Financial Results Meeting Materials

for the Six Months Ended December 31, 2025 (Interim)

February 13, 2026

TESS Holdings Co., Ltd.

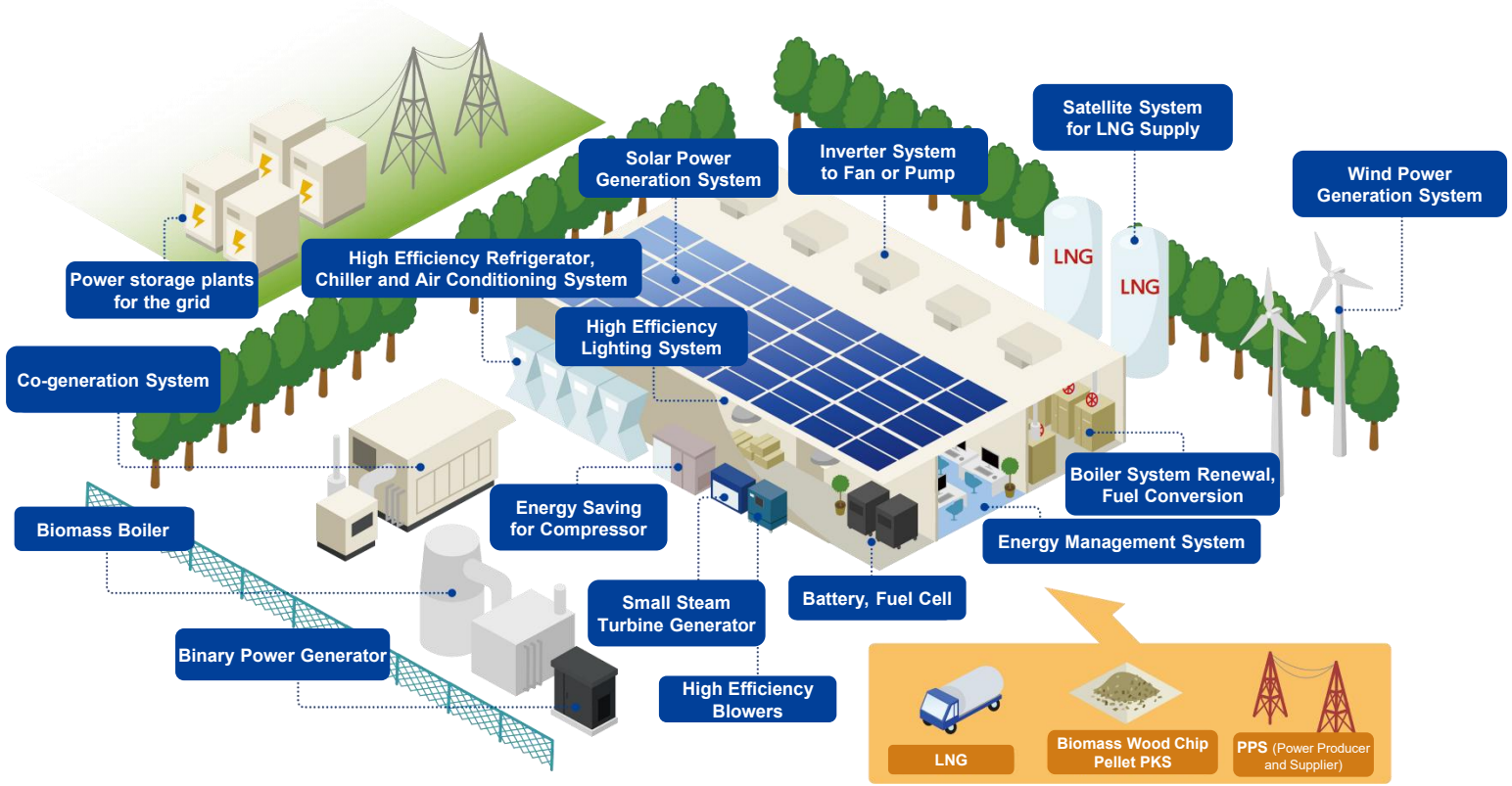
Securities code: 5074

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 Q2 Consolidated Results

Net sales	Gross profit	Operating profit	Ordinary profit	Profit attributable to owners of parent	ROE	ROIC
27,043 million yen (+50.1% YoY)	5,792 million yen (+22.4% YoY)	3,272 million yen (+35.8% YoY)	2,584 million yen (+975.6% YoY)	1,318 million yen (+120.8% YoY)	2.9%	1.5%

Entire Business

- Consolidated financial results for the six months ended December 31, 2025 show year-on-year increases in both revenue and profit.

Engineering Segment

- Power storage system projects in renewable energy EPC (commissioned) increased, resulting in year-on-year increases in both revenue and 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 403.4 MW. Approximately 5.0 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 Six Months Ended December 31, 2025

Consolidated Financial Results

- **Consolidated financial results for the six months ended December 31, 2025 (from July 1, 2025 to December 31, 2025) showed year-on-year increases in both revenue and profit. The large increase in ordinary profit is mainly due to a reactionary decrease in loss on valuation of derivatives recorded in the same period of the previous fiscal year.**

(Millions of yen)

	FYE 06/2025 Q2	FYE 06/2026 Q2	FYE 06/2026 Full-year target	Year-on-year changes	Percentage of full-year target achieved
Net sales	**18,013**	**27,043**	**47,000**	**50.1%**	**57.5%**
Gross profit	**4,730**	**5,792**	**9,000**	**22.4%**	**64.4%**
(Profit margin)	(26.3%)	(21.4%)	(19.1%)		
Operating profit	**2,409**	**3,272**	**3,600**	**35.8%**	**90.9%**
(Profit margin)	(13.4%)	(12.1%)	(7.7%)		
Ordinary profit	**240**	**2,584**	**1,800**	**975.6%**	**143.6%**
(Profit margin)	(1.3%)	(9.6%)	(3.8%)		
Profit attributable to owners of parent	**597**	**1,318**	**1,200**	**120.8%**	**109.9%**
(Profit margin)	(3.3%)	(4.9%)	(2.6%)		

