Fiscal Year Ending March 31, 2027

Materials for the New Business Plan

July 15, 2026

Development

Promoting de-carbonization in Southeast Asia, where power demand is growing, with expertise in biomass power generation and co-firing

Strong Defense

Building solid business foundation in Japan, such as retail/trading, aggregation (BESS, etc.) and power generation/fuel

erex Co., Ltd. [9517]

erex

To Become a Pioneer in the New Era of Electric Power with Renewable Energy at Its Core

Business Plan for the Fiscal Year Ending March 2027

In the summary of financial results (Kessan Tanshin) for the fiscal year ended March 31, 2026, erex had listed the consolidated financial forecasts for the fiscal year ending March, 2027, as "undecided." This was due to the difficulty in reasonably calculating the forecasts, given the significant fluctuations in the fuel and electric power prices, driven by the situation in the Middle East, and the high level of uncertainty regarding the outlook for electric power demands through the impact on the real economy

erex has since carefully monitored market trends and conducted further deliberations; As erex is now able to establish certain assumptions regarding electric power prices and demands, it has decided to announce its consolidated financial forecasts for the fiscal year ending March, 2027

Source: Prepared by erex based on settlement prices for TOCOM electricity futures

FY March 2027: New Business Plan (IFRS)

erex

- Net sales increased year-on-year due to rising market prices in the retail & trading division and improved utilization rates in overseas operations
- Gross profit decreased year-on-year due to a decline in low-voltage power sales volume and a reversal from the previous period’s record of zero unscheduled outages at domestic power plants, despite improved utilization rates in overseas operations. On the other hand, operating income increased year-on-year, driven in part by an increase in other income

(billion yen)	FY March 2026 Full-Year Results	FY March 2027 New Full-Year Plans	Year-on-Year Changes (Amount)	Year-on-Year Changes (%)
Net Sales	169.1	240.6	+71.5	+42.3%
Gross Profit	19.4	19.1	▲0.3	▲1.6%
SG&A Expenses	13.4	13.3	▲0.1	▲1.0%
Other Income/Expenses	1.4	1.9	+0.4	+31.5%
Operating Income	7.5	7.8	+0.2	+3.8%
Pre-Tax Income	8.9	9.2	+0.3	+3.5%
Net Income *1	5.3	5.4	+0.0	+1.4%

*1 Net income: Net income attributable to the owners of the parent company

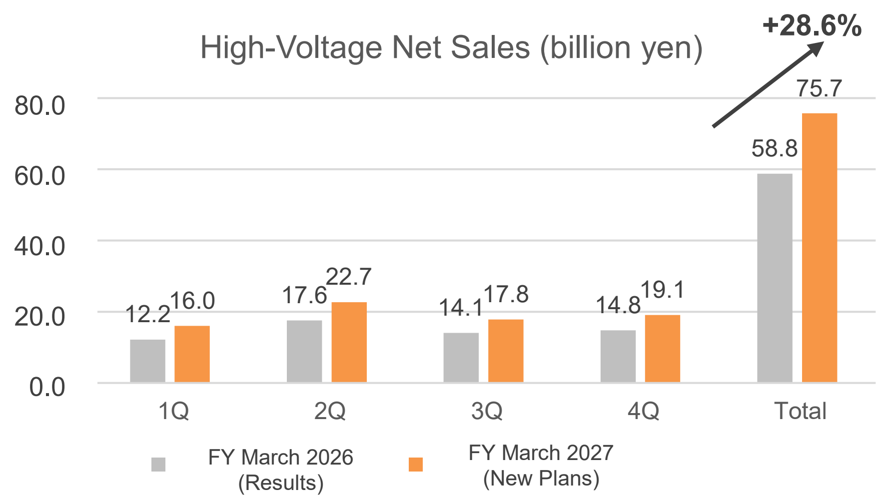
FY March 2027: New Business Plan (Breakdown of Sales and Operating Income by Division *1)

