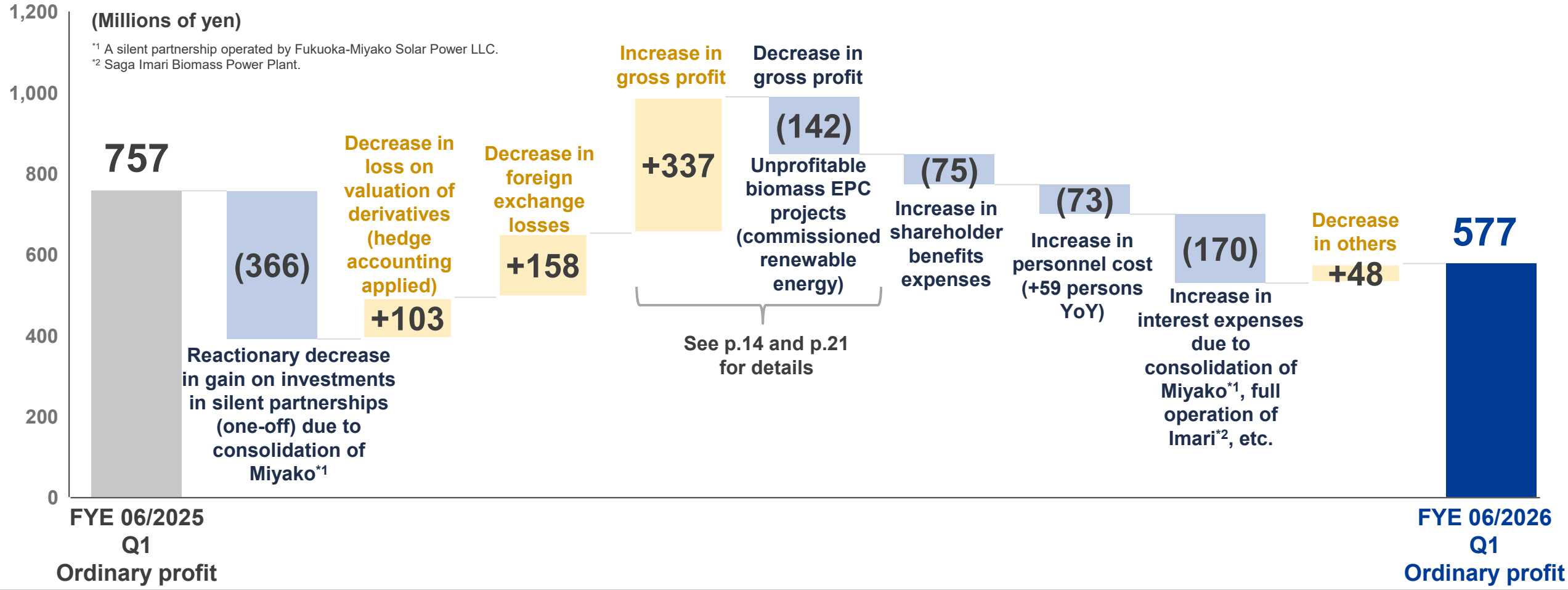
Consolidated Financial Results Summary (Year-on-year)

(Millions of yen)	FYE 06/2025 Q1	FYE 06/2026 Q1	Change	Main factors behind change
Net sales	8,308	12,709	4,400	See pages 14 and 21 for details.
Cost of sales	6,205	10,411	4,206	See pages 14 and 21 for details.
Gross profit	2,103	2,298	194	See pages 14 and 21 for details.
Selling, general, and administrative expenses	1,158	1,302	144	Increase in expenses due to the introduction of a shareholder benefit program and increase in personnel cost due to headcount increase
Operating profit	944	995	50	
Non-operating income	632	86	(546)	Reactionary decrease stemming from the recording of gain on investments in silent partnerships (one-off) due to the conversion of Miyako* into a consolidated subsidiary in FYE 06/2025 Q1
Non-operating expenses	819	503	(316)	Decrease in loss on valuation of derivatives (due to the application of hedge accounting) and decrease in foreign exchange losses
Ordinary profit	757	577	(179)	
Extraordinary income	471	-	(471)	Reactionary decrease stemming from the recording of gain on bargain purchase (one-off) due to the conversion of Miyako* into a consolidated subsidiary in FYE 06/2025 Q1
Extraordinary losses	292	-	(292)	Reactionary decrease stemming from the recording of loss on step acquisitions (one-off) due to the conversion of Miyako* into a consolidated subsidiary in FYE 06/2025 Q1
Profit before income taxes	937	577	(359)	
Income taxes	222	519	296	Increase due to not recognizing deferred tax assets related to asset retirement obligations
Profit	715	58	(656)	
Profit attributable to non-controlling interests	30	33	2	
Profit attributable to owners of parent	684	25	(658)	

* A silent partnership operated by Fukuoka-Miyako Solar Power LLC.

Main Factors for Changes in Ordinary Profit (YoY)

- **Ordinary profit for the three months ended September 30, 2025 was 577 million yen (down 23.7% year on year).**
  The main factors for this change are as follows.



Consolidated Balance Sheet

(Millions of yen)	FYE 06/2025 Full-year	FYE 06/2026 Q1	Change	Main factors behind change
Current assets	41,986	40,299	(1,687)	Decrease in cash and deposits and increase in contract assets in relation to EPC in the Engineering Segment.
Non-current assets	109,276	112,580	3,304	Increase in property, plant and equipment (increase in machinery, equipment and vehicles and decrease in construction in progress) due to the completion of the Saga Imari Biomass Power Plant and increase in investments and other assets (increase in derivatives related to long-term foreign exchange forward contracts).
Total assets	151,262	152,880	1,618	
Current liabilities	29,996	30,956	960	Increase in notes and accounts payable - trade related to the Energy Supply Segment, increase in short-term borrowings and decrease in contract liabilities related to EPC in the Engineering Segment.
Non-current liabilities	78,411	78,449	38	Increase in asset retirement obligations, decrease in long-term borrowings, increase in deferred tax liabilities related to long-term foreign exchange forward contracts and decrease in derivative liabilities.
Total liabilities	108,408	109,406	998	
Shareholders' equity	40,146	39,811	(335)	Payment of dividends.
Accumulated other comprehensive income	2,410	3,338	928	Increase in deferred gains or losses on hedges related to long-term foreign exchange forward contracts.
Non-controlling interests	296	324	28	
Total net assets	42,853	43,474	621	
Total liabilities and net assets	151,262	152,880	1,618	

2. Financial Results by Segment, Etc.

Business Overview

Engineering Segment

Flow-type

EPC for energy conservation-related facilities

EPC for renewable energy-related facilities

Differences in business formats

Commissioned-type	The segment consists of **EPC commissioned** by customers (Generally, the same format as when a construction company undertakes contract work on facilities)
Development-type	A format in which **a project is developed from scratch**, rights are bought and sold, and EPC are provided to client companies

* EPC: **E**ngineering, **P**rocurement, and **C**onstruction

Energy Supply Segment

Stock-type

Renewable energy power generation (FIT, FIP/PPA)

Operation and maintenance (O&M)

