



1Q of FY March 2026

Supplementary Materials for Financial Results

August 8, 2025

Development

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

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Strong Defence

Solid business foundation in Japan, such as biomass power generation, retail, aggregation, etc.

erex Co., Ltd. [9517]



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

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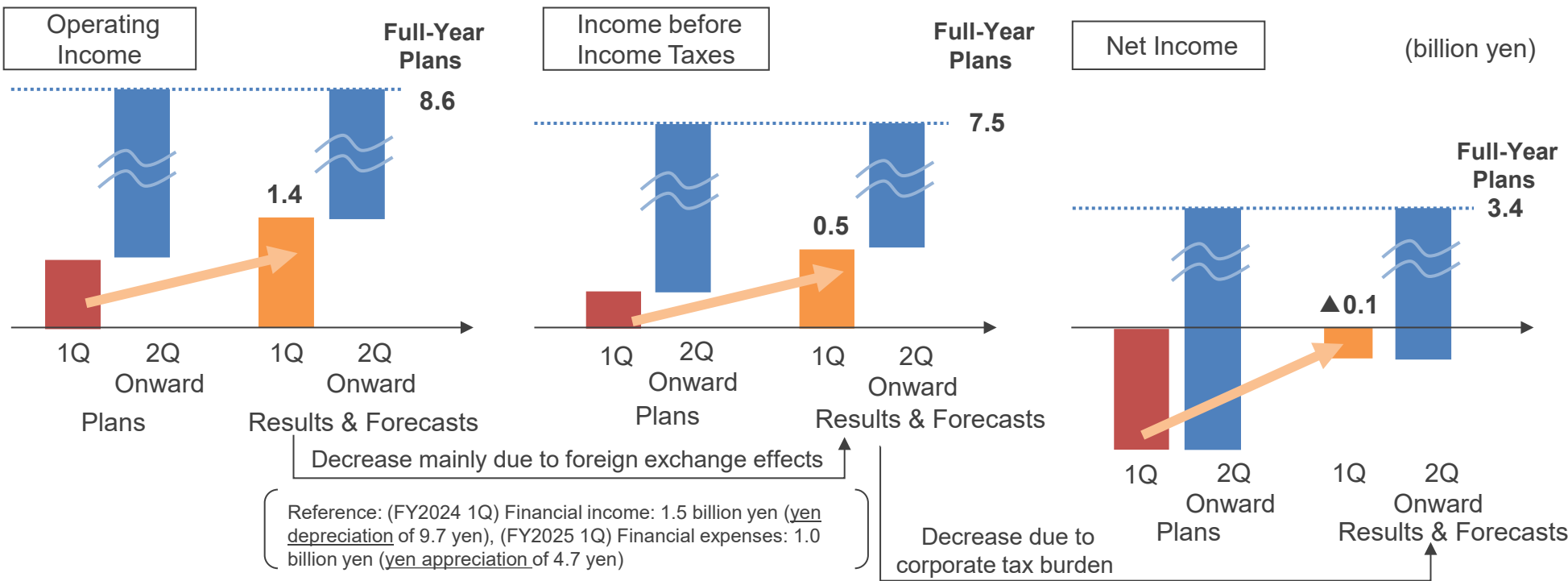
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Operating income exceeded internal plans and progressed solidly due to strong performance of the retail business

Net Sales	Operating Income	Income before Income Taxes	Net Income <small>Attributable to the the owners of the parent company</small>
37.0 billion yen	1.4 billion yen	0.5 billion yen	▲0.1 billion yen
Full-year Plans	Full-year Plans	Full-year Plans	Full-year Plans
Progress Rate	Progress Rate	Progress Rate	Progress Rate
176.1 billion yen	8.6 billion yen	7.5 billion yen	3.4 billion yen
21.0%	16.9%	7.1%	-

- Retail and trading businesses performed well with sales increasing year-on-year, while power generation and fuel businesses saw improved profitability due to lower fuel procurement prices
- On the other hand, foreign exchange impacts and large corporate tax burden vs profits resulted in net loss for the period, though it was better than internal plans

■ The 1Q posted net loss due to foreign exchange impacts and corporate taxes, but the results were better than internal plans, and the 2Q onward are expected to progress solidly



1Q Results	<ul style="list-style-type: none">Results exceeded plans due to increased high-voltage power sales volume in the retail & trading business, and stable operations of domestic power plants1Q plans were based on the assumption of relatively lower profits due to lower retail demands because of temperature factors and regular maintenance at power plantsRegarding quarterly net income/loss attributable to owners of the parent company, consolidated income before income taxes decreased due to the impact of subsidiaries posting losses, resulting in net loss due to the corporate tax burden of the parent company and subsidiaries posting profits exceeding consolidated income before income taxes
2Q Onward	<ul style="list-style-type: none">From the 2Q onwards, power sales volume is expected to increase due to retail contract acquisition strategies and demand-expanding periods such as summer, expected to progress as planned

- 1. Summary of Financial Results for the 1Q of FY March 2026**
2. Overall Strategy
3. Status of Initiatives – Japan
4. Status of Initiatives – Overseas

Results for the 1Q of FY March 2026 (Apr – Jun 2025): IFRS

Year-on-Year

- **Net sales:** Net sales increased due to an increase in high-voltage power sales volume and in transactions supporting procurement and sales of other companies in the wholesale segment, despite the impact of the transfer of a sales subsidiary, T'dash (*1)
- **Operating income:** Operating income decreased year-on-year due to an increase in the ratio of market-linked plans in the high-voltage sector and the impact of the T'dash transfer

vs Plans

- **Net sales:** Net sales were generally in line with the plans
- **Operating income:** Operating income exceeded the plans due to stable operation of domestic power plants and higher-than-expected power sales volume in the retail sector

(billion yen)	FY March 2025 1Q (Results)	FY March 2026 1Q (Results)	FY March 2026 Full year (Plans)	Year-on-Year (Amount)	vs Full Year Plans
Net Sales	33.4	37.0	176.1	3.6	21.0%
SG&A Expenses	2.1	2.7	12.1	0.6	22.8%
Operating Income	1.9	1.4	8.6	▲0.4	16.9%
Income before Income Taxes	3.1	0.5	7.5	▲2.6	7.1%
Net Income (*2)	1.7	▲0.1	3.4	▲1.8	-

※1 Transfer of T'dash: T'dash, which had been erex Group's sales subsidiary, was transferred at the end of December 2024

※2 Net Income: Quarterly net income attributable to the owners of the parent company

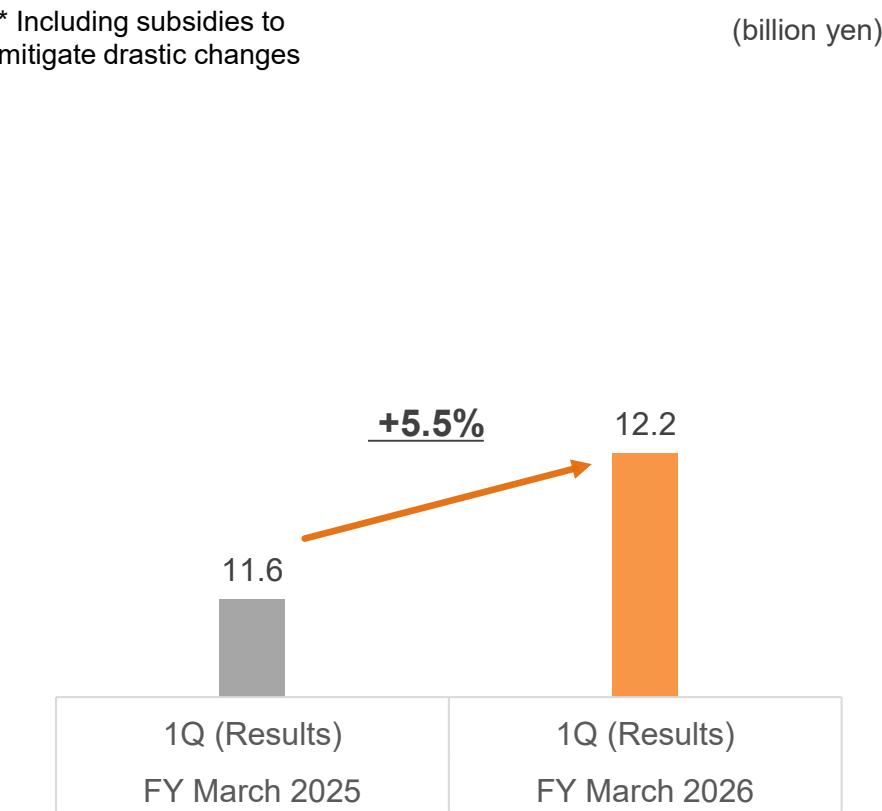
Results for the 1Q of FY March 2026 (Breakdown of Sales & Operating Income)

(billion yen)		FY March 2025 1Q (Results)	FY March 2026 1Q (Results)	FY March 2026 Full year (Plans)	Special Notes (Year-on-Year)
Net Sales		33.4	37.0	176.1	
	Retail & Trading	38.5	40.6	194.8	Increase in high-voltage power sales volume and in transactions supporting procurement and sales of other companies
	Power Generation & Fuel	12.2	11.6	58.7	Increase in sales of fuel to other companies despite decrease in capacity payment. Although there is a delay in fuel supply compared to the plans, the sales of the delayed shipment are expected to be recognized in the 2Q and beyond
	Overseas	0.0	0.0	3.8	First overseas business sales recorded. The operation of the Hau Giang Biomass Power Plant started, resulting in sales recognition of 90 million yen
	Other Consolidation Adjustments	▲17.4	▲15.3	▲81.2	
Operating Income		1.9	1.4	8.6	
	Retail & Trading	2.8	2.0	8.6	Decrease due to increase in the ratio of market-linked plans for high voltage and the impact of the transfer of T'dash. Increase in promotional expenses due to increased sales for low voltage
	Power Generation & Fuel	▲0.6	▲0.5	▲0.6	Decrease in depreciation expenses and also decrease in capacity payment due to the suspension of operations at the Itoigawa Power Plant. Improvement in fuel procurement prices. Concentration of regular inspections at power plants in the 1Q
	Overseas	▲0.1	▲0.3	▲1.2	
	Other Consolidation Adjustments	▲0.5	▲0.3	▲1.6	
	IFRS Adjustments	0.3	0.7	3.6	

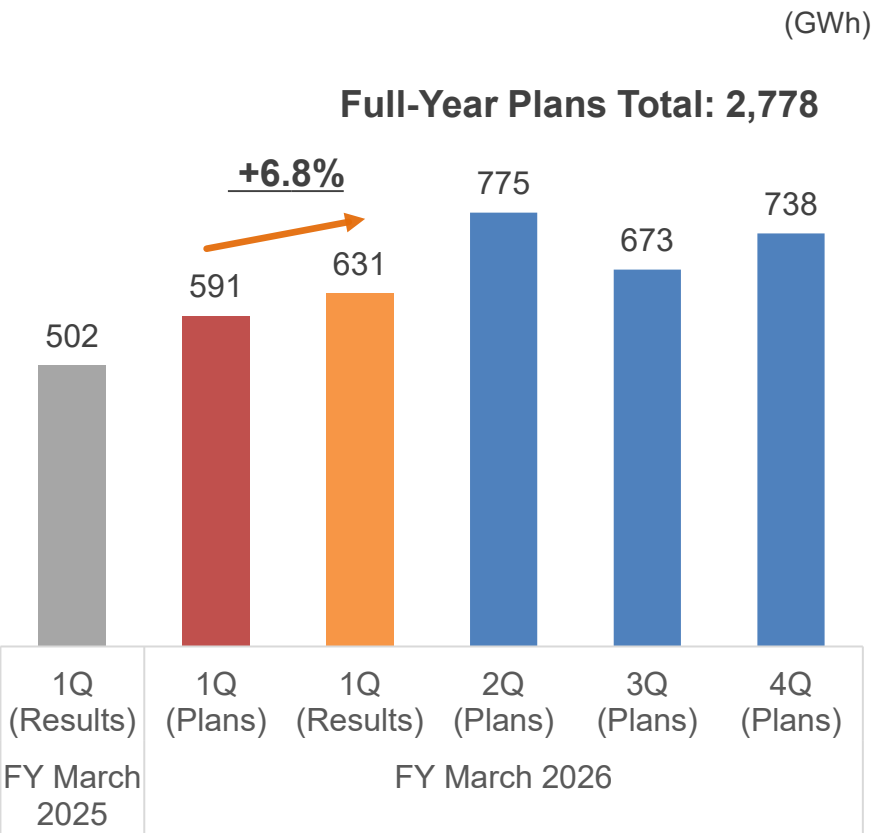
* Numbers by business above are before IFRS adjustments. As erex Group has only one segment, internal calculations are used

