

Financial Results Meeting Materials for the Fiscal Year Ended June 30, 2026



August 14, 2026
TESS Holdings Co., Ltd.
Securities code: 5074

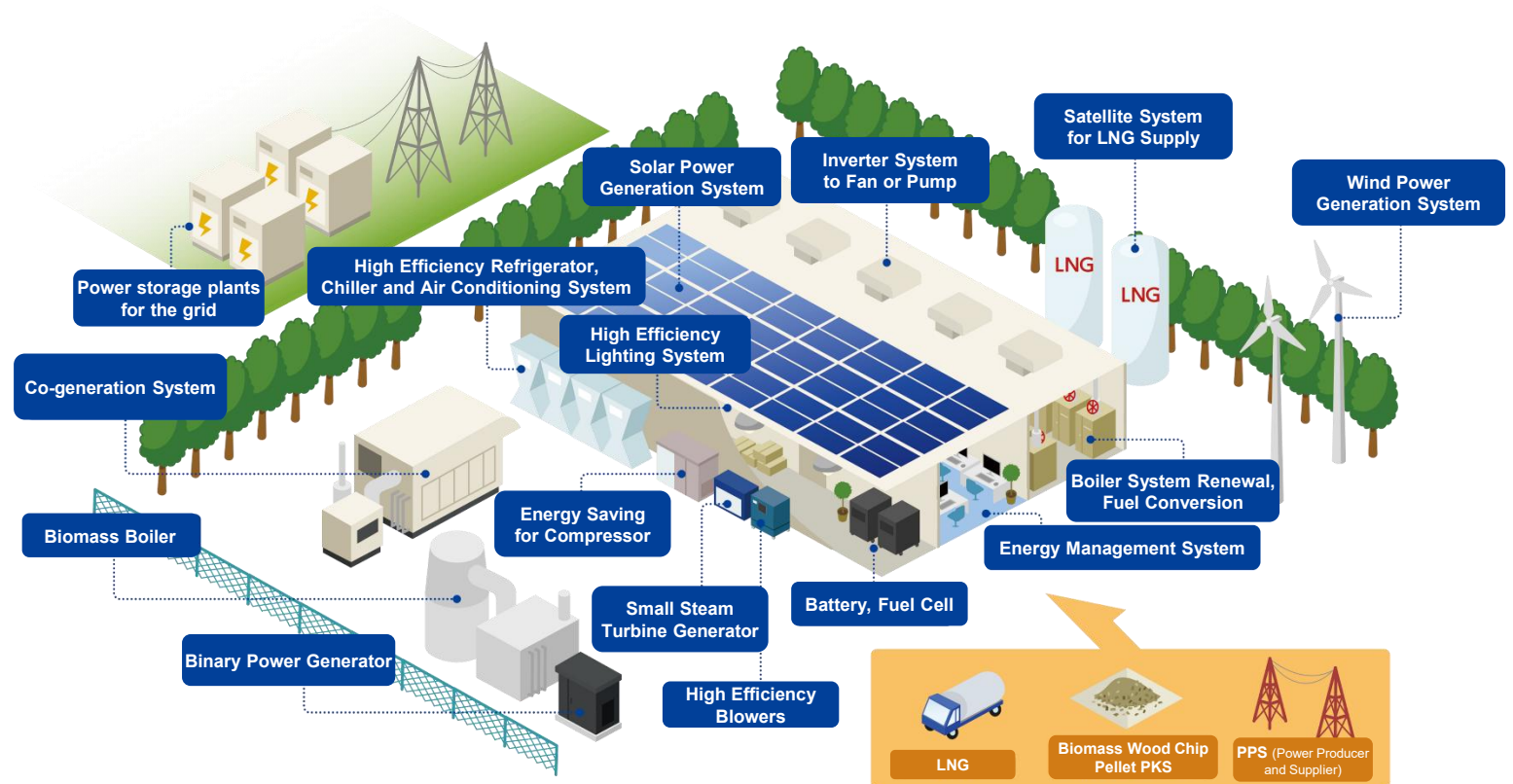
A leading company in decarbonization

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 Consolidated Results

Net sales	Gross profit	Operating profit	Ordinary profit (loss)	Profit attributable to owners of parent	ROE	ROIC	Dividend per share
51,217 million yen (+39.6% YoY)	10,417 million yen (+39.8% YoY)	5,326 million yen (+109.0% YoY)	3,834 million yen (loss of 641 million yen in FYE 06/2025)	2,123 million yen (+936.6% YoY)	4.5%	2.5%	9.54 yen

Entire
Business

- Consolidated financial results for the fiscal year ended June 30, 2026 show year-on-year **increases in both revenue and profit**.

Engineering
Segment

- Storage batteries EPC projects in renewable energy EPC (commissioned and development) increased, resulting in year-on-year **increases in both revenue and profit**.

Energy Supply
Segment

- Increased sales revenue from renewable energy power generation led to year-on-year **increases in both revenue and profit**.
- Total renewable energy power plant generation capacity is approximately 412.7 MW. Approximately 12.1 MW is new and supplied by on-site PPA.**

Consolidated Results Forecast and Dividend Forecast FYE 06/2027

Net sales	Gross profit	Operating profit	Ordinary profit	Profit attributable to owners of parent	ROE	ROIC	Dividend per share
64,000 million yen (+25.0% YoY)	10,450 million yen (+0.3% YoY)	4,700 million yen (-11.8% YoY)	2,900 million yen (-24.4% YoY)	1,800 million yen (-15.2% YoY)	3.7%	2.1%	9.60 yen

Entire
Business

- Although revenue is expected to increase year on year and profit is expected to decrease year on year for consolidated financial results for the fiscal year ending June 30, 2027, growth in storage batteries EPC is expected to keep gross profit in line with the Mid-term Management Plan target. We will accelerate growth investments, including workforce expansion, to achieve the Plan.
- Dividend forecast is 9.60 yen per share, based on the continuation of stable dividends.
- 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, 2026. This is not included in the consolidated financial results forecast for the fiscal year ending June 30, 2027.

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1 . Summary of Consolidated Financial Results for the Fiscal Year Ended June 30, 2026

Consolidated Financial Results

- Consolidated financial results for the fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026) showed year-on-year increases in both revenue and profit.

	(Millions of yen)				
	FYE 06/2025 Full-year results	FYE 06/2026 Full-year results	FYE 06/2026 Financial results forecast*	Year-on-year changes	Percentage of financial results forecast achieved
Net sales	36,684	51,217	51,000	39.6%	100.4%
Gross profit	7,453	10,417	10,200	39.8%	102.1%
(Profit margin)	(20.3%)	(20.3%)	(20.0%)		
Operating profit	2,548	5,326	5,100	109.0%	104.4%
(Profit margin)	(6.9%)	(10.4%)	(10.0%)		
Ordinary profit (loss)	(641)	3,834	3,600	—	106.5%
(Profit margin)	(-1.7%)	(7.5%)	(7.1%)		
Profit attributable to owners of parent	204	2,123	1,800	936.6%	118.0%
(Profit margin)	(0.6%)	(4.1%)	(3.5%)		

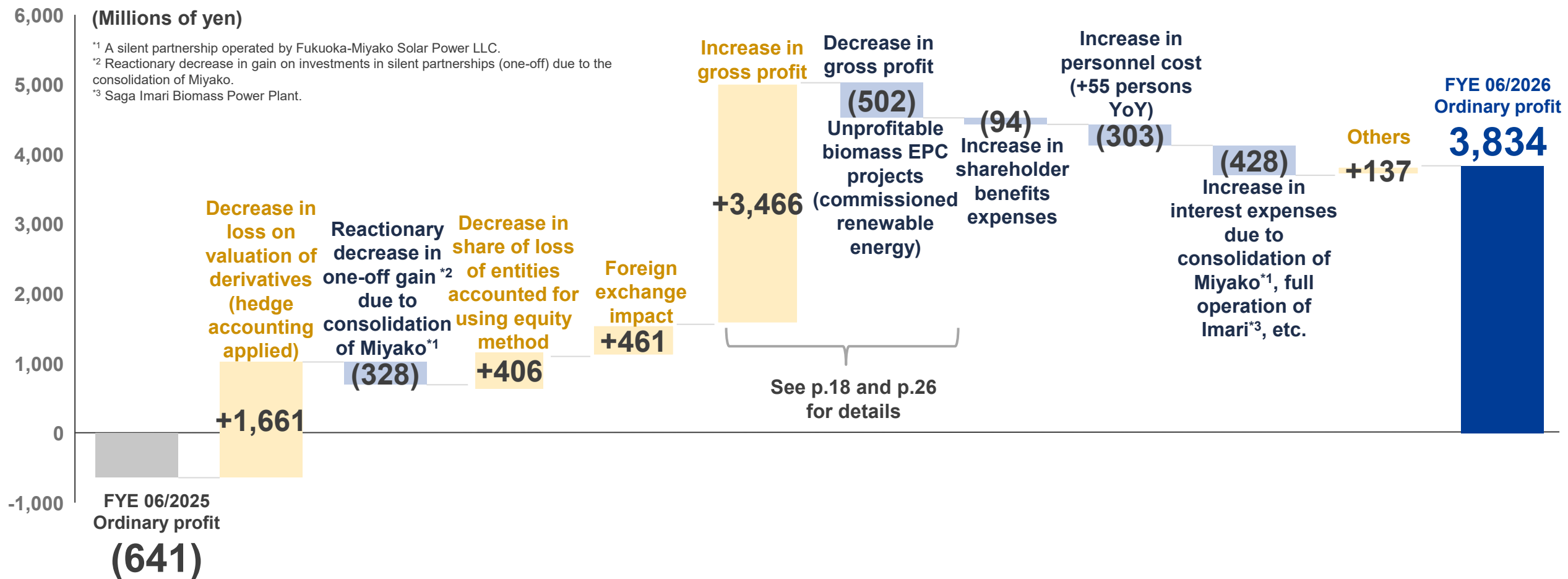
* We have revised the financial results forecast for the fiscal year ended June 30, 2026, on July 23, 2026.

Consolidated Financial Results Summary (Year-on-year)

(Millions of yen)	FYE 06/2025 Full-year results	FYE 06/2026 Full-year results	Change	Main factors behind change
Net sales	36,684	51,217	14,533	See pages 18 and 26 for details.
Cost of sales	29,230	40,799	11,569	See pages 18 and 26 for details.
Gross profit	7,453	10,417	2,964	See pages 18 and 26 for details.
Selling, general, and administrative expenses	4,905	5,091	186	Increase in personnel cost due to headcount increase and increase in expenses due to the introduction of a shareholder benefit program
Operating profit	2,548	5,326	2,777	
Non-operating income	1,086	809	(276)	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 (one-off)
Non-operating expenses	4,276	2,300	(1,975)	Decrease in loss on valuation of derivatives (due to the application of hedge accounting) and reactionary decrease stemming from the recording of share of loss of entities accounted for using equity method in FYE 06/2025
Ordinary profit	(641)	3,834	4,476	
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 (one-off)
Extraordinary losses	292	126	(165)	Decrease due to 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 (one-off), despite the recording of loss on transition to the projected benefit obligation method in FYE 06/2026
Profit before income taxes	51	3,708	3,656	
Income taxes	(265)	1,474	1,740	Increase due to not recognizing deferred tax assets related to asset retirement obligations in addition to year-on-year increase in profit
Profit	317	2,233	1,915	
Profit attributable to non-controlling interests	112	110	(2)	
Profit attributable to owners of parent	204	2,123	1,918	

Main Factors for Changes in Ordinary Profit (YoY)

- ▶ Ordinary profit for the fiscal year ended June 30, 2026 was 3,834 million yen (loss of 641 million yen in the same period of the previous fiscal year).
The main factors for this change are as follows.