Electricity retailing

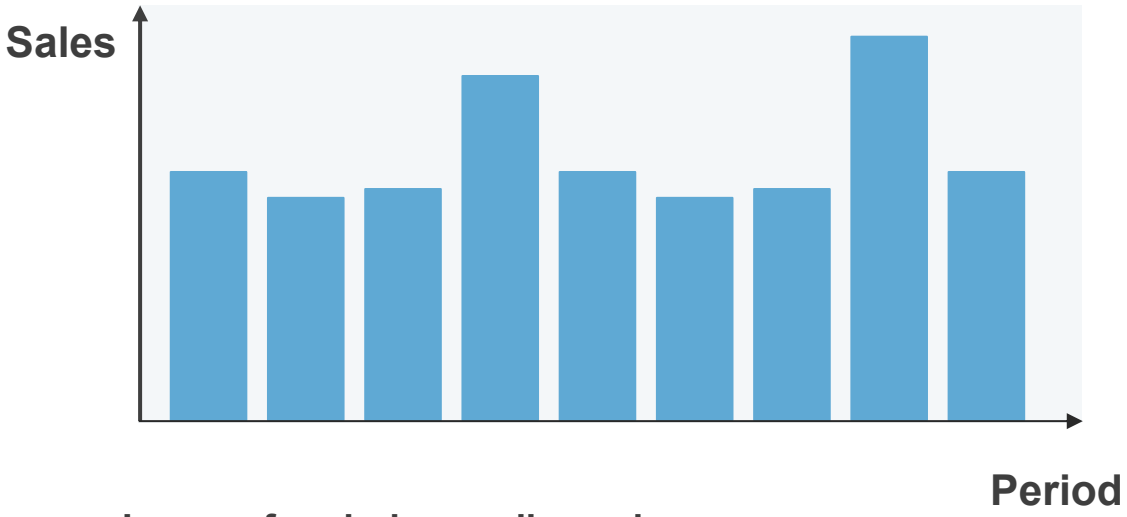
Biomass fuel supply

Business Model

Engineering Segment

Flow-type

**Business that receives orders from client companies on a case-by-case basis.
The scale of sales for each project tends to be large.**



<Image of period recording sales>

- EPC for energy conservation-related facilities: 1–2 years
- EPC for renewable energy-related facilities: Half–2 years

Energy Supply Segment

Stock-type

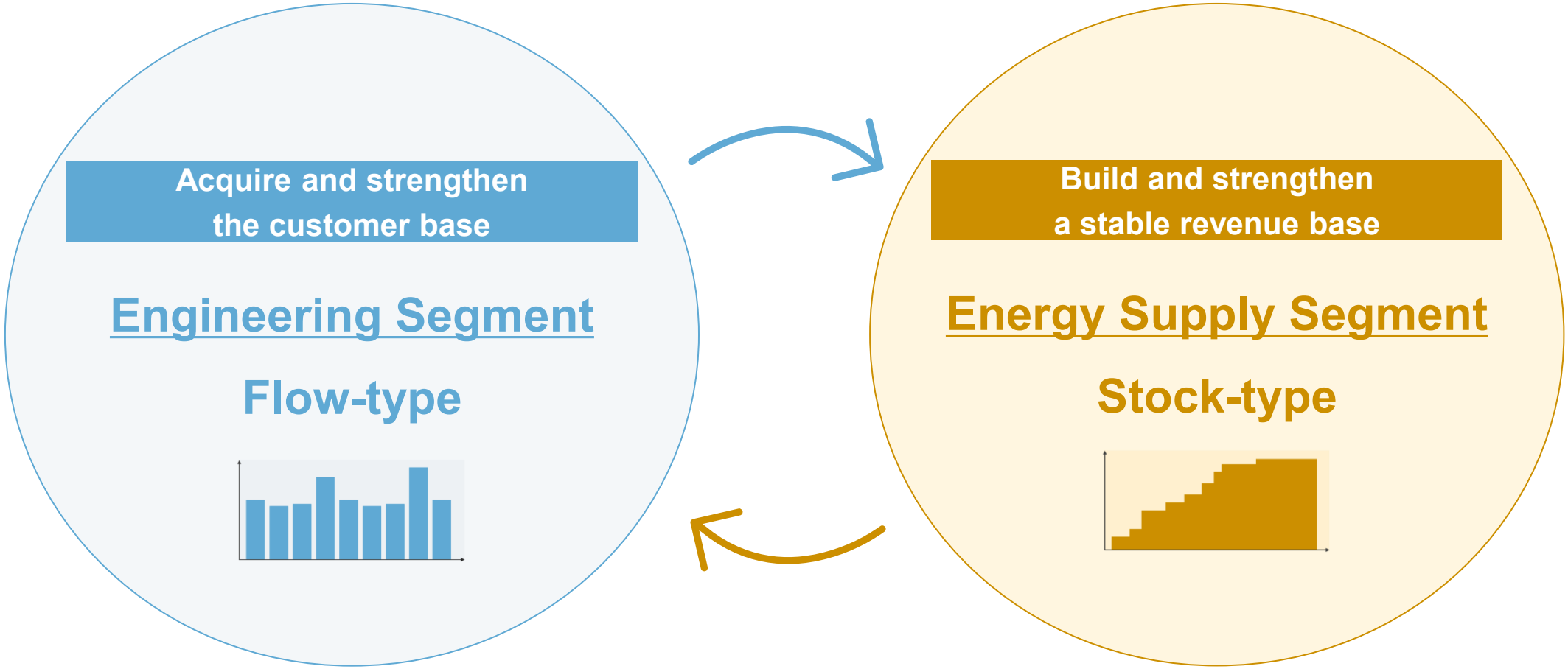
**Business that earns steady streams of income.
Stable revenue by accumulating income streams one by one.**

<Image of period recording sales>

- Renewable energy power generation: 15–20 years
- O&M: 15–20 years

Business Model

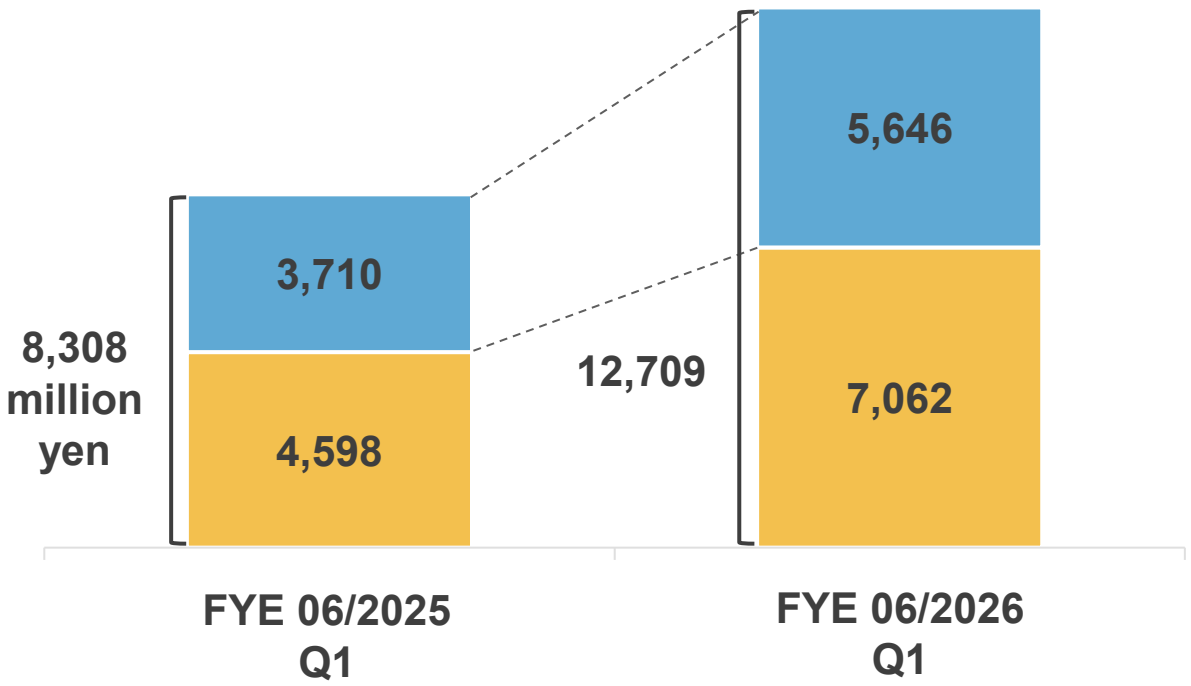
- **Circular business model linking flow-type and stock-type business.**
- **Secure both flow and stock revenue opportunities.**
  (For example, after completing EPC in the Engineering Segment, it will lead to O&M orders for the Energy Supply Segment)