- In addition to the pioneering hybrid plan, the launch of the market-linked shift plan has further strengthened sales of market-linked plans, resulting in power sales volume of 631 GWh, 6.8% more than the plans
- Net sales reached 12.2 billion yen, 5.5% increase year-on-year, despite intensifying competition

Net Sales



Power Sales Volume

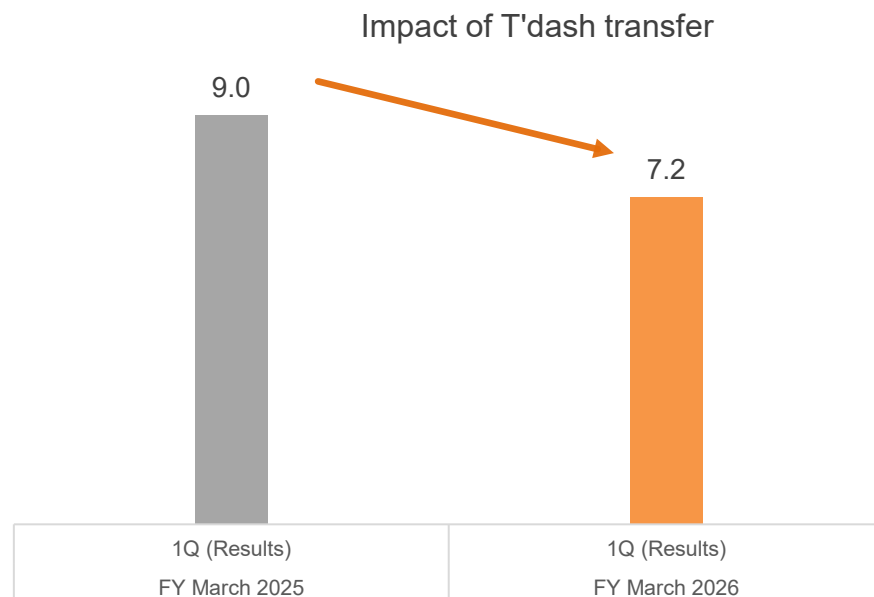


- Building on the positive results of promotional initiatives launched in the 4Q of the previous fiscal year, promotional expenses were appropriately allocated, resulting in a total of 248,000 contracts (2.9% more than the plans), thereby achieving the full-year plans. Power sales volume was also 2.6% more than the plans
- Net sales decreased by 19.2% year-on-year due to the impact of the T'dash transfer

Net Sales

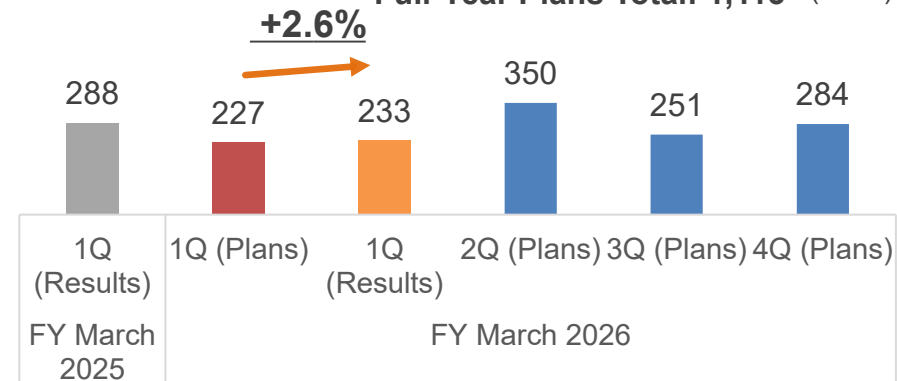
* Including subsidies to mitigate drastic changes

(billion yen)



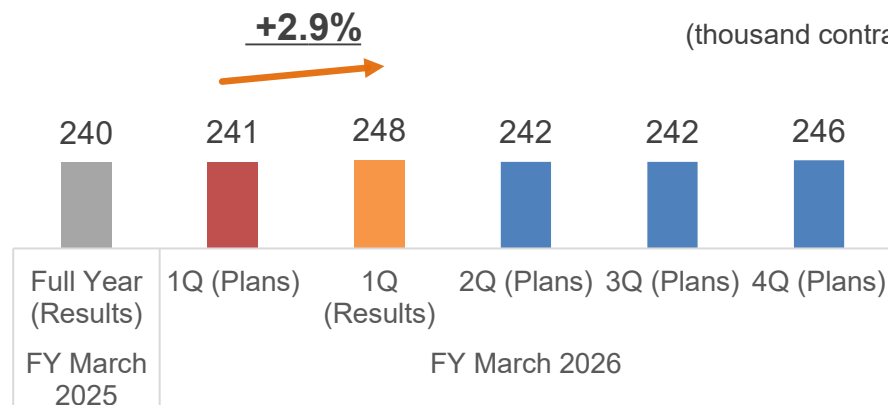
Power Sales Volume

Full-Year Plans Total: 1,113 (GWh)



Number of Contracts

(thousand contracts)

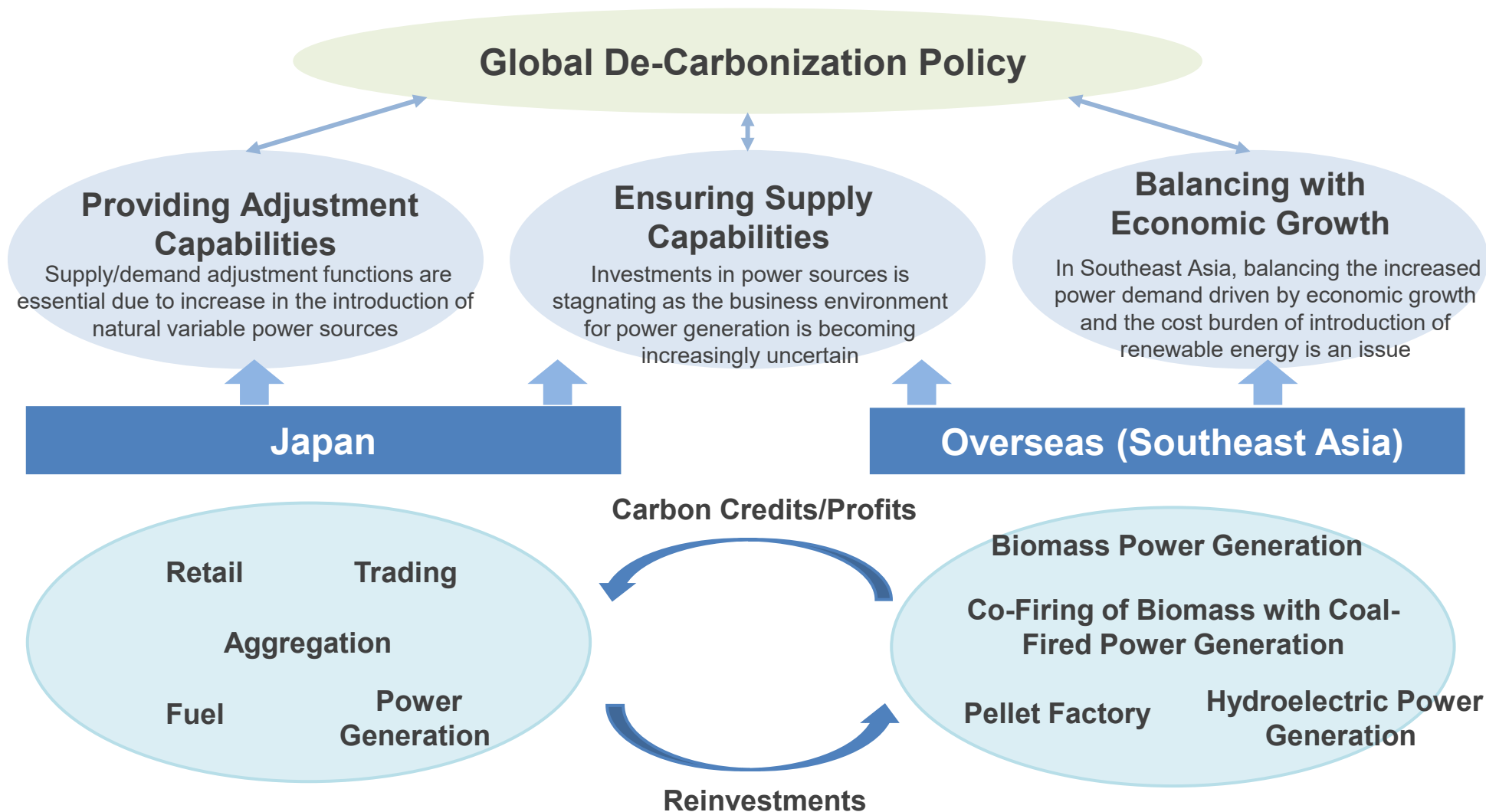


FY March 2026: Summary of the Consolidated Balance Sheet

(billion yen)	FY March 2025 (End of the Period)	1Q of FY March 2026		
		Results	Increase/ Decrease	Main Reasons for Increase/Decrease
Current Assets	65.5	61.5	▲4.0	<ul style="list-style-type: none"> Decrease in cash and deposits Increase in trade receivables due to retail sales increase
Non-Current Assets	87.8	87.5	▲0.3	<ul style="list-style-type: none"> Increase in long-term loans of erex to affiliated companies (SPHPS) Decrease in derivative receivables due to fair value measurement of power derivatives
Total Assets	153.3	149.0	▲4.3	
Current Liabilities	37.5	35.8	▲1.7	<ul style="list-style-type: none"> Decrease in trade payables due to increase in procurement from exchanges with short payment terms
Non-Current Liabilities	43.3	44.0	0.6	<ul style="list-style-type: none"> Increase in long-term borrowings due to new borrowings
Total liabilities	80.9	79.8	▲1.0	
Interest of the Owners of the Parent Company	64.1	61.7	▲2.4	<ul style="list-style-type: none"> Decrease in retained earnings due to year-end dividends Decrease in deferred hedge gains/losses due to fair value measurement of long-term foreign exchange forward contracts
Non-Controlling Interest	8.3	7.4	▲0.9	
Total Equity	72.4	69.1	▲3.3	
Cash and Deposits	33.6	25.5	▲8.0	<ul style="list-style-type: none"> Increase in working capital and payment of corporate taxes, etc. Increase in long-term loans of erex to affiliated companies (SPHPS)
Interest-Bearing Debt	45.2	46.1	0.9	<ul style="list-style-type: none"> Increase in borrowings due to new borrowings
Equity (Attributable to the Owners of the Parent Company) Ratio	41.8%	41.4%	▲0.4%	

