

Financial Results Meeting Materials for the Nine Months Ended March 31, 2025

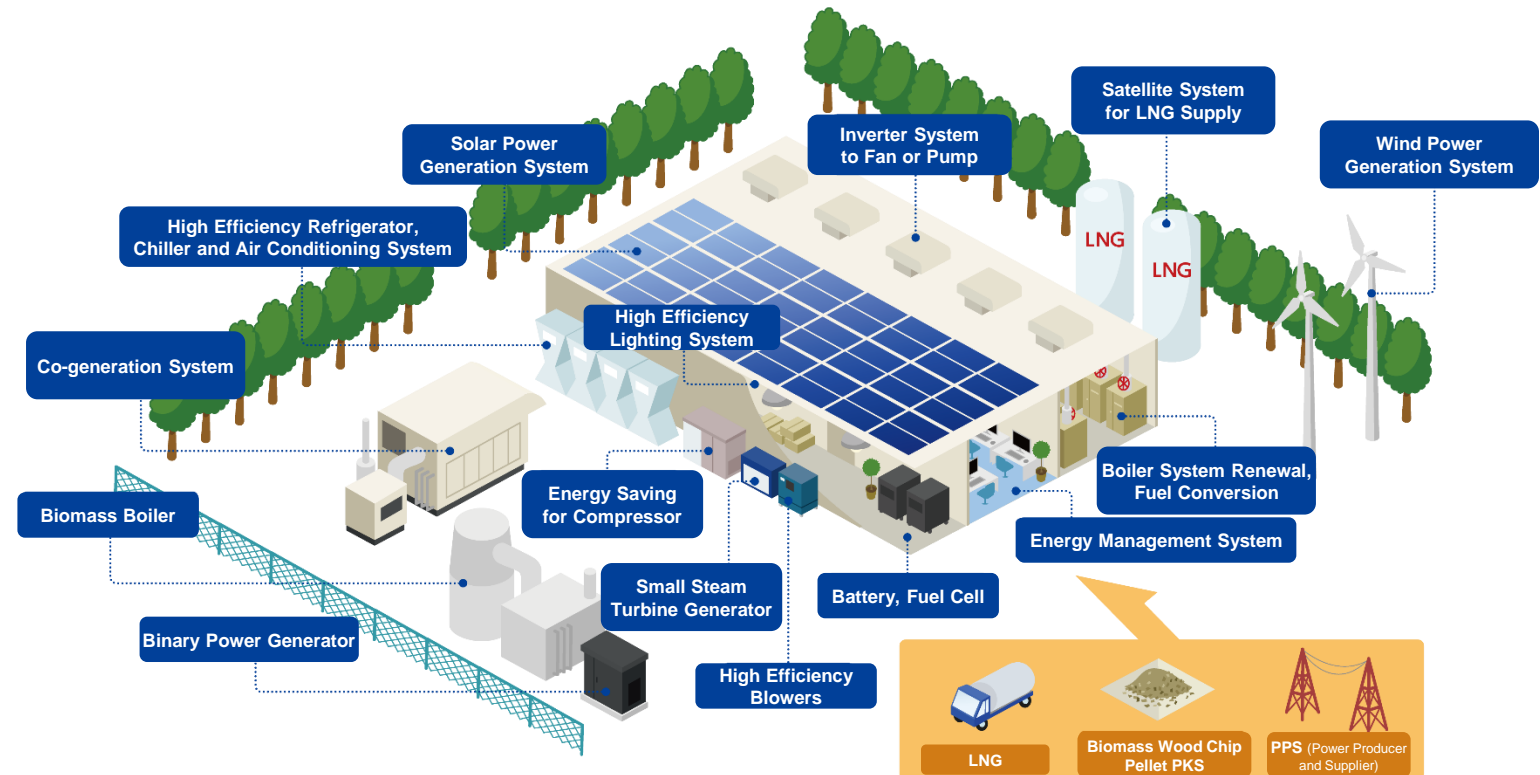


May 15, 2025
TESS Holdings Co., Ltd.
Securities code: 5074

A leading company in decarbonization

A company that realizes Total Energy Savings & Solutions for customers

Items handled by
the TESS Group



Executive Summary

FYE 06/2025 Q3 Consolidated Results

Net sales	Gross profit	Operating profit	Ordinary profit	Profit attributable to owners of parent	ROE
26,788 million yen (+17.2% YoY)	6,203 million yen (+22.8% YoY)	2,699 million yen (+28.8% YoY)	225 million yen (-94.0% YoY)	616 million yen (-74.3% YoY)	1.5%

