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Power X Achieves ¥19.3 Billion in Revenue, Approaching Profitability Announces New Scalable Modular DC business

FY2025 Results (Full-Year & Quarterly)>Consolidated Results Summary

Revenue reached ¥19.3B as EBITDA narrowed to -¥137M. Production-driven gross margin improvements and SG&A discipline reduced losses across the board, achieving all targets except ordinary profit.

(Unit: Millions of yen)

	Actuals				FY2025 Forecast
	FY2024 Actual	FY2025 Actual	YoY Change	Vs Forecast	
Revenue	6,161	19,306	+213.4%	102.1%	18,915
Gross Profit	1,546	5,232	+238.3%	-	-
Operating Profit	(4,942)	(677)	-	-	(835)
EBITDA ⁽¹⁾	(4,450)	(137)	-	-	-
Ordinary Profit	(5,702)	(1,796)	-	-	(1,730)
Profit Attributable to the Owners of the Parent	(8,013)	(1,646)	-	-	(1,790)

- Revenue: Q4 revenue reached ¥11,983 million (+168.8% YoY), driven primarily by steady deliveries of grid-scale BESS.
- Operating Profit/EBITDA: Losses narrowed, driven by strong sales growth and improved gross margins from production efficiencies. This was further supported by a ¥580 million YoY reduction in SG&A expenses to ¥5,909 million, through disciplined spending.
- Ordinary Profit: Ordinary Profit: Non-operating expenses included ¥571 million in financing costs (including ¥303 million in one-off listing-related expenses). The ordinary loss was ¥1,796 million, ¥65 million below the forecast.
- Profit Attributable to Owners of Parent: While special losses such as asset impairment were recorded, solid operating performance and future earnings projections resulted in the recognition of ¥609 million in deferred tax assets, leading to a final loss of ¥1,646 million, in line with the earnings forecast.

(1) EBITDA = Operating Profit + Depreciation and Amortization + Share-based payment expenses

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[Main Text]

FY2025 Financial Results Briefing

Masahiro Ito (hereinafter, "Ito"): Hello. I am Masahiro Ito, Representative Director, President & CEO of PowerX, Inc. Thank you for joining our financial results briefing today.

Today's briefing will be in two parts, covering our financial results and business report. First, our head of finance, Fujita, will present the financial results.

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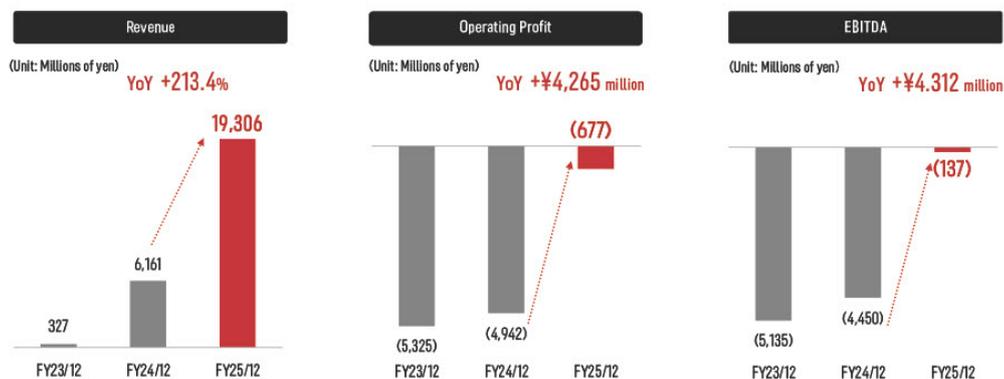
Toshiyuki Fujita: I'd like to begin by walking you through our full-year results for FY2025. We achieved revenue of ¥19.3 billion, and on the profitability side, EBITDA improved to a loss of close to ¥100 million, bringing us close to breakeven. Strong revenue growth, higher gross margins driven by production improvements, and tighter control of SG&A expenses contributed to a significant reduction in losses at all levels compared with the previous fiscal year. Against our disclosed earnings forecast, we achieved all our revenue and profit targets, excluding ordinary profit. To give you a bit more detail, on revenue, demand for battery storage systems for grid-scale storage facilities remained very strong, and in Q4 alone, we recorded approximately ¥12.0 billion in revenue. For operating profit and EBITDA, as mentioned earlier, gross margin improvements and SG&A control contributed significantly to the improvement in profitability. For ordinary profit, we recorded approximately ¥570 million in non-operating expenses related to financing activities, which was the primary factor behind the larger ordinary loss.

As for profit attributable to owners of the parent, although we recorded special losses such as asset impairment, our recent performance and improved visibility toward future profitability allowed us to recognize deferred tax assets. As a result, we reported a net loss of approximately ¥1.6 billion.

FY2025 Results (Full-Year & Quarterly)>Financial Highlights

FY2025 Results (Full-Year & Quarterly)> Financial Highlights

Full-year revenue grew rapidly (+213.4% YoY), while production efficiencies and SG&A cost discipline drove a significant improvement in operating profit. EBITDA reached a level nearing profitability.



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Let me now explain this in terms of our growth rate. Full-year revenue grew +213.4% YoY, increasing approximately threefold from ¥6.1 billion to ¥19.3 billion. In addition, improvements in gross margin and tighter control of SG&A expenses contributed to a significant improvement in profits, with operating profit increasing by ¥4.2 billion year on year and EBITDA increasing by ¥4.3 billion year on year.

FY2025 Results (Full-Year & Quarterly) >Segment Performance

FY2025 Results (Full-Year & Quarterly)>Segment Performance

The BESS business drove overall revenue and operating profit. The Power business grew by advancing electricity sales and battery power plant development.

(Unit: Millions of yen)

Segment		FY2024 Actual	FY2025 Actual	YoY Change
BESS Business	Revenue	4,143	17,102	+312.8%
	Operating Profit	855	3,870	+352.6%
Power Business	Revenue	389	1,054	+170.6%
	Operating Profit	(55)	35	-
EVCS Business	Revenue	1,628	1,149	(29.4%)
	Operating Profit	(498)	(424)	-
Adjustments (Company-wide)	Revenue	-	-	-
	Operating Profit	(5,244)	(4,158)	-
Consolidated	Revenue	6,161	19,306	+213.4%
	Operating Profit	(4,942)	(677)	-

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- BESS Business: Deliveries of battery storage systems, primarily for grid-scale sites, progressed steadily, with results finishing significantly above the previous year. Operating profit expanded substantially, with the segment driving company-wide growth while further increasing the order backlog for future periods.
- Power Business: Continued growth in both electricity sales and storage system sales related to battery power plant development led to the segment turning a profit.
- EVCS Business: Sales of ultra-fast EV chargers totaled less than the previous year, reflecting a slowdown in EV adoption and subsequent investment deferrals by customers. However, operating losses narrowed due to improved cost ratios.

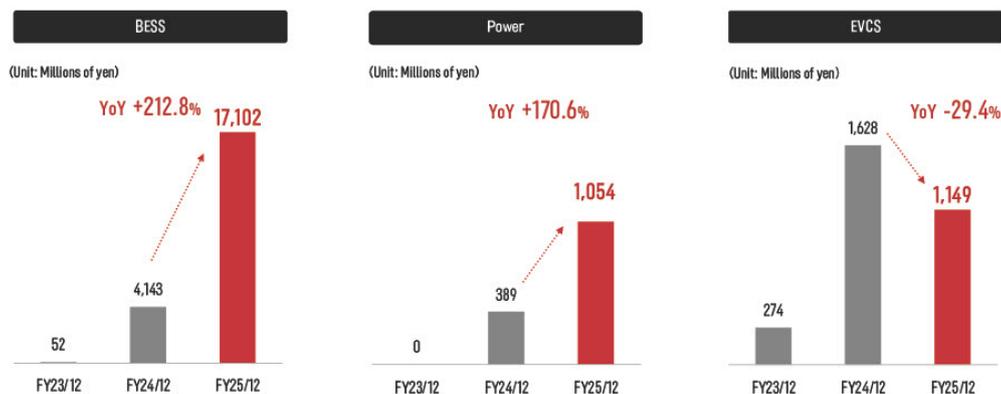
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Next, I will explain performance by segment. The BESS Business, which is our core business, led overall performance, recording revenue of ¥17.0 billion and operating profit of ¥3.8 billion. Although the Power Business is relatively new, it generated revenue of over ¥1.0 billion and achieved operating profitability. Unfortunately, the EVCS Business experienced a decline in revenue due to slower EV adoption. However, improvements in cost structure reduced the scale of losses.

FY2025 Results (Full-Year & Quarterly)>Segment Performance

FY2025 Results (Full-Year & Quarterly)>Segment Performance

The BESS Business (88.6% of sales) drove company-wide growth. While its sales mix remains low, the Power Business grew through electricity sales and power plant projects. Meanwhile, EVCS faced headwinds from the EV adoption slowdown.