Consolidated Balance Sheet

(Millions of yen)	FYE 06/2025 Full-year	FYE 06/2026 Full-year	Change	Main factors behind change
Current assets	41,986	43,194	1,208	Increases in accounts receivable - trade and other, and decrease in cash and deposits.
Non-current assets	109,276	121,752	12,475	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	164,946	13,684	
Current liabilities	29,996	34,439	4,442	Increases in notes and accounts payable - trade, short-term borrowings, and income taxes payable, and decrease in accounts payable for construction contracts in relation to EPC in the Engineering Segment.
Non-current liabilities	78,411	78,089	(322)	Decrease in long-term borrowings, increase in asset retirement obligations, and increase in deferred tax liabilities related to long-term foreign exchange forward contracts.
Total liabilities	108,408	112,529	4,120	
Shareholders' equity	40,146	42,015	1,868	Increase in retained earnings.
Accumulated other comprehensive income	2,410	10,101	7,691	Increase in deferred gains or losses on hedges related to long-term foreign exchange forward contracts.
Non-controlling interests	296	300	4	
Total net assets	42,853	52,417	9,564	
Total liabilities and net assets	151,262	164,946	13,684	

Consolidated Statements of Cash Flows

(Millions of yen)	FYE 06/2025 Full-year results	FYE 06/2026 Full-year results	Main contents of cash flow
Cash flows from operating activities	7,806	5,099	(Main contents of cash inflow) Profit before income taxes, depreciation, decrease in contract asset (Main contents of cash outflow) Increase in trade receivables, increase in advance payments to suppliers, income taxes paid
Cash flows from investing activities	(9,165)	(7,311)	(Main contents of cash outflow) Purchase of property, plant and equipment
Cash flows from financing activities	3,794	(1,448)	(Main contents of cash inflow) Net increase in short-term borrowings, proceeds from long-term borrowings (Main contents of cash outflow) Repayments of lease liabilities, repayments of long-term borrowings, dividends paid
Effect of exchange rate changes on cash and cash equivalents	(103)	55	
Cash and cash equivalents at beginning of period	14,098	16,431	
Cash and cash equivalents at end of period	16,431	12,825	

Frequently Asked Questions from Shareholders and Investors

■ Questions related to Power storage system-related business

Question	Answer
Can continued orders for storage battery EPC projects be expected going forward?	Storage battery EPC is a key business area for the Group, and customer inquiries remain firm. Projects currently include a wide range of completion schedules, from those completing during FYE 6/2027 to those scheduled for completion in 2028.
How is revenue from storage battery EPC projects recognized?	In accordance with revenue recognition standards, revenue is recognized over time based on the progress of construction work. In principle, the progress ratio tends to advance significantly upon installation of major equipment.
Please explain the gross profit margin level for storage battery EPC projects.	We target gross profit margin of approximately 15% for commissioned EPC, and 15% or higher for development EPC. Although margins vary depending on project conditions, this range is assumed on average.
Given the large order backlog, are there any concerns regarding resource shortage?	Orders are secured after considering factors such as the availability of certified managing engineers. In anticipation of future increases in projects, we will continue our efforts to strengthen resources, including personnel expansion.
How do you address the risk of rising costs in storage battery EPC projects?	We take a multifaceted approach to address cost increase risks, including confirming procurement prices at the time orders are secured, implementing foreign exchange hedging for imported products, utilizing futures transactions, and making order acceptance decisions that incorporate price increases. In addition, by leveraging our vendor-neutral position, we seek to reduce dependence on specific regions and manufacturers and mitigate procurement risks.
Is there a risk of delays in grid connection?	We strive to reduce risks through early-stage grid connection consultations, schedule adjustments, and the setting of disclaimer clauses for customers. In EPC projects, the impact on business performance is considered to be limited as revenue is recognized according to construction progress.
What is your policy for complying with “JC-STAR,” a cybersecurity certification program for IoT products that is required for the grid connection of power storage plants for the grid and other facilities?	Based on industry trends and customer needs, we are working to expand the use of certified products and strengthen collaboration with our suppliers.

Frequently Asked Questions from Shareholders and Investors

■ Questions related to **changes in the external environment**

Question	Answer
Will the worsening instability in the Middle East affect business performance?	While there are concerns about rising material and logistics costs due to increasing crude oil prices and resource shortages resulting from the instability in the Middle East, there is a possibility that it may also increase interest in energy-saving and renewable energy investments. Therefore, we consider responses from both perspectives.
Is there any impact from increases in material prices or logistics costs?	As a basic policy, we confirm procurement prices at the time orders are secured, and accordingly, cases in which profitability deteriorates significantly after orders are secured are considered limited.
Will growing electricity demand from data centers and other facilities provide a tailwind for your business?	Electricity demand is expected to increase significantly with the establishment of newly developed data centers. We believe this will lead to an expansion of medium- to long-term business opportunities for the Group, including EPC proposals for distributed power sources such as cogeneration systems, which are essential for new data centers, as well as power supply through on-site PPA and other means once they become operational.

■ Question related to **shareholder returns**

Question	Answer
Please provide details of the shareholder benefit program.	We have introduced a shareholder benefit program for shareholders who hold at least 10 units (1,000 shares) and are listed or recorded in the Company's shareholder register as of June 30 each year. Eligible shareholders receive points based on the number of shares they hold and can use these points to select from a variety of products. See page 55 for details.

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: Engineering, Procurement, and Construction

Energy Supply Segment

Stock-type

Sales
Portion

Renewable energy power generation
(FIT, FIP/PPA)



Operation and maintenance
(O&M)



Electricity
retailing



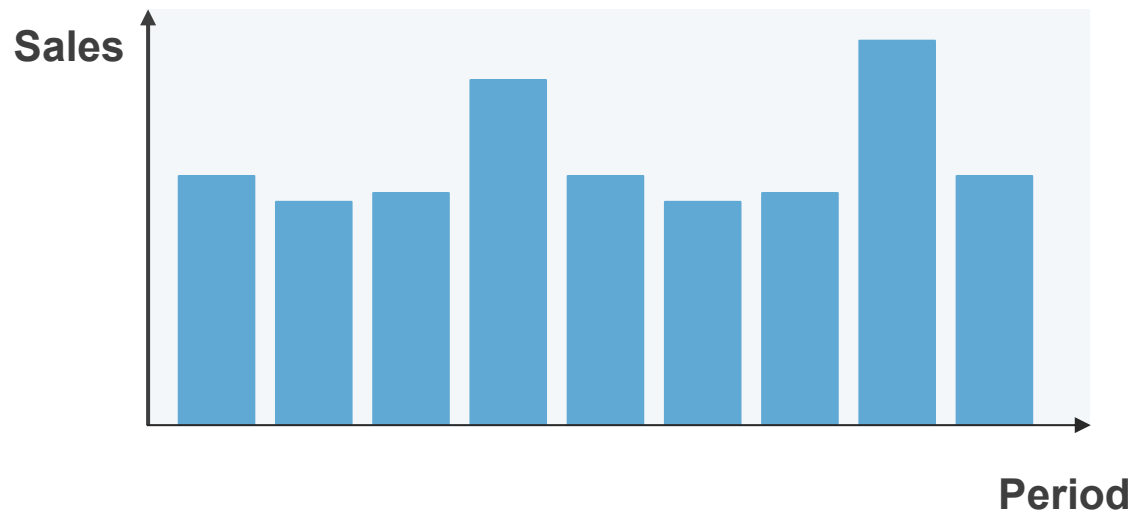
Biomass
fuel supply



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

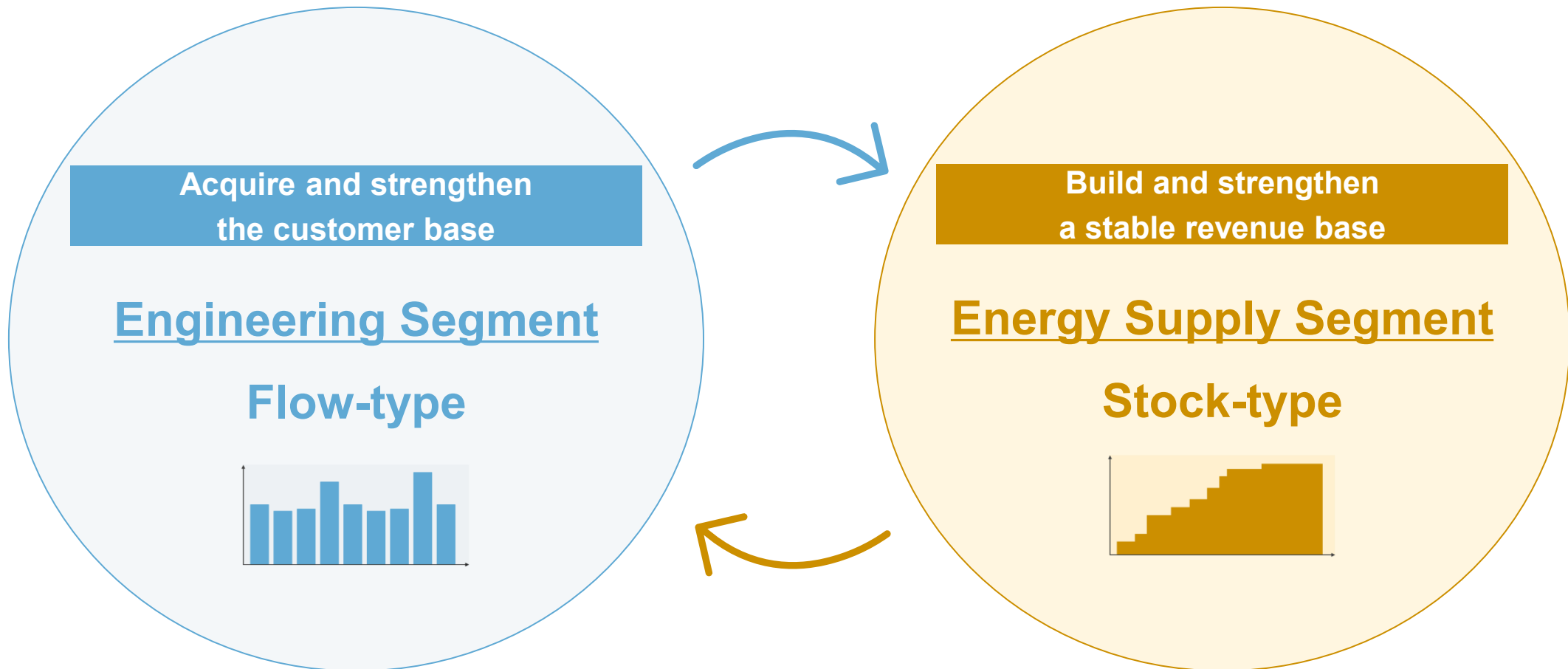
Business that earns steady streams of income.
Stable revenue by accumulating income streams one by one.



<Image of period recording sales>

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

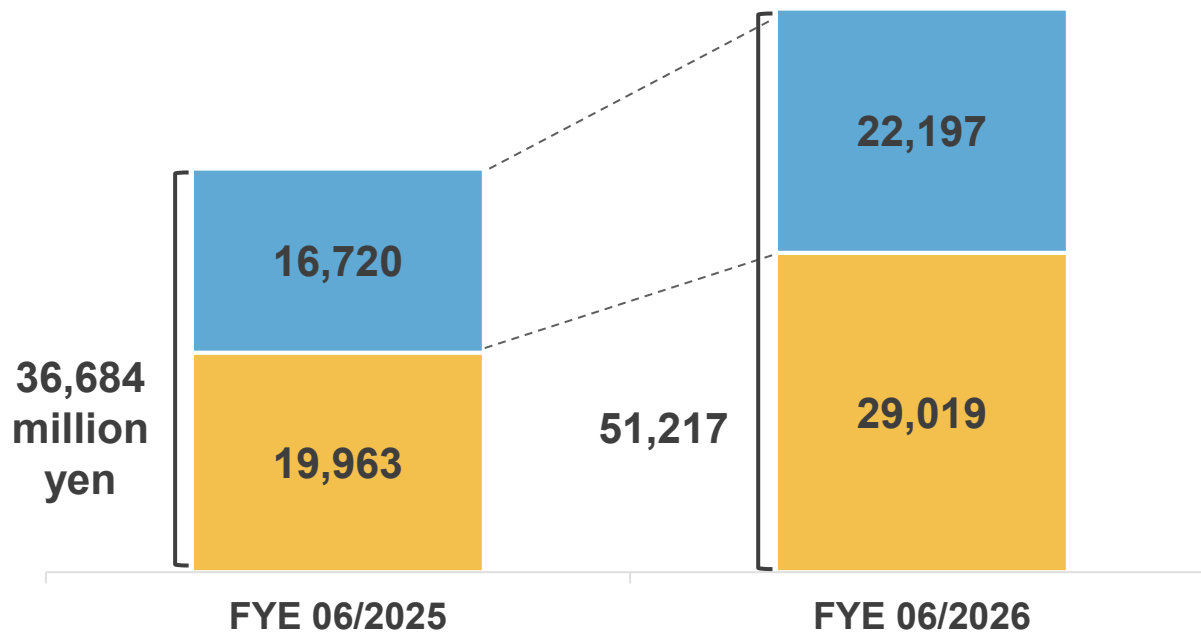
- ▶ **Circular business model linking flow-type and stock-type business.**
- ▶ **Secure both flow and stock revenue opportunities.**
(For example, after completing EPC in the Engineering Segment, it will lead to O&M orders for the Energy Supply Segment)