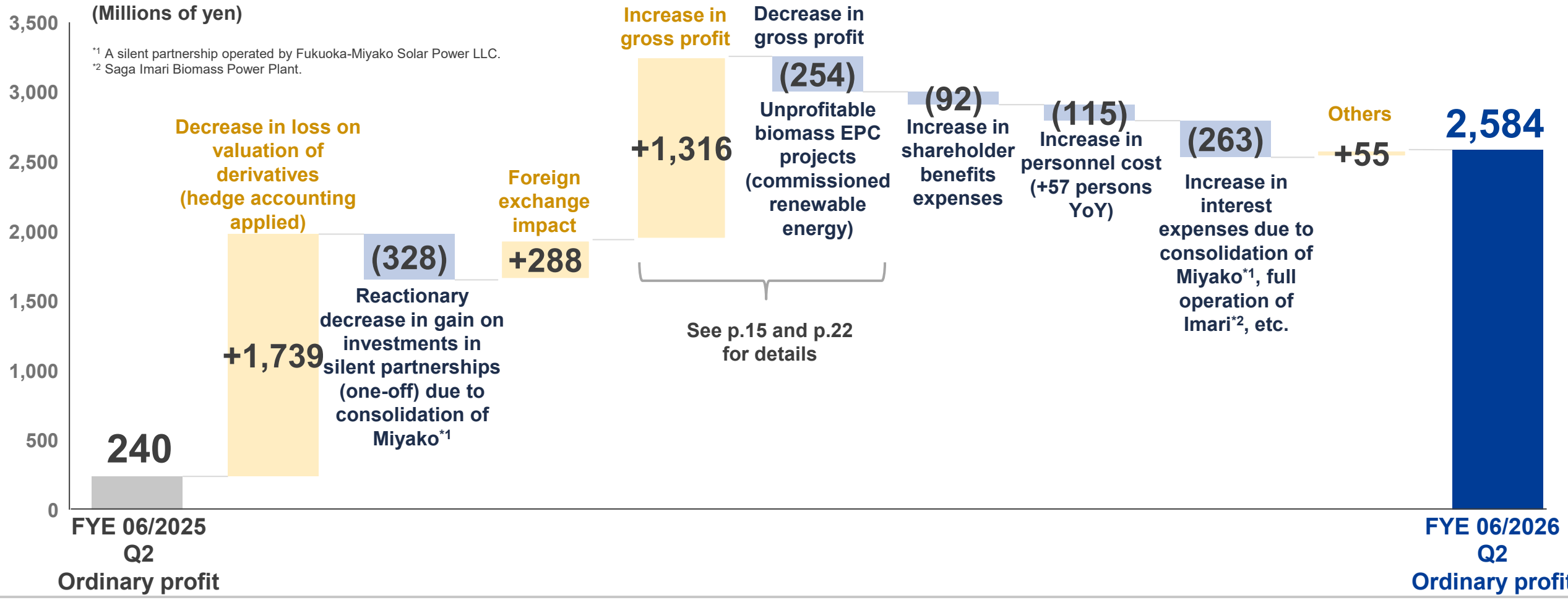
Consolidated Financial Results Summary (Year-on-year)

(Millions of yen)	FYE 06/2025 Q2	FYE 06/2026 Q2	Change	Main factors behind change
Net sales	18,013	27,043	9,029	See pages 15 and 22 for details.
Cost of sales	13,282	21,250	7,967	See pages 15 and 22 for details.
Gross profit	4,730	5,792	1,061	See pages 15 and 22 for details.
Selling, general, and administrative expenses	2,321	2,520	198	Increase in expenses due to the introduction of a shareholder benefit program and increase in personnel cost due to headcount increase
Operating profit	2,409	3,272	863	
Non-operating income	676	334	(342)	Reactionary decrease stemming from the recording of gain on investments in silent partnerships due to the conversion of Miyako* into a consolidated subsidiary in FYE 06/2025 Q2 (one-off)
Non-operating expenses	2,845	1,021	(1,824)	Decrease in loss on valuation of derivatives (due to the application of hedge accounting) and decrease in foreign exchange losses
Ordinary profit	240	2,584	2,344	
Extraordinary income	985	-	(985)	Reactionary decrease stemming from the recording of gain on sale of investment securities related to unlisted securities and gain on bargain purchase due to the conversion of Miyako* into a consolidated subsidiary in FYE 06/2025 Q2 (one-off)
Extraordinary losses	292	-	(292)	Reactionary decrease stemming from the recording of loss on step acquisitions due to the conversion of Miyako* into a consolidated subsidiary in FYE 06/2025 Q2 (one-off)
Profit before income taxes	934	2,584	1,650	
Income taxes	259	1,185	926	Increase due to not recognizing deferred tax assets related to asset retirement obligations in addition to year-on-year increase in profit
Profit	674	1,399	724	
Profit attributable to non-controlling interests	77	80	3	
Profit attributable to owners of parent	597	1,318	721	

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

Main Factors for Changes in Ordinary Profit (YoY)

- **Ordinary profit for the six months ended December 31, 2025 was 2,584 million yen (up 975.6% 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 Q2	Change	Main factors behind change
Current assets	**41,986**	**44,982**	**2,996**	Increases in accounts receivable from completed construction contracts and contract assets in relation to EPC in the Engineering Segment and decrease in cash and deposits.
Non-current assets	**109,276**	**115,175**	**5,898**	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**	**160,157**	**8,895**	
Current liabilities	**29,996**	**34,201**	**4,204**	Increase in short-term borrowings and decrease in contract liabilities related to EPC in the Engineering Segment.
Non-current liabilities	**78,411**	**78,315**	**(96)**	Decrease in long-term borrowings, increase in asset retirement obligations, decrease in derivative liabilities and increase in deferred tax liabilities related to long-term foreign exchange forward contracts.
Total liabilities	**108,408**	**112,517**	**4,108**	
Shareholders' equity	**40,146**	**41,104**	**957**	Increase in retained earnings.
Accumulated other comprehensive income	**2,410**	**6,163**	**3,753**	Increase in deferred gains or losses on hedges related to long-term foreign exchange forward contracts.
Non-controlling interests	**296**	**372**	**75**	
Total net assets	**42,853**	**47,640**	**4,787**	
Total liabilities and net assets	**151,262**	**160,157**	**8,895**	

Consolidated Statements of Cash Flows

(Millions of yen)	FYE 06/2025 Q2	FYE 06/2026 Q2	Main contents of cash flow
Cash flows from operating activities	5,001	(4,293)	Increase in trade receivables related to commissioned-type EPC in the Engineering Segment, etc.
Cash flows from investing activities	(6,266)	(3,862)	Purchase of property, plant, and equipment.
Cash flows from financing activities	2,736	3,029	Proceeds from long-term borrowings, net increase in short-term borrowings and repayments of long-term borrowings.
Effect of exchange rate changes on cash and cash equivalents	(30)	(26)	
Cash and cash equivalents at beginning of period	14,098	16,431	
Cash and cash equivalents at end of period	15,539	11,278	

2. Financial Results by Segment, Etc.

Engineering Segment

Flow-type

Sales Portion

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

Sales Portion

Renewable energy power generation (FIT, FIP/PPA)

Operation and maintenance (O&M)