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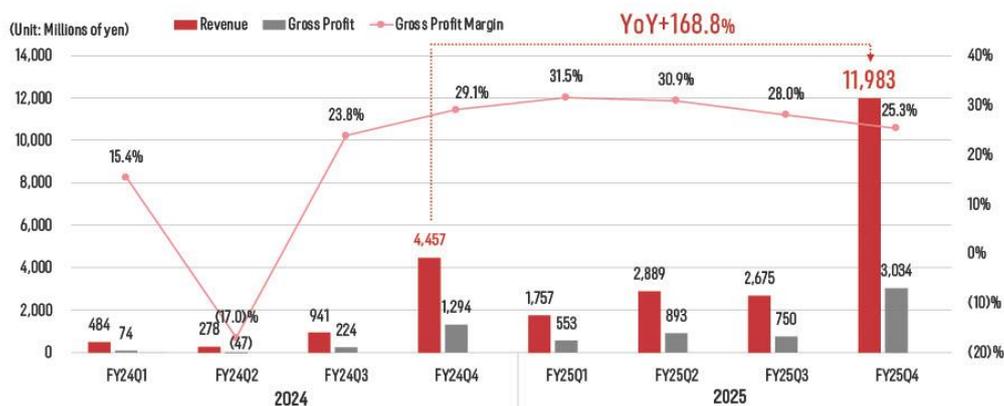
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Looking at growth by segment, the BESS Business, which accounts for 88.6% of total revenue, grew 212.8% YoY, making a significant contribution to our overall growth. Although the Power Business remains small in scale, it also achieved strong growth of 170.6% YoY, and we have high expectations for further growth. The EVCS Business declined year on year, and we expect difficult conditions to continue for the time being.

FY2025 Results (Full-Year & Quarterly)>Quarterly Revenue, Gross Profit, and Margin Trends

FY2025 Results (Full-Year & Quarterly)>Quarterly Revenue, Gross Profit, and Margin Trends

Q4 revenue grew significantly, up 168.8% YoY. The gross margin for Q4 was 25.3%, a slight decrease from recent levels due to the impact of large-scale strategic projects.



Note: Many of the Group's major customers are companies with fiscal years ending in December or March. Furthermore, since many of the subsidy programs utilized by customers require that eligibility requirements for receipt be satisfied by the end of the fiscal year (end of March), customers' budget execution timing tends to be skewed toward the second half of the year. Consequently, the Group's revenue also typically tends to be concentrated in the second half of the year.

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Next, I'd like to briefly comment on quarterly performance. Because customers' budget execution timing is heavily concentrated—primarily due to subsidies and similar factors—our revenue is concentrated in Q4. Revenue in Q4 last year increased from ¥4.4 billion to approximately ¥12.0 billion, representing a +168.8% YoY increase, or roughly 2.5 times the level of the prior year's Q4. In addition, while the gross margin in Q4 declined slightly to 25.3%, this was due to the impact of certain large-scale projects that we accepted strategically and the strategic pricing offered for those projects.

FY2025 Results (Full-Year & Quarterly)>Quarterly Revenue, Gross Profit, and Margin Trends

FY2025 Results (Full-Year & Quarterly)>Quarterly Revenue, Gross Profit, and Margin Trends

Revenue concentrated in Q4 due to subsidy-driven budget timing; however, steady BESS deliveries drove significant YoY growth (+213.4%). Q4 alone achieved profitability from the operating profit line down.

(Unit: Millions of yen)

	FY2024		FY2025					Full Year (YoY)
	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Revenue	4,457	6,161	1,757	2,889	2,675	11,983	19,306	+213.4%
Gross Profit	1,294	1,546	553	893	750	3,034	5,232	+238.8%
Operating Profit	(635)	(4,942)	(803)	(759)	(619)	1,505	(677)	-
EBITDA ⁽¹⁾	(506)	(4,450)	(652)	(607)	(553)	1,676	(137)	-
Ordinary Profit	(815)	(5,702)	(1,225)	(980)	(780)	1,189	(1,796)	-
Profit Attributable to the Owners of the Parent	(2,954)	(8,013)	(1,222)	(1,008)	(815)	1,399	(1,646)	-

(1) EBITDA = Operating Profit + Depreciation and Amortization + Share-based payment expenses

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I would now like to provide further details on Q4 performance. As mentioned earlier, we recorded approximately ¥12.0 billion in revenue in Q4, marking the highest quarterly sales since founding. In addition, we posted operating profit of approximately ¥1.5 billion and approximately ¥1.4 billion on the bottom line, demonstrating that we have established a structure capable of consistently generating over a billion yen in profits. Furthermore, this performance serves as proof that we are capable of managing production, shipment, and installation at this scale.

FY2025 Results (Full-Year & Quarterly)>Quarterly SG&A Breakdown and Ratios

FY2025 Results (Full-Year & Quarterly)>Quarterly SG&A Breakdown and Ratios

Revenue grew significantly while SG&A was limited to efficient spending. Total SG&A fell 8.9% YoY, contributing to a major improvement in operating profit.

(Unit: Millions of yen)

	FY2024		FY2025					Full Year (YoY)
	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Revenue	4,457	6,161	1,757	2,889	2,675	11,983	19,306	+213.4%
Cost of Sales	3,162	4,614	1,203	1,995	1,925	8,948	14,073	+238.8%
S&M ⁽¹⁾	468	1,245	405	418	474	453	1,751	+40.6%
R&D	719	2,414	360	560	413	441	1,775	(26.5%)
G&A ⁽²⁾	742	2,829	591	675	481	634	2,382	(15.8%)
Total SG&A	1,930	6,489	1,357	1,653	1,370	1,529	5,909	(8.9%)
Operating Profit	(635)	(4,942)	(803)	(759)	(619)	1,505	(677)	-

(1) S&M = Sales and Marketing

(2) G&A = General and Administrative

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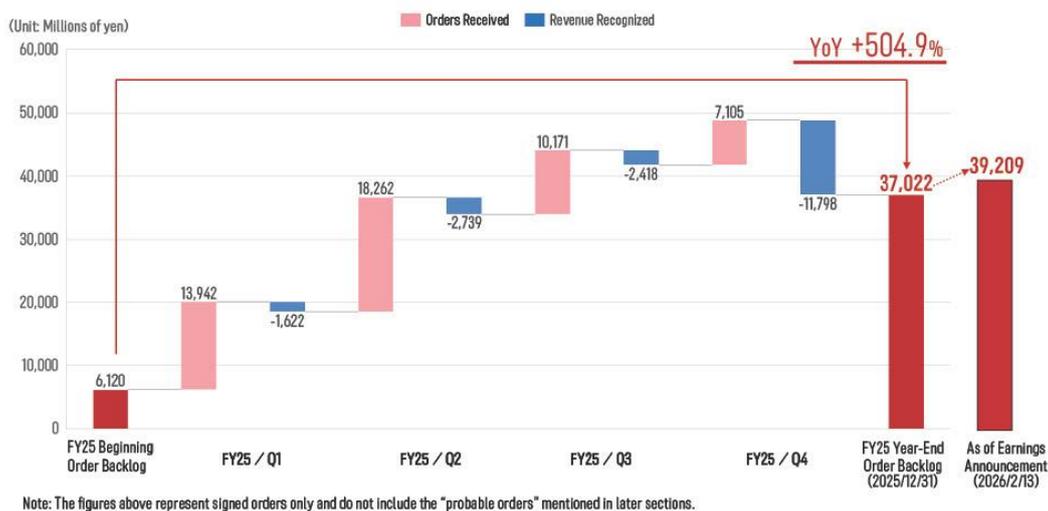
Next, I'd like to explain the breakdown of SG&A expenses. Overall, SG&A decreased 8.9% year on year, which contributed to a reduction in our operating loss. Looking at the details, Sales & Marketing (S&M) expenses increased 40.6% year on year, as they are directly tied to revenue generation. Meanwhile, R&D expenses decreased 26.5% year on year. Our business model involves making upfront R&D investments first and then actively commercializing the developed products, with revenue being recognized after a preparation phase.

Accordingly, the decrease does not indicate a decline in R&D activities; rather, the cycle has recently begun to stabilize. General & Administrative (G&A) expenses also declined 15.8% year on year. While IPO-related costs could have increased, we believe we have been able to keep G&A spending under control.

FY2025 Results (Full-Year & Quarterly)>Order Backlog (Signed Orders) Trend

FY2025 Results (Full-Year & Quarterly)>Order Backlog (Signed Orders) Trend

BESS business orders grew significantly, with the order backlog (signed orders) seeing a YoY increase of 504.9%.