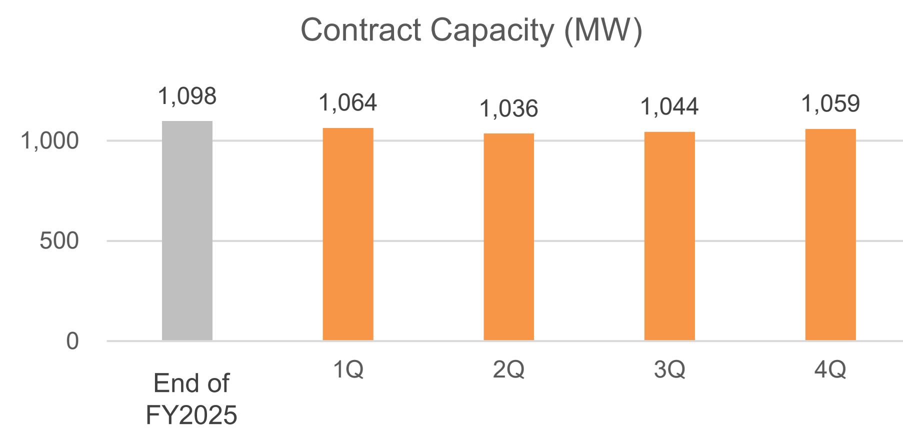
(billion yen)		FY March 2026 Full-Year Results	FY March 2027 New Full-Year Plans	Year-on-Year Changes (Amount)	Special Notes
Net Sales		169.1	240.6	+71.5	
	Retail & Trading	190.5	279.0	+88.5	Increase in sales prices due to rising market prices; Acquisition of large-scale bidding projects
	Power Generation & Fuel	56.5	57.8	+1.2	YoY increase due to higher fuel sales to 3rd parties
	Overseas	0.7	6.1	+5.3	YoY increase due to improved operating rates at Hau Giang Biomass Power Plant and Tuyen Quang Pellet Factory and revision of electricity sales price
	Other Consolidation Adjustments	▲78.7	▲102.3	▲23.5	
Operating Income		7.5	7.8	+0.2	
	Retail & Trading	8.5	7.4	▲1.0	YoY decrease due to increase in capacity contribution fees and increase in customer acquisition costs
	Power Generation & Fuel	0.4	▲0.7	▲1.1	YoY decreased due to reversal from the previous period's record of zero power plant outages caused by technical issues, despite increase in fuel sales to 3rd parties
	Overseas	▲2.5	▲1.7	+0.8	YoY increase due to improved operating rates at Hau Giang Biomass Power Plant and Tuyen Quang Pellet Factory and revision of electricity sales price
	Other Consolidation Adjustments	▲2.0	▲0.5	+1.5	YoY increase due to reductions in SG&A expenses across the company, etc.
	IFRS adjustments	3.2	3.4	+0.2	Increase in low-voltage sales promotion expenses and one-time gain resulting from the recognition of loss by the investor of Itoigawa Power Plant

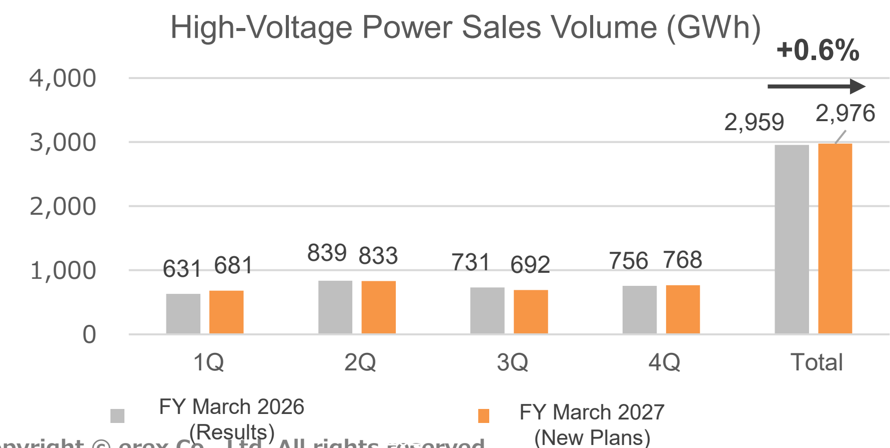
*1 Figures by division are before IFRS adjustments; as erex Group operates as a single segment, these are internal estimates

FY March 2027: High-Voltage Retail Sales Plans

- In the previous fiscal year, erex Group focused on expanding sales of market-linked plans, which were in high demand among customers. However, due to rising market prices caused by factors such as the situation in the Strait of Hormuz, customers have become more sensitive to price volatility
- erex Group will encourage customers to switch from market-linked plans to fixed-rate plans, etc. utilizing futures contracts, with the aim of extending contract terms and improvement in gross profit