- Entire Business**
 - Consolidated financial results for the nine months ended March 31, 2025 for operating profit and above show year-on-year **increases in both revenue and profit.**
- Engineering Segment**
 - Both energy conservation EPC (commissioned) and renewable energy EPC (development) projects were strong, resulting in year-on-year **increases in both revenue and profit.**
 - Secured multiple large orders for storage batteries**, which have gained rapidly increasing customer inquiries.
- Energy Supply Segment**
 - Increased sales revenue from renewable energy power generation and strong sales performances for retail electricity supply and biomass fuel led to year-on-year **increases in revenue and profit.**
 - Total renewable energy power plant generation capacity** is approximately 349.5 MW. Approximately 19.6 MW is new and supplied by on-site PPA.



Consolidated Results Forecast and Dividend Forecast FYE 06/2025

Net sales	Gross profit	Operating profit	Ordinary profit	Profit attributable to owners of parent	ROE	Dividend per share
38,000 million yen (+24.0% YoY)	8,000 million yen (+22.1% YoY)	2,700 million yen (+13.9% YoY)	400 million yen (-94.8% YoY)	700 million yen (-41.0% YoY)	1.7%	7.66 yen

- Entire Business**
 - No change from the consolidated financial results forecast announced on November 5, 2024.
 - Although the Kyoto Prefecture development project is making steady progress, the schedule has not been finalized as of the announcement date of the financial results for the nine months ending March 31, 2025. This is not included in the consolidated financial results forecast for the fiscal year ending June 30, 2025.

Overview of the Large Orders Secured for Storage Battery EPC

► Large orders received for storage battery EPC total approximately 14.7 billion yen (as of May 15, 2025)

TX2030 Mid-Term Management Plan Focus Business Areas: Power Storage Business-Related Operations			
	 Power storage plants for the grid		 FIP conversion of FIT solar power plants + storage battery co-location
Ordering Party	Shizuoka Kikugawa Power Storage Plant LLC*1	DEI Battery Fund Alpha LLC (Invested by Daiwa Energy & Infrastructure Co. Ltd.)	Japanese domestic operating companies *2 (Listed on the Tokyo Stock Exchange Prime Market)
Order Type	Development	Commissioned	Commissioned
Order Month	March 2025	April 2025	March 2025
Order Amount	Approx. 5 billion yen	Approx. 4 billion yen <small>*As the order was received in April 2025, it is not included in the orders received and order backlog for Q3 FYE 06/2025.</small>	Approx. 5.7 billion yen
Delivery Date (Est.)	March 2027	December 2027	January 2026

*1 In the future, Shizuoka Kikugawa Power Storage Plant LLC, which is the ordering party, may become a consolidated subsidiary of our company. In such a case, the order amount will not be included in consolidated revenue.

*2 Of the five EPC projects for power storage plants co-located with FIP solar power plants operated by Japanese domestic companies, four of the EPC projects will be ordered by Japanese domestic leasing companies through lease contracts between Japanese domestic companies as lessees and the Japanese domestic leasing companies.

Introduction of a Shareholder Special Benefit Program

- ▶ In gratitude for the continued support of our shareholders, we will introduce a shareholder benefit program for shareholders listed or recorded in our shareholder registry as of June 30, 2025.

- Shareholders who hold 10 units (1,000 shares) or more as of the end of June each year, as listed or recorded in our shareholder registry, are eligible.
- Eligible shareholders will receive a brochure titled “Guide to the TESS Holdings Premium Benefit Club” in early August 2025 (planned).
- Eligible shareholders may select their preferred items from over 5,000 products available through the TESS Holdings Premium Benefit Club using points awarded based on the number of shares held.



*Pictures are for illustrative purposes only.
Benefit program products are subject to change.