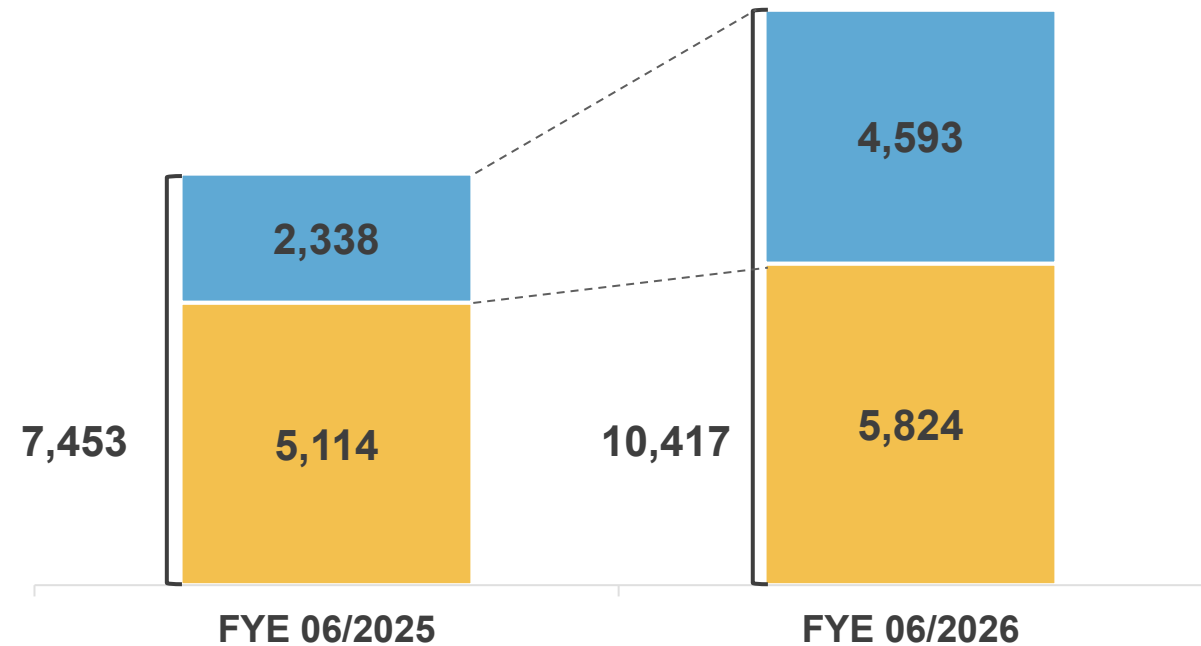
Breakdown of Net Sales and Gross Profit by Segment (Year-on-year)

- ▶ Net sales and gross profit for the fiscal year ended June 30, 2026 show year-on-year increases in both revenue and profit.

Consolidated net sales



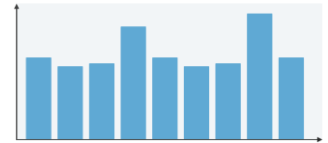
Consolidated gross profit



Engineering Segment Energy Supply Segment

* Figures are after inter-segment elimination.

Flow-type



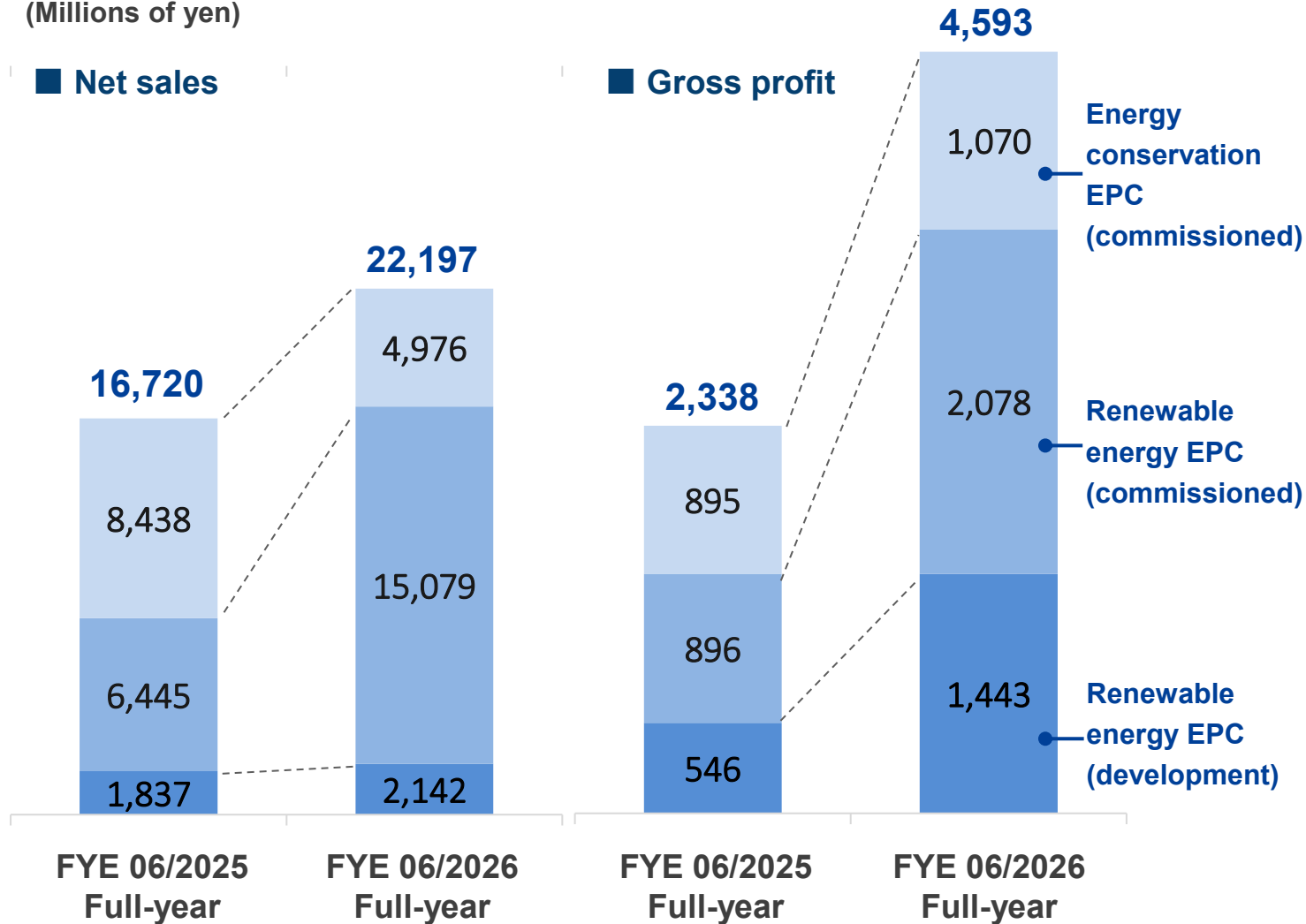
Engineering Segment

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

(Millions of yen)

■ Net sales

■ Gross profit



Engineering Segment Highlights

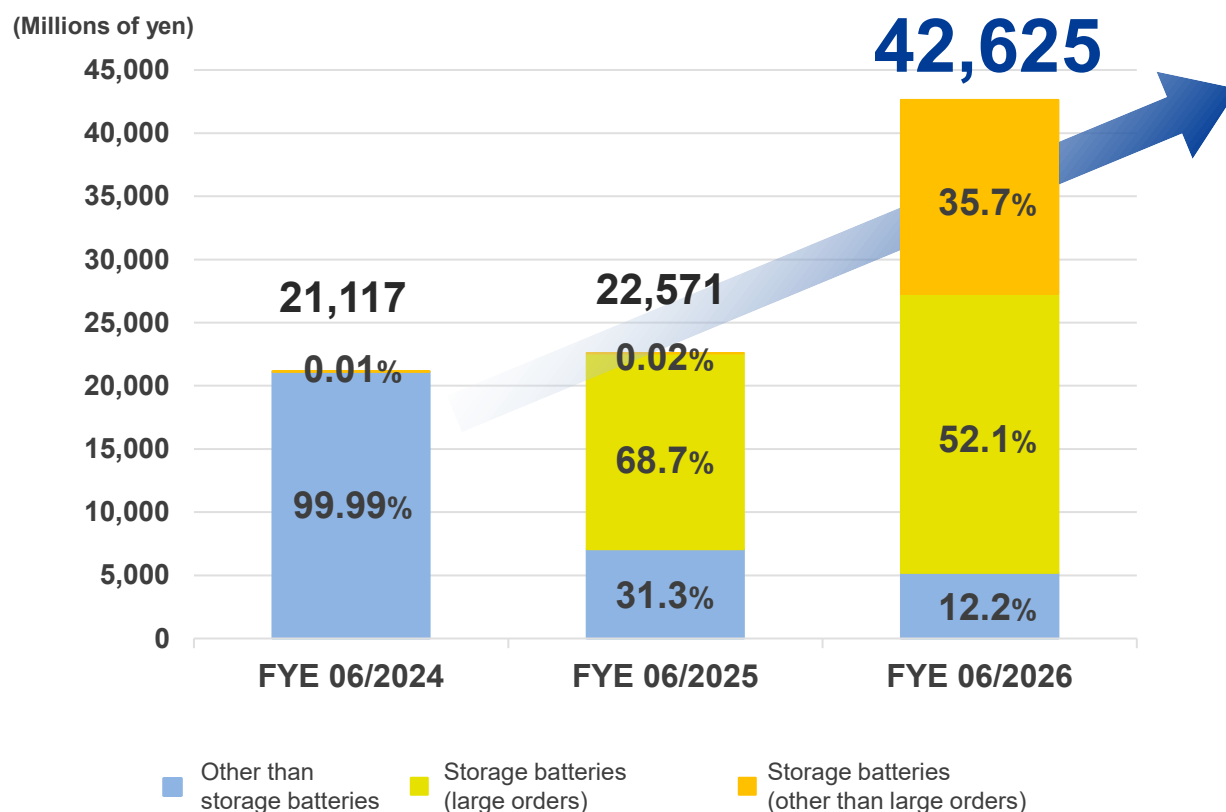
- Energy conservation EPC (commissioned) saw decreased revenue and increased profit year-on-year, as although revenue decreased due to the high level of construction progress during the previous year, the segment was contributed to by progress in projects with high gross profit margins, such as co-generation.
- 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 increased revenue and profits year-on-year due to steady progress in EPC for power storage plants for the grid for the Shizuoka Kikugawa Power Storage Plant and a limited liability company established by Tokyo Century Corporation.

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

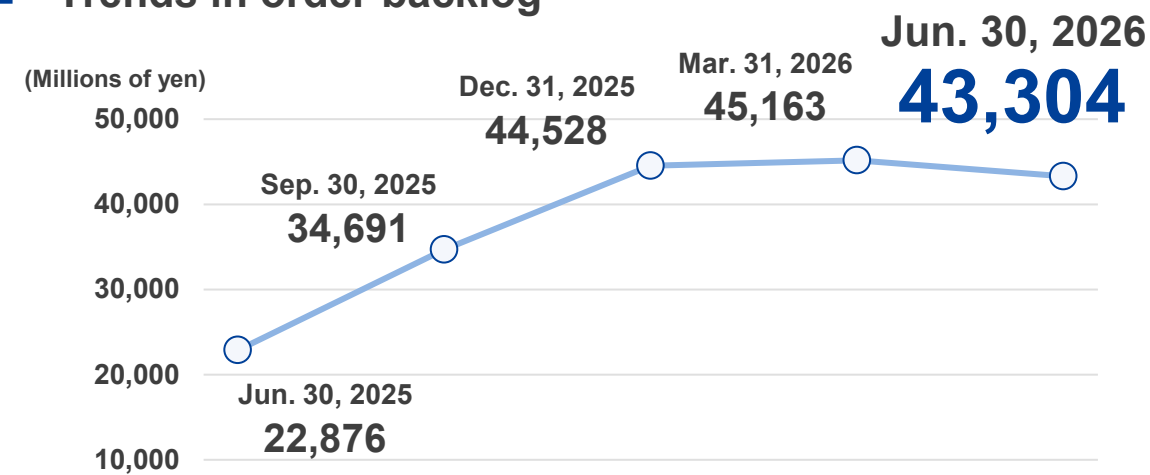
* Figures are after inter-segment elimination.