Next, I would like to explain the relationship between signed order backlog and revenue, as referenced in our disclosures. I will discuss order backlog in the following materials; however, please note that this slide presents signed order backlog only, meaning orders for which binding contracts have been executed. While later materials include probable orders to make trends easier to understand, the figures on this slide do not include probable orders. Signed order backlog at the beginning of FY2025 was ¥6.1 billion. Although backlog generally declines as revenue is beginning recognized, we accumulated substantial new signed orders from Q1 through Q4—approximately ¥14.0 billion, ¥18.0 billion, ¥10.1 billion, and ¥7.1 billion, respectively. As a result, signed order backlog grew by more than the amount transferred to revenue and reached ¥37.0 billion at year-end. It has since increased further to ¥39.0 billion in a little over one month through today. We will continue to disclose order backlog on a quarterly basis. In our case, backlog decreases as revenue is recognized, while new orders increase backlog. We would appreciate it if you could monitor these trends going forward.

FY2025 Results (Full-Year & Quarterly)>Consolidated Balance Sheet

FY2025 Results (Full-Year & Quarterly)>Consolidated Balance Sheet

IPO proceeds significantly boosted cash and equity, solidifying the company's financial foundation.

(Unit: Millions of yen)	2023/12	2024/12	2025/12		2023/12	2024/12	2025/12	
Assets					Liabilities			
Cash and deposits	1,004	1,244	7,454		Short-term borrowings and current-portion of long-term borrowings	-	2,868	4,750
Accounts receivable and contract assets	232	2,160	5,881		Contract liabilities	266	1,118	9,153 ^{*3}
Inventory	598	2,136	4,517 ^{*1}		Other current liabilities	1,472	1,567	2,929
Other current assets	599	684	2,344		Total current liabilities	1,738	5,547	16,833
Total current assets	2,434	6,226	20,197		Long-term borrowings	1,500	3,325	2,000
Property, plant and equipment	5,700	4,365	4,948		Other non-current liabilities	17	287	754
Intangible assets	178	55	74		Total liabilities	1,517	3,612	2,754
Investments and other assets	186	183	1,016 ^{*2}		Net Assets			
Total fixed assets	6,065	4,604	6,038		Shareholders' equity	5,170	1,431	6,165
Total assets	8,499	10,830	26,236		Total net assets	5,244	1,670	6,648
					Total liabilities and net assets	8,499	10,830	26,236

*1: Inventory currently in production for signed orders; carries no risk of remaining unsold.
*2: Deferred tax assets were recorded following a review of their recoverability based on the business plan for the next fiscal year.

*3: Advances received for signed orders, contributing to the improvement of cash flow.

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Next, I will discuss the consolidated balance sheet. Following the public offering in connection with our IPO, total net assets increased to ¥6.6 billion. As a result, our equity ratio improved and our financial position strengthened.

Current liabilities amounted to ¥16.8 billion, of which ¥9.1 billion relates to contract liabilities. These represent advance payments received from customers at the time of contract signing. While classified as liabilities, they are recognized as revenue upon delivery to customers. Importantly, the large balance of current liabilities is primarily attributable to these advance payments, rather than to a significant increase in borrowings.

FY2025 Results (Full-Year & Quarterly)>Consolidated Cash Flow

FY2025 Results (Full-Year & Quarterly)>Consolidated Cash Flow

Operating CF turned profitable as advances (contract liabilities) grew alongside the order backlog.

(Unit: Millions of yen)	2023/12	2024/12	2025/12
Cash flows from operating activities	(5,469)	(6,971)	1,369
Loss before income taxes	(6,159)	(8,002)	(2,278)
Depreciation and impairment losses	500	2,536	705
Decrease (increase) in accounts receivable - trade, and contract assets	(232)	(1,928)	(3,720)
Decrease (increase) in inventories	(598)	(1,538)	(2,381)
Increase (decrease) in contract liabilities	266	846	8,065
Other, net	754	1,114	979
Cash flows from investing activities	(4,122)	(1,458)	(1,466)
Purchase of property, plant and equipment	(4,042)	(1,207)	(1,275)
Other, net	(79)	(251)	(190)
Cash flows from financing activities	4,992	8,670	6,306
Net increase (decrease) in short-term borrowings	—	2,693	1,307
Net increase (decrease) in long-term borrowings	—	2,000	(750)
Proceeds from issuance of shares	4,628	3,893	6,355
Other, net	364	84	(606)
Cash and cash equivalents at end of period	1,004	1,244	7,454

- **Operating CF:** Turned profitable as order backlog growth led to a substantial increase in advances received (contract liabilities) collected at the time of contract signing.
- **Investing CF:** Shifted from a front-loaded investment phase to steady-state investment.
- **Financing CF:** Cash on hand increased and the financial foundation was strengthened through proceeds from the public offering associated with the listing.

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Next, I will briefly explain the consolidated cash flow. First, operating cash flow turned positive for the first time, at ¥1.3 billion. Although we still posted a loss on the profit line, the major factor was the increase in contract liabilities—in other words, advance payments received from customers. Next, cash flow from investing activities: through 2023, it had been approximately -¥4.1 billion, but in 2024 and 2025 it was around -¥1.4 billion. This reflects the fact that, while our business has required upfront investments including R&D, such investment has recently begun to settle down. Finally, cash flow from financing activities: as mentioned earlier, we recorded a significant inflow of approximately ¥6.3 billion from the issuance of shares. While borrowings increased slightly, both short-term and long-term, there were no major fluctuations. As a result, the year-end cash balance improved significantly to approximately ¥7.4 billion.

FY2026 Forecast>Summary of Consolidated Financial Forecast

FY2026 Forecast>Summary of Consolidated Financial Forecast

FY2026 marks a turning point to profitability with significant improvements across all line items, including revenue of ¥38.0B, operating profit of ¥2.0–2.5B, EBITDA of ¥2.5–3.0B and ordinary profit of ¥1.0–1.5B.

(Unit: Millions of yen)

	FY25 Actual	FY26 Forecast (Range)	YoY Change
Revenue	19,306	38,000	+96.8%
Operating profit	(677)	2,000 - 2,500	—
EBITDA ⁽¹⁾	(137)	2,500 - 3,000	—
Ordinary profit	(1,796)	1,000 - 1,500	—
Net income attributable to owners of parent	(1,646)	1,000 - 1,500	—

BESS Business:

Revenue and profit growth are anticipated by addressing demand for large-scale grid-connected batteries and expanding solar plant requirements. Sales will likely weight toward the second half due to subsidy-driven customer budget timing.

Power Business:

Power Business: Beyond battery sales, growth is expected through electricity sales (retail, wholesale, and brokerage) and proactive battery asset aggregation initiatives.

EVCS Business:

Although revenue is expected to decline YoY as customers defer investment following recent EV trends, losses should narrow through disciplined cost control.

(1) EBITDA = Operating Profit + Depreciation and Amortization + Share-based payment expenses

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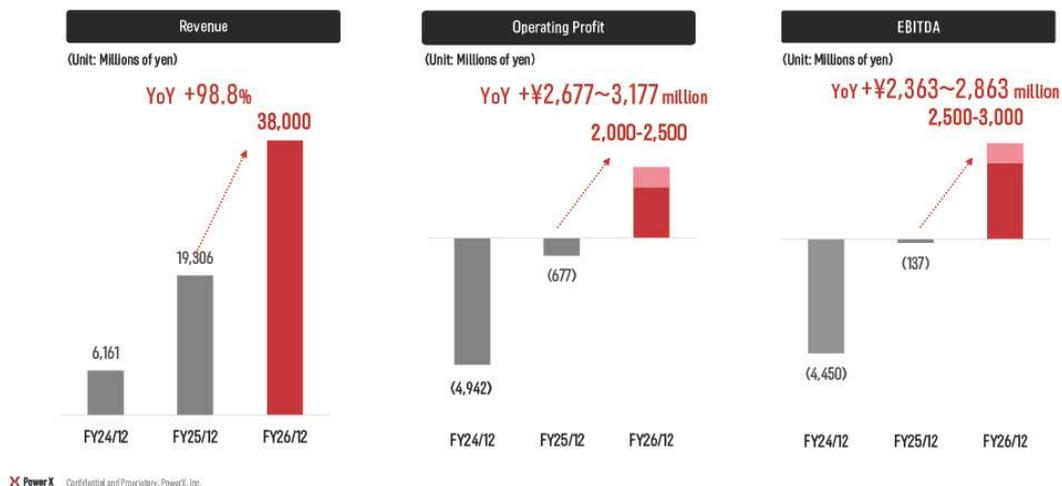
Next, I will explain our financial forecast for the fiscal year ending December 2026. For FY2026, we assume revenue of ¥38 billion, operating profit of ¥2.0 to ¥2.5 billion, EBITDA of ¥2.5 to ¥3.0 billion, and net income attributable to owners of the parent of ¥1.0 to ¥1.5 billion. This will be a major earnings inflection point, as we expect operating profit, ordinary profit, and net income to turn positive, and we anticipate significant improvement at each profit level. Let me add some color by business unit. For the BESS Business, demand for grid-scale storage batteries, storage batteries installed alongside solar power generation, and other large-scale storage batteries remain strong, and we expect substantial increases in both revenue and profit. This fiscal year, we also expect revenue to be weighed toward the second half due to customer budget execution timing.