Electricity retailing

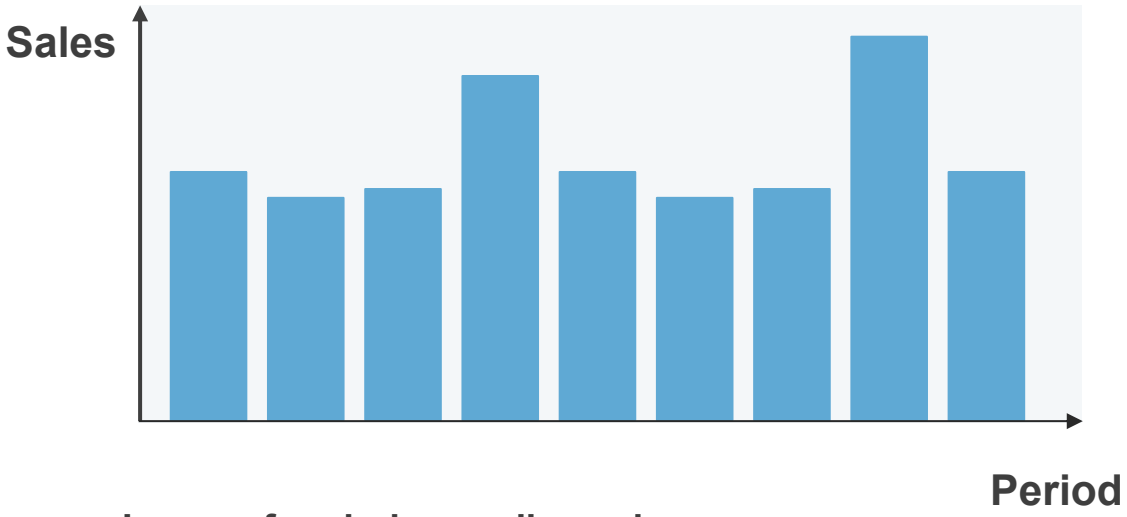
Biomass fuel supply

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

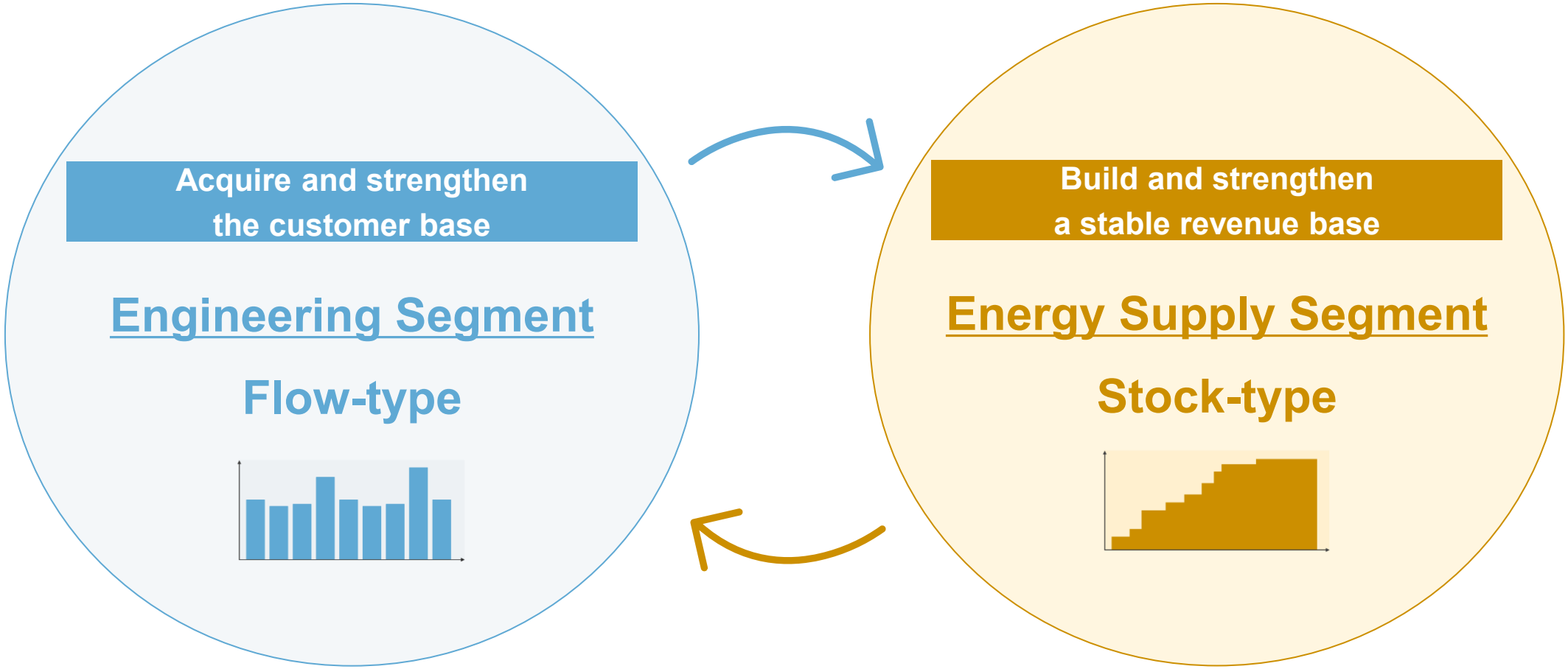
**Business that earns steady streams of income.
Stable revenue by accumulating income streams one by one.**

<Image of period recording sales>

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

Business Model

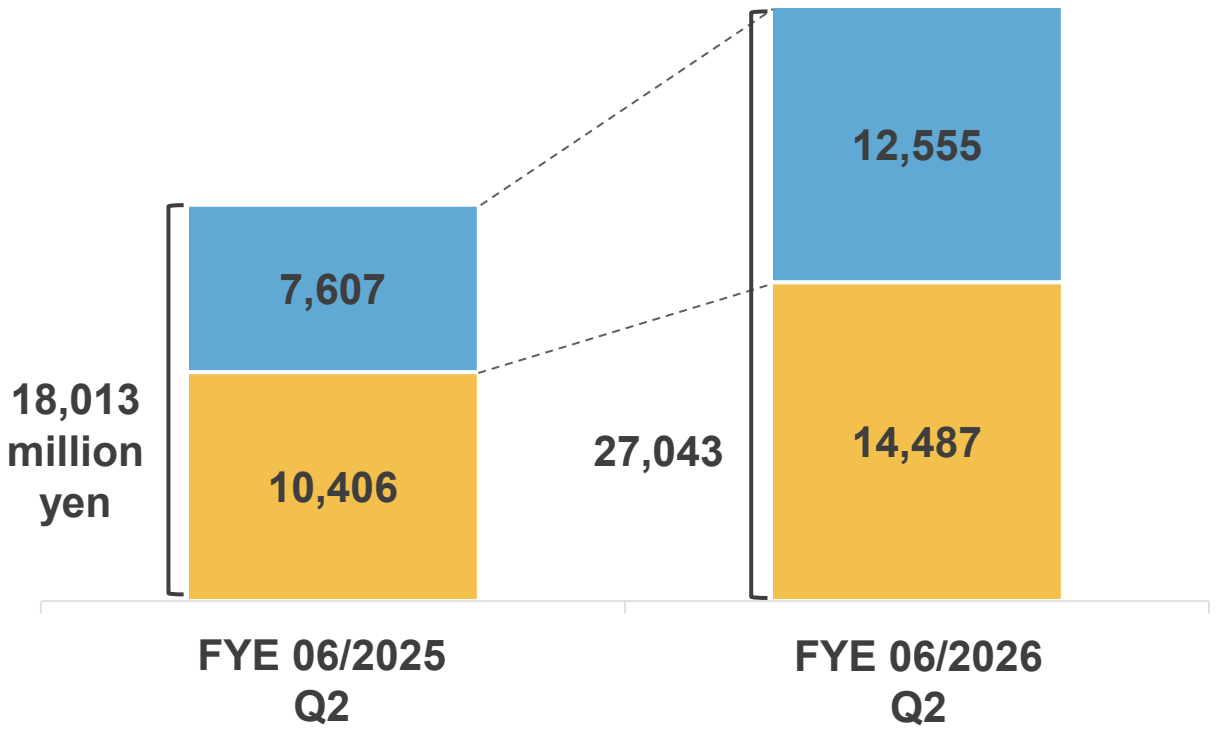
- **Circular business model linking flow-type and stock-type business.**
- **Secure both flow and stock revenue opportunities.**
  (For example, after completing EPC in the Engineering Segment, it will lead to O&M orders for the Energy Supply Segment)