Shareholder Benefit Program Point Table
(1 point = Approx. 1 yen)

Number of shares held	Number of benefit program points	Award date
1,000 to 1,999 shares	3,000 points	Around Mid-August
2,000 to 2,999 shares	7,000 points	
3,000 to 3,999 shares	15,000 points	
4,000 shares and above	40,000 points	

1. Summary of Consolidated Financial Results for the Nine Months Ended March 31, 2025

Consolidated Financial Results

- Consolidated financial results for the nine months ended March 31, 2025 (from July 1, 2024 to March 31, 2025) showed year-on-year increases in both revenue and profit for operating profit and above.

	FYE 06/2024 Q3	FYE 06/2025 Q3	FYE 06/2025 Full-year target *	Year-on-year changes	Percentage of full-year target achieved
(Millions of yen)					
Net sales	22,858	26,788	38,000	+17.2%	70.5%
Gross profit	5,051	6,203	8,000	+22.8%	77.5%
(Profit margin)	(22.1%)	(23.2%)	(21.1%)		
Operating profit	2,073	2,669	2,700	+28.8%	98.9%
(Profit margin)	(9.1%)	(10.0%)	(7.1%)		
Ordinary profit	3,771	225	400	-94.0%	56.3%
(Profit margin)	(16.5%)	(0.8%)	(1.1%)		
Profit attributable to owners of parent	2,398	616	700	-74.3%	88.0%
(Profit margin)	(10.5%)	(2.3%)	(1.8%)		

* No changes from the consolidated financial results forecast announced on November 5, 2024.

Reference: Scenario Excluding Derivative Valuation Gains or Losses

- Excluding derivative valuation gains and losses, the consolidated financial results for Q3 of FYE June 2025, the consolidated financial results forecasts for FYE June 2025, and the percentage of the full-year target achieved are as shown below.

(Millions of yen)	FYE 06/2025 Q3 * Excluding derivative valuation gains/losses	FYE 06/2025 Full-year target Excluding derivative valuation gains/losses	Percentage of full-year target achieved
Net sales	26,788	38,000	70.5%
Gross profit	6,203	8,000	77.5%
(Profit margin)	(23.2%)	(21.1%)	
Operating profit	2,669	2,700	98.9%
(Profit margin)	(10.0%)	(7.1%)	
Ordinary profit	2,041	2,200	92.8%
(Profit margin)	(7.6%)	(5.8%)	
Profit attributable to owners of parent	1,810	1,800	100.6%
(Profit margin)	(6.8%)	(4.7%)	

* Scenarios excluding derivative valuation gains or losses have not been audited.

Consolidated Balance Sheet

	FYE 06/2024	FYE 06/2025	Change	Main factors behind change
(Millions of yen)	Full-year	Q3		
Current assets	36,022	39,409	3,387	Increase in cash and deposits due to the conversion of the Miyako silent partnership(*1) into a consolidated subsidiary. In relation to EPC in the Engineering Segment, increase in accounts receivable and advance payments for completed construction, and decrease in contract assets.
Non-current assets	83,106	110,390	27,284	Increase in machinery, equipment, and vehicles, as well as in contract-based intangible assets due to the conversion of the Miyako silent partnership into a consolidated subsidiary, and an increase in construction in progress, including for the Saga Imari Biomass Power Plant.
Total assets	119,128	149,800	30,671	
Current liabilities	23,249	31,695	8,446	Increase in consolidated subsidiaries' short-term borrowings, increase in long-term borrowings scheduled to be paid within one year due to the conversion of the Miyako silent partnership into a consolidated subsidiary(*2), and increase in contract liabilities related to EPC in the Engineering Segment.
Non-current liabilities	54,082	74,465	20,382	Increase in long-term borrowings due to the conversion of the Miyako silent partnership into a consolidated subsidiary(*2).
Total liabilities	77,332	106,161	28,829	
Shareholders' equity	41,083	40,557	(525)	Payment of dividends.
Accumulated other comprehensive income	429	2,811	2,381	Increase in deferred gains (losses) on hedges related to long-term forward exchange contracts through consolidated subsidiaries.
Non-controlling interests	283	269	(13)	
Total net assets	41,796	43,638	1,842	
Total liabilities and net assets	119,128	149,800	30,671	

*1 A silent partnership operated by Fukuoka-Miyako Solar Power LLC. *2 The increase is mainly due to the consolidation of the Miyako silent partnership's current and non-current liabilities related to its conversion into a consolidated subsidiary; not due to new borrowings during the nine months ended March 31, 2025.