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3. Status of Initiatives – Japan
4. Status of Initiatives – Overseas

- In response to global de-carbonization policies, erex Group plans to maximize the use of renewable energy and to provide adjustment and supply capabilities by capitalizing on its expertise
- Utilization of CO2 value is essential for de-carbonization, which erex Group is expanding its overseas operations to acquire and to give back to Japan

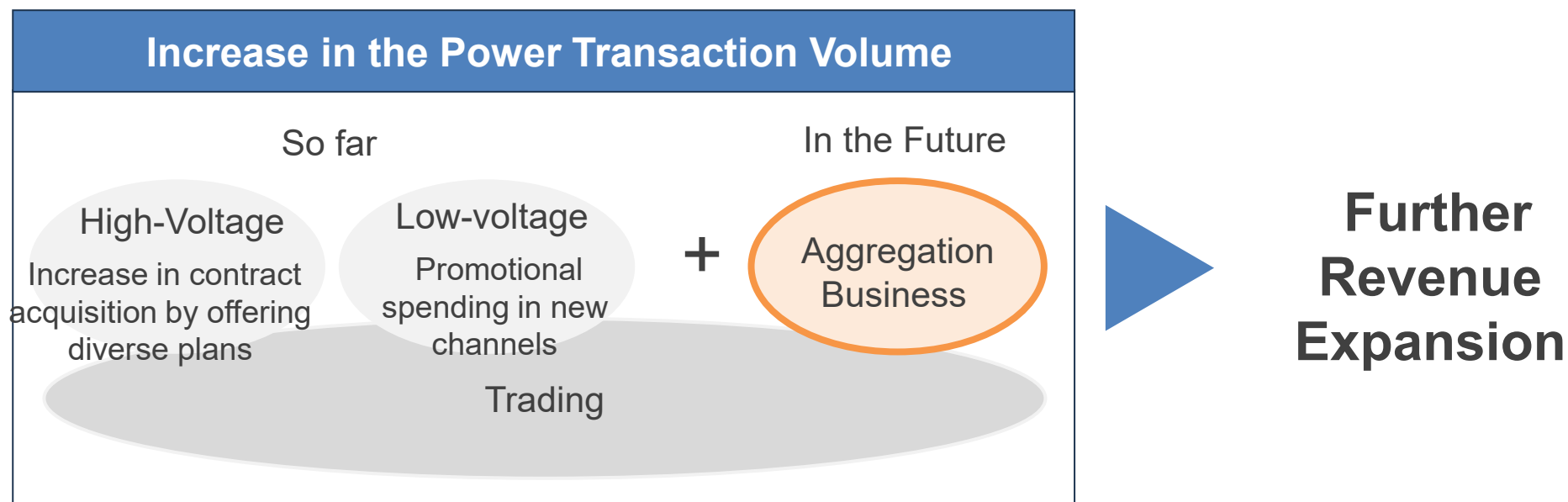


1. Summary of Financial Results for the 1Q of FY March 2026
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3. **Status of Initiatives – Japan**
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Market Environment	Expanding power demands, Diversifying customer needs, Response to de-carbonization
erex Group's Strength	Diverse sales channels, Power procurement capabilities through trading business, Long-standing expertise in supply/demand adjustments
Basic Policy for the Retail and Trading Businesses	

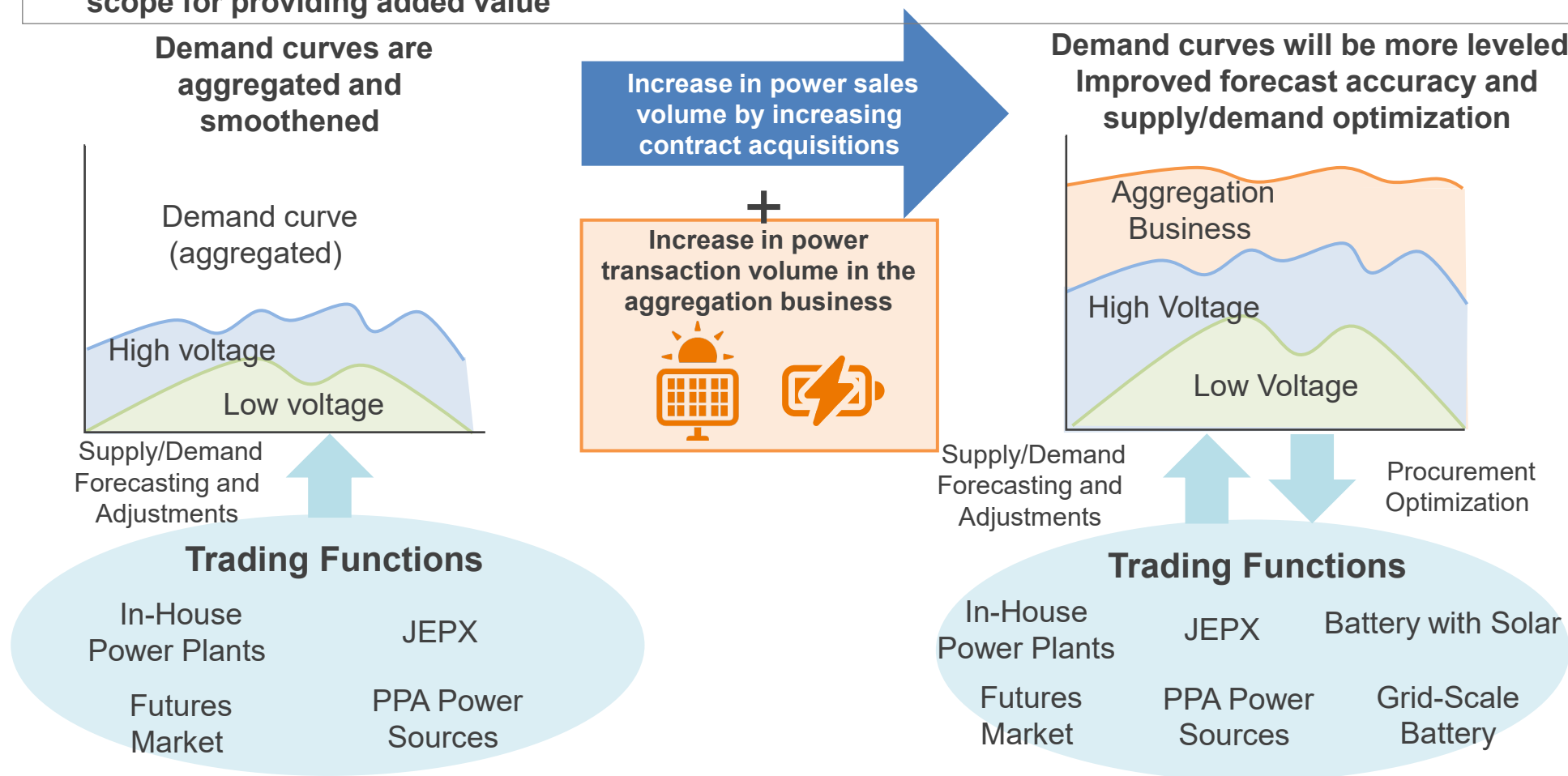
- 1. erex Group aims to offer a variety of plans tailored to customer needs. Profits are to be stabilized by ensuring a certain level of profits for each plan and by procuring power each time**
- 2. erex Group sets power sales volume as its key performance indicator (KPI) and aims to allocate appropriate promotional expenses to acquire contracts**
- 3. erex Group aims to increase sales in the retail and trading businesses by building up power sales volume, including aggregation business that leads to response to de-carbonization**

- erex Group so far has been operating business by integrating its retail business (high-voltage and low-voltage) and trading business
- For the current fiscal year, erex Group aims to increase power sales volume through increase in contract acquisitions by offering diverse plans for the high-voltage sector and by developing new sales channels for the low-voltage
- In the future, erex Group aims to further increase power transaction volume through its trading in the aggregation business



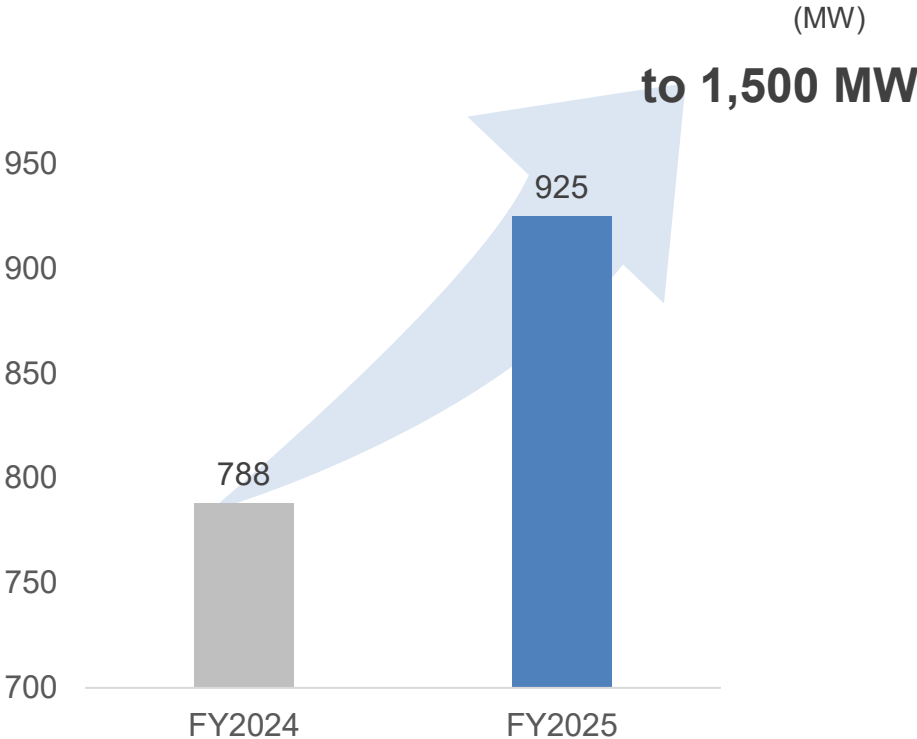
Basic Policy for the Retail and Trading Businesses: Effects of Increased Power Transaction Volume

- erex Group aims to optimize supply/demand adjustments through trading functions for the aggregated demand curve of customers, regardless of voltage or region
- Supply/demand forecast accuracy is to be improved through smoothing effects of overall demand growth, enabling more optimal supply/demand adjustments and procurement
- Increased power transaction volume enables the realization of demand curve leveling, which expands the scope for providing added value

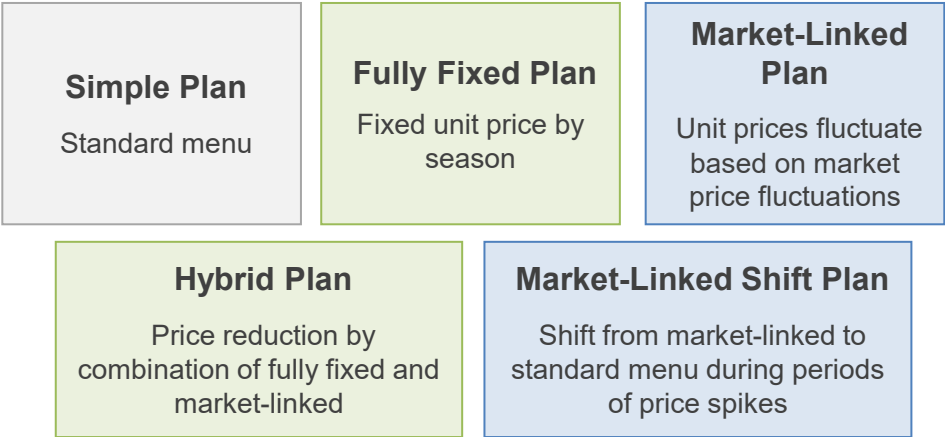


- **EGM (*), erex Group’s sales subsidiary, is currently pursuing a strategy to increase kW to grow power sales volume by leveraging its strength in providing diverse plans tailored to customer needs and market conditions and is strengthening direct sales functions**
- **Sales activities are being reinforced in response to the growing acceptance of market-linked plans among customers. Futures plans that leverage the strength of the trading business enable erex Group to differentiate it from competitors, which are to be proposed to customers flexibly by closely monitoring futures price trends**

