

Dear reporters

September 18, 2026

TESS Holdings Co., Ltd.

[World's First] PTEC obtained GGL certification for EFB pellet manufacturing

TESS Holdings Co., Ltd. (registered in Yodogawa-ku, Osaka, Japan and represented by Kazuki Yamamoto, Representative Director and President, hereinafter referred to as "our company") is pleased to announce that PT PTEC RESEARCH AND DEVELOPMENT (registered in North Sumatra Province, Indonesia and represented by Tomoya Ishida, Representative Director and President, hereinafter referred to as "PTEC"), our consolidated subsidiary, has obtained GGL (Green Gold Label) certification for its "manufacturing of EFB (*1 – see note below) pellets," a biomass fuel made from agricultural crop residues.

This is the world's first (*2 – see note below) case of obtaining GGL certification for such an initiative.



The demonstration plant for manufacturing EFB pellets
(Sei Mangkei Industrial Park, North Sumatra Province, Indonesia)

■Certifying sustainability across the entire supply chain, obtaining GGL certification for EFB pellet manufacturing as the world's first case

GGL certification, established in 2002, is one of the long-standing certification schemes for sustainable biomass, and it is an international certification whereby a third-party organization certifies that procured biomass products are produced in a sustainable manner. This time, PTEC obtained GGL certification for the entire supply chain, ranging from the procurement of raw materials and processing at the demonstration plant for manufacturing EFB pellets (*3 – see note below) to the EFB pellets as final products.

■Utilizing agricultural crop residues effectively and contributing to solving the challenges facing the palm industry

One of the backgrounds behind this certification is the challenges facing the palm industry. Indonesia is the world's largest producer of palm oil and the palm oil industry is a part of important economic foundation of Indonesia. On the

other hand, a large amount of EFB is generated during palm oil extraction processes and most of the EFB is consequently left unutilized besides a part being used as fertilizer and fuel, whilst no other way for usage. Moreover, it is problematic that it causes soil contamination and generation of gaseous methane, a greenhouse gas, during decomposition (GWP (*4 – see note below) of methane is approximately 28 times that of CO₂). Therefore, the effective utilization of EFB has become one of the important challenges for palm-oil-producing countries.

PTEC pelletizes and utilizes such EFB as biomass fuel, thereby effectively utilizing agricultural crop residues and reducing the environmental burden.

These efforts are also in line with "downstream processing" (exporting natural resources with higher added value through domestic processing, instead of exporting them as raw materials) promoted by the Indonesian government, and therefore, they are expected to contribute to the development of Indonesian industries and job creation.



■Future outlook

In the Mid-Term Management Plan, "TX2030," which outlines the business strategy through the end of June 2030, our Group has positioned the "resource-recycling biomass fuel business" as one of the key focus areas. By utilizing EFB, PKS (*5 – see note below), and other agricultural crop residues from the palm industry, we aim to expand both the circular economy and our stock business model.

For EFB pellets, we will continue research and development for mass production, aiming to establish a production capacity of 100,000 tons per year during the Mid-Term Management Plan period toward large-scale commercial production.

Our group will continue to contribute to the realization of global carbon neutrality through the production of biomass fuel using agricultural crop residue by PTEC, Indonesia.

*¹ EFB (Empty Fruit Bunch):

Palm empty fruit bunches are a by-product (residue) when extracting palm oil from oil palms.

*² Based on our own research of publicly available information (as of September 18, 2026)

*³ "We completed of the demonstration plant for EFB pellet manufacturing in Indonesia and held a completion ceremony"(announced on July 6, 2026) : https://ssl4.eir-parts.net/doc/5074/ir_material13/282261/00.pdf

*⁴ GWP (Global Warming Potential):

A number that expresses the extent to which other greenhouse gases have the ability to cause global warming, based on CO₂.

*⁵ PKS (Palm Kernel Shell):

The shell that remains after palm oil has been extracted from palm kernels.

■Contact information regarding this matter

Public Relations, Investor Relations & Budget Control Team, TESS Holdings Co., Ltd.

<https://www.tess-hd.co.jp/contact/>

*Our group has adopted telework and staggered working hours.

For this reason, we may not be able to respond over the phone, so please contact us via our homepage.

We apologize for any inconvenience this may cause and appreciate your understanding.