Next, for the Power Business, in addition to battery sales, we expect increased revenue and profit by advancing various initiatives, including aggregation. For EVCS, unfortunately, difficult conditions are expected to continue, and we assume a decline in revenue. However, we intend to keep costs under control for the time being.

FY2026 Forecast>Summary of Consolidated Financial Forecast

FY2026 Forecast>Summary of Consolidated Financial Forecast

Operating profitability and earnings expansion are anticipated for FY26, driven by strong revenue growth.



Let me add some context on growth rates. For FY2026, we forecast revenue of ¥38 billion, up 98.8% year on year—approximately 2x growth.

For operating profit and EBITDA, we expect improvements of approximately ¥2.0 to ¥3.0 billion each, and we anticipate a significant turn to profitability.

FY2026 Forecast>Background of Earnings Forecast Range

FY2026 Forecast>Background of Earnings Forecast Range

The forecast is presented as a range to reflect volatility in raw material prices and exchange rates, as well as potential upside from new businesses.

- Since January 2026, the suspension of operations by certain lithium producers, strong demand for EVs and ESS, and rush demand ahead of China's phased abolition of VAT export rebates have combined to drive up raw material prices, creating the possibility of higher module prices from suppliers. Although lithium prices may stabilize, and we intend to pursue price pass-through and a shift to more cost-competitive new products, there remains a risk of short-term impact on our performance. At the same time, these developments affect all battery storage systems exported from China. Compared with companies that procure finished products, we believe there are aspects that may positively contribute to our competitiveness, as we procure components only.
- The forecast assumes an exchange rate of approximately ¥155 to the U.S. dollar. However, recent exchange rate volatility has been significant, and although certain foreign exchange hedges are in place, forecasting U.S. dollar-denominated procurement costs remains challenging. Depending on exchange rate movements, costs may be passed through to sales prices; however, short-term impacts on earnings are possible.
- The current forecast anticipates no revenue from the DC business and includes only minor R&D costs; however, should demand for the DC business exceed expectations, there is a possibility of making additional investments.

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This time we are disclosing our forecast as a range, so I would like to briefly explain why. Since January 2026, the suspension of operations by lithium producers, strong demand for EVs and ESS, and pre-deadline rush-in demand associated with the phased removal of Chinese export tax rebates (VAT) have converged to drive up raw material prices. As a result, we believe there is a possibility that module prices from our suppliers may increase. That said, lithium price fluctuations may eventually subside, and we will not make judgments based solely on the current situation. If prices rise on a more permanent basis, we will consider passing on costs to customers, and we also have competitive new products available. Through these measures, we would like to improve our profit margins again over the medium to long term. However, considering the timing of such transitions, there is a possibility of impacts on our performance in the short term, which is why we are providing our forecast as a range. However, this situation does not affect our company alone. Compared with cases where finished products are imported from China, we believe that for a company like ours that procures only certain components, there may be aspects that contribute positively to our competitiveness. In any case, the existence of uncertain risks is one of the major factors behind the range disclosure.

Second is the exchange rate. Our assumed rate this time is ¥155 to the U.S. dollar. Although we have entered into certain FX hedges, as you are aware, exchange-rate movements have been extremely volatile. As a result, particularly in the short term, it is difficult to read the impact on our performance.

Finally, today we announced the modular data center as a new business. Mr. Ito will explain this in more detail later, but we are not assuming any revenue from this new business during this fiscal year, and on the cost side we are only assuming a limited amount of R&D expense. However, depending on demand following today's explanation, we may consider additional investment, which constitutes the third factor.

FY2026 Forecast>P&L Assumptions and Quarterly Outlook

FY2026 Forecast>P&L Assumptions and Quarterly Outlook

While short-term gross margin risks exist, a shift toward stable quarterly revenue and strategic R&D investment is expected as project scales increase.

Gross Profit Margin:

As previously mentioned, there is a risk of a short-term decline compared to the previous fiscal year; however, these risks are expected to be resolved to some extent heading into the following fiscal year.

SG&A Expenses:

Headcount growth is planned in sales and marketing to drive future revenue expansion. Regarding R&D, while front-loaded investment in existing products is decreasing, R&D expenses for new battery systems, electric power transfer vessels, and the Modular Data Center Business are increasing, with the goal of keeping these within a fixed percentage of revenue. G&A expenses are expected to increase slightly.

Quarterly Business Outlook:

In the BESS business, project sizes are increasing as the share of extra-high-voltage projects rises within the overall mix. Due to phased deliveries, quarterly revenue is expected to become more stabilized in FY2026 compared to FY2025; however, although the extreme concentration in 4Q may ease slightly, the overall trend toward the second half remains.

Recent Factory Utilization:

While production capacity itself has sufficient headroom, staffing and related resources are being appropriately managed to maintain utilization at close to 100%. If orders exceed expectations, production could be increased by approximately 1.5–2.0x in the short term through workforce expansion.

Shareholder Return Policy:

The company is currently in a growth phase; therefore, the current policy prioritizes investing into R&D, capital expenditures, and M&A rather than dividend payouts. This approach aims to generate further profits and accelerate the corporate growth rate.

Next, I would like to add some supplementary information on other P/L assumptions, in addition to the risk of a short-term decline in gross margin, as well as our view of quarterly performance. As mentioned earlier, because we basically do not manufacture modules ourselves, our model is to pass through changes in procurement prices to customers in line with such fluctuations. That said, we have factored in a certain level of short-term risk. For SG&A, we expect the overall trend to remain broadly in line with last year, although for Sales & Marketing we assume some headcount increases. For R&D, while upfront investment related to existing products has been declining, we are planning to introduce new battery storage systems. In addition, although I will refrain from going into detail today, we are also investing in initiatives related to electric transport vessels, and we are considering additional investment for the data center business as well. For G&A, we expect the increase to be limited. Regarding our view of quarterly performance, revenue has tended to be weighted toward the second half. However, as projects become larger, we expect revenue to become somewhat more balanced across the second half, rather than being concentrated in Q4, although we still expect a second-half weighting overall. On current factory utilization, while production capacity itself still has headroom, we are, of course, controlling staffing efficiently to avoid waste, and utilization is currently maintained at close to 100%. Even if orders exceed expectations, as we have secured sufficient equipment capacity, we believe that by appropriately adjusting staffing, it would be possible to increase production by approximately 1.5 to 2.0 times even in the short term. Finally, regarding our shareholder return policy, as we

remain in a growth phase, rather than prioritizing dividends, we plan to prioritize investments in R&D, capital expenditures, M&A and other initiatives, in order to generate further profits and accelerate our growth. That concludes my remarks. Next, our Representative Director, President & CEO, Mr. Ito, will provide further explanation.

Breakdown of backlog (including probable orders) – by fiscal year

Breakdown of backlog (including probable orders) - by fiscal year

Order backlog: Due to the adoption of subsidies, the number of orders expected for Total value of official and expected orders from FY26 to FY30 reaches ¥80.1 billion



*1 The total of "signed orders" and "probable orders" for fiscal years 2026 to 2030 as of February 13, 2025. Includes amounts already recorded as sales, including recurring revenue. "Signed orders" refer to binding orders that have been officially placed by customers and for which sales contracts have been concluded, while "probable orders" refer to any of the following expected orders: (i) those for which the adoption of government subsidies from the Japanese government, Tokyo Metropolitan Government, etc. has been approved, or (ii) orders that are in the final stages of the sales contract conclusion process, with the customer's internal approval of our final proposal regarding the main terms, and are therefore estimated to have a high probability of being ordered in the near future. However, please note that there is a risk that orders may be canceled or changed in terms of price or quantity before the contract is concluded, or that all or part of the expected revenue from concluded contracts may not be recognized.

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Ito: I will report on the current business status. First, I will explain the overall order backlog situation and our outlook going forward. We have accumulated a total of ¥80.1 billion in signed orders and probable orders.

For those who may be new to this, let me provide a brief explanation. Signed orders refer to projects for which the contract has been finalized. Probable orders refer to projects for which we have received a verbal agreement from the customer, confirmed their intent to place an order, and are proceeding with contract finalization. No other projects are included. In addition, to date, all probable orders have converted into signed orders and have subsequently been recorded as revenue. The outlook remains steady, with ¥36 billion projected for 2026 and ¥39.8 billion for 2027.