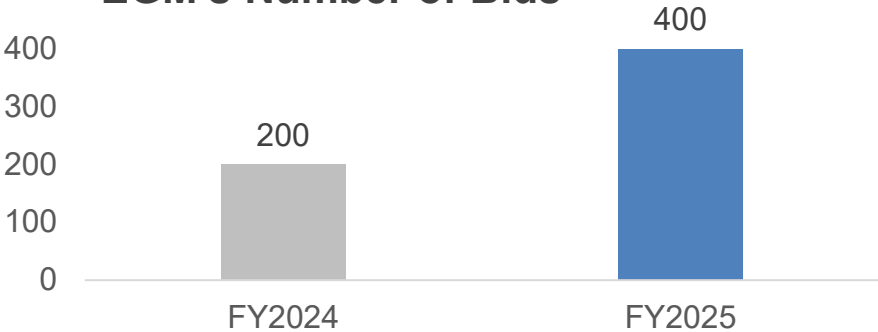
EGM Contract Acquisition Targets



EGM’s Diverse Plans



EGM’s Number of Bids



*EGM: Evergreen Marketing Co., Ltd., a high-voltage sales subsidiary

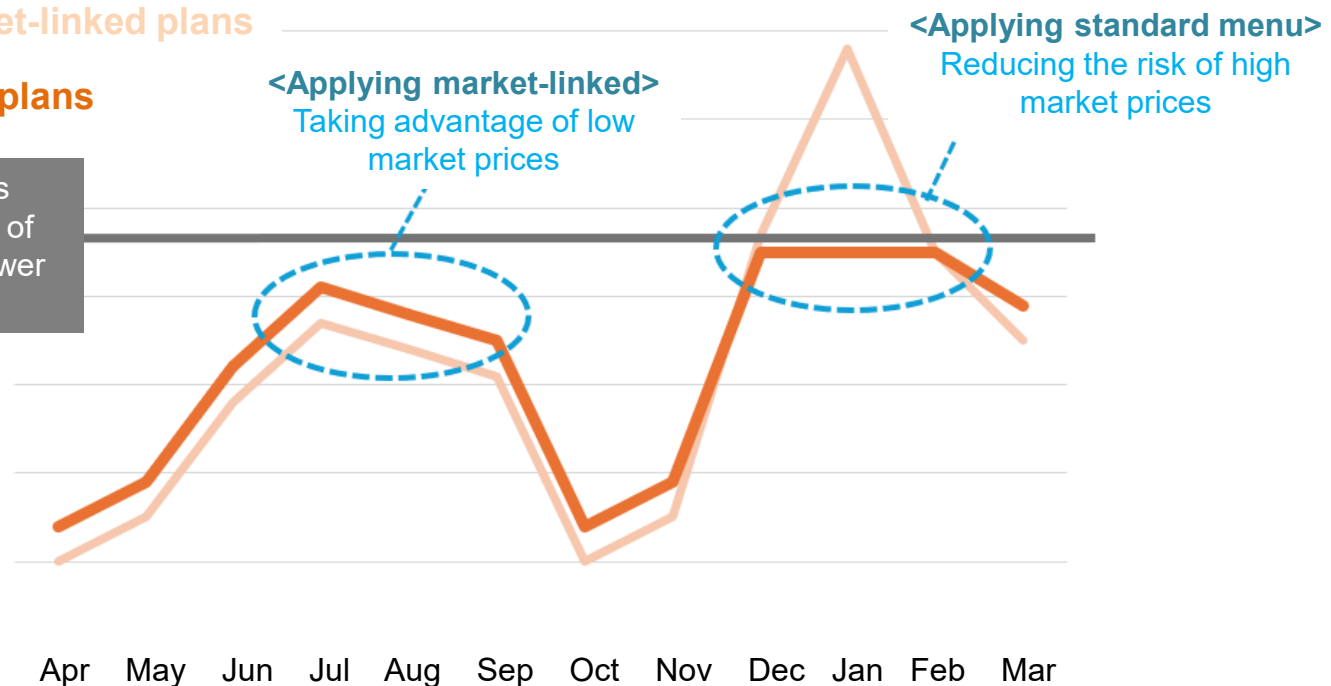
- As part of efforts to develop/roll out solutions for consumers in anticipation of potential market volatility expansion, erex Group started offering a market-linked shift plan in May 2025
- This plan automatically shifts the customer to the standard menu when the electricity charge, which is linked to market prices, exceeds the amount equivalent to the standard menu of the customer's local power company during seasons when market prices are likely to soar
- This plan leverages the benefits of the market-linked plan while also addressing the risk of significant increases in electricity rates during periods of market price spikes

Applying the most suitable pricing plan according to market prices

Conventional market-linked plans

Market-linked shift plans

Same level as
standard menu of
local electric power
companies



- Power sales volume is set as KPI. erex Group aims to increase the acquisition of new contracts to grow power sales volume
- EGR (*), erex Group's sales subsidiary, aims to increase the number of contract acquisitions by developing “web channels” and “real estate company channels that capture moving demands” as new sales partners. Promotional expenses will be invested to accelerate contract acquisitions. Additionally, “Empty Room Electricity Concierge” service is provided for real estate companies, resolving business issues of partners

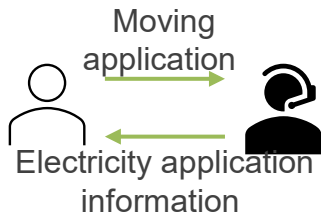
New Sales Channels and Initiatives by EGR

1. Web Advertising Channels



- Price comparison sites and SNS advertising
- Securing switching demands

2. Real Estate Companies



- Implementation of outbound calls when moving
- Securing moving demands that can lead to new contracts

3. Empty Room Electricity Concierge



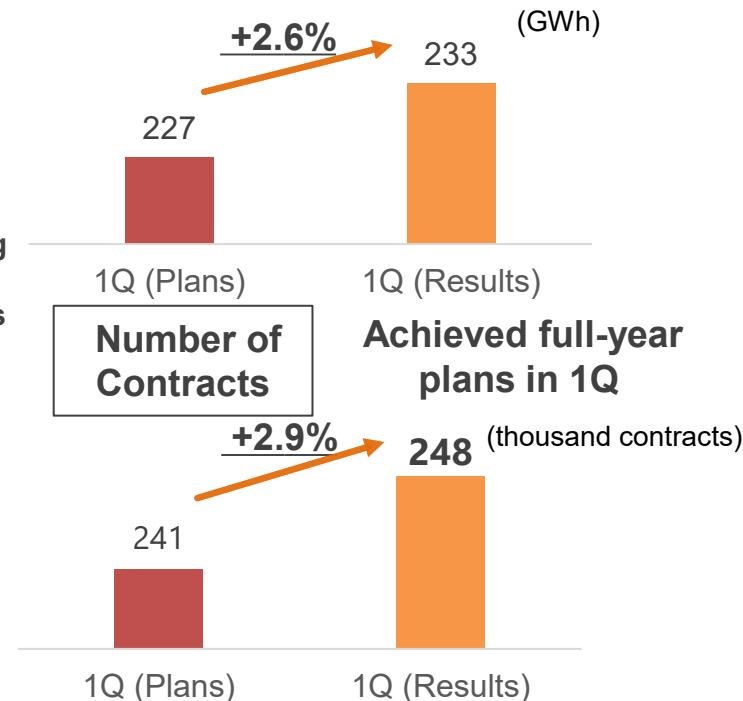
- No need to stop electricity when the room is empty (Electricity can be provided until move-in)
- Reducing costs for real estate management companies

Q1: Off to a Good Start

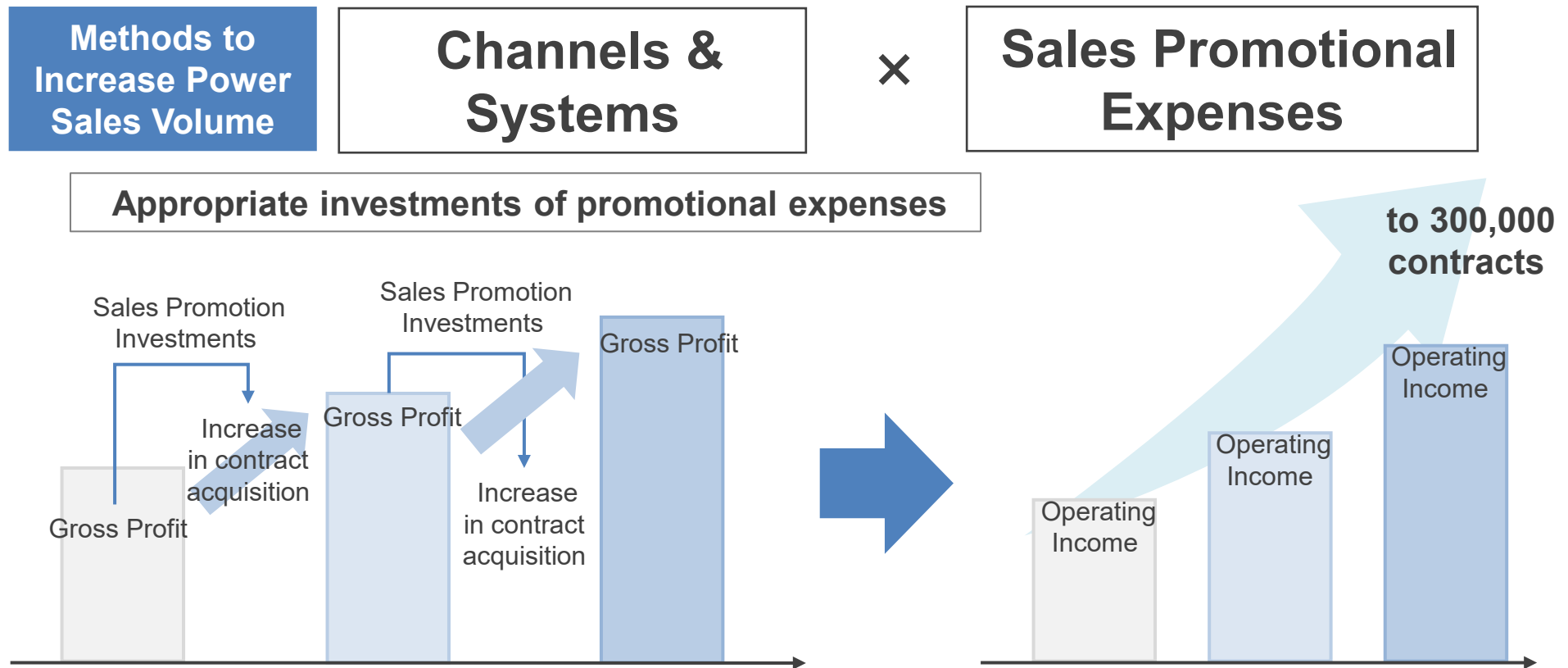
Power Sales Volume

Better than 1Q plans

Aggressive sales activities by allocating appropriate promotional expenses by channel