- ▶ Orders received totaled 42,625 million yen (188.8% year-on-year) and order backlog was 43,304 million yen (189.3% year-on-year)
- ▶ Orders received has increased significantly since the fiscal year ended June 30, 2025, mainly driven by storage batteries.

■ Trends in orders received



■ Trends in order backlog



Breakdown of order backlog (major factors) (As of Jun. 30, 2026)	Storage batteries	94.5%
	Co-generation/in-house power generation facilities	1.6%
	Solar power generation facilities	1.5%
	Other energy conservation facilities	1.1%
	Biomass power generation facilities	0.9%
	Fuel conversion equipment	0.3%

- ▶ The cancellation of the order was decided by mutual agreement with the customer due to a significant increase in the construction cost contribution for grid connection and prolonged grid connection work.
- ▶ The cancellation is not attributable to the engineering, procurement, or construction undertaken by TESS Group, and the impact on the consolidated financial results for the fiscal year ending June 30, 2027 is immaterial.

■ Overview of the construction contract

Order received from	DEI Battery Fund Alpha LLC (Investment through Daiwa Energy & Infrastructure Co. Ltd.)
Order details	EPC of power storage plants for power grids in Nishiki-machi, Kuma-gun, Kumamoto (Output: approximately 25 MW, Capacity: approximately 100 MWh)
Amount of order received	Approx. 4.0 billion yen
Delivery date	December 2027 (planned)
Date of cancellation	End of August 2026 (planned)

■ Reason for the cancellation and impact on financial results

- Regarding the grid connection application submitted by the customer to the general electricity transmission and distribution utility, the construction cost contribution for the grid connection was expected to significantly exceed the amount initially anticipated and the grid connection work was expected to take longer than expected, leading the customer to determine that it would be difficult to ensure the commercial viability of the project and to cancel the project.
- The cancellation has already been incorporated into the consolidated financial results forecast for FYE 06/2027.
- The reduction in the order backlog resulting from the cancellation is expected to be reflected in Q1 of FYE 06/2027 (no change to the order backlog as of June 30, 2026)

■ Status of other EPC projects

- As of today, with respect to both commissioned and development type projects, there are no projects where contracts have been canceled or projects have been discontinued due to increases in construction cost contributions or prolonged grid connection work.

- Large orders received for storage battery EPC total approximately 38.7 billion yen (as of Aug. 14, 2026)

TX2030 Mid-Term Management Plan Focus Business Areas: Power Storage System-Related Business

	Ordering Party	Order Type	Order Month	Order Year	Order Amount	Delivery Date (Est.)
 Power storage plants for the grid	Shizuoka Kikugawa Power Storage Plant LLC ^{*1}	Development	March 2025	FYE 06/2025	Approx. 5 billion yen	March 2027
	DEI Battery Fund Beta LLC (Invested by Daiwa Energy & Infrastructure Co. Ltd.) ^{*2}	Development	September 2025	FYE 06/2026	Approx. 13 billion yen	April 2028
	LLC formed by Tokyo Century Corporation ^{*2}	Development	November 2025	FYE 06/2026	Approx. 9 billion yen	June 2028
	Komoro Power Storage Plant LLC	Commissioned	July 2026	FYE 06/2027	Approx. 6 billion yen	March 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	FYE 06/2025	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.

^{*4} The information presented is as of the time of release.

- ▶ During the fiscal year ended June 30, 2026, 23 storage battery EPC (commissioned) orders were secured, in addition to the large orders described on the previous page.

TX2030 Mid-Term Management Plan Focus Business Areas: Power Storage System-Related Business

	Ordering Party	Location	PCS output	Capacity	Delivery Date (Est.)	Order received
 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	Q2
		Itano-cho, Itano-gun, Tokushima Prefecture	2,000 kW	Approx. 8,100 kWh	October 2026	
	TAKASAWASANGYO CO., LTD.	Nogata City, Fukuoka Prefecture	2,556 kW	8,944 kWh	June 2027	Q3
	DIGITAL GRID ASSET MANAGEMENT Corporation	Izumo City, Shimane Prefecture	2,000 kW	8,128 kWh	July 2026	Q3
	Group company of ReENE ENERGY Corporation	Tagawa City, Fukuoka Prefecture	1,958.4 kW	8,944 kWh	December 2026	Q4
 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	Q1
		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	Q1
	Fuyo General Lease Co., Ltd.	Fukuoka Prefecture	2,556 kW	4,472 kWh	June 2026	Q2
	KYUSEI Co., Ltd.	Itoshima City, Fukuoka Prefecture	2,556 kW	8,944 kWh	January 2027	Q3
	Kumamoton Solar Project Co., Ltd.	Kikuchi City, Kumamoto Prefecture	1,998 kW	12,900 kWh	June 2027	Q3
	JR-East Energy Development Co., Ltd.	Nikaho City, Akita Prefecture	2,040 kW	8,146 kWh	March 2027	Q4

*The table includes only projects that have been disclosed in press releases. The information presented is as of the date of each press release.

- ▶ A safety prayer ceremony was held to mark the start of construction for the EPC (development) for power storage plants for the grid for a limited liability company established by Tokyo Century Corporation.
- ▶ A project for large-scale power storage plants for the grid with a storage capacity of approximately 209 MWh (Fukuchiyama City, Kyoto Prefecture) was launched.

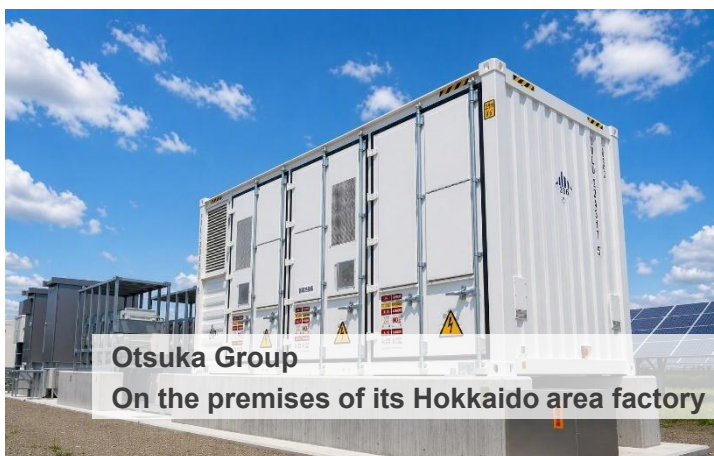


Image of the completed facility



Safety prayer ceremony

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



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

11 projects
(approx. 19.7 MW)

Biomass power generation system

1 project
(approx. 10.0 MW)

Storage battery system

1 project
(2.0 MWh)

Facilities completed in FYE June 2026

Stock-type



Energy Supply Segment

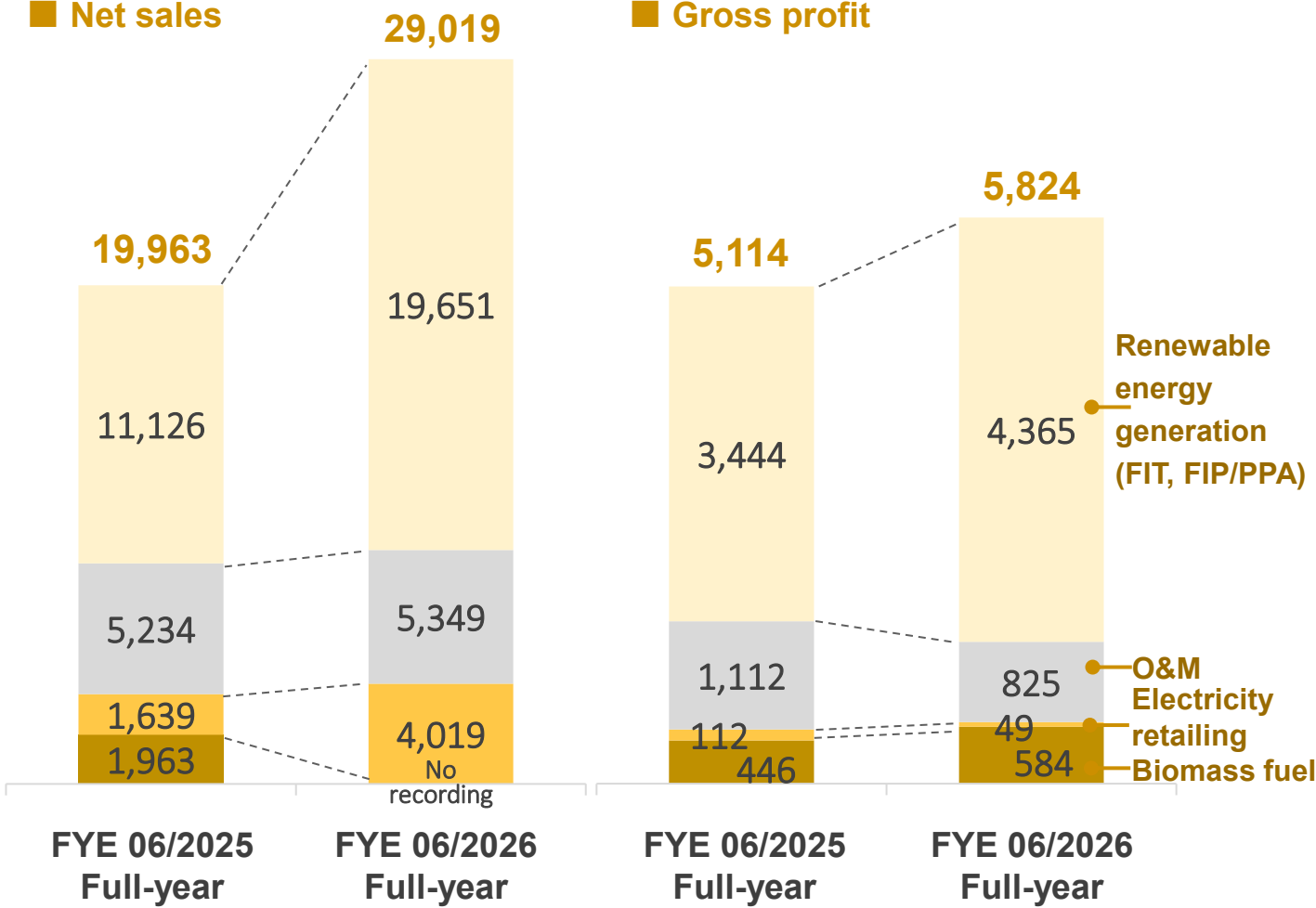
Both revenue and profit in the Energy Supply Segment climbed year-on-year.

Energy Supply Segment Highlights

(Millions of yen)

Net sales

Gross profit



- 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 year-on-year increase in revenue and decrease in profit due to expiration of large contracts, despite an increase in maintenance operations that occur on an irregular basis.
- Electricity retailing saw a year-on-year increase in revenue and decrease in profit due to rising electricity procurement costs for fixed-rate offerings, despite an increase in revenue as a result of an expanded supply volume, driven primarily by market-linked offerings.
- Biomass fuel saw a year-on-year decrease in revenue and increase in profit due to increased PKS export volume for the Saga Imari Biomass Power Plant, part of the consolidated group. (Profits recorded based on the amount of PKS consumed at the Saga Imari Biomass Power Plant, net sales and cost of sales related to the transactions eliminated as internal transactions in the consolidation process, and 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.

- ▶ During the fiscal year ended June 30, 2026, we started supplying a total of approximately 12.1 MW of electricity to 9 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 29.9 MW at 6 locations are planned moving forward.