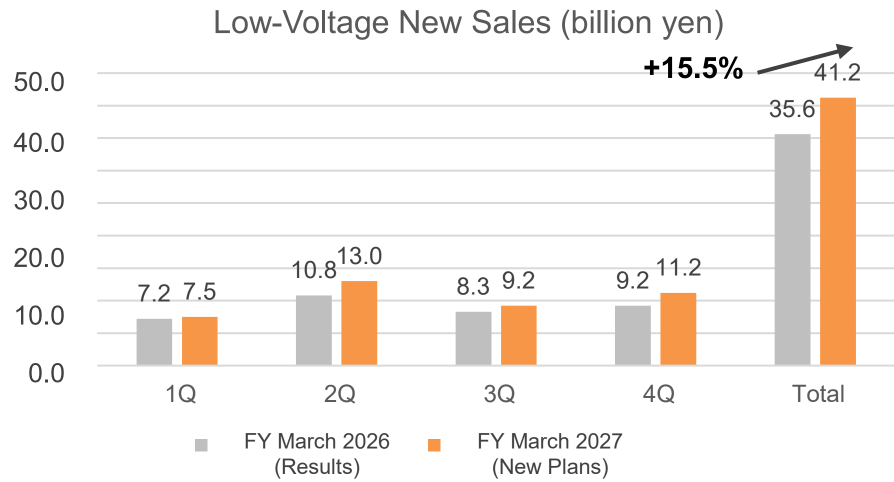


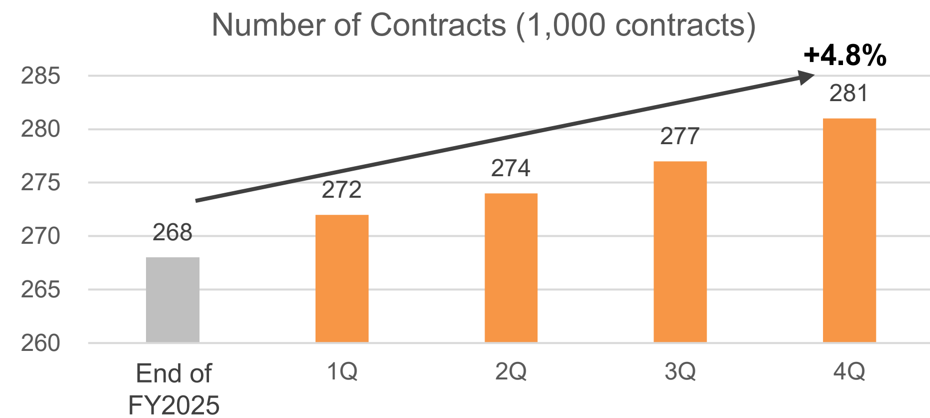


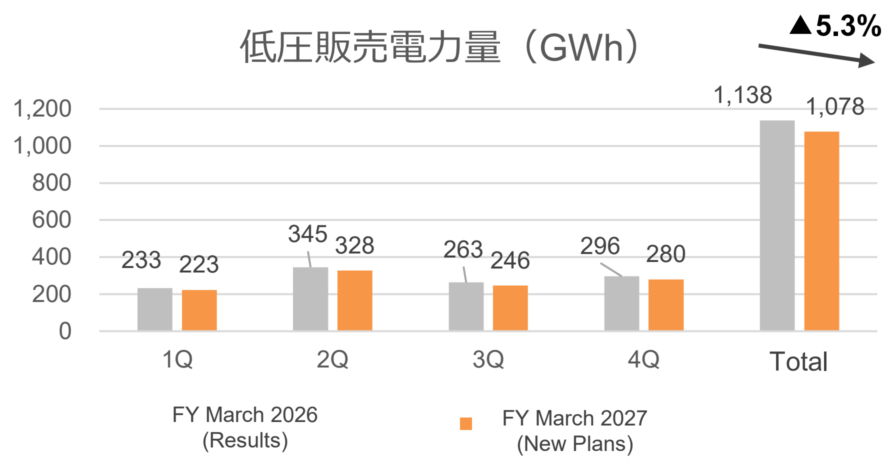
- Some sales subsidiaries have already acquired high-load contracts
- Looking ahead to the next fiscal year and beyond, erex Group is targeting government and private-sector bidding projects and is currently strengthening its structures, particularly to obtain eligibility for government tenders

FY March 2027 Low-Voltage Retail Sales Plans

- erex Group plans to continue focusing on customer acquisition through new channels (such as real estate), with a target of 281,000 contracts, a 4.8% year-on-year increase
- Since new channels primarily target single-person households, the average power sales volume per contract is expected to decrease. By promoting value-added services and other offerings, erex Group aims to retain existing customers







- EGR (erex Group's sales subsidiary) plans to release an app. In addition to basic functions such as checking bills, the app will offer a point service program, integration with smart remote controls, and various lifestyle support services
- erex Group aims to improve customer satisfaction through the app, leading to reduced churn and increased upsells