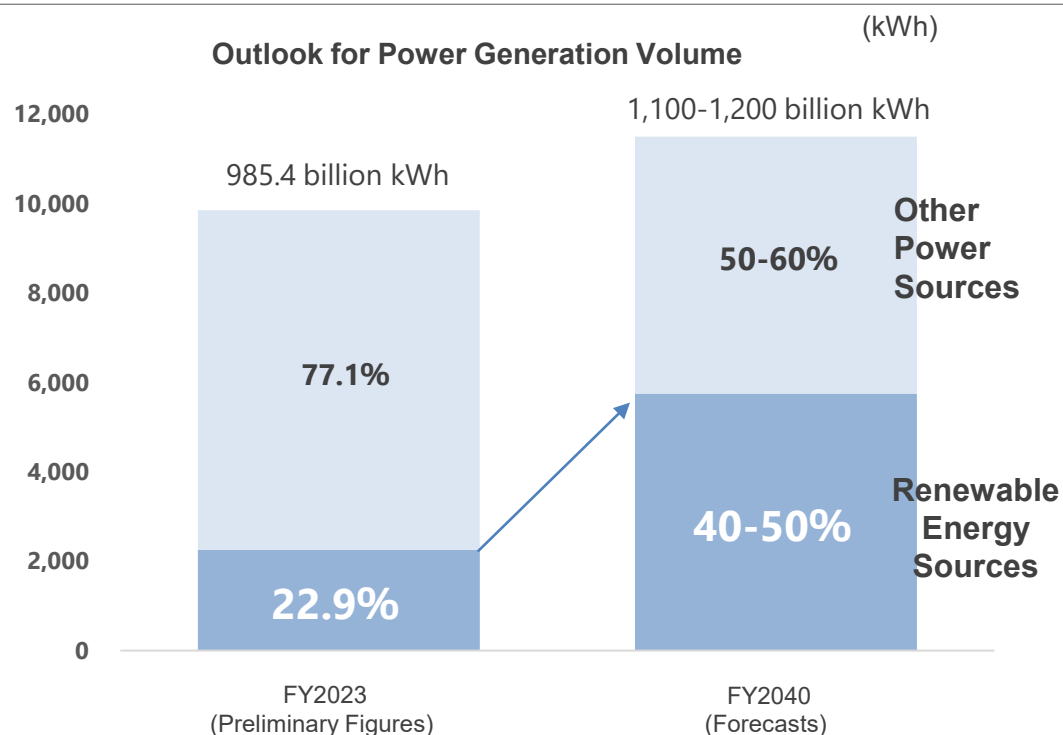
- Low-voltage contracts are market-linked plans, therefore, a consistent gross margin is maintained. Promotional expenses are appropriately allocated using this as the primary source of funds
- KPI management centered on LTV (*1) / CAC (*2) is implemented when allocating promotional expenses. erex Group aims to balance growth and profitability while aiming to achieve 300,000 contracts asap
- Promotional expenses are effectively used by utilizing diverse channels, sales methods, and systems



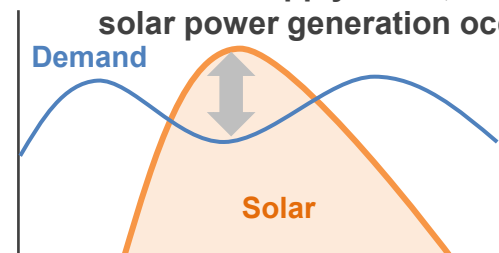
*1 LTV: Lifetime Value (Customer lifetime value)

*2 CAC: Customer Acquisition Cost

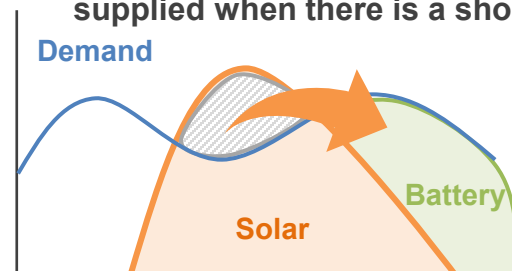
- The 7th Basic Energy Plan announced increase in the ratio of renewable energy sources such as solar and wind power
- As renewable energy sources such as solar and wind power become the main power sources, stable power supply requires accurate prediction of power generation and adjustments of supply/demand balance. Additionally, there is an increasing demand for procurement of renewable energy sources, particularly among large-scale customers
- Therefore, retail supply to customers utilizing renewable energy and demand response is expected to become indispensable in the future



There is a difference between the demand curve and the supply curve, and excess solar power generation occurs

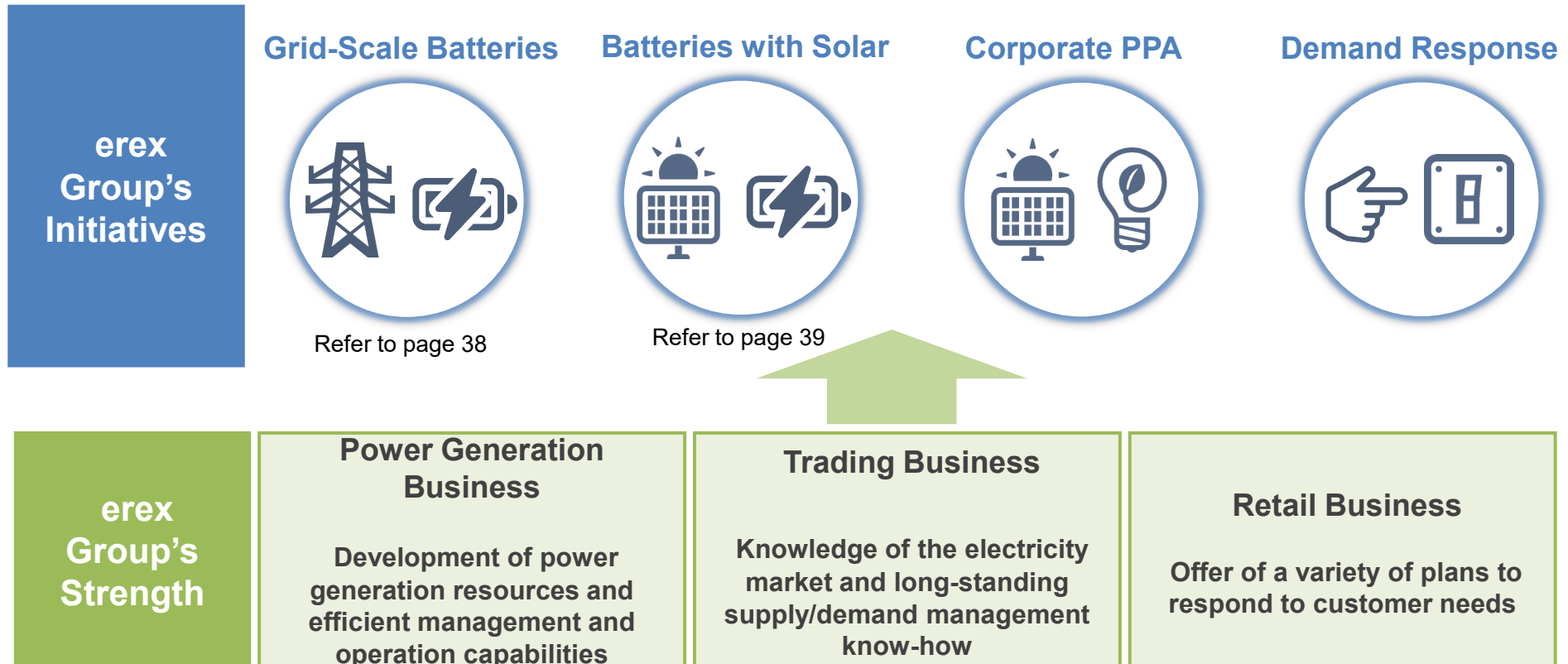


Excess power is stored in batteries and supplied when there is a shortage



(Source) Preliminary figures prepared by erex Group based on the "Energy Supply and Demand Outlook for FY2040", outline of the Basic Energy Plan of the Agency for Natural Resources and Energy, February 2025

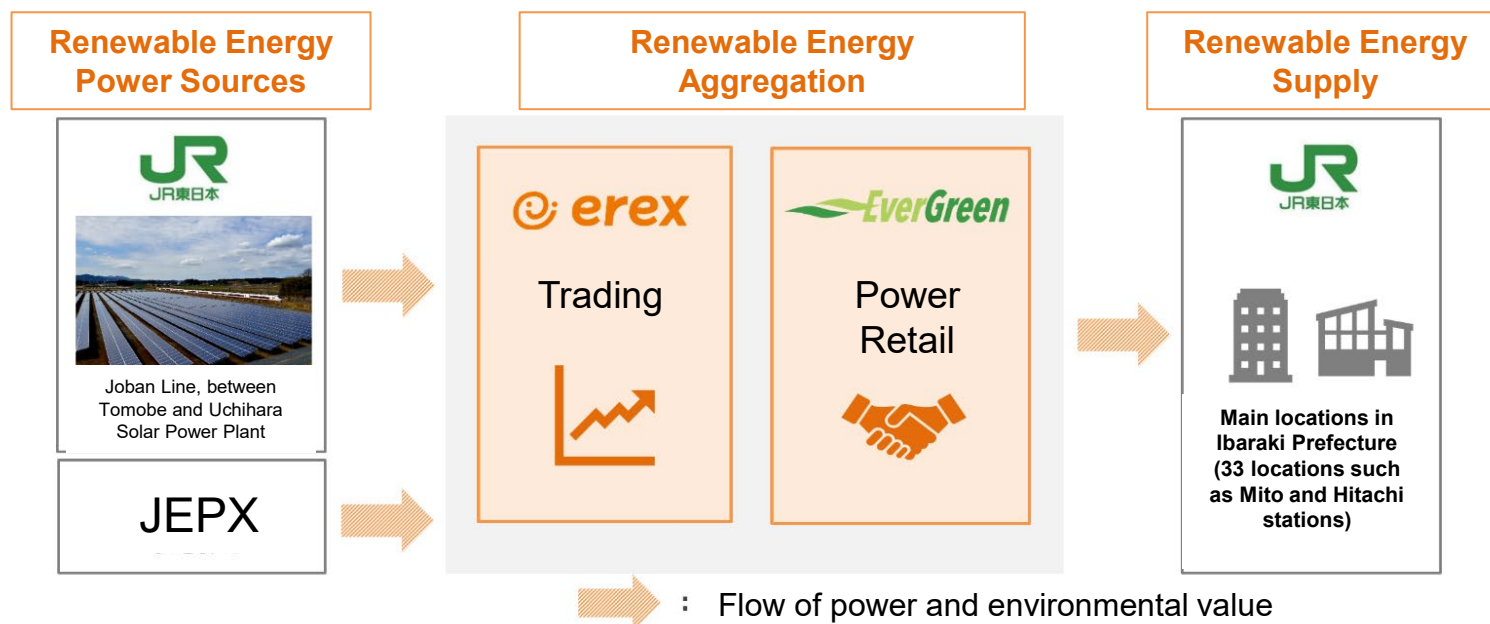
- erex Group's strength lies in providing all the functions necessary for aggregation in an integrated manner. The use of existing functions are maximized, such as the long-standing expertise in supply/demand management, sales network in the retail business, etc.
- erex Group facilitates the mutual utilization of renewable energy resources from suppliers (power generators) and distributed power sources and demand resources from customers
- As an aggregator, erex Group consolidates resources to provide value-added services such as output control avoidance, effective utilization of surplus power, supply capacity provision, and effective use of renewable energy, etc.