Recording of Non-operating Income/Losses and Extraordinary Income/Losses (1)

Recording of loss on valuation of derivatives (non-operating expense) and income tax (gain) adjustment

- In the nine months ended March 31, 2025, a loss on the valuation of derivatives of 1,816 million yen was recorded as a non-operating expense.
- The situation arose from the fair market valuation of a forward exchange contract entered by our consolidated subsidiary, Imari Green Power Co., Ltd., to hedge against currency fluctuation risks associated with procuring PKS fuel. This fuel is intended for use at its major biomass power plant (Location: Imari City, Saga Prefecture; Generating capacity: 46.0 MW).
- Adjustment (gain) to corporate taxes, etc., of 622 million yen due to the reversal of deferred tax liabilities accompanying the recording of the above-mentioned valuation loss on derivatives.
- Hedge accounting is applied to long-term forward exchange contracts from the six months ended December 31, 2024. Derivative receivables incurred prior to the application of hedge accounting are recorded in non-operating income/loss according to the execution of forward exchange contracts.

Recording of Non-operating Income/Losses and Extraordinary Income/Losses (2)

Recording of silent partnership investment income (non-operating income), gains on bargain purchases (extraordinary income), and loss on step acquisition (extraordinary loss) due to the conversion of a silent partnership operated by Fukuoka-Miyako Solar Power LLC into a consolidated subsidiary

- In the nine months ended March 31, 2025, 328 million yen in silent partnership investment income was recorded as non-operating income, 471 million yen in gains on bargain purchases were recorded as extraordinary income, and 292 million yen in losses on step acquisitions were recorded as extraordinary losses.
- On August 1, 2024, TESS Engineering Co., Ltd., a wholly-owned subsidiary of TESS Holdings Co., Ltd., acquired all of the equity interests in a silent partnership operated by Fukuoka-Miyako Solar Power LLC, a limited liability company engaged in the solar power generation business (location: Miyako-machi, Miyako-gun, Fukuoka Prefecture; power generation capacity: approx. 67.0 MW), and the silent partnership was made a consolidated subsidiary of the company.

Recording of gain on sales of investment securities (extraordinary income)

- Recorded a 513 million yen gain on sales of investment securities as extraordinary income for the nine months ended March 31, 2025.
- This resulted from the sale of one unlisted security held by our consolidated subsidiary, TESS Engineering Co., Ltd.

2. Financial Results by Segment, Etc.

Engineering Segment

Flow-type

Sales
Portion

EPC for energy
conservation-related facilities



EPC for renewable
energy-related facilities



✓ Differences in business formats

Commissioned-type

The segment consists of **EPC commissioned** by customers (Generally, the same format as when a construction company undertakes contract work on facilities)

Development-type

A format in which **a project is developed from scratch**, rights are bought and sold, and EPC are provided to client companies

※EPC: Engineering, Procurement, and Construction

Energy Supply Segment

Stock-type

Sales
Portion

Renewable energy power generation
(FIT, FIP/PPA)



Operation and maintenance
(O&M)