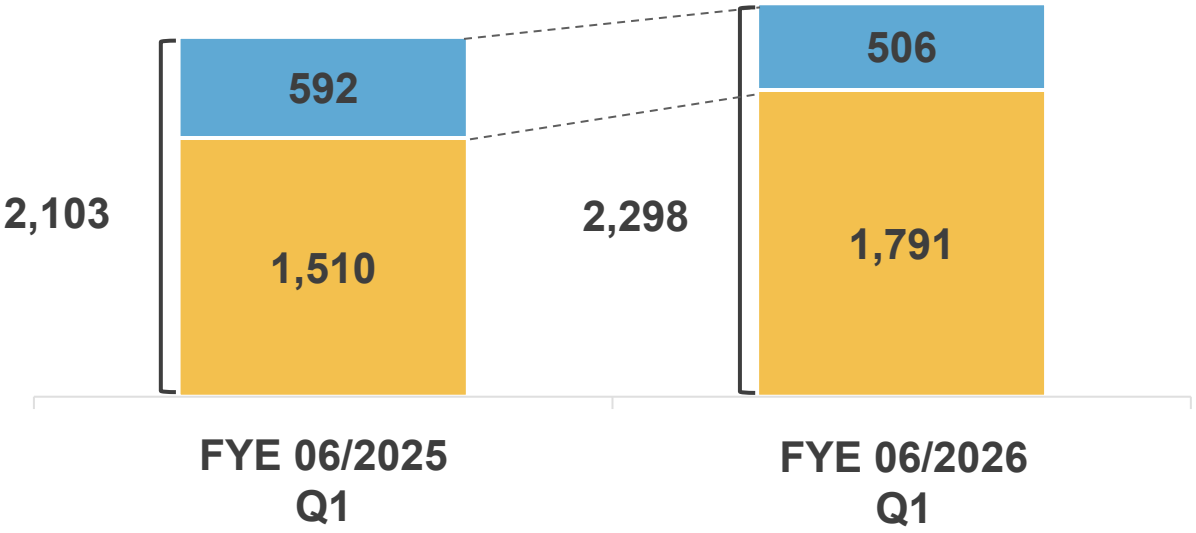
Breakdown of Net Sales and Gross Profit by Segment (Year-on-year)

- **Net sales and gross profit for the three months ended September 30, 2025 show year-on-year increases in both revenue and profit.**

Consolidated net sales



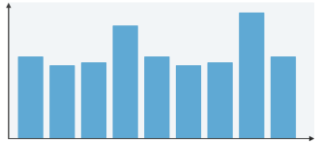
Consolidated gross profit



Engineering Segment　Energy Supply Segment

* Figures are after inter-segment elimination.

Flow-type

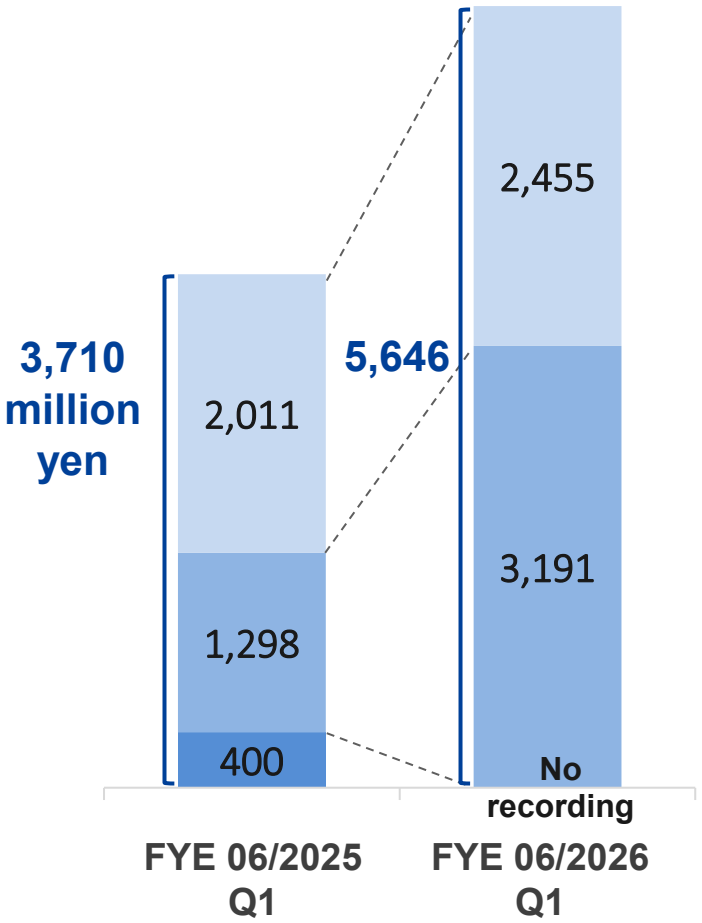


Engineering Segment

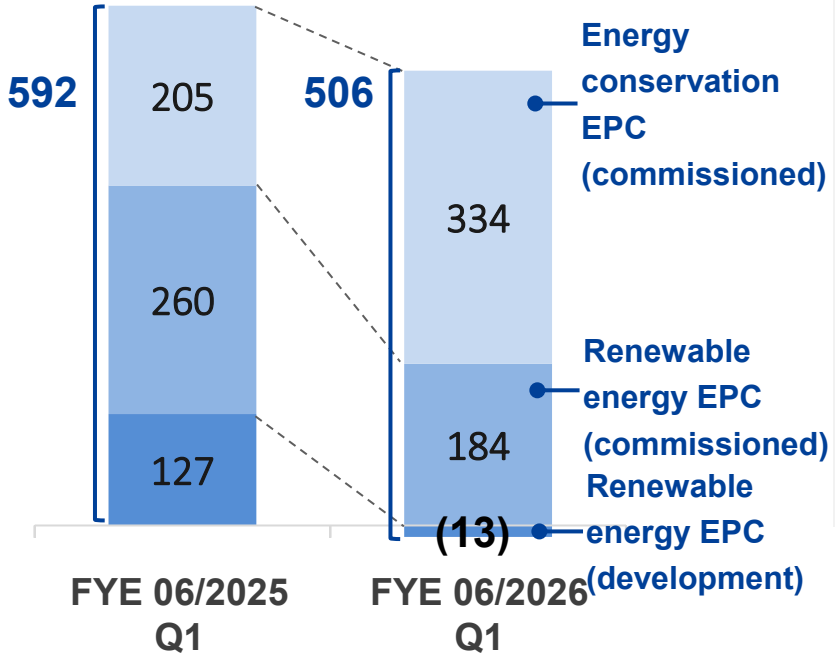
Breakdown of Net Sales and Gross Profit by Subsegment (Year-on-year)

▶ Engineering Segment saw increased revenue and decreased profit year-on-year.