01

Carbon Neutrality Initiatives with JR East

- Under the capital/business alliance announced on December 20, 2024, carbon neutrality initiatives in the renewable energy business through off-site corporate PPA will be implemented
- JR East Japan will change the system for its Uchihara Solar Power Plant from FIT to FIP, and will supply power and environmental value to erex Group. erex Group will manage power supply/demand on behalf of JR East and, erex Group, through its sales subsidiary Evergreen Marketing, supplies the environmental value generated by the Uchihara Solar Power Plant to JR East in a stable manner
- Under the FIP system, measures are required to address risks such as fluctuations in revenue from the sale of renewable energy, therefore, erex Group, which possesses expertise in renewable energy business operations, assumes the role of aggregation



02 **Signing of Capital & Business Alliance Agreement with Global Engineering**

- Capital/business alliance agreement has been concluded with the aim of enhancing corporate value by building a mid/long term cooperative relationship that will contribute to the further expansion and development of aggregation business, power retail business, and renewable energy-related business, through erex Group’s holding of shares in Global Engineering

Contents of the Business Alliance	Aggregation Business	<ul style="list-style-type: none">• Discussions aimed at improving the accuracy of supply/demand forecasts• Discussions to enhance the competitiveness of grid-scale battery business
	Retail Business	<ul style="list-style-type: none">• Collaboration in the development and sharing of renewable energy sources• Initiatives to enhance the convenience and value of corporate PPAs in the power retail business• Collaboration in the Okinawa region
	Other	<ul style="list-style-type: none">• Collaboration in the trading business

03 **Off-Site Corporate PPA Agreement with City Light**

- Utilizing the solar power plants contracted by EGM, power is supplied to three facilities of City Light
- Power supply started in June 2025, with the contract term of 10 years

Roles of each company in the PPA

EGM	erex	City Light
Power retail supply	Supply/demand adjustments	Renewable energy usage at three facilities

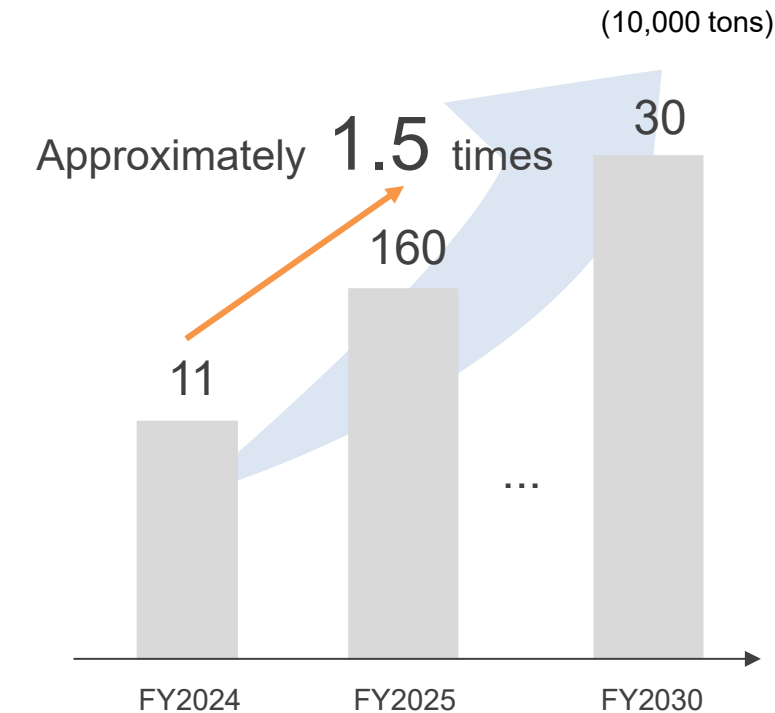
Market Environment	Increased demand for de-carbonization-oriented fuels, Necessity of domestic supply capacity, Promotion of renewable energy power source developments
erex Group's Strength	Operational know-how in biomass power plants with high utilization rates and low costs, Operator with both biomass power plant operations and fuel procurement/supply functions

Basic Policy for the Power Generation and Fuel Businesses

- 1. In the power generation business, erex Group focuses on maintaining high operating rates by leveraging its operational know-how. erex Group prevents cost increases by securing fuel supply and use as planned**
- 2. In the fuel business, erex Group aims to expand transaction volume, mainly sales to other companies, to increase sales and profits. erex Group aims to secure diverse procurement sources, including subsidiaries and local suppliers, to optimize the procurement portfolio**
- 3. To build a solid fuel supply chain, erex Group aims to expand its power generation and fuel business know-how in Japan to overseas markets and pursue synergies**

- To expand sales, erex Group will focus on increasing sales to other companies, aiming to expand the fuel transaction volume (PKS/WP) by approximately 1.5 times
- erex Group aims to strengthen collaboration with local suppliers and diversify procurement regions to ensure stable fuel supply
- erex Group aims to increase the ratio of direct procurement from its subsidiaries and local suppliers to pursue further economic efficiency

Expansion of Fuel Transaction Volume (PKS/WP)

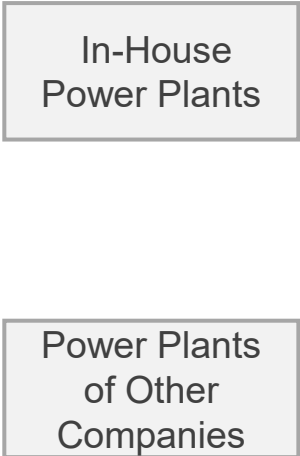


Fuel Procurement / Sales Portfolio

Procurement Source



Customers



Optimizing the portfolio by leveraging the diversity of suppliers, including subsidiaries and local suppliers

- The Sakaide Biomass Power Plant started its commercial operations in June 2025. Development fees for this project have already been received. erex Group will be responsible for fuel supply in the future
- In-house power plants will further promote inter-connection among power plants to achieve high operational rates

Sakade Biomass Power Plant Start of operations

Location	Hayashida Town, Sakade City, Kagawa Prefecture
Generation Capacity	74,950 kW
Investing Companies	Shikoku Electric Power: 36%, HAZAMA ANDO: 20%, Prominet Power (wholly owned subsidiary of TOKYO GAS): 15%, erex: 14%, SHINKO DENSO: 10%, Sakaide Yusengumi: 5%



In-House Power Plants Initiatives for FY2025

1. Further promoting inter-connection among in-house power plants

Currently, domestic power plants maintain high operating rates. To ensure safe and stable operations, erex Group aims to further promote inter-connection among in-house power plants to achieve high utilization rates

2. Minimizing unplanned power plant shutdowns

To pursue profitability, erex Group aims to minimize unplanned power plant shutdowns

3. Expanding activities as an education and training hub for engineers

International cooperation initiatives such as accepting overseas technical trainees at power plants will be implemented, contributing to efforts as a training hub

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4. **Status of Initiatives – Overseas**

Market Environment	Strong power demands in Southeast Asia, Response to de-carbonization, Growing markets
erex Group's Strength	Know-how and expertise cultivated through domestic biomass business

Basic Policy for the Overseas Business

1. **erex Group takes the lead in establishing a fuel supply chain and aims to become a major player in the biomass fuel market**
2. **erex Group aims to collaborate with governments of each country to secure carbon credits through overseas power generation and co-firing businesses. By selling them in Japan, erex Group aims to secure profits in line with its domestic sales strategy and use them for overseas reinvestments**
3. **Through collaboration with domestic and international partners, erex Group aims to enhance investment efficiency and accelerate business speed**

0 Hau Giang Biomass Power Plant

- Commercial operations started in April 2025 in the former Hau Giang Province (now Can Tho City)
- Vietnam's first commercial biomass power plant (20 MW) and erex Group's first overseas power plant
- The project was selected for Financing Programme for Joint Crediting Mechanism (JCM *1) Model Projects in FY2022 *2

Power Plant Overview



The video can be viewed at the following URL: <https://www.erex.co.jp/business/global/>

*1 Ministry of the Environment, Japan has been implementing the "JCM Model Projects," which provides financial supports covering up to half of the initial investment costs. The purpose of this model projects is to financially support the implementation of projects which reduce GHG emissions by utilizing leading decarbonizing technologies in developing countries, and in return, to acquire JCM credits for achievement of Japan's GHG emission reduction and the partner countries' emission reduction target. This project is being implemented with the cooperation of the Vietnamese and Japanese governments

*2 The announcement was made on July 1, 2022

02 Tuyen Quang Pellet Factory

- Production of certified wood pellets started in Tuyen Quang Province in March 2025
- The operation of this factory contributes to decarbonization and job creation in Tuyen Quang Province
- The manufactured wood pellets are planned for export to Japan and other countries

Pellet Manufacturing



Factory Overview



01 Co-Firing Biomass with Coal-Fired Power Generation

The significance of biomass co-firing with coal-fired power generation

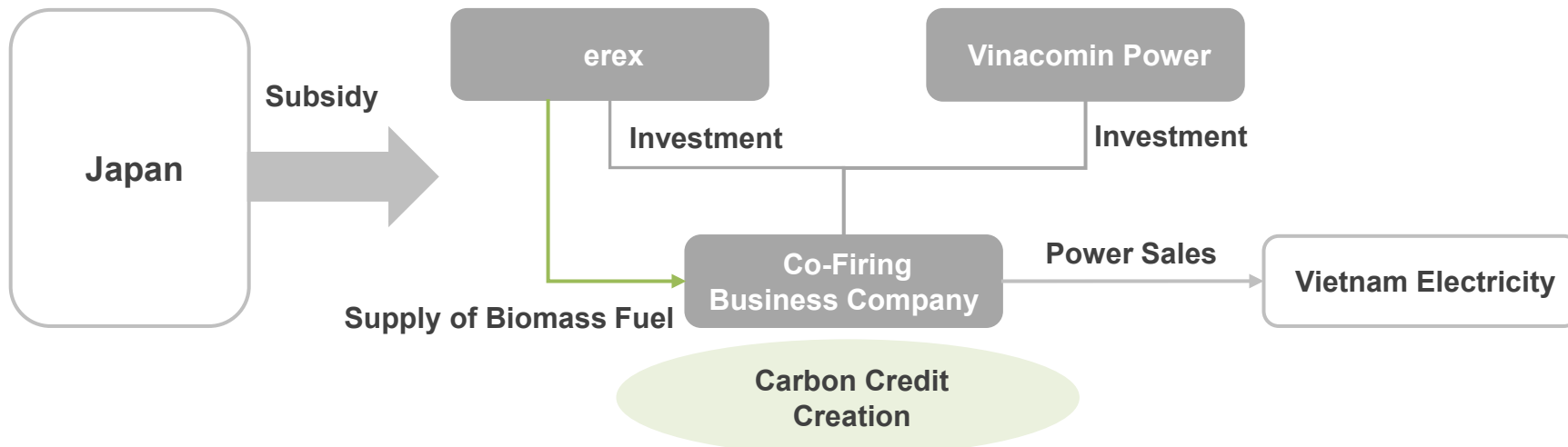
Replacing expensive imported coal with biomass fuels

Serving as a good example of de-carbonization in Southeast Asia

Creating carbon credits

Assumed Business Model

- In Vietnam's coal-fired power plants, the use of biomass co-firing will start at a rate of 20–30% in FY2026
- The Japanese government's subsidies (*) are being considered for equipment modification
- erex Group aims to monetize through carbon credit generation and fuel sales



* This is different from the FY2025 "Subsidy for Resource-rich Countries' De-Carbonization and Energy Conversion Technology Support Project" in which erex Group's project was selected