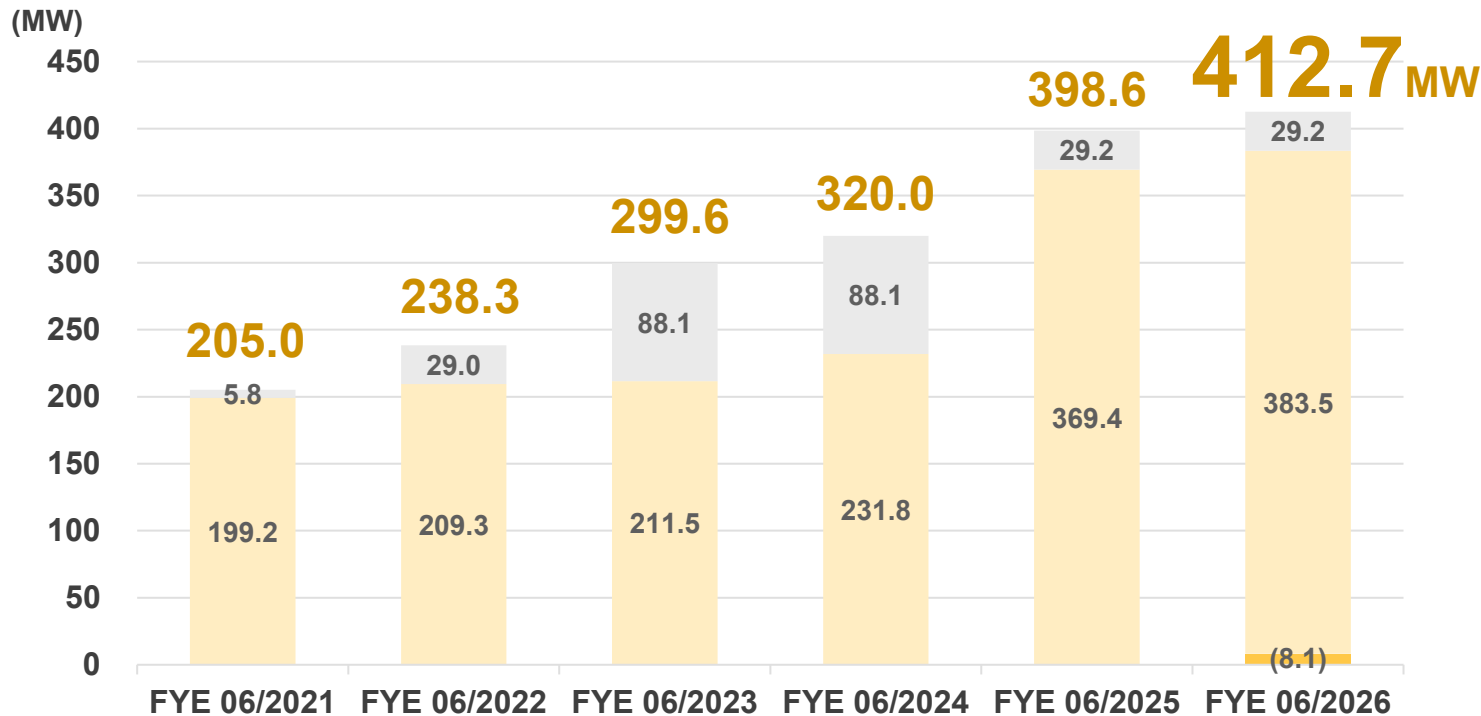
Supply initiation status	Supplied to	Power generation capacity	Scheduled date* of supply launch *Tentative schedule at the time of release
Initiated	Not disclosed	Approx. 715 kW	Jul. 2025
Initiated	Shiga Ryuo Special Purpose Company CREDO Shiga Ryuo	Approx. 2,985 kW	Aug. 2025
Initiated	Iga City, Mie Prefecture Iga City Office, main office building	Approx. 308 kW	Oct. 2025
Initiated	Kracie, Ltd. Kyoto Factory	Approx. 1,012 kW	Nov. 2025
Initiated	Magnescale Co., Ltd. Nara Plant	Approx. 491 kW	Feb. 2026
Initiated	Toyo Mebius Co., Ltd. Takatsuki Distribution Center	Approx. 2,291 kW	Feb. 2026
Initiated	Yokohama City, Kanagawa Prefecture Tsuzuki Wastewater Treatment Plant, Sewerage and Rivers Bureau	Approx. 793 kW	Feb. 2026
Initiated	Not disclosed	Approx. 746 kW	Mar. 2026
Initiated	Toyo Seikan Co., Ltd. Osaka Plant	Approx. 537 kW	Mar. 2026
Initiated	Kato Works Co., Ltd. GUNMA Plant	Approx. 2,269 kW	Jun. 2026
Scheduled	TOYO TANSO CO., LTD. Adjacent to Takuma Division	Approx. 19,998 kW	Jun. 2027

* Other plans for upcoming supply launches: Supply launch for projects (approx. 9.9 MW).

- ▶ We seek to obtain stable long-term income from FIT and FIP schemes 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.



Topics for FYE June 2026

- Increases in capacities owned by consolidated subsidiaries
Solar power plant utilizing the FIT scheme: approx. 2.2 MW (1 project)
On-site PPA: approx. 12.1 MW (9 supply destinations)
- At four solar power plants, charging and discharging through FIP conversion + storage battery co-location began sequentially from October 2025
(Solar power: approx. 8.1 MW, Storage battery: approx. 23.2 MWh)

Solar

137 projects, approx. 358.9 MW
Including 60 on-site PPA projects, approx. 70.0 MW

Biomass

3 projects, approx. 53.8 MW

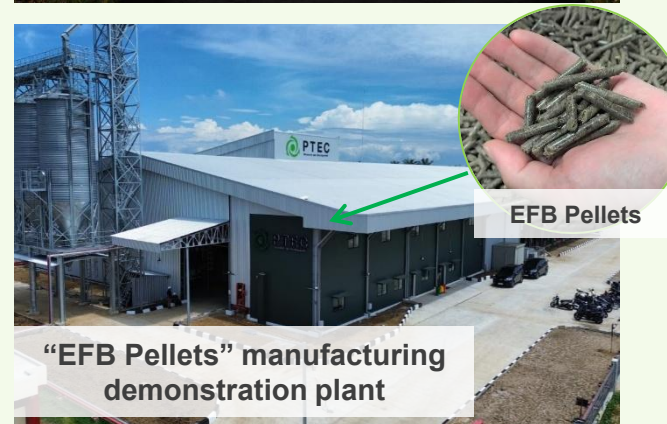
* As of June 30, 2026

■ 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)

- ▶ Completed the construction of a demonstration plant for the manufacturing of “EFB Pellets,” a biomass fuel made from crop residues at PT PTEC RESEARCH AND DEVELOPMENT, our consolidated subsidiary, and held a completion ceremony.
- ▶ The plant will demonstrate the entire process from manufacturing through supply, with the aim of achieving large-scale commercialization through this initiative.

Overview of the “EFB Pellets” manufacturing demonstration plant



Location	North Sumatra Province, Indonesia Sei Mangkei Special Economic Zone
Ground area	Approx. 11,000 m ²
Annual production	Approx. 10,000 tons (expected)

- Effective utilization of crop residues through EFB pellet manufacturing
- Contribution to reducing environmental impact and to Indonesia’s “downstreaming” initiative*

* An initiative to process natural resources domestically to add value before export, rather than exporting them as raw materials

- ▶ The corporate websites of TESS Holdings and TESS Engineering have been fully redesigned.
- ▶ With each website designed to meet the respective company's objectives, we aim to enhance the TESS Group's overall brand value and contribute to business growth.

TESS Holdings



“Optimization for stakeholders”

Achieving easy-to-navigate and effective information design while maintaining brand value

TESS Engineering



“Strengthening the Foundation for BtoB Marketing”

Communicating business value intuitively to generate inquiries

- ▶ We will continue to promote sustainability initiatives both internally and externally.

Human resource development and creation of a supportive work environment

✓ Strengthening training and education programs

- Introduced more than 100 video-based training programs according to position and rank as part of efforts to enhance internal education across the TESS Group, supporting employees' self-directed learning and skill development
- Held an ESG seminar on anti-corruption for management, promoting greater compliance awareness and stronger governance

✓ Further enhancing employee engagement

- Held a series of town hall meetings to enhance dialogue between management and employees

Town hall meetings are an initiative through which management engages in direct dialogue with employees to deepen their understanding of the business and enhance employee engagement.



Town hall meeting

Offered endowed course at Meiji University Business School

✓ Held a total of 14 sessions on the theme of “ESG Investment and ESG Management,” as in the previous year



Endowed course

- Offered an endowed course on the theme of “ESG Investment and ESG Management” at Meiji University Business School during the spring semester
- Launched the initiative to communicate the TESS Group's ESG activities externally and contribute to society
- Representative Director and President Yamamoto (right) and Director in charge of ESG Yoshida (left) gave lectures as visiting professors

► 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.)

Other

- Stakeholder dialogue
- Stock-related programs and plans (restricted stock compensation plan, employee stock ownership plan, stock option plan)

3. Forecast of Consolidated Financial Results

Fiscal Year Ending June 30, 2027 *

* Announced August 14, 2026

Forecast of Consolidated Financial Results for the Fiscal Year Ending June 30, 2027 (Announced on August 14, 2026)

► The consolidated forecast for FYE June 2027 is as follows.

(Millions of yen)

	FYE June 2026 Full-year results	FYE June 2027 Financial results forecast announced on August 14, 2026	Year-on-year changes
Net sales	51,217	64,000	+25.0%
Gross profit (Profit margin)	10,417 (20.3%)	10,450 (16.3%)	+0.3%
Operating profit (Profit margin)	5,326 (10.4%)	4,700 (7.3%)	-11.8%
Ordinary profit (Profit margin)	3,834 (7.5%)	2,900 (4.5%)	-24.4%
Profit attributable to owners of parent (Profit margin)	2,123 (4.1%)	1,800 (2.8%)	-15.2%

Key Points of the Consolidated Financial Results Forecast for the Fiscal Year Ending June 2027

Commissioned EPC (energy conservation and renewable energy)	Expect sales for EPC projects related to storage battery, co-generation systems, solar power generation systems, and others, based on needs for initiatives related to decarbonization of energy sources and other factors
Development EPC (renewable energy)	- Expect sales related to an EPC project for a power storage plant for the grid - With regard to the project to develop land for renewable energy power generation in Kyoto Prefecture, while the project is progressing, more time will be required to complete acquiring approval and rights and other processes, and therefore the sales for this project are not included in the forecast for FYE 06/2027.
Renewable energy power generation	Renewable energy generation is expected to generate electricity sales revenues from approximately 383.5 MW of installed power plants (FIT, FIP, and PPA), excluding equity-method affiliates. (New on-site PPA and others that will start operation during FYE 06/2027 are not included in the forecast)
O&M	Expect sales from maintenance operations based on fixed-term contracts with customers, and 24-hour remote monitoring services, and sales derived from maintenance operations that occur on an irregular basis
Electricity retailing	- Expect sales from market-linked offerings in which the prices quoted will be linked to the spot prices on the Japan Electric Power Exchange (JEPX), in addition to sales from the conventional electricity supply offerings - The forecast for electricity retailing also includes expected sales from operation and management (aggregation) of solar power generation systems and storage battery systems.
Biomass fuel	Expect to sell PKS fuels to the Saga Imari Biomass Power Plant, which is included in the scope of consolidation, and parties outside the consolidated group. (The sales to the Saga Imari Biomass Power Plant are offset as internal transaction in the consolidated financial statements, with only profit being recorded)
Selling, general and administrative expenses	Expect an increase in personnel and recruitment-related expenses associated with the workforce expansion to support business expansion, as well as an increase in research and development expenses, which are related to technology development for EFB pellet manufacturing, compared with the results for FYE 06/2026

Operating Results by Segment

	(Millions of yen)	Results				Forecast
		FYE June 2023	FYE June 2024	FYE June 2025	FYE June 2026	FYE June 2027
Net sales		34,415	30,643	36,684	51,217	64,000
Engineering Segment		10,422	13,163	16,720	22,197	33,200
Commissioned EPC (energy conservation)		2,711	4,442	8,438	4,976	2,400
Commissioned EPC (renewable energy)		5,018	7,202	6,445	15,079	23,700
Development EPC (renewable energy)		2,692	1,518	1,837	2,142	7,100
Energy Supply Segment		23,992	17,479	19,963	29,019	30,800
Renewable energy power generation		14,060	8,437	11,126	19,651	19,100
O&M		5,229	5,867	5,234	5,349	6,000
Electricity retailing		3,209	1,262	1,639	4,019	5,300
Biomass fuel		1,493	1,912	1,963	-	400
Gross profit		10,611	6,553	7,453	10,417	10,450
Engineering Segment		1,780	1,897	2,338	4,593	5,100
Commissioned EPC (energy conservation)		307	282	895	1,070	400
Commissioned EPC (renewable energy)		704	1,124	896	2,078	3,800
Development EPC (renewable energy)		768	491	546	1,443	900
Energy Supply Segment		8,830	4,655	5,114	5,824	5,350
Renewable energy power generation		6,664	2,972	3,444	4,365	4,050
O&M ^{*1}		1,169	1,356	1,112	825	750
Electricity retailing ^{*1}		541	11	112	49	100
Biomass fuel ^{*1}		455	314	446	584	450
Operating profit		6,864	2,370	2,548	5,326	4,700
Engineering Segment		728	808	880	2,832	2,650
Energy Supply Segment		7,292	2,966	3,347	4,337	4,050
Elimination or company-wide		(1,156)	(1,404)	(1,679)	(1,843)	(2,000)

^{*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, gross profit, and operating profit by reportable segment has not been audited.
^{*3} Figures are after inter-segment elimination.