■ Net sales



■ Gross profit



Engineering Segment Highlights

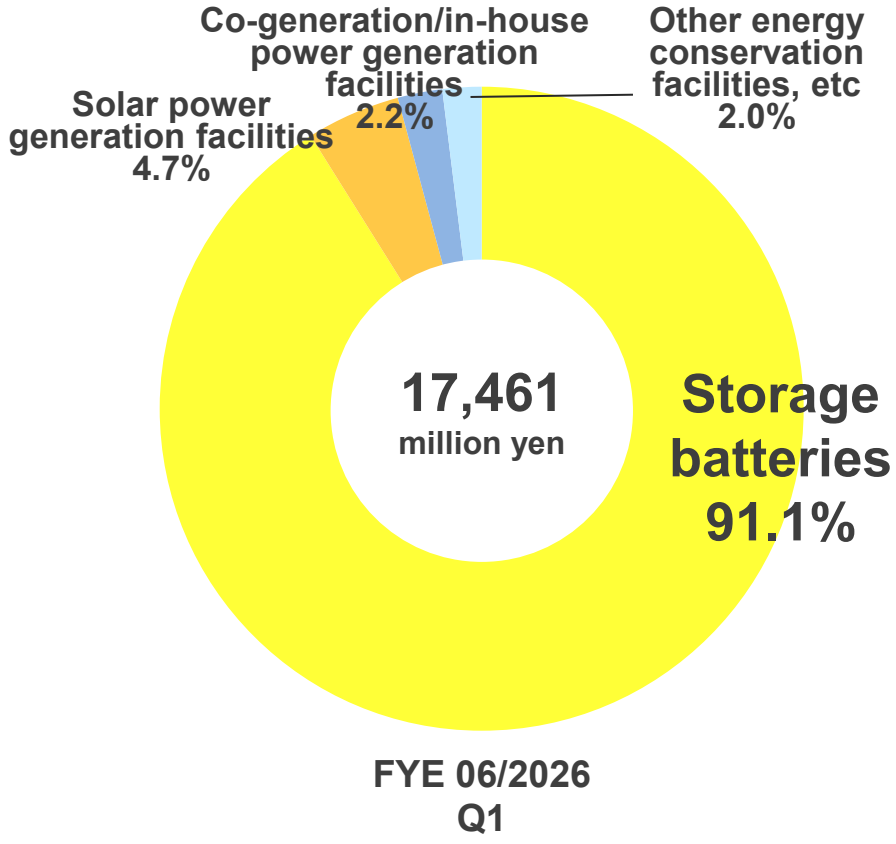
- Energy conservation EPC (commissioned) saw increased revenue and profits year-on-year due to an expansion in the scale of individual projects of co-generation, etc. and steady progress in construction work.
- Renewable energy EPC (commissioned) saw increased revenue and decreased profits year-on-year due to unprofitable biomass EPC projects (including provisions recorded), despite increased sales resulting from steady progress in construction work centered on power storage system projects.
- Renewable energy EPC (development) saw decreased revenue and profits year-on-year due to no recording of sales from relevant projects and the recording of expenses such as upfront research costs related to the development of new projects for power storage plants for the grid.

* The breakdown of net sales and gross profit by reportable segment has not been audited.
* Figures are after inter-segment elimination.

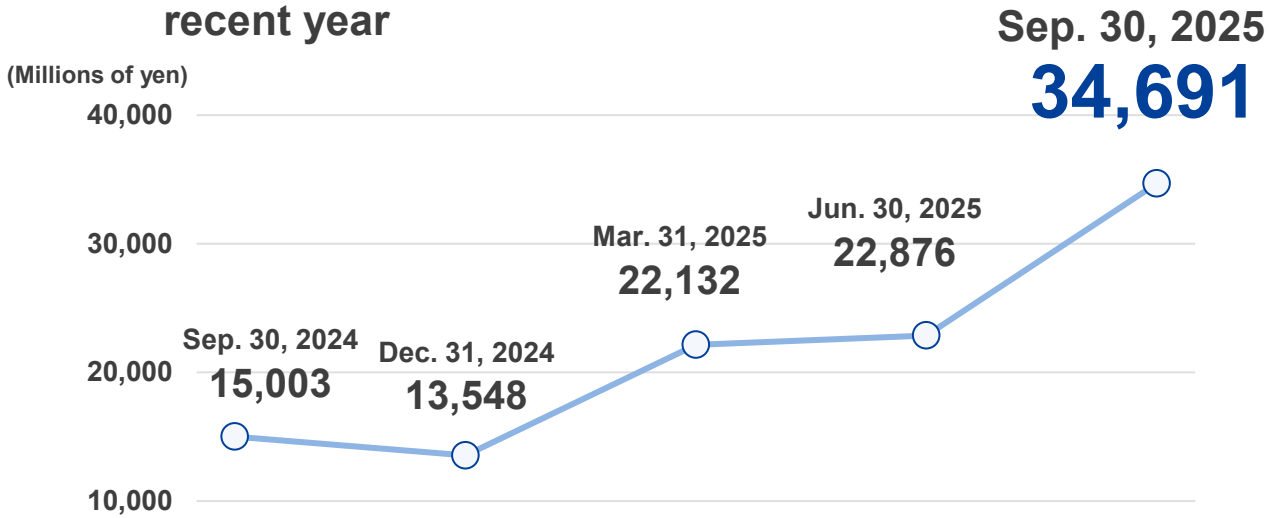
Orders Received and Order Backlog

- Orders received totaled 17,461 million yen (1,688 million yen in the same period of the previous fiscal year). Mainly driven by commissioned and development EPC projects for FIP conversion of FIT solar power plants + storage battery co-location, as well as for power storage plants for the grid.
- Order backlog was 34,691 million yen (231.2% year-on-year). 85.4% of order backlog was for storage batteries thanks to large orders received.

Breakdown of orders received



Trends in order backlog over the most recent year



Breakdown of order backlog (major factors) (As of Sep. 30, 2025)		
	Storage batteries	85.4%
	Biomass power generation facilities	5.5%
	Solar power generation facilities	4.5%
	Co-generation/in-house power generation facilities	4.4%
	Fuel conversion facilities	0.1%
	Other energy conservation facilities	0.02%

Overview of the Large Orders Secured for Storage Battery EPC

Engineering Segment

▶ Large orders received for storage battery EPC total approximately 36.7 billion yen (as of Nov. 14, 2025)

TX2030 Mid-Term Management Plan Focus Business Areas: Power Storage Business-Related Operations					
	Ordering Party	Order Type	Order Month	Order Amount	Delivery Date (Est.)
 Power storage plants for the grid	Shizuoka Kikugawa Power Storage Plant LLC*1	Development	March 2025	Approx. 5 billion yen	March 2027
	DEI Battery Fund Alpha LLC (Invested by Daiwa Energy & Infrastructure Co. Ltd.)	Commissioned	April 2025	Approx. 4 billion yen	December 2027
	DEI Battery Fund Beta LLC (Invested by Daiwa Energy & Infrastructure Co. Ltd.)*2	Development	September 2025	Approx. 13 billion yen	April 2028
	LLC formed by Tokyo Century Corporation*2	Development	November 2025	Approx. 9 billion yen	June 2028
 FIP conversion of FIT solar power plants + storage battery co-location	Japanese domestic operating companies*3 (Listed on the Tokyo Stock Exchange Prime Market)	Commissioned	March 2025	Approx. 5.7 billion yen	January 2026

*1 In the future, Shizuoka Kikugawa Power Storage Plant LLC, which is the ordering party, may become a consolidated subsidiary of our company. In such a case, the order amount will not be included in consolidated revenue.
*2 The contracts for these orders may be terminated if the development requirements are not met.
*3 Of the five EPC projects for power storage plants co-located with FIP solar power plants operated by Japanese domestic companies, four of the EPC projects will be ordered by Japanese domestic leasing companies (listed on the Tokyo Stock Exchange Prime Market) through lease contracts between Japanese domestic companies as lessees and the Japanese domestic leasing companies.