Breakdown of backlog (including forecast orders) – by fiscal year

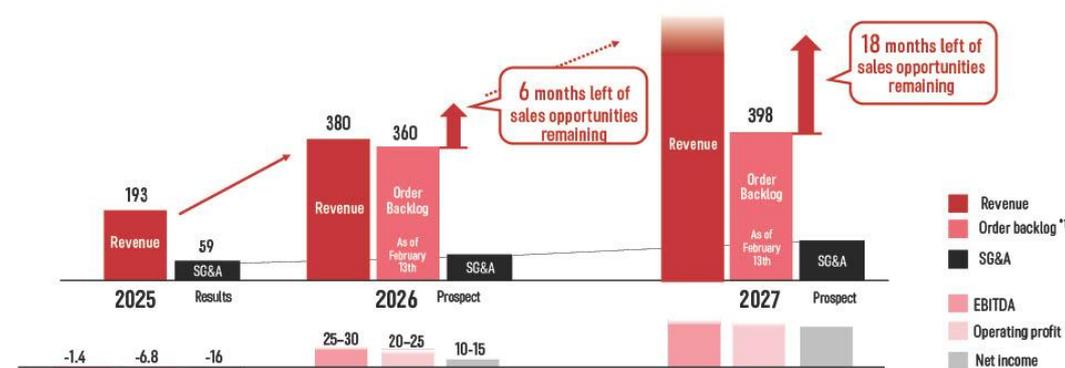
Breakdown of backlog (including forecast orders) - by fiscal year

Outlook for FY26 and FY27

- Currently, we have an order backlog of ¥36 bn for 2026, an 87% increase over last year.
- As of 2027, the company already has an order backlog of ¥39.8 bn, and with additional orders over the next 18 months, it is expected to achieve results even higher than this fiscal year.

Order backlog ^{*1}, Sales, and S&A Expenses Forecast (2025-2027)

(Unit: JPY 100 million)



^{*1}The total of "signed orders" and "probable orders" for fiscal years 2026 to 2030 as of February 13, 2025, includes amounts already recorded as sales. "Signed orders" refer to binding orders that have been officially placed by customers and for which sales contracts have been concluded, while "Probable orders" refer to any of the following expected orders: (i) those for which the adoption of government subsidies from the Japanese government, Tokyo Metropolitan Government, etc. has been approved, or (ii) orders that are in the final stages of the sales contract conclusion process, with the customer's internal approval of our final proposal regarding the main terms, and are therefore estimated to have a high probability of being ordered in the near future. However, please note that there is a risk that orders may be canceled or changed in terms of price or quantity before the contract is concluded, or that all or part of the expected revenue from concluded contracts may not be recognized.

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As announced in today's earnings report, our FY2025 results were ¥19.3 billion in revenue and ¥5.9 billion in SG&A. SG&A in FY2026 is not expected to increase significantly. Revenue is projected at ¥38.0 billion, of which ¥36.0 billion is already accounted for in our current order backlog. The majority of this order backlog consists of signed orders and contracts that have already been finalized. In addition, we still have sales opportunities until around August this year, leaving six months remaining. As in previous years, we will steadily build additional orders during the fiscal year to achieve our targets. Meanwhile, the outlook for FY2027 is also becoming clearer. Revenue is not disclosed at this time. The current order backlog stands at ¥39.8 billion, and we still have 18 months of sales opportunities remaining. We will work diligently to fully capture these opportunities. SG&A for FY2027 has also not yet been finalized and is not disclosed. While temporary increases may be necessary depending on revenue, we do not anticipate a substantial spike. Therefore, we expect FY2027 to progress smoothly as well. Going forward, we will continue to closely track these company KPIs each quarter and keep you updated.

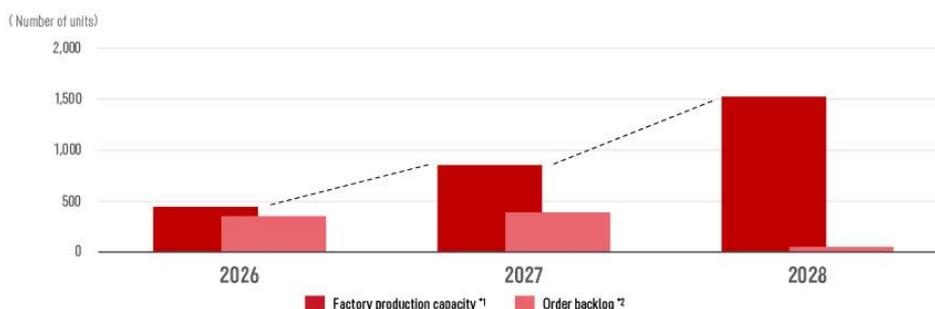
Increasing factory production capacity

Increasing factory production capacity

Factory Production Capacity and Backlog Status

- In anticipation of an increase in orders in the future, we are planning to increase our production capacity.
- The investment for this expansion is currently being formulated based on

Planned annual production capacity and backlog of energy storage systems



*1 The production capacity figures are based on expansion plans currently being formulated and are subject to various risks and uncertainties, including changes in market conditions.

*2 The total number of Mega Power Z700 or Mega Power Z500 shipments estimated as of "signed orders" and "probable orders" as of February 13, 2026. This includes the amount already recorded as revenue. "Signed orders" refer to binding orders that have been officially placed by customers and for which sales contracts have been concluded, while "Probable orders" refer to any of the following expected orders: (i) orders for which the adoption of government subsidies from the Japanese government, Tokyo Metropolitan Government, etc. has been approved, or (ii) orders for which the sales contract is in the final stage of conclusion, with the customer's internal approval of our final proposal regarding the key terms, and which are therefore estimated to have a high probability of being ordered in the near future. However, please note that there is a risk that orders may be canceled or changed in terms of price or quantity before the contract is concluded, or that all or part of the expected revenue from concluded contracts may not be recognized.

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Looking at our current order backlog, you may be wondering, "Can we actually produce all of this?" As Fujita mentioned earlier, however, we do not anticipate any production constraints in 2026.

Even if orders increase during the fiscal year and exceed ¥38.0 billion in 2026, we can increase production capacity by scheduling adjustments. Specifically, we plan to respond by increasing overtime and adding shifts as needed. Furthermore, we will invest the funds raised through the IPO to make timely decisions on capacity expansion for 2027, and provide updates on a timely basis. Even in the event of a sizable increase in orders in 2027, we believe we have a clear path to strengthening our production system. In addition, this expanded framework can be carried over into 2028, giving us confidence that our production capacity will remain sufficient for the time being.

Efficient Installation and Implementation

Efficient installation and implementation

Accelerating Deployment: 7x Productivity Improvement YoY

While the scale of projects is increasing, the efficiency of our technical team is also improving, and in December of last year, the installation and implementation efficiency per PM **increased by more than seven times**



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Beyond production capacity, you may also be wondering whether we can deliver. Our operational know-how has improved significantly and has been steadily accumulated, and I would like to share some recent results. Between November and December 2025, we delivered 93 units of *Mega Power* in just two months. This was handled by nine field engineers, resulting in productivity per field engineer that was 7.3 times higher than the previous year. Last time, we delivered 47 MWh with 12 field engineers. This time, we were able to handle approximately seven times that level. These results reflect thorough preparation, continued technological development, and the accumulation of expertise per person. We believe we are well positioned to respond sufficiently this year as well, and we do not see any major concerns.

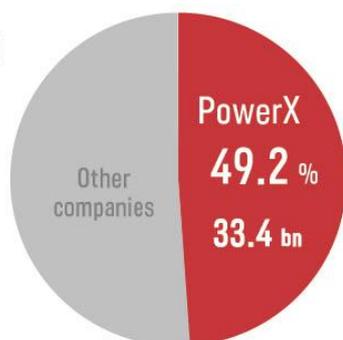
BESS Business: Topics 1/4

BESS Business: Topics 1/4

FY 2025 Grid-scale Battery Storage and Water Electrolyzer Installation Support Program – Subsidy Adoption Results

FY 2025 Grid-scale Battery Storage and Water Electrolyzer Installation Support Program – Subsidy Adoption Results*

FY 2025
Grid-scale Battery Storage and
Water Electrolyzer Installation
Support Program – Subsidy
Adoption Results
(based on subsidy amount)



Number of Adoptions: **16**
Amount of subsidies granted:
¥ 33.4 bn
(FY2026 : ¥1.2 bn, FY2027 : ¥32.2 bn)

No. 1 in both number of adoptions and amount of subsidies granted

* The subsidy adoption rate is based on our company's adoption results for the "FY2025 Grid-scale Battery Storage and Water Electrolyzer Installation Support Program"

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This is our business update on the BESS Business, the Power Business, and the new business we announced today.