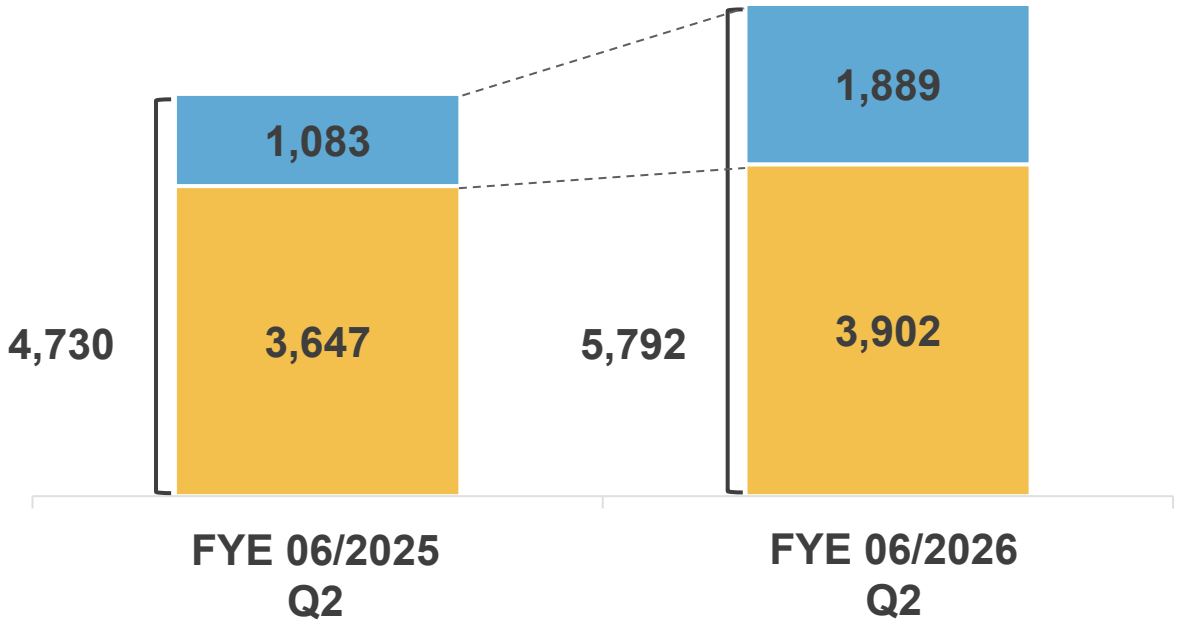
Breakdown of Net Sales and Gross Profit by Segment (Year-on-year)

- **Net sales and gross profit for the six months ended December 31, 2025 show year-on-year increases in both revenue and profit.**

Consolidated net sales



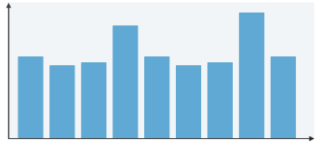
Consolidated gross profit



Engineering Segment　Energy Supply Segment

* Figures are after inter-segment elimination.