Co-Firing Tests

- erex Group started fuel procurement and preparation of temporary facilities for co-firing tests with Vietnam's Vinacomin Power
- The Vietnamese government's policy is start co-firing biomass and other fuels at coal-fired power plants that have been in operation for over 20 years
- This project has been selected for the Japanese Ministry of Economy, Trade and Industry's subsidy program (*). The subsidies will be utilized for biomass co-firing tests at coal-fired power plants

Overview of the co-firing tests

Target Power Plants	Na Duong Power Plant (55 MW × 2) Cao Ngan Power Plant (57.5 MW × 2)
Fuel Used	Wood chips
Co-Firing Ratio	To be implemented in stages (5–20%)

Na Duong Power Plant



<Overview of Vinacomin Power>

- ❑ Company Name: Vinacomin Power Holdings
- ❑ Established in 2009 as a subsidiary of the state-owned Vietnam Coal Mining Group (Vinacomin)
- ❑ Operating a total of seven power plants, including six coal-fired power plants and one hydroelectric power plant

* FY2025 "Subsidy for Resource-rich Countries' De-Carbonization and Energy Conversion Technology Support Project"

02

Newly-Built Biomass Power Plants in Vietnam

- Construction of two 50MW biomass power plants is underway in Tuyen Quang Province and the former Yen Bai Province (now Lao Cai Province)
- EPC of both plants is scheduled to start in FY2025, with the start of commercial operations scheduled at the end of 2027
- The projects were selected for Financing Programme for Joint Crediting Mechanism (JCM *1) Model Projects in FY2023 (*2)

Groundbreaking Ceremony for the Tuyen Quang Biomass Power Plant



Groundbreaking Ceremony for the Yen Bai Biomass Power Plant



*1 Ministry of the Environment, Japan has been implementing the "JCM Model Projects," which provides financial supports covering up to half of the initial investment costs. The purpose of this model projects is to financially support the implementation of projects which reduce GHG emissions by utilizing leading decarbonizing technologies in developing countries, and in return, to acquire JCM credits for achievement of Japan's GHG emission reduction and the partner countries' emission reduction target. This project is being implemented with the cooperation of the Vietnamese and Japanese governments

*2 The announcement was made on March 22, 2024

03

Signing of Business Alliance Agreement with PECC2

- On April 24, 2025, erex Group signed a business alliance agreement with PECC2 (*3), a subsidiary of Vietnam Electricity, a joint venture partner in the development and construction of the Hau Giang Biomass Power Plant project
- In addition to the EPC and O&M for the Hau Giang Biomass Power Plant, feasibility studies and O&M for newly-built biomass power generation projects are jointly under consideration

Details of the Business Alliance Agreement

- | | |
|---|---|
| 1 | Joint study of newly-built biomass power plant projects in Vietnam |
| 2 | Promotion of fuel conversion at coal-fired power plants in Vietnam |
| 3 | Investigation and studies of biomass fuels |
| 4 | Consideration and recommendations regarding Vietnam's electricity system |
| 5 | Improvement of biomass power generation technology and operational capabilities |
| 6 | Consideration of joint investments in business companies, etc. |

*3 PECC2: Power Engineering Consulting Joint Stock Company 2

01 Hydropower in Cambodia

- A hydropower plant (80 MW) is under construction in the Pursat Province
- Dam construction, installation of power generation equipment, and excavation of the water diversion tunnel are currently underway
- The dam embankment construction is scheduled to be completed by the end of the year. Construction is scheduled to be completed in June 2026, followed by impoundment and commissioning tests

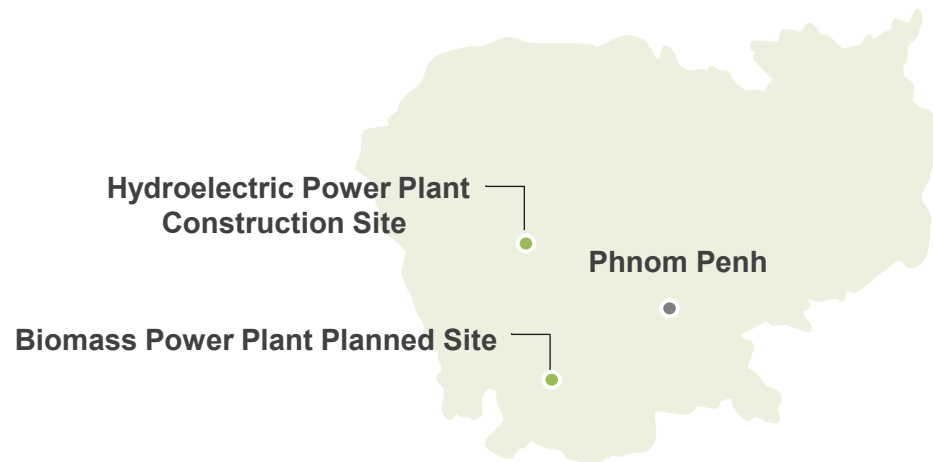
Dam Under Construction



02 Newly-Built Biomass Power Generation in Cambodia

- In the Kampong Speu Province, development of a 50 MW biomass power plant is under consideration
- EPC will be ordered and construction is scheduled to start in 2025. Operations are planned to start in FY2027
- The biomass fuel will be sourced through afforestation, and the project plans to operate the power generation business for 25 years

Cambodia Power Generation Project MAP



- Carbon credits are an effective means to achieve de-carbonization, and many countries are focusing their efforts on this initiative
- erex Group aims to utilize the carbon credits obtained overseas for de-carbonization efforts in Japan, and the funds generated will be further reinvested in overseas operations, thereby establishing this as a major revenue pillar for erex Group

Progress of Discussions

March 2025: erex Group held a meeting with the Climate Change Bureau. Additionally, a letter was sent to Prime Minister Chinh. It was confirmed that the Vietnamese government is advancing institutional developments with the aim of completing them by June 2025

In June 2025, Decree No. 119/2025/NĐ-CP on the Vietnam ETS was published. Institutional developments for the establishment of the Vietnam Carbon Credit ETS market are being implemented



erex Group estimates the credit price at **USD60/t-CO2**

Reference: Emission allowances (EUA) in the EU ETS market was 72 euros /t-CO2 as of August 1, 2025

Source: TRADING ECONOMICS EU Carbon Permits <https://tradingeconomics.com/commodity/carbon>

appendix

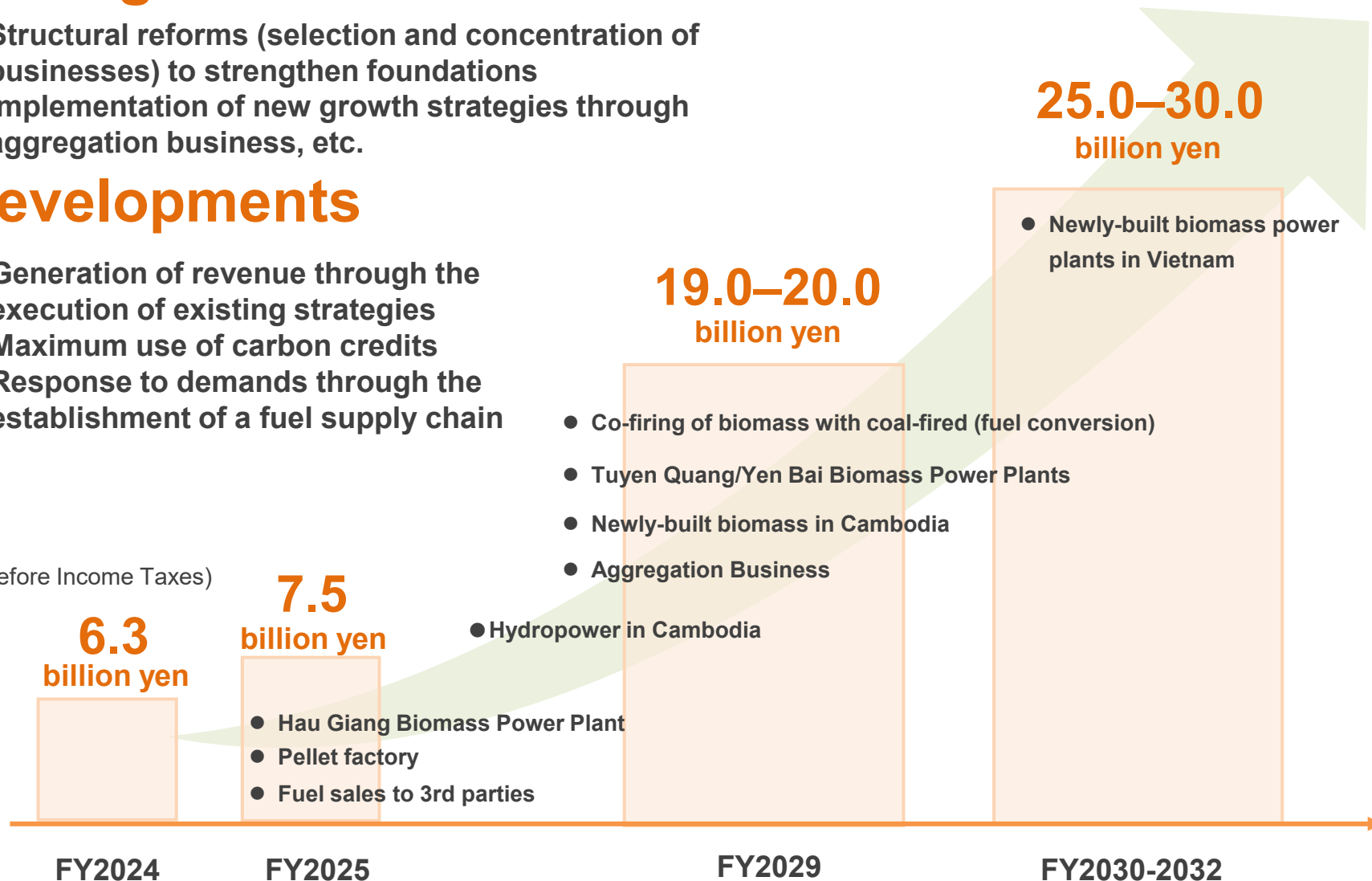
Strong Defense

- Structural reforms (selection and concentration of businesses) to strengthen foundations
- Implementation of new growth strategies through aggregation business, etc.

Developments

- Generation of revenue through the execution of existing strategies
- Maximum use of carbon credits
- Response to demands through the establishment of a fuel supply chain

(Income before Income Taxes)



erex Group's Aggregation Business Initiatives / New Project: Grid-Scale Batteries

- **By operating grid-scale batteries to maintain the supply/demand balance, erex Group aims to secure revenues through each market (JEPX, Capacity Market, and Supply/Demand Adjustment Market)**

Q What is a grid-scale battery?

A large-scale battery directly connected to the power grid

Q Why are they necessary?

With the increase of renewable energy sources such as solar and wind power, which have fluctuating output, there is a need for grid stabilization measures such as ensuring stable power supply, balancing supply/demand, and adjusting frequency

Q How are they controlled?

