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To whom it may concern;

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Notice of Revision to the Mid-Term Business Plan

erex Group hereby announces the following revisions to the numbers in its “Mid-Term Business Plan (from FY March 2024 – FY March 2026)” released on May 12, 2023.

(Note) The following financial and dividend forecasts are based on information available as of the date of this announcement, and actual dividends and financial results may differ from these forecasts due to various factors.

Note

1. Revisions to the Numbers for FY March 2025 and FY March 2031 in the Mid-Term Business Plan

(1) Details of the Revisions to the Numbers

(JPY Million)

Consolidated	FY March 2025 (Initial Plan)	FY March 2025 (Revised Plan)	FY March 2031 (Initial Plan)	FY March 2031 (Revised Plan)
Net Sales	242,300	200,000	510,000	535,800
Operating Income	7,700	4,780	-	-
Ordinary Income	9,000	4,300	25,000	60,200
Net Income Attributable to Owners of the Parent	6,100	2,800	-	-



(2) Reasons for the Revisions

The initial plan assumed that a certain amount of profit would be generated when the JEPX price rose by securing sufficient PPA power sources to meet retail demands. The revised plan this time, however, is based on the assumption of minimizing the impact of JEPX price fluctuations. Specifically, the PPA contracts for the relatively expensive power procured in FY2022 will expire and procurement will stabilize, and in FY March 2025, market-linked sales menus are planned to represent most of the menus. Taking these into account, the mid-term business plan has been revised to ensure stable earnings without being significantly affected by JEPX price fluctuations. In addition, erex Group has reviewed the power generation costs at its group's Itoigawa Power Plant in light of current economic situations, including the decline in global coal prices, and has reviewed sales and profits.

erex Group will transform its management in order to grow and at the same time to further increase profitability. Specifically, erex Group will review its internal organization to address current management issues and will work to stabilize its domestic earnings base.

In addition, erex Group will develop its overseas business for new growth, in particular, with full-fledged promotion of biomass business in Southeast Asian countries, mainly Vietnam and Cambodia, believing that these efforts are highly significant as a solution to the global issue of de-carbonization and to social issues such as increasing incomes in Southeast Asian countries.

While securing its current earnings base, erex Group will grow and increase its corporate value by developing businesses that contribute to society.