You may be wondering why orders for FY27 suddenly amount to ¥39.0 bn, close to ¥40.0 bn, when there were virtually none in our previous disclosure. In practice, there is a large subsidy program once a year. Our customers apply for this subsidy, and the results are announced all at once. This time, the results were released at the end of December. 16 of our customers' projects were selected, with a total awarded amount of ¥33.4 bn.

To date, we have never lost a project once it has been selected for the subsidy. We will move forward promptly with our customers on the approved projects. Of this amount, ¥1.2 bn is expected in FY26 and ¥32.2 bn in FY27. As a result of these developments, visibility on our FY27 orders has significantly improved. In addition, in terms of both the number of projects selected and the amount of subsidies awarded, PowerX-manufactured batteries have the No. 1 market share, and progress remains steady.

BESS Business: Topics 2/4

BESS Business: Topics 2/4

Collaboration Agreement with NTT Anode Energy

We aim to combine the expertise of both companies to jointly provide high-quality infrastructure construction and maintenance systems.

PowerX and NTT Anode Energy Begin Exploring Collaboration in Battery Storage Business

Aiming for Mutual Cooperation Starting with Maintenance Partnership
2024.02.13

TOYOYO, JAPAN — PowerX, Inc. (Head Office: Tanabe City, Okayama Prefecture; Director, President and CEO: Masahito Ito; Securities Code: 485A) has reached an agreement with NTT Anode Energy Corporation (Head Office: Minato City, Tokyo; President and CEO: Teruyuki Kishimoto) to begin exploring collaboration in the battery storage business. Under this agreement, the two companies will initiate discussions on concrete areas of cooperation, starting with coordination on maintenance services for battery energy storage systems (BESS), with the aim of expanding both companies' battery storage operations.

As the adoption of renewable energy accelerates toward the realization of a decarbonized society, grid-scale battery farms are rapidly gaining importance as critical power infrastructure for stabilizing the electricity supply-demand balance. PowerX and NTT Anode Energy have built a strong cooperative relationship, with PowerX's BESS deployed across NTT Anode Energy's eight battery farm sites nationwide. This agreement will further strengthen their partnership, with both companies aiming to jointly deliver high-quality infrastructure development and maintenance services.

As a first step in this collaboration, the two companies will explore ways to integrate their respective expertise in the maintenance of PowerX's BESS to achieve more optimal maintenance and operations. Specifically, the partnership will leverage NTT Anode Energy's extensive maintenance infrastructure—its nationwide service bases and approximately 1,100 certified electrical engineers—through its "Battery Farm Development and Operation Service," aiming to deliver faster and more reliable services going forward.

Background to collaboration consideration

- With the expansion of renewable energy adoption, grid storage stations are rapidly becoming important infrastructure that stabilizes the supply-demand balance.
- The two companies have built a cooperative relationship by promoting the introduction and construction of PowerX energy storage systems at NTT Anode Energy's eight energy storage facilities across the country.

Value provided and goals of the collaboration

- We aim to develop collaboration and jointly provide high-quality infrastructure construction and maintenance systems.
- The combination of PowerX, a leading domestic manufacturer, and NTT Anode Energy, one of Japan's largest energy storage facility operators, will contribute to the development of Japan's energy storage infrastructure and the realization of carbon neutrality.

Specific Actions

- We will start by collaborating on maintenance work for the energy storage system.
- The two companies will combine their knowledge and expertise to consider collaboration to achieve more optimal maintenance and operation.
- Strengthening the provision of fast and stable services based on the maintenance system of NTT Anode Energy's "Power Storage Plant Construction and Operation Service."

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We operate many battery power plants, and they are working every day as power generation facilities. To further enhance customer confidence and ensure seamless maintenance nationwide, we are actively establishing partnerships. We are working with NTT Anode Energy now to establish a maintenance system utilizing their nationwide network.

While we will certainly increase the number of field engineers on our side, what matters most is providing customers with long-term peace of mind. To that end, we are building a robust system that allows us to be on site quickly whenever needed. The information on this slide was disclosed a few days ago.

BESS Business: Topics 3/4

BESS Business: Topics 3/4

An Increase in Extra-High Voltage Battery Power Plant Projects

- Projects are becoming larger, and there is a trend toward an increase in "extra-high voltage battery power plant" projects with receiving voltages of 20,000V or more and contracted power of 2,000kW or more.



* For an overview of Battery Power Plant and Use Cases of BESS, please refer to the Appendix sections: "Economic Viability of BESS" (p.55) and "BESS Use Cases and Economics" (p.60).

Advantages of Extra-High Voltage Battery Power Plant

- Reduces seasonality in revenue
- Delivery ramp-up starting in Q3
- Higher sales productivity
- Facilitates structured production planning
- Larger contract value per project (JPY 2-8 billion)

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As a trend, recent orders have been larger in scale per project. The photo on the slide shows a storage power plant that we delivered. We are increasingly seeing projects ranging from around 20 units on the lower end to 80–100 units on the higher end. This presents some immediate advantages for our company. One is reducing seasonality in revenue. For example, since three batteries can be installed within a month, having many three-battery projects would cause work to concentrate in December. However, installing 80 units at a single site generally spans several months, allowing revenue to be recognized from Q3 this year onward.

Second, it improves sales productivity. Regardless of project size, each involves the same amount of closing work, drawing preparation, and document processing. Larger projects are more efficient in this regard and enable highly planned production scheduling. Consequently, contract value per project has increased from the sub-¥1 billion to single-digit billion-yen range to approximately ¥2–8 billion in recent projects. Moreover, many of the projects we already anticipate will account for a significant portion of last year's revenue once contracts are finalized, so timely disclosures are likely to be made from time to time. We expect to secure these projects sequentially. Here, we will show several examples of our recent deliveries in a video.

(Video plays)

BESS Business: Topics 4/4

BESS Business: Topics 4/4

BESS Business: Latest Press Releases

(Partner/Implementing companies, project size)

Click here for a list of press releases →



<p>Nomuraya Holdings</p> <p>2026.02.09</p> <p>Mega Power units: 18 BESS capacity: 48.6MWh PCS output: 1.9MW</p>	<p>Nishimu Electronics Co., Ltd., Kyuden Mirai Energy Co., Ltd.</p> <p>2026.02.06</p> <p>Mega Power units: 3 BESS capacity: 8.2MWh PCS output: 1.9MW</p>	<p>Sanei Sangyo Co., Ltd.</p> <p>2026.01.26</p> <p>Mega Power units: 9 BESS capacity: 24.6MWh PCS output: 1.9MW</p>	<p>Kansai Electric Power Co., Inc., Kyoei Food Co., Ltd.</p> <p>2025.12.25</p> <p>Power X Cubes: 3 Battery capacity: 969kWh PCS output: 1.3MWh</p>
<p>Kurhalant Co., Ltd.</p> <p>2025.12.18</p> <p>Mega Power units: 3 BESS capacity: 8.2MWh PCS output: 1.9MW</p>	<p>Maeda Construction Co., Ltd.</p> <p>2025.12.04</p> <p>Mega Power units: 3 BESS capacity: 8.2MWh PCS output: 1.9MW</p>	<p>au Renewable Energy Co., Ltd.</p> <p>2025.11.19</p> <p>MegaPower units: 9 BESS capacity: 24.6MWh PCS output: 1.9MW</p>	<p>INPEX Corporation</p> <p>2025.10.28</p> <p>MegaPower units: 2 BESS capacity: 5.4MWh PCS output: 1.9MW</p>
<p>Japan Petroleum Exploration Co., Ltd.</p> <p>2025.10.06</p> <p>Mega Power units: 39 BESS capacity: 106.9MWh PCS output: 20MW</p>	<p>Itochu Corporation</p> <p>2025.09.19</p> <p>Mega Power units: TBD Storage battery capacity: TBD PCS output: TBD</p>	<p>NTT Anode Energy Corporation, Kandenko Co., Ltd.</p> <p>2025.09.11</p> <p>Mega Power units: 28 BESS capacity: 76.7MWh PCS output: 18.2MW</p>	<p>MIRARTH Asset Management Co., Ltd.</p> <p>2025.09.08</p> <p>Mega Power units: 3 BESS capacity: 7.4MWh PCS output: 1.99MW</p>
<p>Eurus Energy Holdings Corporation</p> <p>2025.09.05</p> <p>Mega Power units: 10 BESS capacity: 27.42MWh PCS output: 10MW</p>	<p>Tokyo Century Corporation, MIRARTH Energy Solutions Co., Ltd.</p> <p>2025.09.02</p> <p>Mega Power units: 24 BESS capacity: 65.8MWh PCS output: 12MW</p>	<p>Shikoku Electric Power Co., Inc., Imabari Shipbuilding Co., Ltd.</p> <p>2025.09.01</p> <p>Mega Power units: 2 BESS capacity: 4.9MWh PCS output: 2MW</p>	<p>Senko Corporation</p> <p>2025.08.21</p> <p>Mega Power units: 1 BESS capacity: 2.7MWh PCS output: 1.6MW</p>