1. Business Plan for the Fiscal Year Ending March 2027

2. **Consolidated Financial Preliminary Results for the Three Months Ended June 30, 2026**

3. Appendix

Year-on-Year

- **Net Sales: Net sales are expected to increase year-on-year due to rising electricity market prices**
- **Operating Income: Operating income is expected to decrease year-on-year, primarily due to timing differences resulting from fluctuations in electricity market prices**

(billion yen)	FY March 2026 1Q Results	FY March 2027 1Q Preliminary Results	Year-on-Year Changes (Amount)
Net Sales	37.0	47.9	+10.8
Operating Income	1.4	0.6	▲0.8
Pre-Tax Income	0.5	0.7	+0.1
Net Income *1	▲0.1	0.3	+0.4

*1 Net income: Net income attributable to the owners of the parent company

1. Business Plan for the Fiscal Year Ending March 2027
2. Consolidated Financial Preliminary Results for the Three Months Ended June 30, 2026
3. **Appendix**

Creating Earnings Opportunities Through Long-Term Decarbonized Power Source Auction

erex

- **"erex Niigata (tentative name)" Biomass Power Plant was selected as a successful bidder in the FY2025 Long-Term Decarbonized Power Source Auction (announced in May 2026). In addition to contributing to energy security and carbon neutrality, the power plant is also capable of meeting the hourly matching requirements for decarbonized power sources**
- **In the long-term decarbonized power source auction, initial investments, fixed costs, and operating and maintenance costs are covered by a 20-year capacity commitment payments. Furthermore, this enables the development of a business model that leverages these funds to expand earnings through market and environmental value**

Objectives of the System: To achieve both carbon neutrality by 2050 and stable power supply, while expanding decarbonized power sources and promoting investments

Stability provided by the system

- 20-year capacity commitment payment
- Initial investments, fixed costs, and operating and maintenance costs are covered, reducing business risks

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erex Group's competitive advantages

- Operational know-how for high utilization rates
- Cost competitiveness through in-house fuel procurement
- Power sales strategy by the retail business
- Extensive track record in developing biomass power plants in Japan

"erex Niigata (tentative name)" Biomass Power Plant

Generation Capacity: 112 MW (originally planned at 300 MW)
Location: Niigata Prefecture
Fuel: Wood pellets/PKS
Start of Operations: FY2029 (planned)

Earnings Structure

① Capacity Commitment Payment (Fixed, 20 years)
② Electric Power Sales (Market & PPA Transactions)
③ Environmental Value (24/7 Carbon-Free Electric Power)

Securing business foundation through fixed revenues, while expanding earnings through electric power sales and environmental value

Key Income Statement Items:
Quarterly Trends (FY March 2025 – FY March 2026 Results)