Flow-type



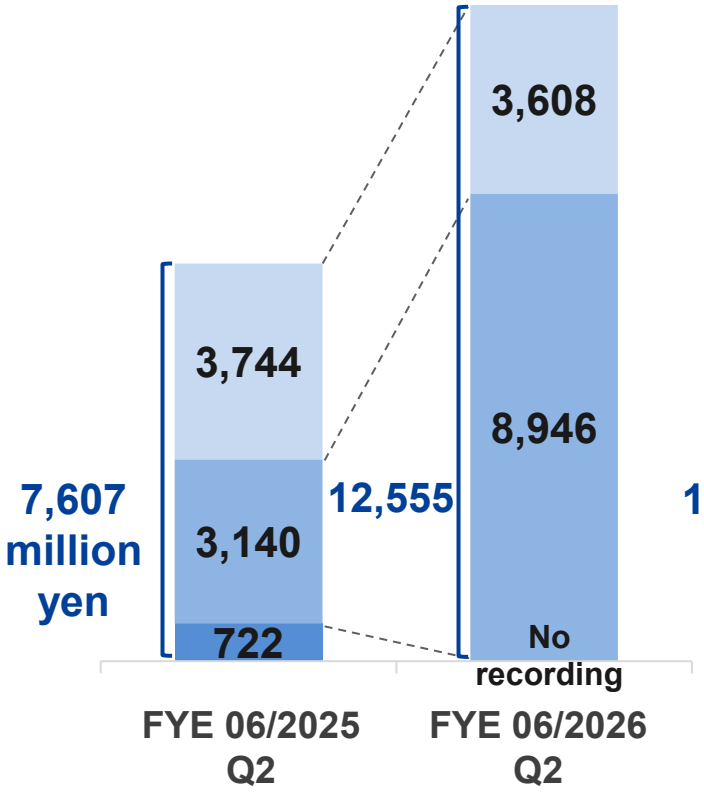
Engineering Segment

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

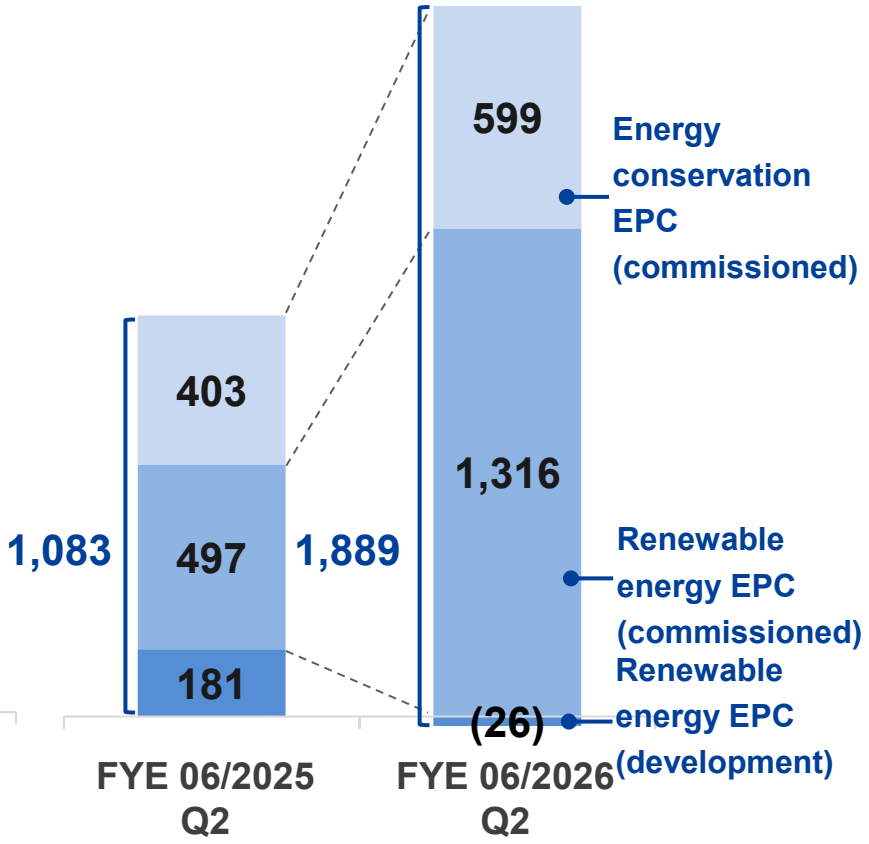
Engineering Segment

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

■ Net sales



■ Gross profit



Engineering Segment Highlights

- Energy conservation EPC (commissioned) remained flat year on year, with decreased revenue and increased profits due to progress in projects with high gross profit margins, such as co-generation.
- Renewable energy EPC (commissioned) saw increased revenue and profits year-on-year due to an increase in 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.

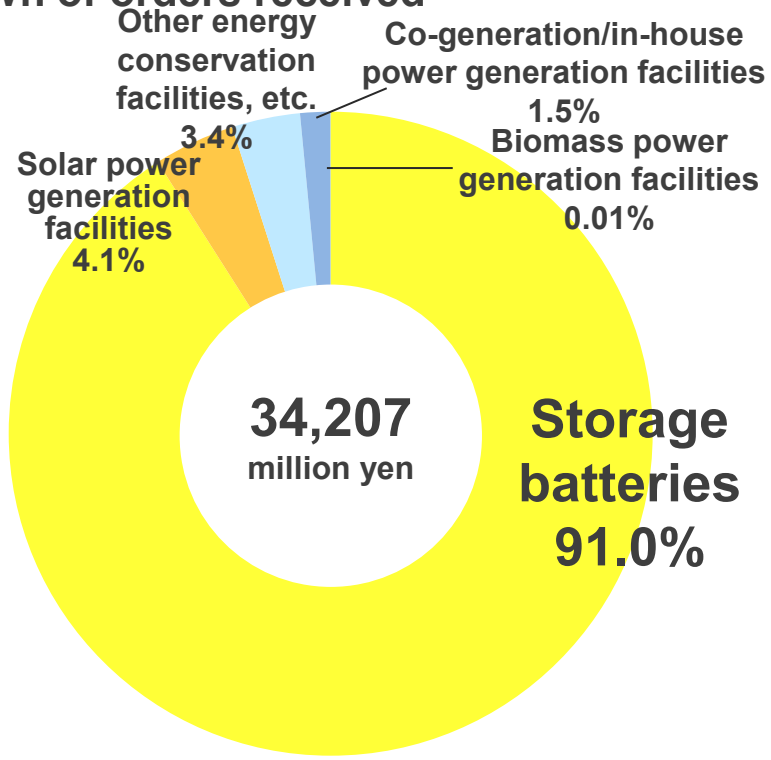
* Figures are after inter-segment elimination.

Orders Received and Order Backlog

Engineering Segment

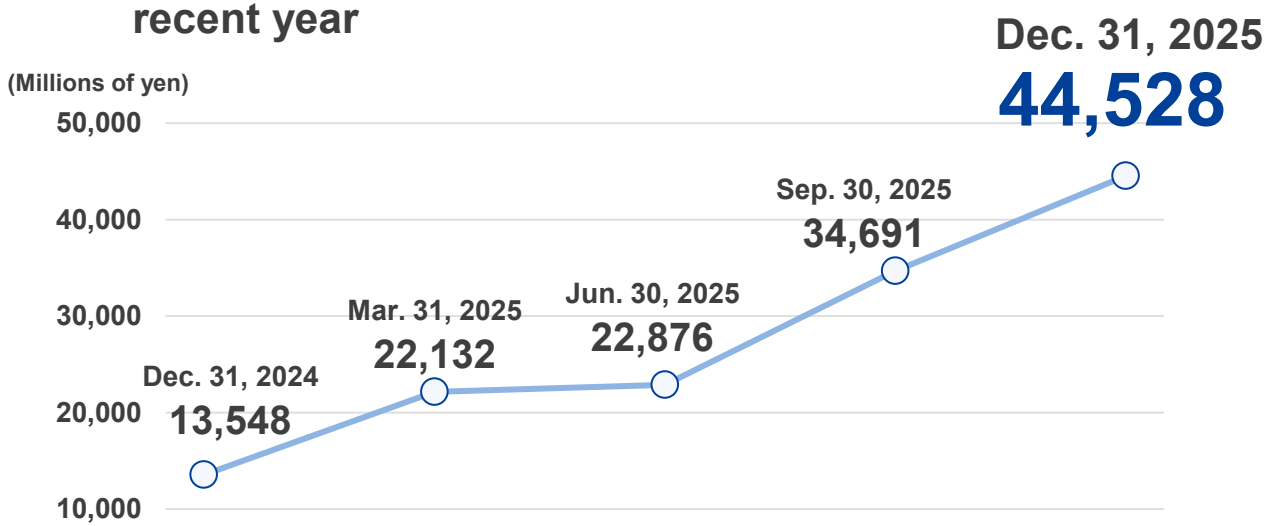
- Orders received totaled 34,207 million yen (828.1% year-on-year). Mainly driven by commissioned and development EPC projects for FIP conversion of FIT solar power plants + storage battery co-location, as well as for power storage plants for the grid.
- Order backlog was 44,528 million yen (328.7% year-on-year). 91.8% of order backlog was for storage batteries thanks to large orders received.