Year-end Dividend Forecast for FYE June 2027

- ▶ We plan for a year-end dividend of 9.60 yen per share for FYE June 2027 from the perspective of stable and continuous dividends.

Basic Policy on Dividends

With regard to the distribution profits, the basic policy of the Company is to ensure sufficient funds to allow for the future expansion of operations and to strengthen its business position, while emphasizing returns to shareholders by paying a stable and continuous dividend. The Company targets a consolidated payout ratio of 30%, defined as dividend per share divided by consolidated basic earnings per share after deducting the impact of profit and loss arising from the marking to market of derivatives associated with forward exchange contracts, and aims to enhance returns in line with improved business performance going forward. Our policy with regard to internal reserves is to utilize them as a source of funds for business development, capital expenditures, and human resources development.

	FYE June 2027 (Forecast)
Dividend per share	9.60 yen
Profit attributable to owners of parent excluding the impact of the loss on valuation of derivatives (forecast)	1,935 million yen
Profit per share excluding the impact of the loss on valuation of derivatives (forecast)	27.39 yen
Dividend payout ratio (consolidated)	35.0%
Average number of shares during the period	70 million shares

4 . TX2030 TESS Transformation 2030 / The Progress of TESS Group Mid-term Management Plan (2025-2030)

Reclassification of Expense Categories under the Mid-term Management Plan

Summary

- **Certain planned cost of sales and selling, general and administrative expense items have been reclassified** to reflect differences between the assumptions used in formulating the Mid-term Management Plan and the subsequent accounting treatment.
- This reclassification is solely a change in the accounting classification of expenses and **does not change the planned operating profit, ROE, or ROIC, or the growth strategy.**

Assumptions used in formulating the Mid-term Management Plan	Business operating expenses related to the biomass fuel business were planned as selling, general and administrative expenses. However, to better reflect the actual profitability of the business, the layered profit chart presents operating profit after deducting the selling, general and administrative expenses.
Accounting treatment	Business operating expenses related to the biomass fuel business have been reclassified from selling, general and administrative expenses to cost of sales.

Mid-term Plan

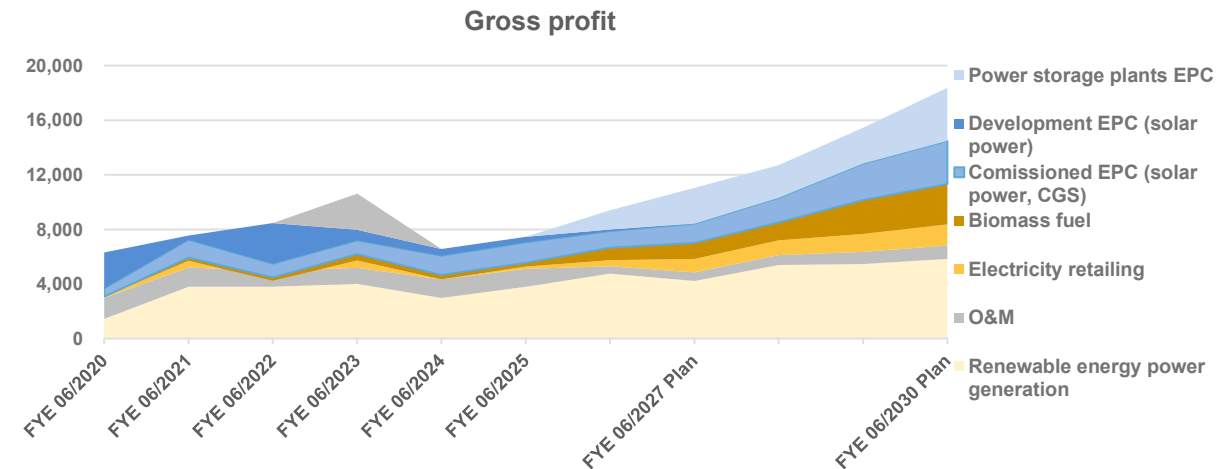
While gross profit will be presented differently, there is no change to the planned operating profit, ROE, or ROIC, or to the growth strategy.

	FYE 06/2027 Plan	FYE 06/2030 Plan
Gross profit (As planned in the Mid-term Management Plan)	13.2 billion yen	21.5 billion yen
Gross profit	11.0 billion yen	18.7 billion yen
Difference	(2.2) billion yen	(2.8) billion yen
Operating profit (Unchanged)	6.4 billion yen	13.4 billion yen

Layered profit chart

(Mid-term Management Plan material P. 3)

Unchanged



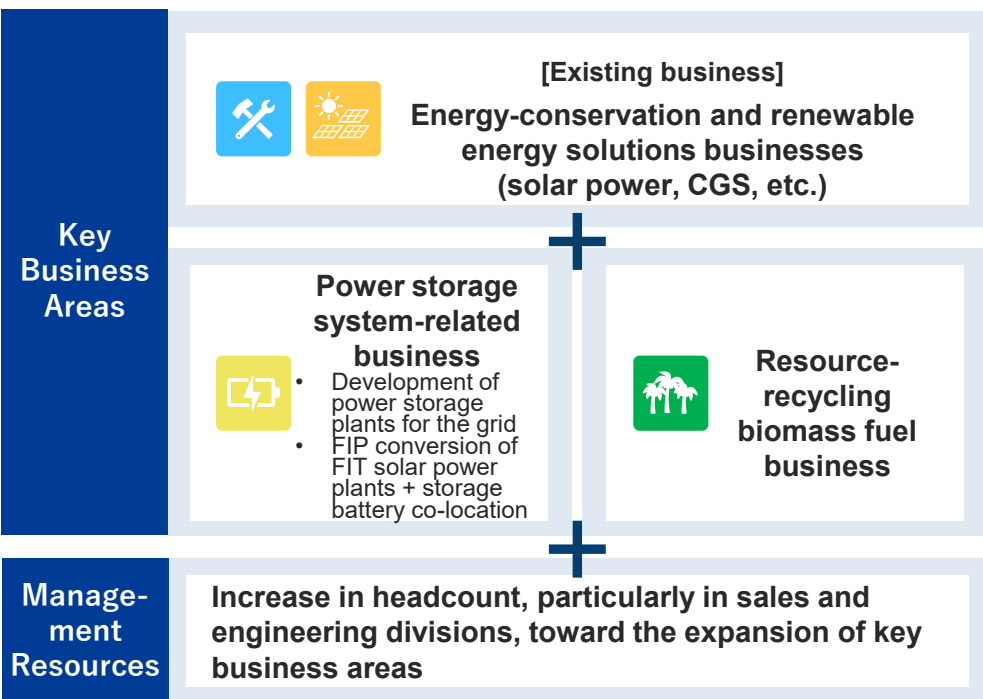
Overall Picture of Mid-term Management Plan “TX2030”

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.



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



Gross profit
11.0 billion yen (13.2 billion yen)
Operating profit
6.4 billion yen
ROE ROIC
5.8% **3.0%**

Achieve high profitability through key business areas

Gross profit
18.7 billion yen
(21.5 billion yen)
Operating profit
13.4 billion yen
ROE ROIC
11.7% **5.7%**

Progress of KPIs

- ▶ In the fiscal year ended June 30, 2026, profit increased year-on-year, driven by the power storage system-related business, while ROE and ROIC improved.
- ▶ Renewable energy generation capacity has already reached the target for the fiscal year ending June 30, 2027 and we aim to further expand capacity toward the target for the fiscal year ending June 30, 2030.
- ▶ We aim to achieve each KPI by advancing initiatives in the key business areas.

Key Metrics	FYE 06/2025 Actual		FYE 06/2026 Actual		FYE 06/2027 Forecast	FYE 06/2030 Forecast
Gross profit	7.4 bn yen		10.4 bn yen		11.0 bn yen (43.2 bn yen)	18.7 bn yen (24.5 bn yen)
Operating income	2.5 bn yen		5.3 bn yen		6.4 bn yen	13.4 bn yen
ROE	0.5%		4.5%		5.8%	11.7%
ROIC	1.4%		2.5%		3.0%	5.7%
In-house FIP rollover Renewable energy cap.	0 MW		8.1 MW		75 MW	113 MW
Cumulative installed cap. (Power storage plants for the grid) * To outside the consolidated group	63.3 MW (Order received)	0 MW (Actual result)	375.9 MW (Order received)	0 MW (Actual result)	100 MW	700 MW
Cumulative installed cap. (Power storage plants other than for the grid) * To outside the consolidated group	33.1 MW (Order received)	0 MW (Actual result)	98.7 MW (Order received*)	6.5 MW (Actual result)	120 MW	150 MW
Biomass fuel supply	127,000 tons/year		207,000 tons/year		350,000 tons/year	500,000 tons/year
Renewable energy generation cap. * Portion owned by consolidated subsidiaries	369.4 MW		383.5 MW		380 MW	470 MW

* Capacity for orders received includes the capacity of completed projects.

Progress of Key Business Areas in FYE 06/2026

Power storage plants for the grid

- Secured multiple orders (10 orders, 312.0 MW)
Large orders totaled approximately 22.0 billion yen*
- Expanded partnerships and strengthened the business foundation for power storage plants for the grid
(New business alliances with Jibannet Co., Ltd. and BuddyNet INC.)
- Delivered and installed a large-scale power storage plant and accumulated expertise as one of the first domestic examples in the extra-high-voltage-class



Delivery and installation of major equipment at the Shizuoka Kikugawa Power Storage Plant

FIP conversion + storage battery co-location

- Secured multiple orders (14 orders, 65.6 MW)*
- Expanded collaboration and strengthened the framework for FIP conversion + storage battery co-location
(New collaboration with E-Flow (Kansai Electric Power Group) and Sustech)
- Sequentially started charging and discharging at four in-house solar power plants through FIP conversion + storage battery co-location from October 2025



In-house solar power plants operated under FIP conversion + storage battery co-location

Strengths in the power storage system-related business

- ✓ One-stop capabilities covering from site development through operation
- ✓ Price competitiveness leveraging a diverse network of partners
- ✓ Extensive track record in renewable energy development and construction

- ✓ Sales and proposal capabilities leveraging a nationwide track record of construction projects
- ✓ Operational know-how accumulated through in-house projects

* FYE 06/2026 results

Initiatives to Date in the Power Storage System-Related Business

FYE 06/2025 and earlier

- Apr. 2024** ● **Successful bid** Successful bid for Shizuoka Kikugawa Power Storage Plant in the Long-term Decarbonized Power Source Auction
- Dec. 2024** ● **Partnership** Capital and business alliance with Tokyo Century Corporation
- Feb. 2025** ● **Partnership** Business partnership with Daiwa Energy & Infrastructure Co. Ltd. in the power storage business
- Mar. 2025** ● **Order received** FIP conversion + storage battery co-location for Japanese domestic operating companies
Power storage plants for the grid for Shizuoka Kikugawa Power Storage Plant LLC

FYE 06/2026

- Jul. 2025** ● **Collaboration** Collaboration with E-Flow LLC on the aggregation services
- Sep. 2025** ● **Order received** Power storage plants for the grid for DEI Battery Fund Beta LLC
- Oct. 2025** ● **In-house** Sequentially started charging and discharging at four in-house solar power plants through FIP conversion + storage battery co-location
- Oct. 2025** ● **Partnership** Business partnership with Jibannet Co., Ltd. in the power storage business
- Nov. 2025** ● **Order received** Power storage plants for the grid for a limited liability company established by Tokyo Century Corporation
- Mar. 2026** ● **Collaboration** Collaboration with Sustech Inc. in the FIP conversion × storage battery co-location model
- Apr. 2026** ● **Partnership** Business partnership with BuddyNet INC. in the power storage plant development business

FYE 06/2027

- Jul. 2026** ● **Order received** Power storage plants for the grid for Komoro Power Storage Plant LLC