Electricity
retailing



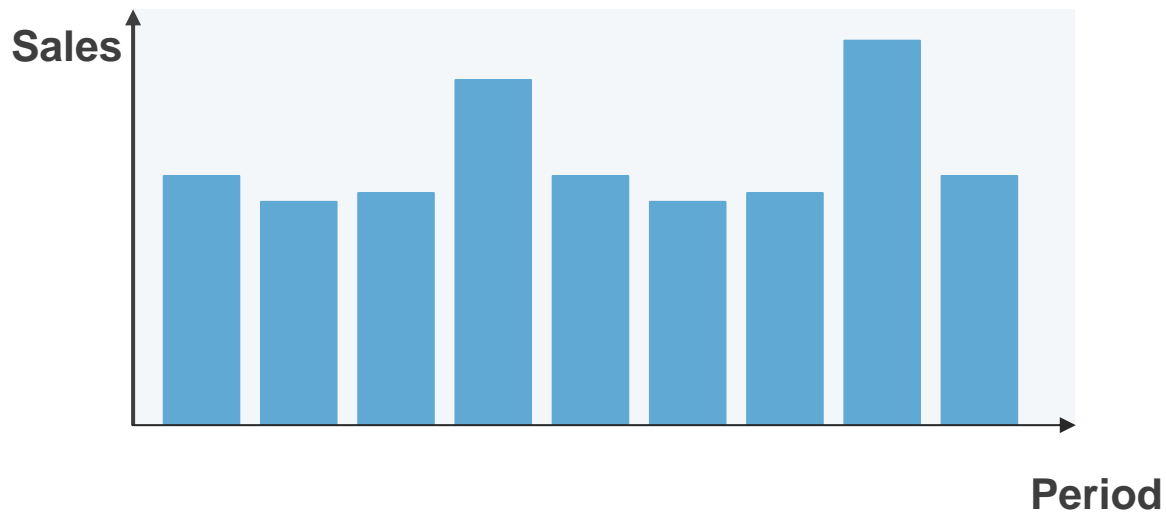
Biomass
fuel supply



Engineering Segment

Flow-type

Business that receives orders from client companies on a case-by-case basis.
The scale of sales for each project tends to be large.



<Image of period recording sales>

- EPC for energy conservation-related facilities: 1–2 years
- EPC for renewable energy-related facilities: Half–2 years

Energy Supply Segment

Stock-type

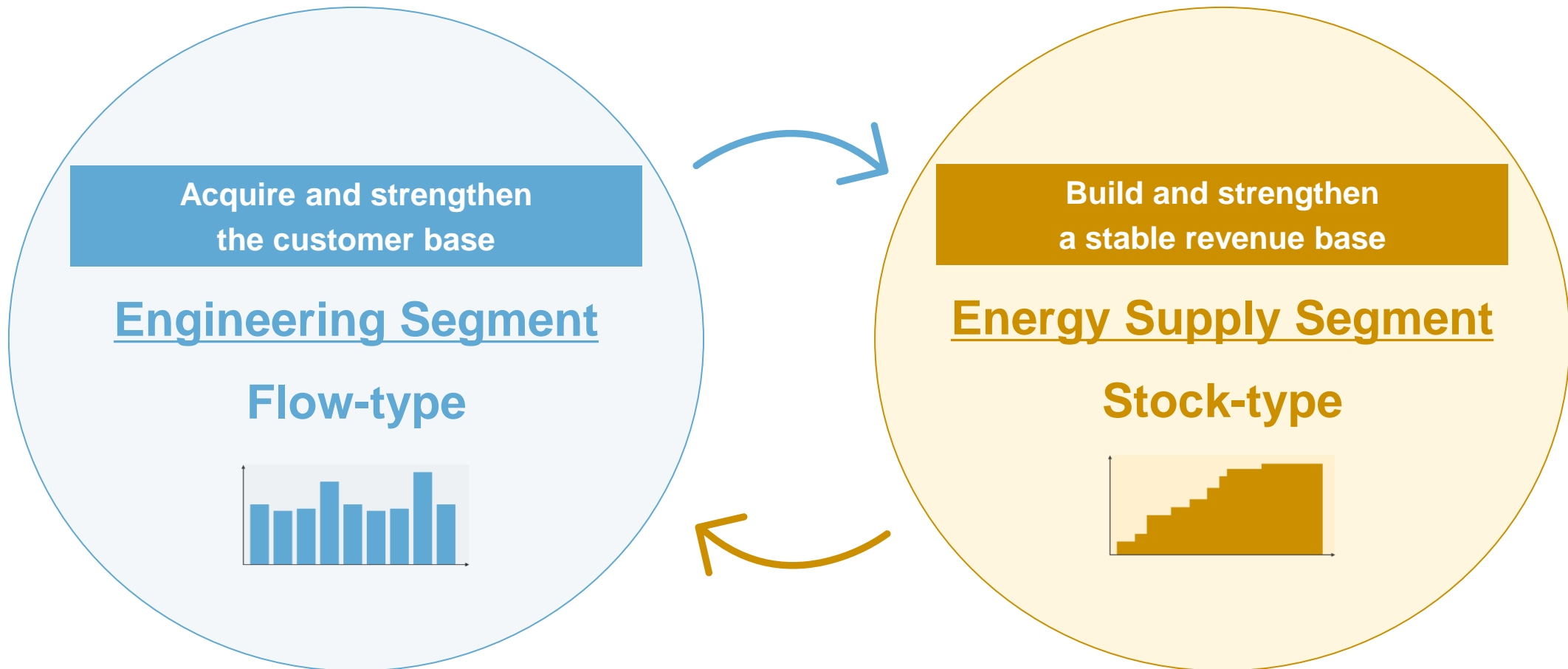
Business that earns steady streams of income.
Stable revenue by accumulating income streams one by one.