Breakdown of orders received



FYE 06/2026 Q2

Trends in order backlog over the most recent year



Breakdown of order backlog (major factors) (As of Dec. 31, 2025)		
	Storage batteries	91.8%
	Biomass power generation facilities	2.7%
	Solar power generation facilities	2.4%
	Co-generation/in-house power generation facilities	2.0%
	Other energy conservation facilities	1.1%

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 Feb. 13, 2026)

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 six months ended December 31, 2025.
  12 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	Location	PCS output	Capacity	Delivery Date (Est.)
 Power storage plants for the grid	Group company of Tokyo Century Corporation	Tokushima City, Tokushima Prefecture	2,000 kW	Approx. 8,100 kWh	September 2026
		Itano-cho, Itano-gun, Tokushima Prefecture	2,000 kW	Approx. 8,100 kWh	October 2026
 FIP conversion of FIT solar power plants + storage battery co-location	Nakayoshi Sekizai Co., Ltd.	Yusui-cho, Aira-gun, Kagoshima Prefecture	1,278 kW	4,472 kWh	April 2026
		Kirishima City, Kagoshima Prefecture	2,556 kW	8,944 kWh	
		Kusu-machi, Kusu-gun, Oita Prefecture	2,556 kW	8,944 kWh	
	Kyocera TCL Solar LLC (Invested by Tokyo Century Corporation and KYOCERA Corporation)	Iizuka City, Fukuoka Prefecture	1,500 kW	Approx. 6,000 kWh	February 2026
	Fuyo General Lease Co., Ltd.	Fukuoka Prefecture	2,556 kW	4,472 kWh	June 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 Jan. 31, 2026).
- 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

Capacity of involvement in development (Development EPC)	Customer inquiries (Commissioned EPC)
Cumulative total of approx. **2,900MW**[*1]	Cumulative total of **470 projects** or more[*2]

FIP conversion of FIT solar power plants + storage battery co-location

Customer inquiries (Commissioned EPC)
Cumulative total of **240 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 Q2 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

HARIMA-KYOWA CO., LTD.
Chubu Komaki Logistics Center

Co-generation systems	**3** projects (approx. **21.1 MW**)
LNG satellite facilities and other fuel conversion equipment	**2** projects (approx. **130 kL**)
Utility equipment	**4** projects
Solar power generation systems	**4** projects (approx. **4.2 MW**)

Facilities completed in Q2 of FYE June 2026

Stock-type

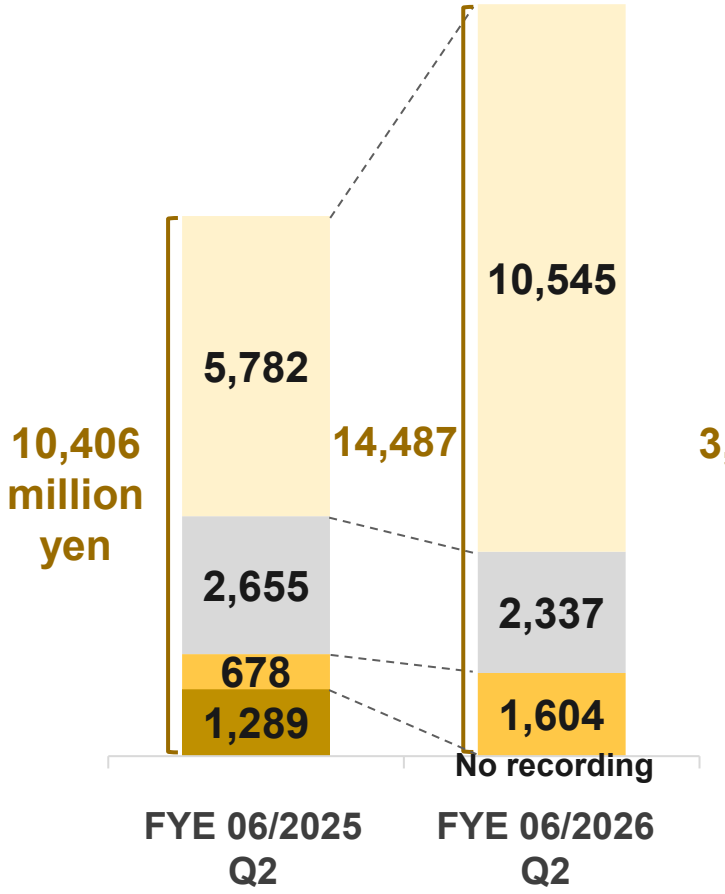
Energy Supply Segment

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

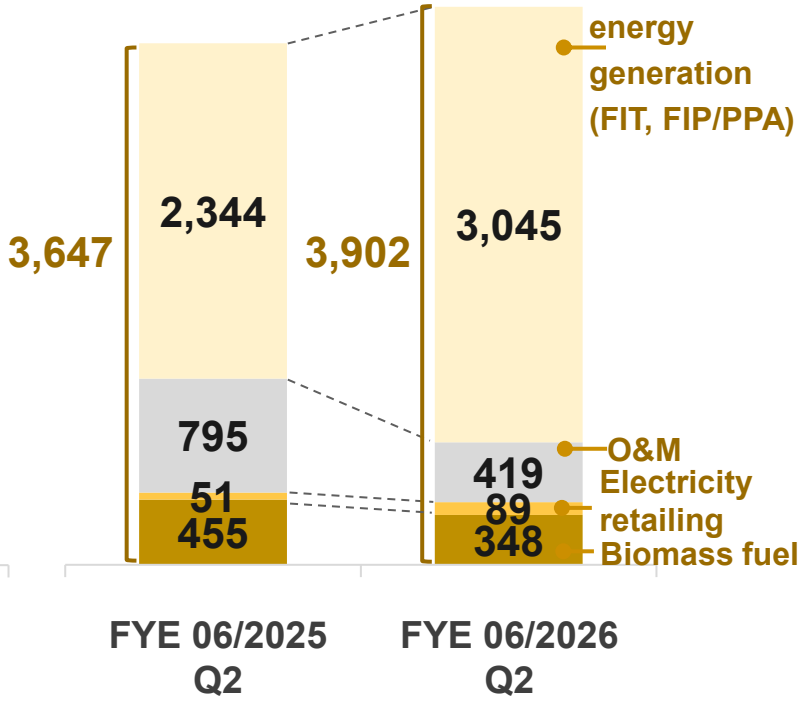
Energy Supply Segment

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

■ Net sales



■ Gross profit



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, as well as the conversion of Fukuoka-Miyako Mega Solar power plant 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 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 profit year-on-year. This is due to the impact of transferring some expenses that were recorded under selling, general, and administrative expenses in the same period of the previous fiscal year to cost of sales, as well as the scheme in which profits are recorded based on the amount of PKS consumed at the Saga Imari Biomass Power Plant, despite increased PKS export volume (net sales and cost of sales related to the transactions eliminated as internal transactions in the consolidation process; 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

Energy Supply Segment

- **From July 2025 to the release date of financial results for Q2 of FYE June 2026, we started supplying a total of approximately 5.5 MW of electricity to 4 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

Kracie, Ltd.
Kyoto Factory

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	Kracie, Ltd. Kyoto Factory	Approx. 1,012 kW	Nov. 2025
Initiated	Not disclosed	Approx. 491 kW	Feb. 2026
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	Yokohama City, Kanagawa Prefecture Tsuzuki Wastewater Treatment Plant, Sewerage and Rivers Bureau	Approx. 793 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. 3.0 MW).