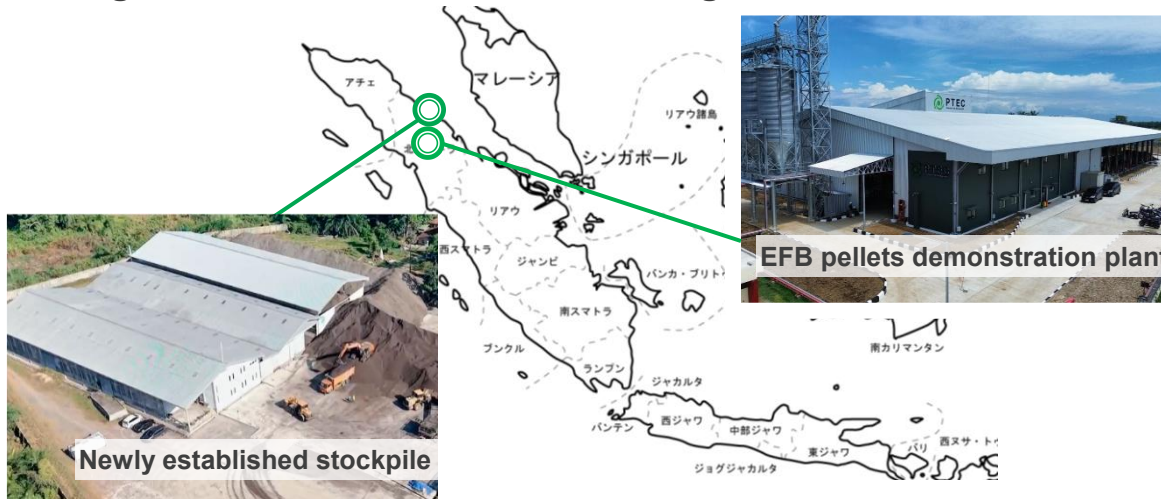
Resource-recycling biomass fuel business

- Established a new stockpile facility (PKS fuel storage warehouse and shipping base) for the PKS fuel sales business

Constructed a demonstration plant for the manufacturing of EFB pellets, a biomass fuel made from crop residues

- (construction completed and a completion ceremony held in July 2026)

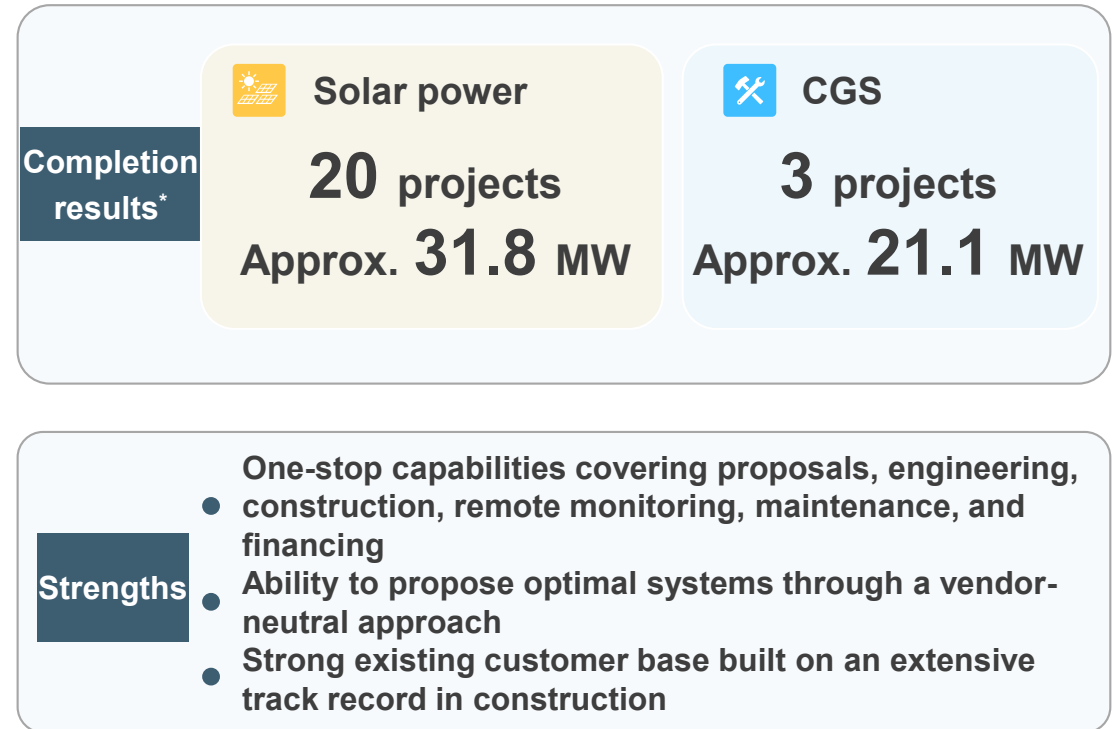
Conducting demonstration tests of the entire process from manufacturing through supply, with the aim of achieving large-scale commercialization through this initiative



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

Provided EPC for energy conservation facilities, solar

- power generation systems, and other facilities for factories and other energy-intensive facilities, driven by needs for decarbonization, cost reduction, and other measures



* FYE 06/2026 results

Results for solar power include on-side PPA for which power supply commenced during the fiscal year.

Promotion of ESG Management

► Each KPI is progressing favorably, while we are focusing on recruitment and human resource development.

E (Environment)

Item	FYE 06/2025 Results	FYE 06/2026 Results	Medium-term targets (FYE 06/2030)
Transmission of electricity from own renewable energy power plants	423,000 MWh	644,000 MWh	749,000 MWh
Contribution to CO ₂ emission reduction	178,000 tons	268,000 tons	321,000 tons
Item	FYE 06/2025 Results* ²	FYE 06/2026 Results* ³	Long-term target (FYE 06/2050)* ⁴
TESS Group CO ₂ emissions* ¹	0 tons	1,747 tons	0 tons

*¹ Total of Scope 1 and Scope 2.

*² Before offsetting with J-credits: 1,039 t-CO₂e.

*³ Expect to become virtually 0 t-CO₂e due to planned offset with J-credits.

*⁴ A long-term target has been set to achieve virtually 0 t-CO₂e in Japan by 2050.

*⁵ Total of the TESS Group.

*⁶ Total as of the end of July.

*⁷ The average annual expenditure on OFF-JT per capita was 20,000 yen, according to “Fiscal 2025 Basic Survey of Human Resources Development” (The Ministry of Health, Labour and Welfare).

S (Society)

Item* ⁵	FYE 06/2025 Results	FYE 06/2026 Results	Medium-term targets (FYE 06/2030)
Ratio of female employees	23.2%	23.0%	30% or more
Ratio of female managers* ⁶	3.3%	3.2%	10% or more
Acquisition rate of paid holidays	68.9%	77.7%	80% or more
Percentage of male employees taking parental leave	42.9%	45.5%	100%
Employment ratio of persons with disabilities	2.2%	2.1%	3.1% or more
Number of chief and assistant manager classes* ⁶	138ppl	158ppl	Approx. 200ppl
Per capita investment in education (full-time employees)* ⁷	¥54,000	¥113,000	¥80,000 or more
Number of serious industrial accidents	0	0	0
Number of serious legal violations	0	0	0

■ Number of employees (consolidated basis) 471 (as of June 30, 2025) ► 526 (as of June 30, 2026) +55

5. Points for Achieving the Mid-Term Management Plan

TESS Group's Strategy for Achieving the Mid-Term Management Plan (in Response to Changes in the External Environment)

- ▶ Market opportunities are expanding, driven by GX policies, the Seventh Strategic Energy Plan, and the introduction of carbon pricing.
- ▶ While opportunities and profitability vary across businesses depending on their cost structures and regulatory frameworks, the overall external environment remains favorable for the TESS Group's business areas.

Item under the Mid-term Management Plan	▲ Tailwind (market growth factor)	▼ Headwind (constraint / market contraction factor)	TESS Group's strategy
Power storage plant EPC	● Growing demand for avoiding output curtailment and for balancing capacity in line with the target of making renewable energy a major power source (40-50% by 2040) ● Expanded investment opportunities against the backdrop of tightening electricity supply-demand conditions, increased price volatility, and rising capacity market prices	● Stricter requirements for the Long-term Decarbonized Power Source Auction ● Stricter grid codes (JC-STAR, etc.)	● Concentrate management resources and strengthen relationships with manufacturers to steadily convert a robust pipeline into orders
Contract EPC (solar and CGS)	● Target to increase the share of solar power to 23-29% by FY2040 (approx. 2.5 times the FY2023 level) ● The GX Promotion Strategy specifies "thorough energy conservation," driving increased demand for self-consumption and VPPs.	● Reduced development potential for ground-mounted solar power, constraining large-scale projects	● Securing orders for solar power and CGS projects, with a focus on highly profitable projects, while further concentrate resources on power storage plant EPC
Renewable energy generation	● Gradual expansion of demand-side solar power (industrial use), mainly through rooftop installations ● Growing demand for solutions such as PPA as hourly matching progresses	● Reduced support under the FIT scheme for imported biomass and large-scale solar power plants ● Increase in output curtailment nationwide	● Maximize electricity sales revenue through FIP conversion of existing power plants and storage battery co-location ● Scale back PPA initiatives to a minimum to concentrate resources on power storage plant EPC
O&M	● Growing demand for personnel in the electrical safety and maintenance fields due to the growing number of facilities (demand expected to reach approx. 227,000 by 2040)	● Decline in the labor supply due to population decline (approx. 179,000) ● Shortage of approx. 50,000 personnel by 2040 without countermeasures	● Focus in-house engineers on core operations to strengthen customer relationships and respond to increasing order opportunities
Retail electricity supply	● Increase in electricity prices due to the introduction of carbon pricing	● Increase in capacity market prices and procurement costs due to revisions to Net CONE and other factors in the capacity market	● Expand the scale of supply by increasing supply to existing customers and securing orders through bidding ● Differentiate by utilizing non-fossil value such as I-RECs
Biomass fuels	● Target of a 5-6% share of biomass power by FY2040	● Exclusion of new general woody biomass power plants (10 MW or more) from the FIT/FIP schemes from FY2026 onward	● Ensure stable supply of PKS fuel to Saga Imari and thoroughly reduce costs ● Further advance manufacturing demonstration tests for the resource-recycling biomass fuel business

Point 1

Despite changes in the business structure since the formulation of the Mid-term Management Plan, the gross profit forecast for the fiscal year ending June 30, 2027 is largely in line with the Mid-term Management Plan as of the beginning of the fiscal year.

In the fiscal year ending June 30, 2027, performance remains solid, driven primarily by solid growth in power storage plant EPC projects, offsetting timing shifts in development-type EPC projects and sluggish performance in electricity retailing and biomass fuel.

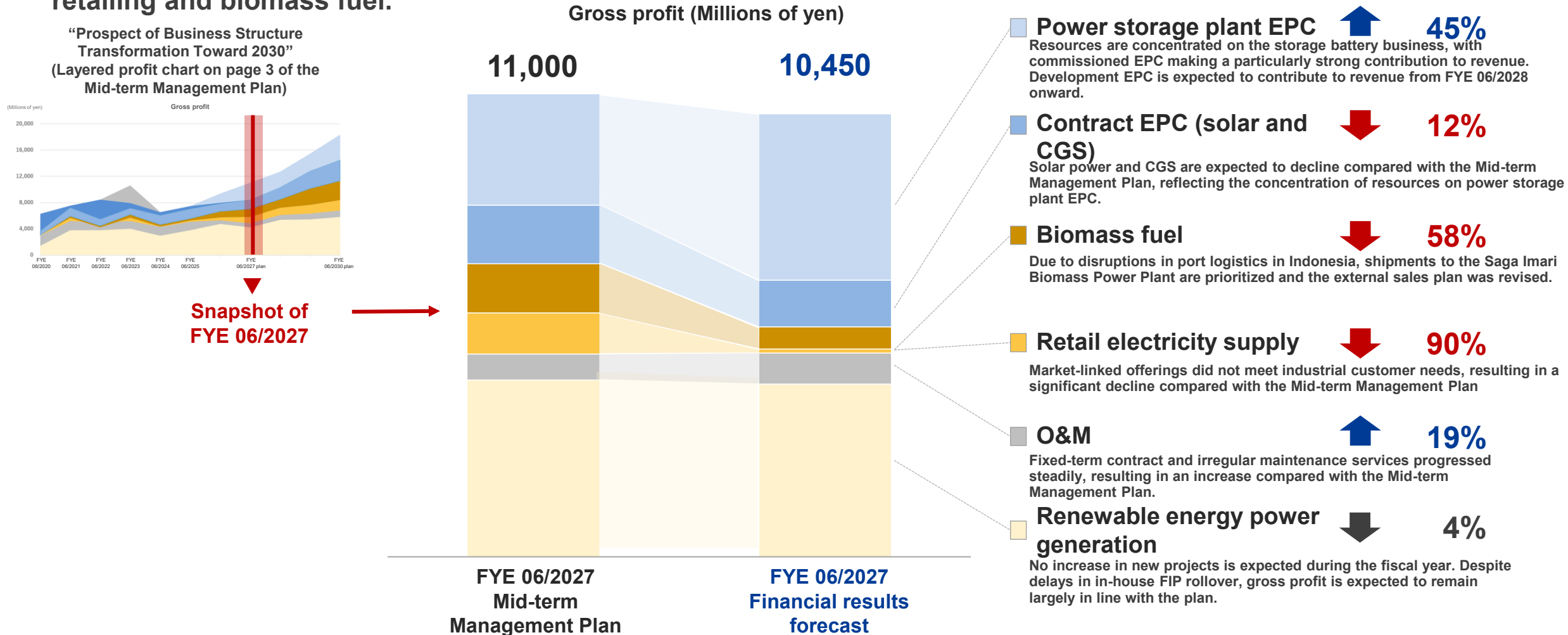
Point 2

Leveraging a robust pipeline and favorable external conditions, we aim to achieve the targets for the fiscal year ending June 30, 2030 under the Mid-term Management Plan, primarily through growth in power storage plant EPC projects.