<Image of period recording sales>

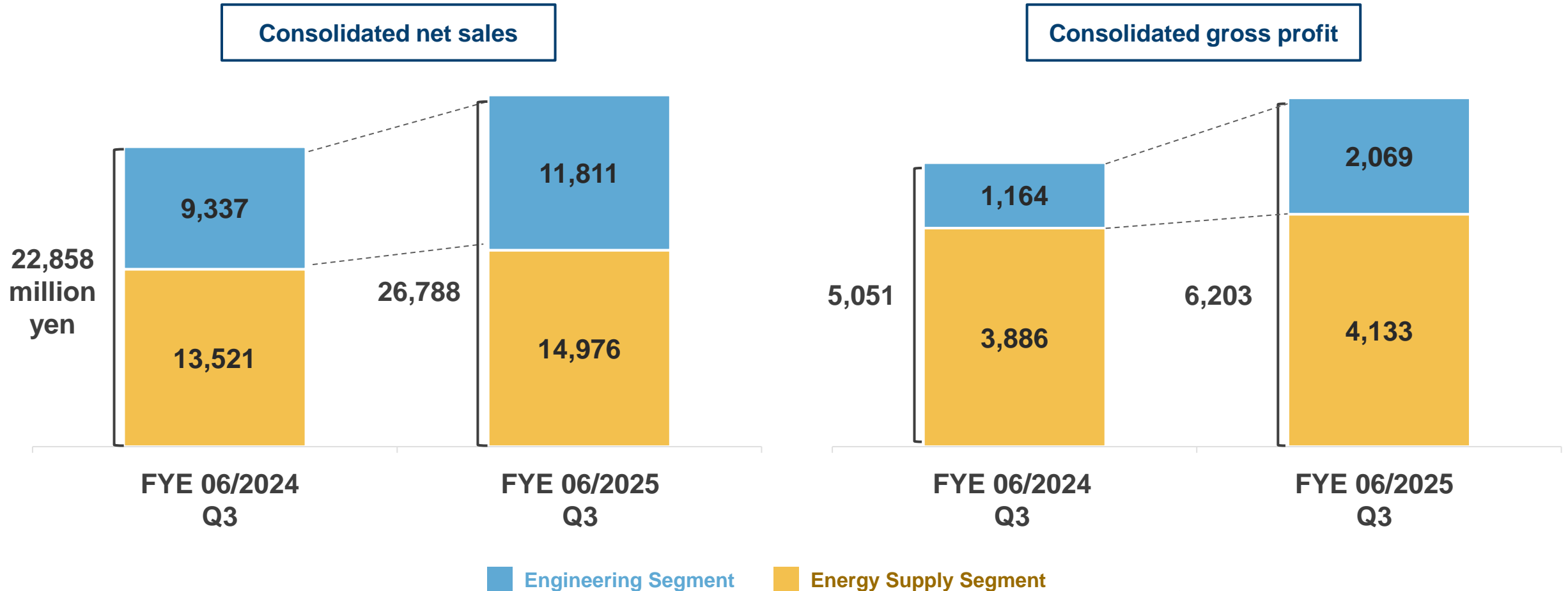
- Renewable energy power generation: 15–20 years
- O&M: 15–20 years

- ▶ **Circular business model linking flow-type and stock-type business.**
- ▶ **Secure both flow and stock revenue opportunities.**
(For example, after completing EPC in the Engineering Segment, it will lead to O&M orders for the Energy Supply Segment)



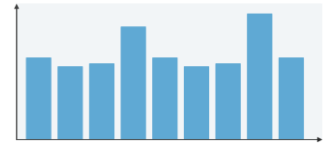
Breakdown of Net Sales and Gross Profit by Segment (Year-on-year)

- ▶ Net sales and gross profit for the nine months ended March 31, 2025 show year-on-year increases in both revenue and profit.