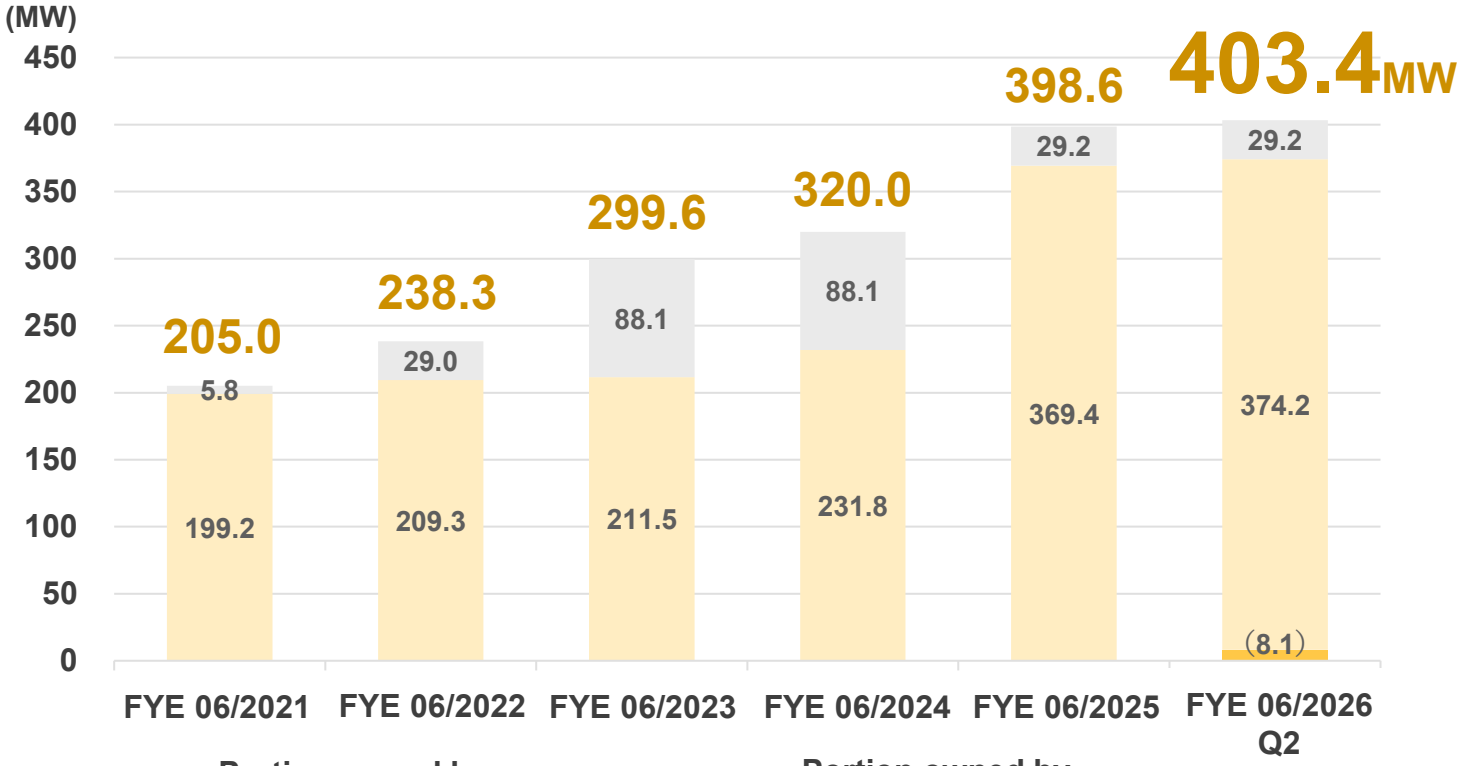
Trends in Generation Capacity for Renewable Energy Power Plants

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.



Portion owned by consolidated subsidiaries

(Of which, FIP conversion + storage battery co-location completed)

Portion owned by TESS Group investee companies

(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 Q2 of FYE June 2026

- Increases in capacities owned by consolidated subsidiaries
  On-site PPA: Approx. 5.0 MW (3 supply destinations)
- Charging and discharging with FIP conversion + storage battery co-location began at 4 solar power plants
  (Solar power: approx. 8.1 MW, Storage battery: approx. 23.2 MWh)

Solar 130 projects, approx. 349.6 MW
including 54 on-site PPA projects, approx. 62.8 MW

Biomass 3 projects, approx. 53.8 MW

* As of December 31, 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 January 2026.

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 January 2026, interior construction of the building has been progressing, and tank installation has begun.

<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

Capital and Business Alliance with Tokyo Century Corporation: Initiatives of Past Year

Other

- In accordance with the capital and business alliance with Tokyo Century Corporation concluded in December 2024, we have been implementing various initiatives over the past year, including storage batteries.
- The two groups will continue to work together through the capital and business alliance, aiming to further increase corporate value.

Storage battery related

- ☑ Received 3 orders, including EPC for power storage plants for the grid
  - ・Large-scale development EPC (1 project)
  - ・Commissioned EPC (2 projects)
- ☑ Received 1 order of EPC for FIP conversion of FIT solar power plants + storage battery co-location

Contract signing ceremony held for large-scale project (November 13, 2025)

Solar power related

- ☑ Aiming for long-term stable operation and maximizing business value of solar power plants, we have launched a joint venture with A&Tm Corporation, which analyzes and diagnoses power plant operating data, in the operation and maintenance (O&M) of solar power plants.

A&Tm × TESS

Information exchange

- ☑ An information exchange meeting was held between the corporate departments of both groups, with discussions focused primarily on public relations, investor relations and ESG-related initiatives.

Various sustainability initiatives have been implemented.

CDP 2025: Achieved a “B-” score in the Climate Change category

CDP*, an international non-profit organization that operates an environmental information disclosure system, awarded the company a “B-” score at the management level in the Climate Change category of its 2025 Full Corporate Questionnaire. In addition, the company received a “C” score at the awareness level in the Forests category.

CDP Discloser 2025

*What is CDP? Established in 2000, CDP operates a global disclosure system that enables investors, companies, countries, regions, and cities to manage their environmental impact. Every year, it publishes environmental information on companies and local governments and evaluates their environmental impact on an eight-point scale (A, A-, B, B-, C, C-, D, D-).In 2024, over 24,800 companies worldwide disclosed their environmental information through CDP, and this data is widely utilized for investment and procurement related to sustainable economic activities.

Endorsement of “100% Male Paternity Leave Declaration”

- We endorsed the “100% Male Paternity Leave Declaration” promoted by Work-Life Balance Co., Ltd.
- To enable a diverse workforce to have more flexible working styles, we will continue to implement initiatives to eliminate operational dependency on specific employees and improve operation efficiency, as well as develop systems such as a childcare leave program.

男性育休 100% 企業宣言

◀ Details of the Declaration

Implementation of initiatives with stakeholders

■ Presented a donation to Local Children’s Support Network Project

- The Local Children’s Support Network Project is run by the Osaka City Social Welfare Council, with the mission of “creating a mechanism for society as a whole to support children for their happiness.” We support the project’s efforts to create a society where “everyone raises children together,” and presented a donation.