Overview of the Orders Secured for Storage Battery EPC

- Apart from the large orders described in the previous page, several orders for storage battery EPC (commissioned) were secured in the three months ended September 30, 2025.
  7 projects in total, including the ones in the below table, in the categories of FIP conversion of FIT solar power plants + storage battery co-location, power storage plants for the grid, and facilities for factories and offices

TX2030 Mid-Term Management Plan Focus Business Areas: Power Storage Business-Related Operations			
	Ordering Party	Delivery destination and details of storage battery system	Delivery Date (Est.)
 FIP conversion of FIT solar power plants + storage battery co-location	Nakayoshi Sekizai Co., Ltd.	(i) Yusui-cho, Aira-gun, Kagoshima Prefecture PCS output: 1,278 kW Capacity: 4,472 kWh	April 2026
		(ii) Kirishima City, Kagoshima Prefecture PCS output: 2,556 kW Capacity: 8,944 kWh	
		(iii) Kusu-machi, Kusu-gun, Oita Prefecture PCS output: 2,556 kW Capacity: 8,944 kWh	
	Kyocera TCL Solar LLC (Invested by Tokyo Century Corporation and KYOCERA Corporation)	Iizuka City, Fukuoka Prefecture PCS output: 1,500 kW Capacity: Approx. 6,000 kWh	February 2026

Involvement in Development of and Inquiries on Storage Battery EPC (Cumulative)

Engineering Segment

- The Group's involvement in the development of and inquiries on storage battery EPC are as follows (as of Oct. 31, 2025).
- Continuing to focus on materializing leads in the pipeline.

TX2030 Mid-Term Management Plan Focus Business Areas: Power Storage Business-Related Operations		
 Power storage plants for the grid		 FIP conversion of FIT solar power plants + storage battery co-location
Capacity of involvement in development (Development EPC)	Customer inquiries (Commissioned EPC)	Customer inquiries (Commissioned EPC)
Cumulative total of approx. **2,800MW**[*1]	Cumulative total of **380 projects** or more[*2]	Cumulative total of **210 projects** or more[*2]

*1 The connection capacity of projects that the Group proactively developed and for which connection review applications have been submitted to general power transmission and distribution operators is counted on a cumulative basis. (Including projects where review has been discontinued.)

*2 Cumulative number of projects from July 2024. (Including projects where review has been discontinued.)

Topics Related to Energy Conservation/Renewable Energy EPC for Factories and Offices

Engineering Segment

- **The major EPC projects listed below were completed in Q1 of FYE June 2026.**
  Providing EPC for energy conservation-related facilities, solar power generation systems, etc., for factories and other facilities of high energy consumption.

ORIENTAL MOTOR CO., LTD.
Takamatsu Kozai Office

Utility equipment	**2** projects
Solar power generation systems	**3** projects (approx. **2.8 MW**)

Facilities completed in Q1 of FYE June 2026

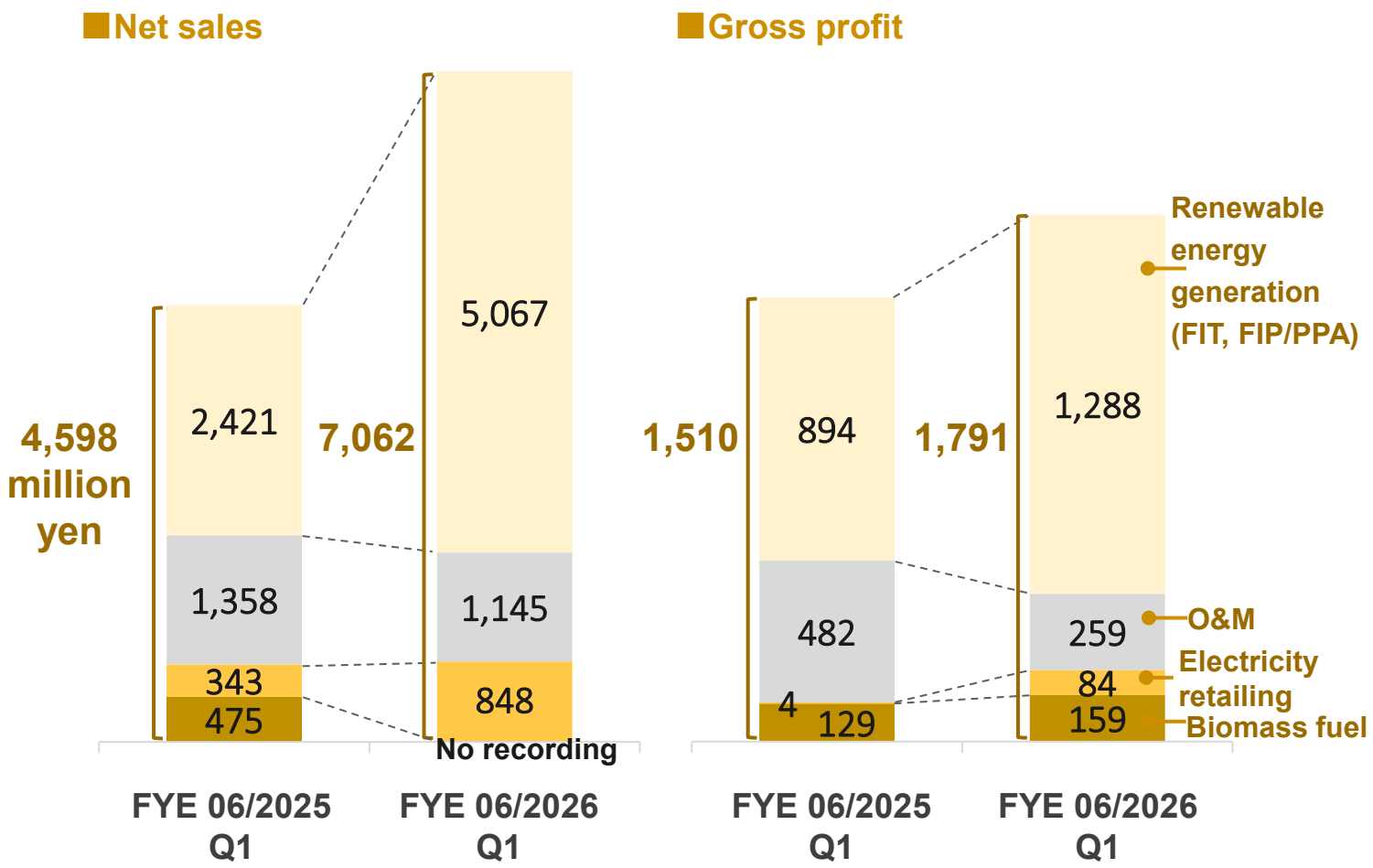
Stock-type

Energy Supply Segment

Breakdown of Net Sales and Gross Profit by Subsegment (Year-on-year)

Energy Supply Segment

Both revenue and profit in the Energy Supply Segment climbed year-on-year.



Energy Supply Segment Highlights

- Revenue and profit from renewable energy power generation grew year-on-year because of an increased number of projects and expanded power generation capacity held by consolidated subsidiaries due to the start of power generation at the Saga Imari Biomass Power Plant (power generation capacity of 46.0 MW), as well as the conversion of Fukuoka-Miyako Mega Solar power plant (power generation capacity of approx. 67.0 MW) into a consolidated subsidiary and an increase of on-site PPA.
- O&M saw a decrease in revenue and profit year-on-year due to a decrease in maintenance work arising from the expiration of large O&M contracts.
- Electricity retailing saw an increase in revenue and profit year-on-year due to an expanded supply volume under market-linked offerings.
- Biomass fuel saw a decrease in revenue and an increase in profit year-on-year due to the commencement of the sale of PKS fuels to the Group's Saga Imari Biomass Power Plant, which increased supply volume, and elimination of net sales and cost of sales related to the transactions in the consolidation process, with only profit being recorded. (No sales of fuel outside the consolidated group)

* For transactions within the consolidated group in O&M, electricity retailing and biomass fuel, net sales and cost of sales are eliminated in the consolidation process, with only gross profit being recorded.