	FY March 2025 (Results)								FY March 2026 (Results)								
	1Q	2Q	3Q	4Q	1H	1Q-3Q	2H	FY	1Q	2Q	3Q	4Q	1H	1Q-3Q	2H	FY	FY Plan
Net Sales	**334**	**497**	**433**	**446**	**832**	**1,265**	**880**	**1,712**	**370**	**494**	**414**	**411**	**865**	**1,279**	**826**	**1,691**	**1,761**
YoY									110.8%	99.4%	95.5%	92.3%	104.0%	101.1%	93.9%	98.8%	102.9%
Gross Profit	**40**	**59**	**54**	**50**	**99**	**154**	**105**	**205**	**38**	**58**	**51**	**46**	**97**	**148**	**97**	**194**	**183**
Gross Margin	12.0%	12.0%	12.6%	11.3%	12.0%	12.2%	11.9%	12.0%	10.5%	11.8%	12.3%	11.3%	11.2%	11.6%	11.8%	11.5%	10.4%
YoY									96.6%	97.7%	93.3%	92.4%	97.3%	95.9%	92.9%	95.0%	89.5%
SG&A Expenses	**21**	**26**	**31**	**29**	**48**	**79**	**60**	**108**	**27**	**36**	**30**	**39**	**64**	**95**	**70**	**134**	**121**
YoY									128.6%	138.7%	98.1%	132.9%	134.2%	120.0%	115.0%	123.5%	111.2%
Operating Income	**19**	**32**	**28**	**▲ 8**	**51**	**80**	**19**	**71**	**14**	**21**	**10**	**28**	**36**	**46**	**38**	**75**	**86**
Operating Margin	5.7%	6.5%	6.6%	▲ 2.0%	6.2%	6.3%	2.3%	4.2%	3.9%	4.4%	2.5%	7.0%	4.2%	3.6%	4.7%	4.4%	4.9%
YoY									76.0%	67.0%	36.1%	▲ 328.6%	70.4%	58.1%	195.6%	105.3%	120.5%
Retail&Trading	28	34	40	31	63	104	72	135	20	23	22	18	43	66	41	85	86
Power Generation&Fuel	▲ 6	3	▲ 4	▲ 6	▲ 2	▲ 6	▲ 10	▲ 13	▲ 5	2	5	1	▲ 3	2	7	4	▲ 6
Overseas	▲ 1	▲ 4	▲ 9	▲ 4	▲ 5	▲ 15	▲ 14	▲ 20	▲ 3	▲ 5	▲ 6	▲ 11	▲ 8	▲ 14	▲ 17	▲ 25	▲ 12
Other Consolidation Adjustments	▲ 5	▲ 3	▲ 4	▲ 5	▲ 9	▲ 13	▲ 9	▲ 19	▲ 3	▲ 3	▲ 4	▲ 9	▲ 7	▲ 11	▲ 13	▲ 20	▲ 16
IFRS Adjustments	4	1	6	▲ 23	5	12	▲ 16	▲ 11	7	4	▲ 7	28	11	3	20	32	36
Pre-Tax Income	**31**	**12**	**39**	**▲ 19**	**43**	**83**	**19**	**63**	**5**	**26**	**23**	**34**	**32**	**55**	**57**	**89**	**75**
% vs Net Sales	9.4%	2.4%	9.2%	▲ 4.5%	5.2%	6.6%	2.2%	3.7%	1.4%	5.4%	5.7%	8.3%	3.7%	4.4%	7.0%	5.3%	4.3%
YoY									17.0%	221.6%	59.3%	▲ 171.0%	73.8%	66.9%	291.2%	141.8%	118.6%
Net Income (*1)	**17**	**0**	**27**	**▲ 22**	**16**	**44**	**4**	**21**	**▲ 1**	**17**	**21**	**15**	**15**	**37**	**37**	**53**	**34**
% vs Net Sales	5.2%	▲ 0.1%	6.3%	▲ 5.1%	2.0%	3.5%	0.5%	1.2%	▲ 0.4%	3.5%	5.2%	3.9%	1.8%	2.9%	4.5%	3.2%	1.9%
YoY									-	-	78.8%	▲ 69.4%	94.1%	84.6%	869.8%	251.7%	161.3%

*1 Net income: Quarterly net income attributable to the owners of the parent company

Retail and Trading Division:
Quarterly Trends (FY March 2025 – FY March 2026 Results)

	FY March 2025 (Results)								FY March 2026 (Results)								
	1Q	2Q	3Q	4Q	1H	1Q-3Q	2H	FY	1Q	2Q	3Q	4Q	1H	1Q-3Q	2H	FY	FY Plan
High Voltage																	
Net Sales (billion yen)	11.6	16.0	14.2	14.6	27.7	41.9	28.8	56.6	12.2	17.6	14.1	14.8	29.9	44.0	28.9	58.8	58.8
YoY									105.5%	109.7%	99.0%	101.4%	107.9%	104.9%	100.2%	104.0%	99.1%
Power Sales Volume (GWh)	502	680	617	638	1,182	1,799	1,255	2,438	631	839	731	756	1,471	2,202	1,488	2,959	2,778
YoY									125.8%	123.5%	118.5%	118.5%	124.4%	122.4%	118.5%	121.4%	114.0%
Contract Capacity (MW)	868	912	958	950	912	958	950	950	1,033	1,056	1,094	1,098	1,056	1,094	1,098	1,098	1,076
YoY									119.0%	115.8%	114.2%	115.6%	115.8%	114.2%	115.6%	115.6%	113.3%
Low Voltage																	
Net Sales (billion yen)	9.0	14.7	10.9	9.9	23.7	34.7	20.9	44.7	7.2	10.8	8.3	9.2	18.1	26.4	17.5	35.6	36.3
YoY									80.8%	73.5%	75.8%	92.4%	76.3%	76.1%	83.7%	79.8%	81.3%
Power Sales Volume (GWh)	288	444	320	298	733	1,054	619	1,352	233	345	263	296	578	842	559	1,138	1,113
YoY									80.6%	77.7%	82.1%	99.3%	78.9%	79.9%	90.4%	84.1%	82.3%
# of Supply Contracts (1,000)	303	297	293	240	297	293	240	240	248	257	263	268	257	263	268	268	246
YoY									82.0%	86.6%	90.1%	111.6%	86.6%	90.1%	111.6%	111.6%	102.6%

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