With a robust pipeline and favorable external conditions as two key tailwinds, we aim to achieve the targets of the Mid-term Management Plan by placing power storage plant EPC projects at the core of our growth strategy and further strengthening growth investments, including workforce expansion.

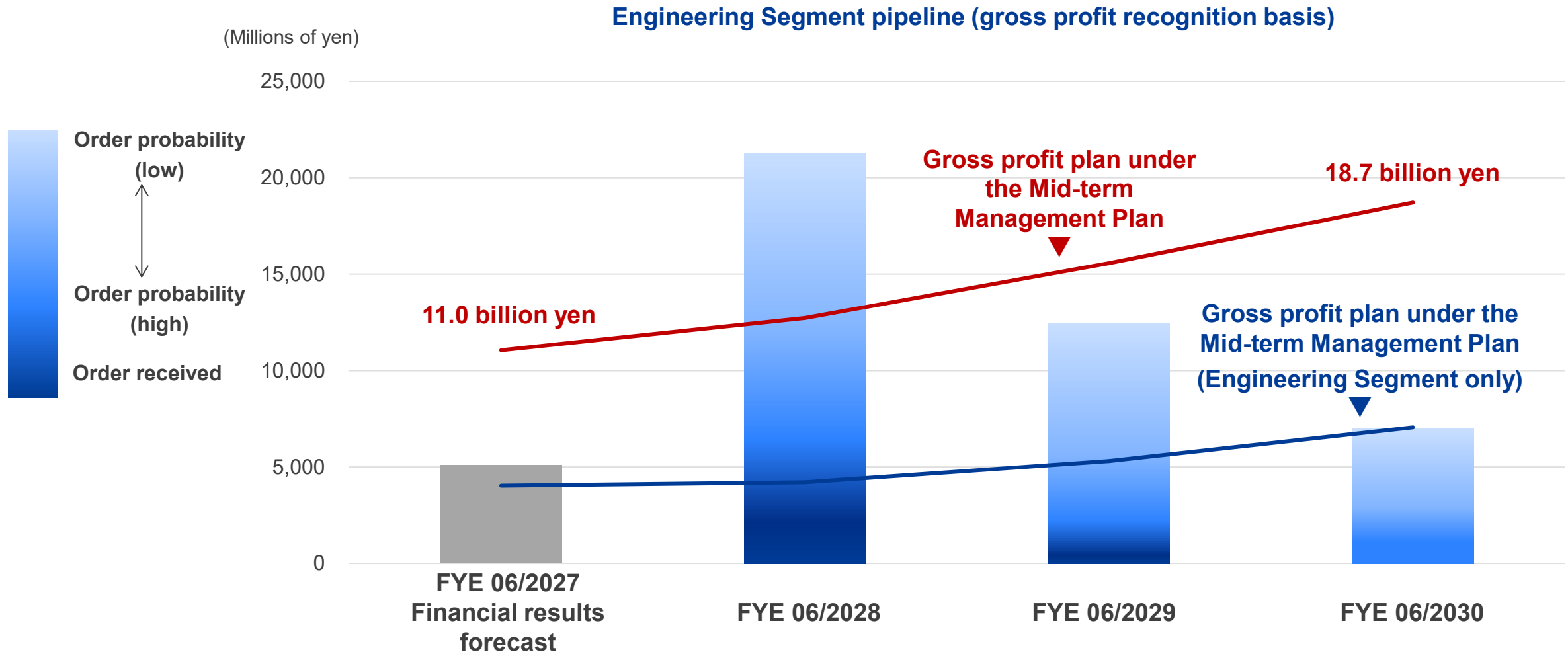
Point 1: Gross Profit for FYE 06/2027 (vs. Mid-Term Management Plan)

- ▶ The gross profit forecast for the fiscal year ending June 30, 2027 is largely in line with the Mid-term Management Plan as of the beginning of the fiscal year.
- ▶ Growth in power storage plant EPC and O&M is driving gross profit, offsetting sluggish performance in electricity retailing and biomass fuel.



Point 2: Aiming to Achieve the Mid-Term Management Plan, Supported by a Robust Pipeline and Favorable External Conditions

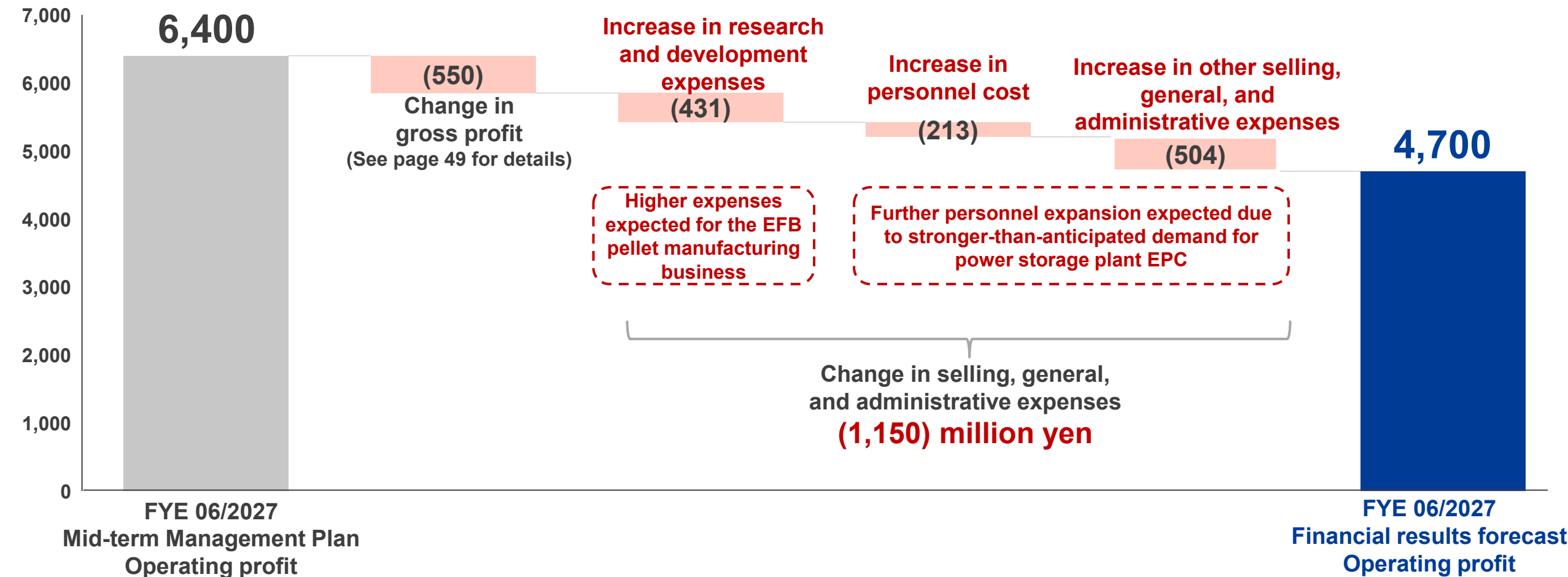
- ▶ The Engineering Segment has a robust pipeline on a gross profit recognition basis.
- ▶ We will aim for steady order conversion to achieve the targets of the Mid-term Management Plan



Point 2: Main Changes in Operating Profit Due to Increased Growth Investments (vs. Mid-Term Management Plan)

- ▶ Operating profit for the fiscal year ending June 30, 2027 is forecast to be 1,700 million yen lower than Mid-term Management Plan (down 26.6%).
- ▶ We will continue to strengthen growth investments, including personnel expansion, to achieve the Mid-term Management Plan targets.

(Millions of yen)



6. Appendix

Consolidated Statement of Income (Five Fiscal Years)

	FYE 06/2022	FYE 06/2023	FYE 06/2024	FYE 06/2025	FYE 06/2026
(Millions of yen)	Full-year results	Full-year results	Full-year results	Full-year results	Full-year results
Net sales	34,945	34,415	30,643	36,684	51,217
Cost of sales	26,489	23,803	24,089	29,230	40,799
Gross profit	8,455	10,611	6,553	7,453	10,417
Selling, general, and administrative expenses	3,309	3,746	4,183	4,905	5,091
Operating profit	5,146	6,864	2,370	2,548	5,326
Non-operating income	718	810	6,496	1,086	809
Non-operating expenses	1,210	2,157	1,205	4,276	2,300
Ordinary profit (loss)	4,654	5,518	7,660	(641)	3,834
Extraordinary income	-	-	-	985	-
Extraordinary losses	343	166	3,939	292	126
Profit before income taxes	4,310	5,351	3,721	51	3,708
Income taxes	1,550	1,557	2,394	(265)	1,474
Profit	2,759	3,794	1,326	317	2,233
Profit attributable to non-controlling interests	64	201	141	112	110
Profit attributable to owners of parent	2,695	3,592	1,185	204	2,123

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	FYE 06/2026 Q3	FYE 06/2026 Q4
Net sales		8,308	9,705	8,774	9,895	12,709	14,333	10,401	13,773
Engineering Segment		3,710	3,897	4,203	4,908	5,646	6,908	3,886	5,755
	Commissioned EPC (energy conservation)	2,011	1,733	1,401	3,292	2,455	1,153	920	446
	Commissioned EPC (renewable energy)	1,298	1,841	1,687	1,616	3,191	5,754	2,965	3,167
	Development EPC (renewable energy)	400	322	1,114	-	-	-	-	2,142
Energy Supply Segment		4,598	5,807	4,570	4,987	7,062	7,425	6,514	8,018
	Renewable energy power generation	2,421	3,361	2,214	3,128	5,067	5,478	4,323	4,782
	O&M	1,358	1,296	1,331	1,247	1,145	1,191	1,325	1,685
	Electricity retailing	343	334	513	447	848	755	865	1,550
	Biomass fuel	475	814	510	163	-	-	-	-
Gross profit		2,103	2,627	1,472	1,249	2,298	3,494	1,545	3,079
Engineering Segment		592	491	986	268	506	1,382	767	1,936
	Commissioned EPC (energy conservation)	205	198	288	203	334	264	398	73
	Commissioned EPC (renewable energy)	260	237	316	82	184	1,131	378	384
	Development EPC (renewable energy)	127	54	381	(16)	(13)	(13)	(8)	1,479
Energy Supply Segment		1,510	2,136	486	981	1,791	2,111	778	1,142
	Renewable energy power generation	894	1,450	229	869	1,288	1,756	426	893
	O&M ^{*1}	482	313	181	135	259	160	203	203
	Electricity retailing ^{*1}	4	47	22	37	84	5	9	(50)
	Biomass fuel ^{*1}	129	325	53	(62)	159	188	139	96
Operating profit		944	1,464	260	(121)	995	2,276	320	1,733
Engineering Segment		260	171	626	(177)	152	889	326	1,463
Energy Supply Segment		1,076	1,686	27	556	1,384	1,821	399	732
Elimination or company-wide		(392)	(393)	(393)	(500)	(541)	(433)	(405)	(462)

^{*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, gross profit, and operating profit by reportable segment has not been audited.

^{*3} Figures are after inter-segment elimination.

Introduction of a Shareholder Special Benefit Program

- ▶ In gratitude for the continued support of our shareholders, we implemented a shareholder benefit program for shareholders.

- 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 every year.
- 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

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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