28

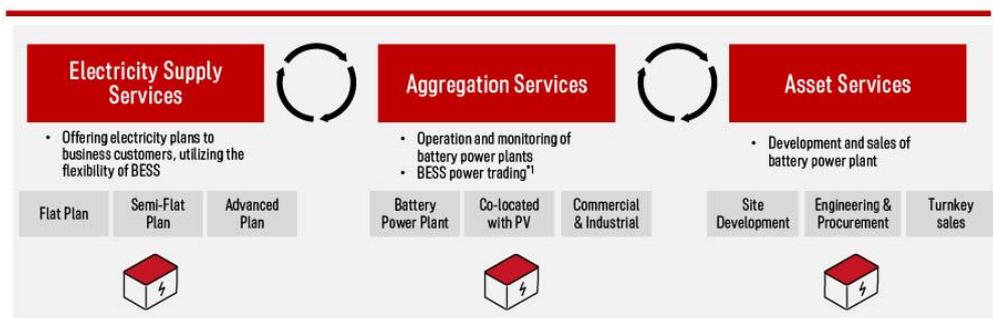
We have been issuing various releases in preparation for our IPO. Our major projects since August 2025 are featured here. If you're interested, please scan the QR code to see what kind of customers we work with and what kind of projects we are working on. These releases will lead to revenue this year and next, so we encourage you to take a look.

PowerX Power Business Overview

PowerX Power Business Overview

- PowerX fully leverages its capabilities as a BESS manufacturer to expand into the power business.
- Through vertical integration across power operations, aggregation, and asset development, we deliver economically efficient and stable services.

Power Business



*1 For details on power trading by BESS, please refer to the Appendix section "BESS Use Cases and Economics" (p.60).

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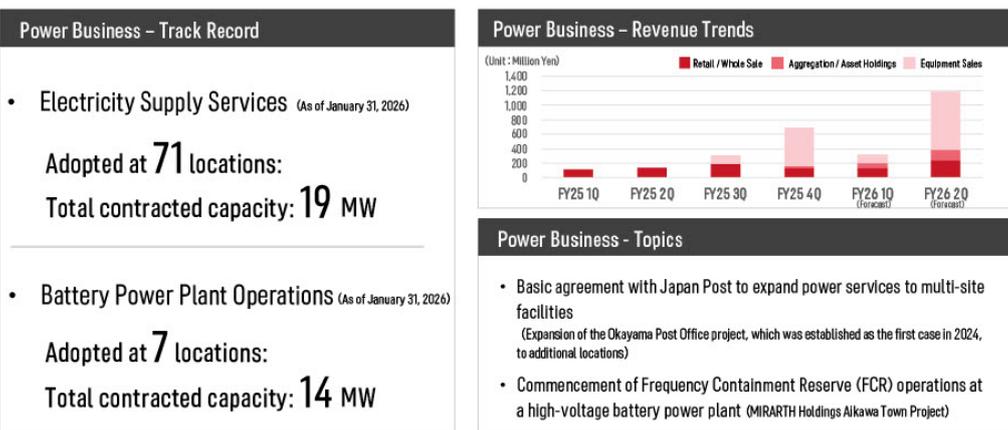
I will now report on Power Business. Within Power Business, we offer three services as part of our electricity business. The first is Electricity Supply Service, where we sell and supply electricity to customers. The second is Aggregation Services. This is a service currently experiencing high demand. It functions like a tolling arrangement, where customers entrust us to manage their storage power plants when they find it difficult to operate them themselves despite owning them.

It is also a recurring business model where we take custody again of what we have delivered to customers, manage it on their behalf, and deliver the IRR. The third, Asset Services, is where customers entrust us with the design and construction of their storage power plants. We handle everything from engineering and procurement to site development in some cases. This service is also growing significantly.

Power Business: Topics

Power Business : Topics

New Power Service Offerings Launched; Sales Accelerating Full-scale BESS Sales and Operations Underway; Proposals Expanding



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Here are several key metrics for Power Business. For power supply services, we currently supply 19 MW across 71 sites. While the scale remains modest, our pipeline is steadily expanding, and we anticipate this growing into a significant business. We currently operate storage power plants at seven locations, managing 14 MW of battery capacity, and we expect this resource aggregation to continue to expand. As a key topic in Power Business, we are supplying Japan Post with a package of electricity and battery storage. Projects launched in FY24 are progressing very smoothly, so we are actively pursuing further horizontal expansion. Additionally, at our high-voltage storage power plants, we are directly managing primary balancing power operations. For manufacturers, handling power supply and operations can be quite challenging, but we are feeding back insights gained as users to further enhance our own products.

New Business: Modular Data Center

New Business : Modular Data Center

Press Movie



Launched our new product. Now open for business.

Modular Data Center

Mega Power DC

- Containerized Data Center**
Low cost, fast deployment – without construction hurdles
- Integrated Energy Storage System**
Integrated ESS to tackle grid congestion and decarbonization
- Cooling Technology**
Applying cooling systems of BESS
- Mass Production**
Mass producing in PowerX's factories



NEW

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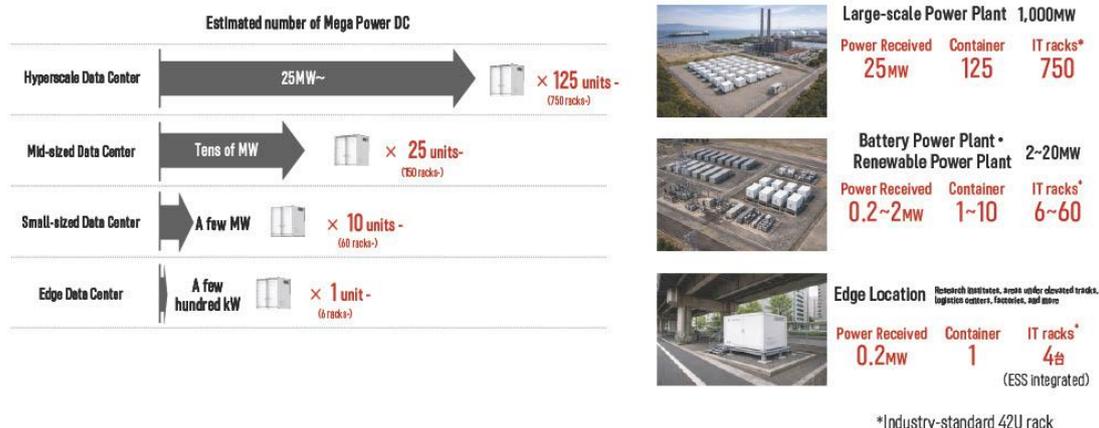
This is an explanation of our new business. As today is Friday, we have shared a great deal of new information. We apologize for any inconvenience this may cause. We have prepared detailed videos and materials explaining everything thoroughly, so please take a look if you are interested. Scanning the QR code in the upper right corner of the slide will allow you to view information about our containerized data center, *Mega Power DC*.

We refer to this as a *modular data center*. We plan to mass-produce it going forward. I encourage you to review the details; however, due to time constraints today, I will keep my explanation brief. The key point is that this container features a fully closed-loop water-cooling system. Based on the water-cooled battery, *Mega Power 2500*, we will remove the battery and instead install AI servers and other data center computing equipment, then ship it. We want our investors and shareholders to be assured that this new product can be manufactured with our current technology. We can produce it in our existing factories, without requiring massive CAPEX or upfront investment. By fully leveraging our water-cooling, DC power, and production technologies, we are well positioned to mass-produce this product. It will be highly competitive.