* The breakdown of net sales and gross profit by reportable segment has not been audited.

* Figures are after inter-segment elimination.

Topics Related to On-site PPA

- **From July 2025 to the release date of financial results for Q1 of FYE June 2026, we started supplying a total of approximately 5.0 MW of electricity to 3 locations generated by renewable energy using solar power generation systems for in-house consumption employing an on-site PPA model.**
- **Supply launches for a total of approximately 28.3 MW at 7 locations are planned moving forward.**

Shiga Ryuo Special Purpose Company
CREDO Shiga Ryuo

Supply initiation status	Supplied to	Power generation capacity	Scheduled date* of supply launch *Tentative schedule at the time of release
Initiated	Not disclosed	Approx. 715 kW	Jul. 2025
Initiated	Shiga Ryuo Special Purpose Company CREDO Shiga Ryuo	Approx. 2,985 kW	Aug. 2025
Initiated	Iga City, Mie Prefecture Iga City Office, main office building	Approx. 308 kW	Oct. 2025
Initiated	Not disclosed	Approx. 1,012 kW	Nov. 2025
Scheduled	KATO WORKS CO., LTD. GUNMA Plant	Approx. 2,269 kW	Feb. 2026
Scheduled	Toyo Mebius Co., Ltd. Takatsuki Distribution Center	Approx. 2,291 kW	Feb. 2026
Scheduled	TOYO TANSO CO., LTD. adjacent area of Takuma Division	Approx. 19,998 kW	Jun. 2027

* Other plans for upcoming supply launches: Supply launch for projects (approx. 3.7 MW).

Topics Related to FIP Conversion of FIT Solar Power Plants + Storage Battery Co-location

Energy Supply Segment

- Installation work of storage batteries (total capacity: approx. 23.2 MWh) has been completed at 4 FIP system-utilizing solar power plants owned by TESS Group.
- Charging and discharging with FIP conversion + storage battery co-location will commence in stages from October 2025.

Solar power plant with co-location of storage batteries (located at Yusui-cho, Aira-gun, Kagoshima Prefecture)

Storage batteries co-located with solar power plant

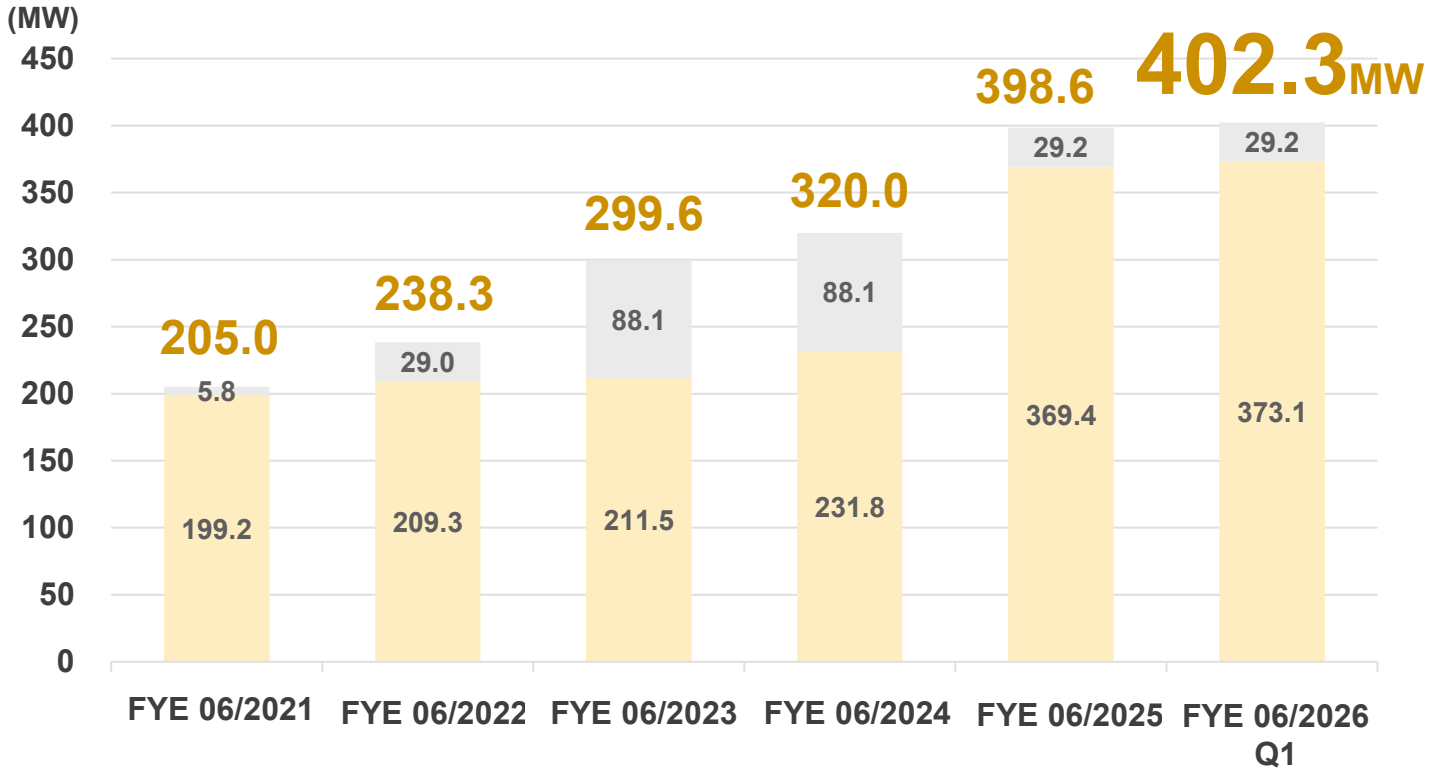
Trends in Generation Capacity for Renewable Energy Power Plants

Energy Supply Segment

- **We seek to obtain stable long-term income from FIT and FIP systems and on-site PPA models for in-house consumption.**

Trends in total capacity of renewable energy power generation facilities*

* Solar power plants (including on-site PPA for in-house consumption), biomass power plants, and small-scale wind power plants.



(Companies accounted for by the equity method and a silent partnership where a limited liability company investing in the silent partnership is the operator)

Topics for Q1 of FYE June 2026

- **Increases in capacities owned by consolidated subsidiaries**
  On-site PPA: Approx. 3.7 MW (1 supply destination)

Solar 128 projects, approx. 348.5 MW
including 52 on-site PPA projects, approx. 61.5 MW

Biomass 3 projects, approx. 53.8 MW

* As of September 30, 2025.

Topics Related to Resource-recycling Biomass Fuel Business

Energy Supply Segment

- Construction is underway for plant that will serve as a manufacturing base of “EFB Pellets,” a biomass fuel made from crop residues at PT PTEC RESEARCH AND DEVELOPMENT, our consolidated subsidiary.
- Construction is progressing as planned as of the end of October 2025.

Construction site for EFB pellets manufacturing plant

North Sumatra Province, Indonesia Sei Mangkei Special Economic Zone

Construction status of EFB pellets manufacturing plant

Status of plant construction

Image of completed plant

- As of the end of October 2025, part of the building and machinery foundation work has been completed.

<Overview of plant>

Location	North Sumatra Province, Indonesia Sei Mangkei Special Economic Zone
Ground area	Approx. 11,000 ㎡
Annual production (planned)	Approx. 10,000 tons
Operational start date (planned)	June 2026

Topics on Sustainability

Other

- Integrated Report 2025 was published.
- The report covers TESS Group's overall approach to sustainability, with a particular focus on the key business areas in the Mid-Term Management Plan.