Participation in presentation ceremony (January 30, 2026)

■ Held a year-end social gathering with business connections and partner companies

- We held a year-end social gathering to strengthen relationships with business connections and partner companies.
- It was aimed at deepening mutual understanding, building trusting relationships, and promoting sustainable collaboration.

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

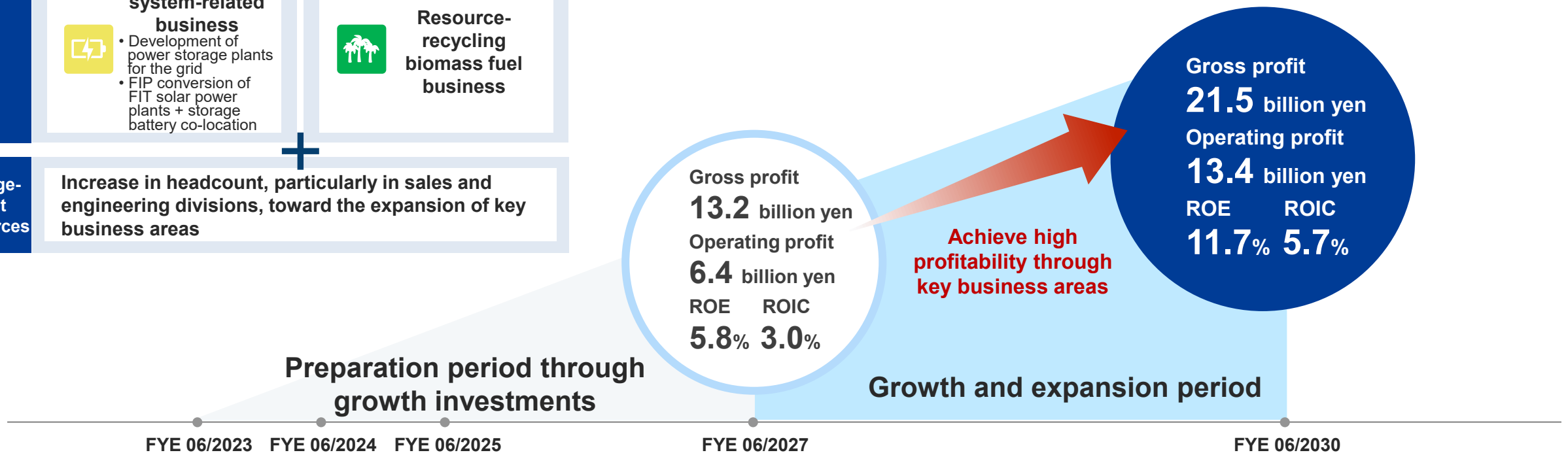
Resource-recycling biomass fuel business

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 Q2	FYE 06/2023 Q2	FYE 06/2024 Q2	FYE 06/2025 Q2	FYE 06/2026 Q2
Net sales	18,310	16,610	15,068	18,013	27,043
Cost of sales	12,513	11,893	11,300	13,282	21,250
Gross profit	5,797	4,716	3,768	4,730	5,792
Selling, general, and administrative expenses	1,615	1,793	2,002	2,321	2,520
Operating profit	4,181	2,923	1,765	2,409	3,272
Non-operating income	205	127	365	676	334
Non-operating expenses	590	549	672	2,845	1,021
Ordinary profit	3,797	2,501	1,458	240	2,584
Extraordinary income	-	-	-	985	-
Extraordinary losses	-	-	-	292	-
Profit before income taxes	3,797	2,501	1,458	934	2,584
Income taxes	1,324	815	512	259	1,185
Profit	2,472	1,685	946	674	1,399
Profit attributable to non-controlling interests	51	125	80	77	80
Profit attributable to owners of parent	2,420	1,560	865	597	1,318

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	FYE 06/2026 Q2
Net sales	**8,308**	**9,705**	**8,774**	**9,895**	**12,709**	**14,333**
Engineering Segment	3,710	3,897	4,203	4,908	5,646	6,908
Commissioned EPC (energy conservation)	2,011	1,733	1,401	3,292	2,455	1,153
Commissioned EPC (renewable energy)	1,298	1,841	1,687	1,616	3,191	5,754
Development EPC (renewable energy)	400	322	1,114	-	-	-
Energy Supply Segment	4,598	5,807	4,570	4,987	7,062	7,425
Renewable energy power generation	2,421	3,361	2,214	3,128	5,067	5,478
O&M	1,358	1,296	1,331	1,247	1,145	1,191
Electricity retailing	343	334	513	447	848	755
Biomass fuel	475	814	510	163	-	-
Gross profit	**2,103**	**2,627**	**1,472**	**1,249**	**2,298**	**3,494**
Engineering Segment	592	491	986	268	506	1,382
Commissioned EPC (energy conservation)	205	198	288	203	334	264
Commissioned EPC (renewable energy)	260	237	316	82	184	1,131
Development EPC (renewable energy)	127	54	381	(16)	(13)	(13)
Energy Supply Segment	1,510	2,136	486	981	1,791	2,111
Renewable energy power generation	894	1,450	229	869	1,288	1,756
O&M[*1]	482	313	181	135	259	160
Electricity retailing[*1]	4	47	22	37	84	5
Biomass fuel[*1]	129	325	53	(62)	159	188
Operating profit	**944**	**1,464**	**260**	**(121)**	**995**	**2,276**
Engineering Segment	260	171	626	(177)	152	889
Energy Supply Segment	1,076	1,686	27	556	1,384	1,821
Elimination or company-wide	(392)	(393)	(393)	(500)	(541)	(433)

[*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.

Disclaimer

These presentation materials include forward-looking statements about forecasts and outlooks related to plans, strategies and earnings. These forward-looking statements are the result of judgments formed by the management of the Company and derived from assumptions (hypotheses) that were based on information available at the time they were created. These may be affected by a variety of risks and uncertainties, and actual earnings may differ significantly from those, express or implied, in the forward-looking information.

Information in these presentation materials, including that relating to industries, market trends, regulatory trends, or economic conditions, is based on the information available at the time they were created, and no representation or warranty of any kind is made by the Company in regard to its authenticity, accuracy, completeness, or integrity.

Information in these presentation materials related to companies, etc., other than the Company, or information created by third parties, is quoted as publicly available information. The Company has not independently verified the accuracy or appropriateness of the contained data/indicators, etc., and accepts no responsibility of any kind in relation to them.

The information contained in these presentation materials is valid as of the date shown on these presentation materials (or as of a date stated separately), and the Company is under no obligation of any kind to update or revise this information to reflect any new information, future events, or other discoveries.

Inquiries:

Public Relations & Investor Relations Team,
TESS Holdings Co., Ltd.
https://www.tess-hd.co.jp/english/contact/

We ask that you send an inquiry using the form on our website.