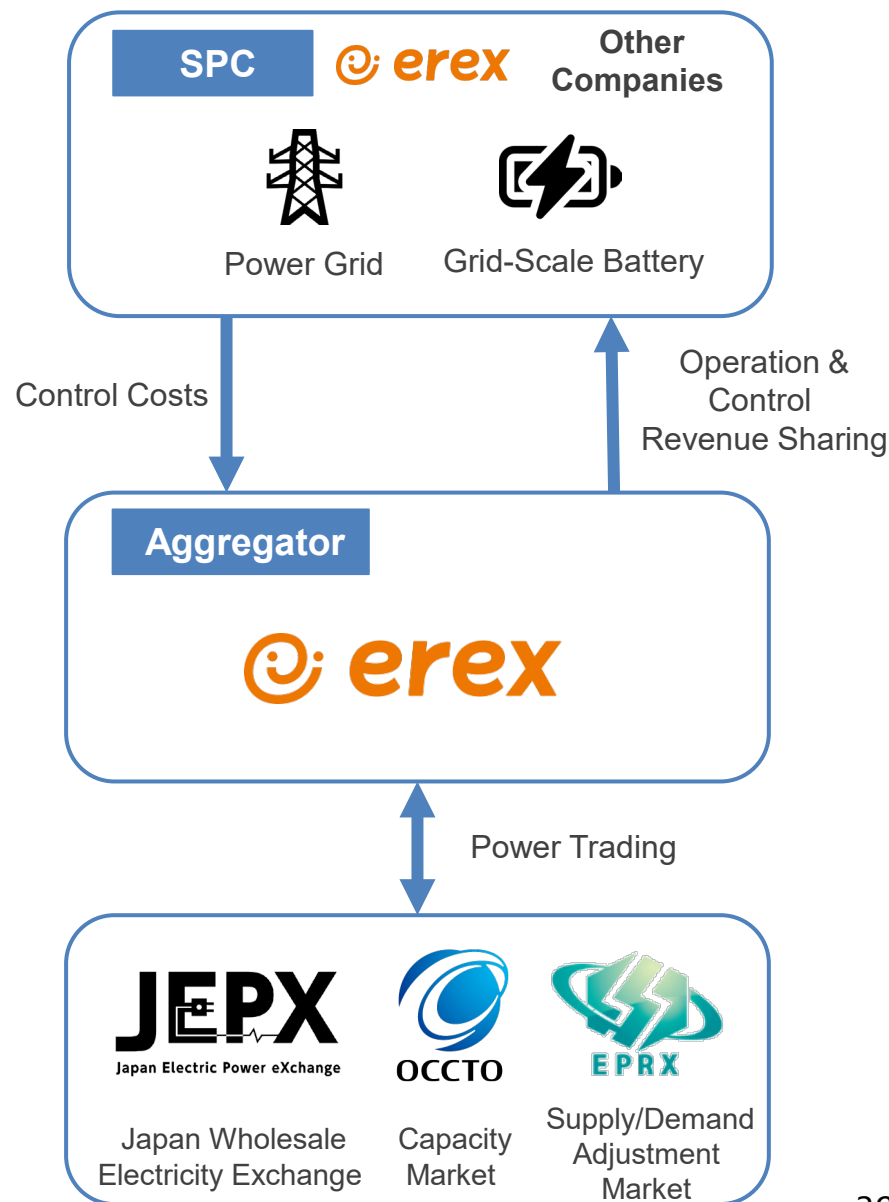
Storage batteries are installed to store surplus power and discharge power at night or during times of high demands to adjust the supply/demand balance. In addition, when the grid frequency is disrupted, power is immediately supplied or absorbed for stabilization

Q erex Group's role

erex Group predicts demand and weather conditions, controls batteries, and conducts market transactions. When necessary, erex Group owns the batteries

Q erex Group's revenue model

Based on demand forecasting and control, erex Group charges batteries when market prices are low and discharge (sell to the market) when market prices are high to generate revenue



erex Group's Aggregation Business Initiatives / New Project: Batteries with Solar

- Batteries are installed alongside solar power, suffering from output suppression, to maximize the use of solar power
- Sales of power with high environmental value are conducted through retail operations

Q What is a battery with solar?

A battery installed in an integrated manner with solar power plants

Q Why are they necessary?

With the increase of fluctuating renewable energy sources, output suppression occurs more frequently, leading to instability in revenue. Installing a battery allows for the effective use of excess power

Q How are they controlled?

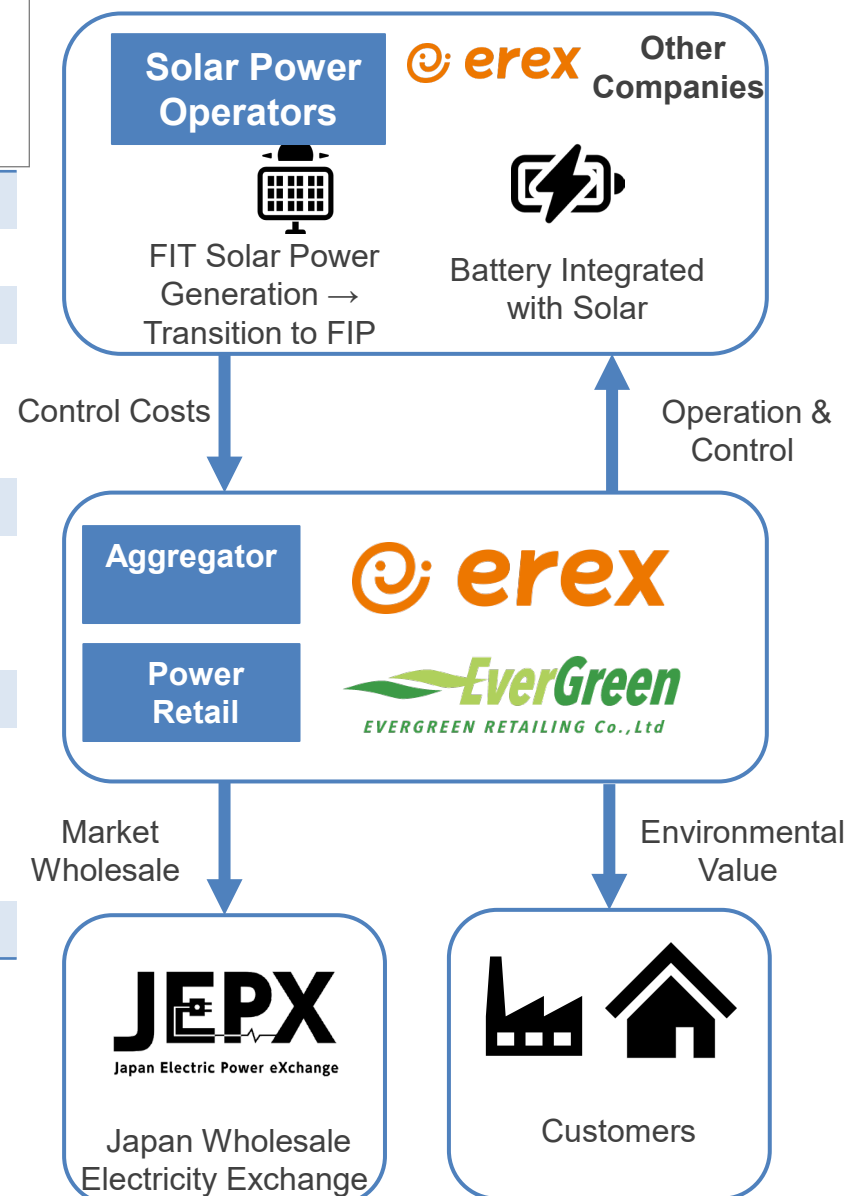
Transition from FIT to FIP. Batteries are installed to store excess power and discharge during night time, etc. FIP conversion increases revenue for solar power generators

Q erex Group's role

erex Group predicts demand and weather conditions, controls batteries, and conducts market transactions. When necessary, erex Group owns the solar power plants and batteries. Additionally, erex Group can sell power with added environmental value through its retail business

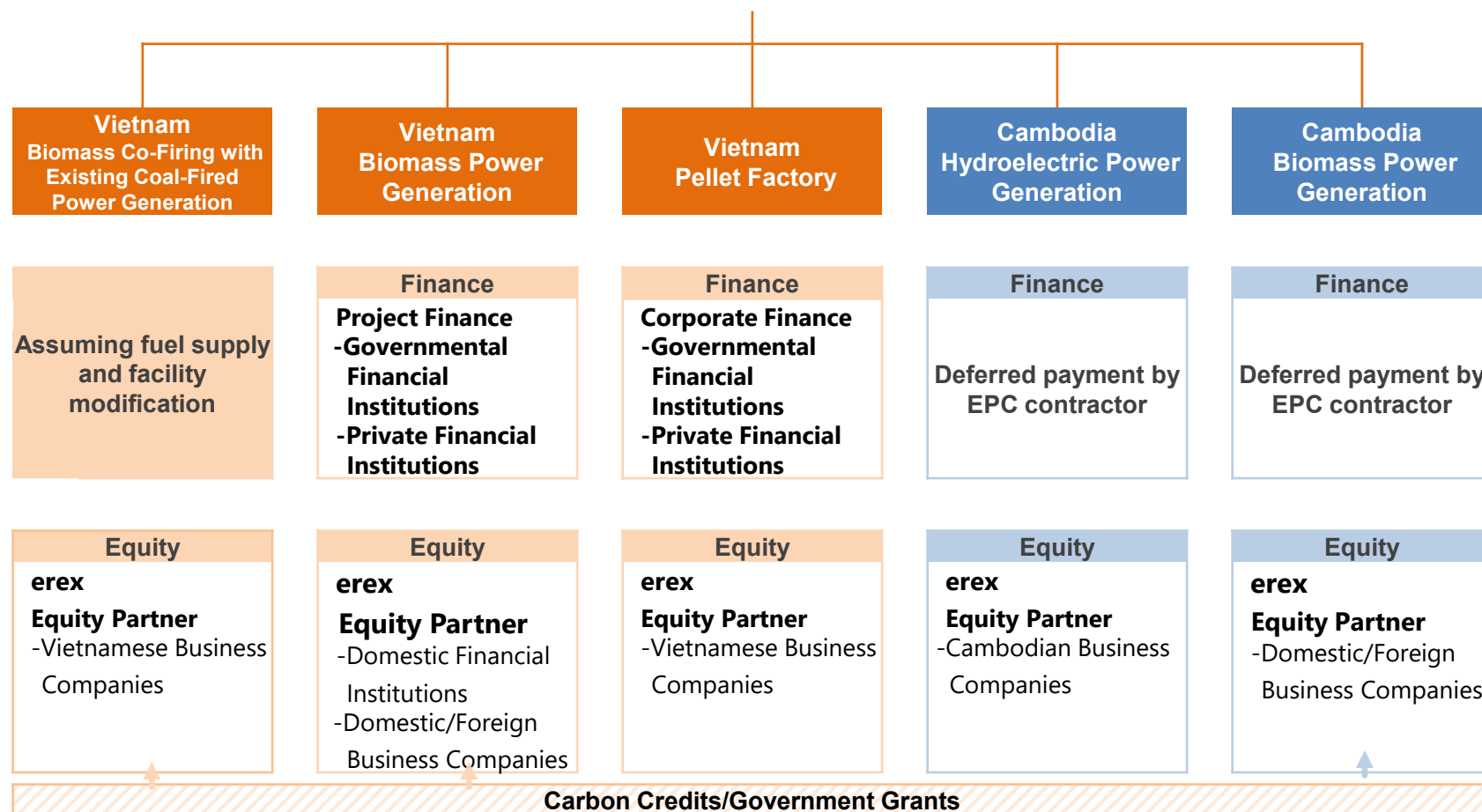
Q erex Group's revenue model

As an aggregator, erex Group provides market adjustment capabilities to the supply/demand adjustment market, and delivers added value to customers through FIP premium and arbitrage. A portion of this added value is recognized as management fees, and in cases of business participation, business revenues are recorded according to the investment share



- Financing for overseas power plants & pellet factories will be provided through project finance & corporate finance from public financial institutions such as Japan Bank for International Cooperation and private financial institutions such as Sumitomo Mitsui Banking Corporation, depending on the type of project
- The equity portion will be majority owned by erex Group. Many leading domestic and foreign business companies, domestic financial institutions, etc. wish to invest in the equity portion
- Profitability is to be maximized through government subsidies and carbon credits for projects

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