Integrated Report 2025 (Japanese)
https://ssl4.eir-parts.net/doc/5074/ir_material_for_fiscal_ym2/190654/00.pdf

Chapter 1 Overview of TESS Group

Chapter 2 Value Creation

Chapter 3 Growth Strategy

● Management Interview

Management interview on topics such as the progress of key business areas in the Mid-term Management Plan

● Special Feature: Progress on Mid-term Management Plan

Specific progress and initiatives in key business areas, along with employee comments

Chapter 4 Sustainability Management

Chapter 5 Specific Initiatives for Sustainability

Chapter 6 Basic Information

TESS Group's Human Resources Strategy

We are promoting various reforms and improvement measures for human resources strategy.

Basic policy of human resources strategy

- ☑ Proactive human resources placement and development to promote growth of the Company and individuals
- ☑ Development of programs and mechanisms that balance job satisfaction and flexible working arrangements
- ☑ Creation of a culture and work environment that thrives on diversity

■ Major initiatives based on human resources strategy

Recruitment

- Employment of people with disabilities such as para athletes
- Employment of seniors
- Recruitment of foreign talent
- Raising the target percentage of female employees among new graduate hires
- Recruitment enhancement through the introduction of a referral system

Education and training

- Level-based training

  Run systematic training programs according to position and rank

  Facilitate skill improvement according to each employee's career stage
- Sales mindset training aimed at improving added value
- Introduction of a grant program for obtaining MBA

Evaluation

- Transfer request application system and career-related questionnaire

  Aim to create an environment and mechanism that allows employees to proactively take on new challenges and continue working regardless of their life stage
- Review of personnel and evaluation systems

Work style

- Employee engagement survey

  Extensively collect and analyze the thoughts and attitudes of diverse employees to help inform future system reforms and other initiatives
- Creation of specialist courses
- Creation of area-specific career-track positions
- Start of human rights due diligence
- Introduction and expansion of various programs (telework, staggered working hours, etc.)

- Stakeholder dialogue

  The third session featured an exchange of opinions on the theme of "human capital management and promotion of DX." (September 2025)

Learn more ▶

3. Appendix

Overall Picture of Mid-term Management Plan “TX2030”

We disclosed the supplementary material of the Mid-Term Management Plan. Please also refer to the IR Information on our website.
https://ssl4.eir-parts.net/doc/5074/ir_material4/246171/00.pdf

Basic Policy

- Focus growth investments and management resources on key business areas while sustaining existing operations as the earnings base.
- Achieve high profitability and increase ROE and ROIC through business transformation.

Key Business Areas

[Existing business]
Energy-conservation and renewable energy solutions businesses (solar power, CGS, etc.)

Power storage system-related business
- Development of power storage plants for the grid
- FIP conversion of FIT solar power plants + storage battery co-location

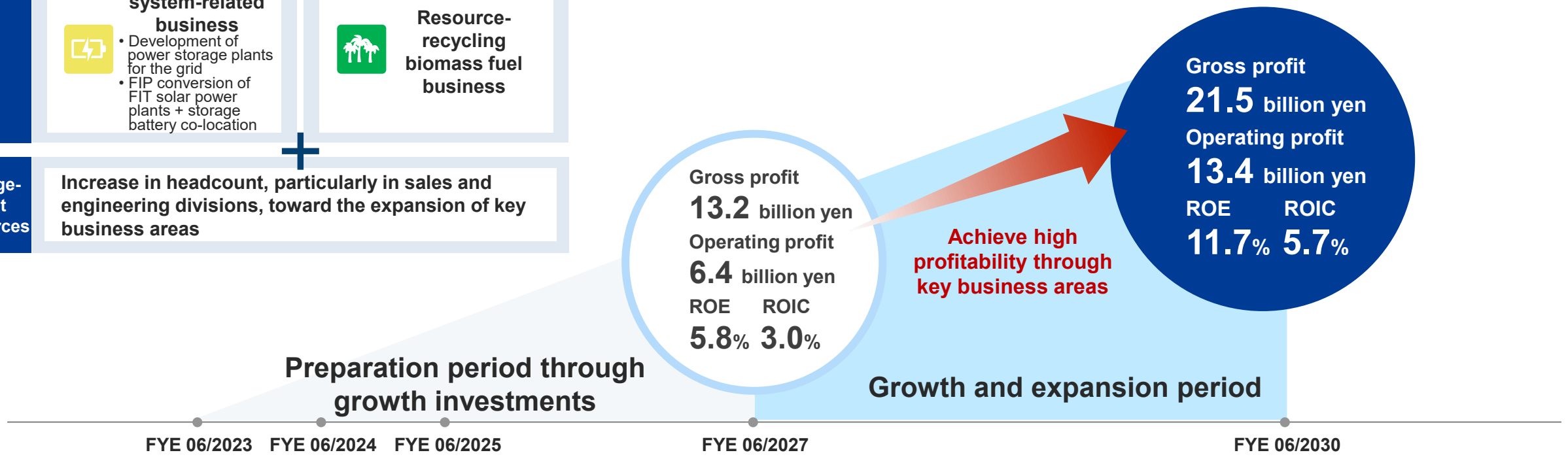
Resource-recycling biomass fuel business

Manage-ment Resources

Increase in headcount, particularly in sales and engineering divisions, toward the expansion of key business areas

Efforts to Enhance Corporate Value

ROE/ROIC oriented management	• Strive to achieve high profitability by transforming the business structure through growth investment. • Establish a business structure that enables ROIC to exceed WACC (Weighted Average Cost of Capital) on an ongoing basis.
Growth Investment and Shareholder Returns	• Achieve profit growth through continuous growth investments. • Continue to return profits to shareholders with a target consolidated dividend payout ratio of 30% in order to strike a balance between a highly profitable business and financial soundness. • Endeavor to increase shareholder returns through earnings growth.
Promotion of ESG Management	• E (Environment) : Realization of Total Energy Savings & Solutions • S (Society) : Developing human resources and social infrastructure to support business growth • G (Governance) : Fair and transparent management



Progress of KPIs

Key Metrics

Period	Gross profit	Operating profit	ROE	ROIC	In-house FIP rollover Renewable energy cap.	Cumulative installed cap. (Power storage plants for the grid) * To outside the consolidated group	Cumulative installed cap. (Power storage plants other than for the grid) * To outside the consolidated group	Biomass fuel supply	Renewable energy generation cap. * Portion owned by consolidated subsidiaries
FYE 06/2030 Forecast	21.5 bn yen	13.4 bn yen	11.7%	5.7%	113 MW	700 MW	150 MW	500,000 tons/year	470 MW
FYE 06/2027 Forecast	13.2 bn yen	6.4 bn yen	5.8%	3.0%	75 MW	100 MW	120 MW	350,000 tons/year	380 MW
FYE 06/2025 Actual	**7.4 bn yen**	**2.5 bn yen**	**0.5%**	**1.4%**	**8.3 MW (Construction started)** --- **0 MW (Actual result)**	**63.3 MW (Order received)** --- **0 MW (Actual result)**	**33.1 MW (Order received)** --- **0 MW (Actual result)**	**127,000 tons/year**	**369.4 MW**

- **The power storage system-related business, as one of our key business areas, has progressed steadily. Building up of the renewable energy generation capacity has also made sound progress toward the FYE 06/2027 forecast.**
- **ROE and ROIC of FYE 06/2025 resulted in the level lower than the Mid-term Management Plan due to profit decrease, etc.**
  To achieve the FYE 06/2027 forecast, we aim to increase profit, including operating profit, by focusing on key business areas.