New Business – Modular Data Center

New Business – Modular Data Center

Mega Power DC Scalability and Flexibility



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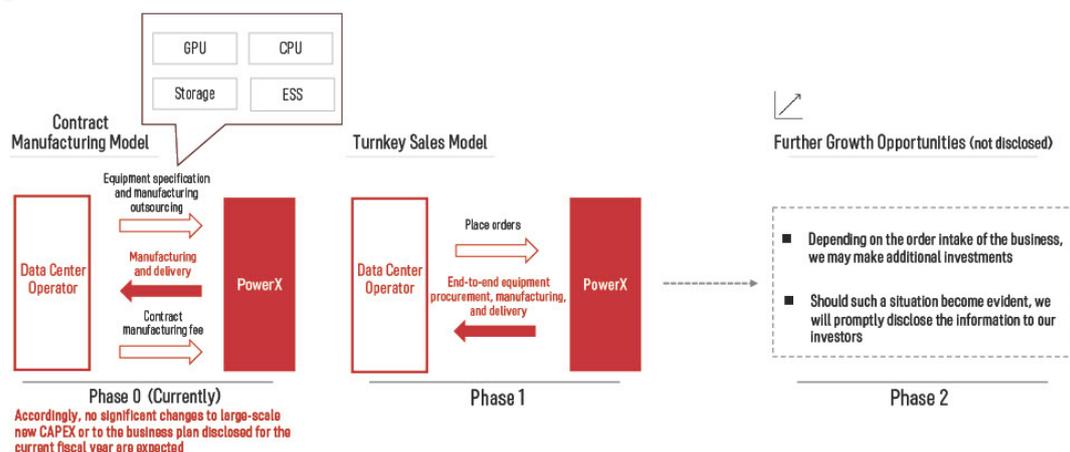
Even though it's a container-based data center, connecting containers via NVLink or similar technologies allows the entire system to be linked and operate as an integrated whole. This integration means installing 125 of these containers in one location achieves a scale equivalent to a hyperscale data center. Additionally, an option to install batteries internally enables operation with BCP measures. We believe this product is highly suitable for various schemes designed for co-location with thermal power plants, such as N-1 generation control, and are advancing its development accordingly.

Because we are a power-focused company, we have incorporated the needs we identified from firsthand experience directly into these data center containers. We hope you will look forward to it. Additionally, 25 units form a mid-sized data center, 10 units a small-sized data center, and a single unit an edge data center. Future widespread applications like robots, autonomous vehicles, and physical AI will require processing to be offloaded and handled nearby, necessitating data centers in low-latency environments. These can be deployed and operated under elevated structures, in parking lots, or—in our case—within factory grounds. Another key feature is that the edge data center comes with an integrated battery, enabling simple installation anywhere.

New Business – Modular Data Center

New Business – Modular Data Center

Phased Business Model for Scalable Data Center Manufacturing



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Let me explain our business model. What we call Phase 0 consists of initiatives that can be implemented immediately at this time. We will execute this initiative using our existing assets in Phase 0, so it does not require a level of investment that should cause concern. Following Phase 0, there are Phases 1 and 2. First, Phase 0, as announced in today's press release, is a model where companies planning to build data centers send computers to our factory. We then configure and integrate them inside containers and ship them out. In other words, Phase 0 is a contract manufacturing model. This initiative can be handled with our current factory and technology, requiring no new research and development. Phase 1 aims for us to develop and manufacture data center products ourselves, moving beyond contract manufacturing and representing a more advanced step. While we are also planning Phase 2 for the future, we cannot disclose details at this stage. However, we are considering a very interesting initiative aimed at achieving greater vertical integration. With this aspiration, we will first take on Phase 0. As mentioned earlier, we are disclosing our profit forecast as a range, but do not anticipate revenue for this new initiative. While we may make some investments if conditions are favorable, we plan to stay within the range this fiscal year. Therefore, we can confidently pursue this as an upside opportunity without causing concern. Even if there are no signs of demand and the initiative does not succeed, we would not incur material losses, as we are leveraging our existing factories and technologies. This allows us to take on the challenge while protecting the downside.

New Business – Modular Data Center

New Business – Modular Data Center

PowerX and IIJ Begin Joint Exploration of Battery Storage and Containerized Data Center Solutions

— Advancing "Watt-Bit Integration" to Combine Power Supply and Digital Infrastructure —

February 13, 2026



- PowerX and IIJ have signed a memorandum of understanding (MOU) on collaboration leveraging battery energy storage systems (BESS) and containerized data centers.
- By combining large-scale BESS with containerized data centers, the two companies aim to build and expand power and digital infrastructure that supports an AI-driven society.
- Through these initiatives, they seek to address the complex, interconnected challenges of securing power, construction capacity, and computing resources—thereby advancing "Watt-Bit Integration."



Mega Power DC

* Watt-Bit Integration: A concept that optimizes the convergence of power (Watt) and communications technology (Bit), enabling digital infrastructure that addresses societal challenges such as AI, decarbonization, and regional distribution.

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Today, we announced a press release stating that we have begun exploring a potential collaboration with Internet Initiative Japan Inc. (IIJ). We will work together to explore how best to utilize and deploy *Mega Power DC*, consider the optimal configuration, and aim to “build and expand the power and digital infrastructure that support an AI-driven society.”

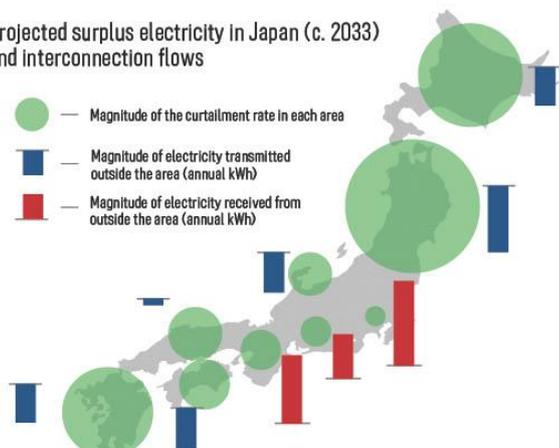
Moreover, we are also seeking partnerships with other companies. We intend to use this announcement as an opportunity to further step up our sales efforts.

Regional Concentration of Surplus Power and Supply-Demand Mismatch

Regional Concentration of Surplus Power and Supply-Demand Mismatch

Projected surplus electricity in Japan (c. 2033)
and interconnection flows

- Magnitude of the curtailment rate in each area
- Magnitude of electricity transmitted outside the area (annual kWh)
- Magnitude of electricity received from outside the area (annual kWh)



Source: Area-specific curtailment rates and interconnection utilization for 2033, as presented in "Long-Term Outlook for Renewable Energy Output Curtailment," published by the Agency for Natural Resources and Energy on December 2, 2024. In this figure, the curtailment rate of each area is independently converted by our company into the diameter of a circle. Electricity transmission to and from outside each area via interconnections is represented by the length of the bar graphs.

- In Japan, power generation sites and major demand centers are geographically separated, creating a structural **"location mismatch"** in electricity supply and demand.
- Building or upgrading transmission lines requires **10-20 years**, making short-term solutions difficult.
- While BESS is effective for temporal supply-demand balancing, it cannot serve as a substitute for long-distance power transmission.
- This is where the concept of **"Watt-Bit"**—the **integration of power infrastructure and communication infrastructure**—becomes critically important.

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Why are we pursuing AI data centers? Is it just because it's trendy? To address such potential questions, let me explain our thinking behind "Why PowerX." First, through our work in the battery storage business, we clearly see that Japan has a significant disparity between regions with surplus electricity and those with severe shortages. We believe attracting industry to surplus regions is the solution. For example, in regions like Kyushu, which have abundant electricity and many nuclear power plants and solar power facilities, attracting semiconductor factories to utilize this massive power supply is an answer. However, expanded solar generation and the restart of nuclear power plants will create even more surplus electricity. Storing this excess in batteries will create a system where it is available around the clock. Even if we fully utilize battery storage and create a system in which solar power can be used around the clock, there would still be surplus electricity. Traditionally, the common approach has been to transmit that excess power to Tokyo through transmission lines. However, building new transmission lines is extremely costly, requiring approximately ¥0.5 billion to ¥1.0 billion per kilometer.

PowerX's Mission in Action

PowerX's Mission in Action



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Power X is undertaking this project to "achieve Japan's energy independence." All our employees, along with our various partners and collaborating companies, continue striving toward this goal. Underlying this is the recognition that computers are the next critical technology after batteries. As Japan's population declines and ages, the realization of autonomous driving, the introduction of robots, and factory automation will become necessary. Computers are indispensable to support these advancements. Computers require energy. Hence, achieving a state where "energy is not a concern" is key to creating a situation where "computers are not a concern." Recognizing this as critically important, we have been advancing this research and development for several years and are finally able to release it now. My introductory video also shows the prototype and provides detailed explanations, so please take a look if you have time. Today marked our first earnings briefing and financial disclosure since our IPO. Due to technical issues and our own inexperience, we slightly delayed the disclosure time we had promised everyone. We sincerely apologize for this.

We also recognize that our business is highly complex. Therefore, we intend to conduct our IR activities with great care. Today, on our company's IR site, we have published a roughly 28-minute video introducing our view of the market environment, accompanied by a large volume

of supporting materials, as well as a new, approximately 17-minute company overview video. Furthermore, we have included an explanation of *Mega Power DC*. We would appreciate it if you could take a look when you have time.

That concludes our presentation. Thank you very much for your time and attention today. We also express our heartfelt gratitude for your support of Power X. All of us at the company will continue to do our utmost. Thank you very much.