Introduction of a Shareholder Special Benefit Program

- **In gratitude for the continued support of our shareholders, we introduced a shareholder benefit program for shareholders listed or recorded in our shareholder registry as of June 30, 2025.**

- Shareholders who hold 10 units (1,000 shares) or more as of the end of June each year, as listed or recorded in our shareholder registry, are eligible.
- Eligible shareholders received a brochure titled “Guide to the TESS Holdings Premium Benefit Club” in early August 2025.
- Eligible shareholders may select their preferred items from over 5,000 products available through the TESS Holdings Premium Benefit Club using points awarded based on the number of shares held.



* Pictures are for illustrative purposes only.
Benefit program products are subject to change.

Shareholder Benefit Program Point Table
(1 point = Approx. 1 yen)

Number of shares held	Number of benefit program points
1,000 to 1,999 shares	3,000 points
2,000 to 2,999 shares	7,000 points
3,000 to 3,999 shares	15,000 points
4,000 shares and above	40,000 points

Consolidated Statement of Income (Five Fiscal Years)

(Millions of yen)	FYE 06/2022 Q1	FYE 06/2023 Q1	FYE 06/2024 Q1	FYE 06/2025 Q1	FYE 06/2026 Q1
Net sales	10,196	8,323	6,221	8,308	12,709
Cost of sales	6,155	5,856	4,487	6,205	10,411
Gross profit	4,041	2,466	1,733	2,103	2,298
Selling, general, and administrative expenses	823	938	1,018	1,158	1,302
Operating profit	3,217	1,527	714	944	995
Non-operating income	116	152	195	632	86
Non-operating expenses	363	226	412	819	503
Ordinary profit	2,971	1,453	498	757	577
Extraordinary income	-	-	-	471	–
Extraordinary losses	-	-	-	292	–
Profit before income taxes	2,971	1,453	498	937	577
Income taxes	1,033	481	157	222	519
Profit	1,937	971	340	715	58
Profit attributable to non-controlling interests	26	65	56	30	33
Profit attributable to owners of parent	1,911	905	283	684	25

Quarterly Consolidated Statements of Income - Reportable Segment Details (Two Periods)

(Millions of yen)	FYE 06/2025 Q1	FYE 06/2025 Q2	FYE 06/2025 Q3	FYE 06/2025 Q4	FYE 06/2026 Q1
Net sales	**8,308**	**9,705**	**8,774**	**9,895**	**12,709**
Engineering Segment	3,710	3,897	4,203	4,908	5,646
Commissioned EPC (energy conservation)	2,011	1,733	1,401	3,292	2,455
Commissioned EPC (renewable energy)	1,298	1,841	1,687	1,616	3,191
Development EPC (renewable energy)	400	322	1,114	-	-
Energy Supply Segment	4,598	5,807	4,570	4,987	7,062
Renewable energy power generation	2,421	3,361	2,214	3,128	5,067
O&M	1,358	1,296	1,331	1,247	1,145
Electricity retailing	343	334	513	447	848
Biomass fuel	475	814	510	163	-
Gross profit	**2,103**	**2,627**	**1,472**	**1,249**	**2,298**
Engineering Segment	592	491	986	268	506
Commissioned EPC (energy conservation)	205	198	288	203	334
Commissioned EPC (renewable energy)	260	237	316	82	184
Development EPC (renewable energy)	127	54	381	(16)	(13)
Energy Supply Segment	1,510	2,136	486	981	1,791
Renewable energy power generation	894	1,450	229	869	1,288
O&M[*1]	482	313	181	135	259
Electricity retailing[*1]	4	47	22	37	84
Biomass fuel[*1]	129	325	53	(62)	159
Operating profit	**944**	**1,464**	**260**	**(121)**	**995**
Engineering Segment	260	171	626	(177)	152
Energy Supply Segment	1,076	1,686	27	556	1,384
Elimination or company-wide	(392)	(393)	(393)	(500)	(541)

[*1] For transactions within the consolidated group, net sales and cost of sales are eliminated in the consolidation process, with only gross profit being recorded.

[*2] The breakdown of net sales and gross profit by reportable segment has not been audited.

[*3] Figures are after inter-segment elimination.

Operating Results by Segment

(Millions of yen)	Result FYE June 2023	Result FYE June 2024	Result FYE June 2025	Forecast FYE June 2026
Net sales	**34,415**	**30,643**	**36,684**	**47,000**
Engineering Segment	10,422	13,163	16,720	19,700
Commissioned EPC (energy conservation)	2,711	4,442	8,438	4,200
Commissioned EPC (renewable energy)	5,018	7,202	6,445	15,000
Development EPC (renewable energy)	2,692	1,518	1,837	500
Energy Supply Segment	23,992	17,479	19,963	27,300
Renewable energy power generation	14,060	8,437	11,126	19,000
O&M	5,229	5,867	5,234	4,900
Electricity retailing	3,209	1,262	1,639	3,400
Biomass fuel	1,493	1,912	1,963	0
Gross profit	**10,611**	**6,553**	**7,453**	**9,000**
Engineering Segment	1,780	1,897	2,338	3,300
Commissioned EPC (energy conservation)	307	282	895	950
Commissioned EPC (renewable energy)	704	1,124	896	2,400
Development EPC (renewable energy)	768	491	546	(50)
Energy Supply Segment	8,830	4,655	5,114	5,700
Renewable energy power generation	6,664	2,972	3,444	4,300
O&M[*1]	1,169	1,356	1,112	500
Electricity retailing[*1]	541	11	112	150
Biomass fuel[*1]	455	314	446	750
Operating profit	**6,864**	**2,370**	**2,548**	**3,600**
Engineering Segment	728	808	880	1,700
Energy Supply Segment	7,292	2,966	3,347	3,800
Elimination or company-wide	(1,156)	(1,404)	(1,679)	(1,900)

[*1] For transactions within the consolidated group, net sales and cost of sales are eliminated in the consolidation process, with only gross profit being recorded.

[*2] The breakdown of net sales and gross profit by reportable segment has not been audited.

[*3] Figures are after inter-segment elimination.

Explanations of Terms

Term	Explanation
Energy conservation	Reducing the amount of energy consumed through the efficient use of resources and energy.
Co-generation system	A type of distributed energy resource consisting of a combined heat and electricity supply system that uses the heat emitted during power generation for air conditioning and heating, or for production processes. It may also be referred to as CHP (Combined Heat & Power).
Renewable energy	Energy, such as solar power, wind, and geothermal, that can be used repeatedly without depleting resources, unlike fossil fuels derived from finite resources.
Solar power generation system	A power generation system that uses a photovoltaic panel to absorb light energy from the sun and convert it to electricity for use.
Biomass power generation system	A power generation system that obtains energy through the rotation of a turbine using steam or gas generated by the combustion or gasification of biomass resources (resources derived from biological matter).
On-site PPA (Power Purchase Agreement)	A form of contract in which TESS Group acts as a power generation company, owning, maintaining, and managing solar power generation plants for in-house consumption, and providing the electricity generated by these plants to customers.
EPC	An abbreviation for Engineering, Procurement, and Construction.
FIT (Feed-in Tariff)	A system, based on the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources, under which the national government promises that electricity utilities will purchase electricity generated from renewable energy, such as solar, wind, or biomass, at a set price and for a set period of time.
FIP (Feed-in Premium)	A system where the amount equivalent to the difference between the standard price (FIP price) and market price shall be paid as a premium in the case that electricity produced by renewable energy electricity utilities is sold on the wholesale electricity market or in direct dealings.
PKS (Palm Kernel Shell)	The shell that remains after palm oil has been extracted from palm kernels.
EFB (Empty Fruit Bunch)	The empty oil palm husk produced as a byproduct (residue) when extracting palm oil from oil palms.
Power storage plants for the grid	A facility that connects large industrial storage batteries to a power grid (transmission and distribution network) and performs charging and discharging. The purpose is to stabilize the power grid by storing electricity when there is a surplus and discharging it when there is a shortage.

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