* Figures are after inter-segment elimination.

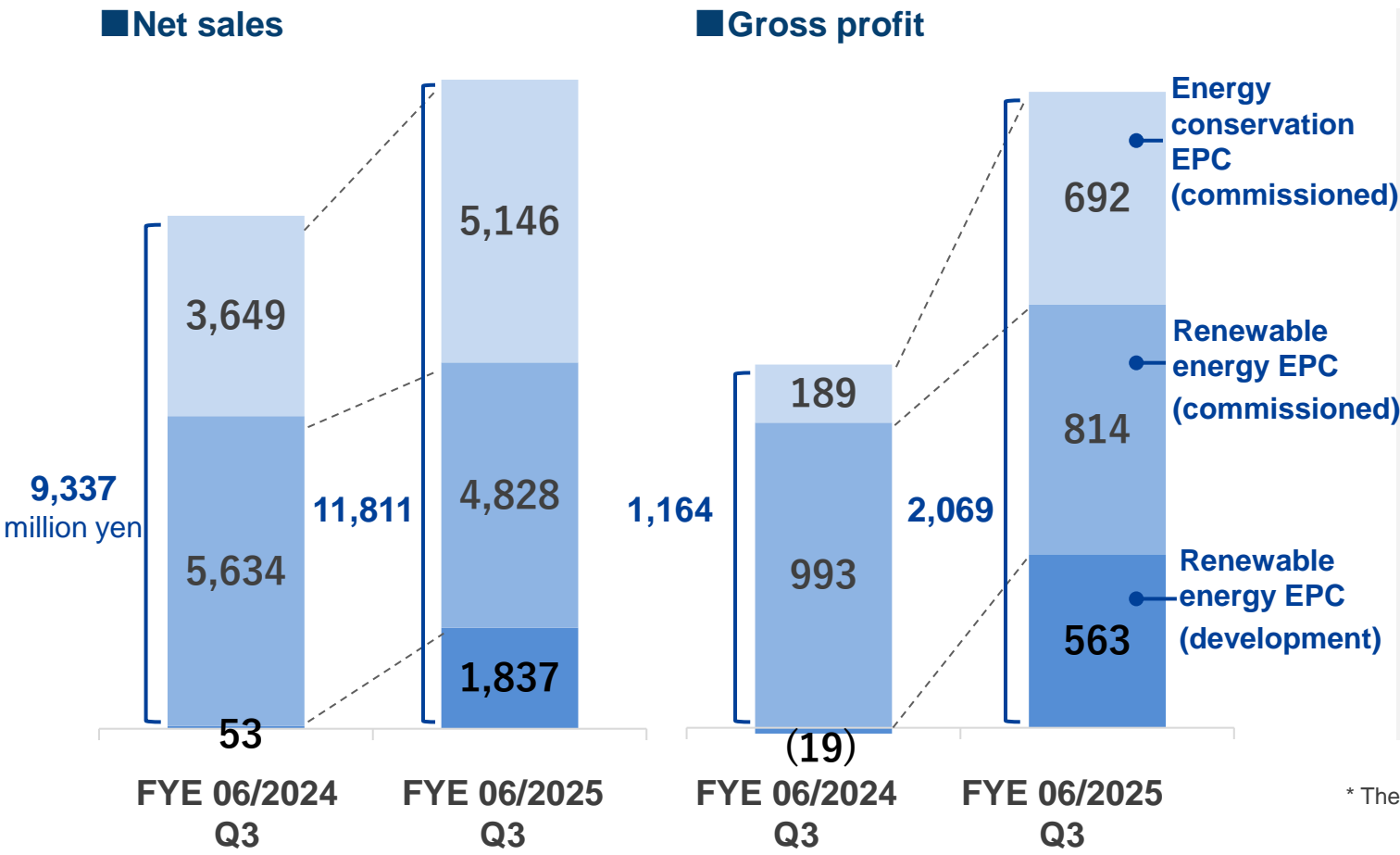
Flow-type



Engineering Segment

- ▶ Engineering Segment increased both net sales and gross profit year-on-year.
- ▶ The main reasons for this were strong performance in energy conservation EPC (commissioned) and renewable energy EPC (development).

Engineering Segment Highlights

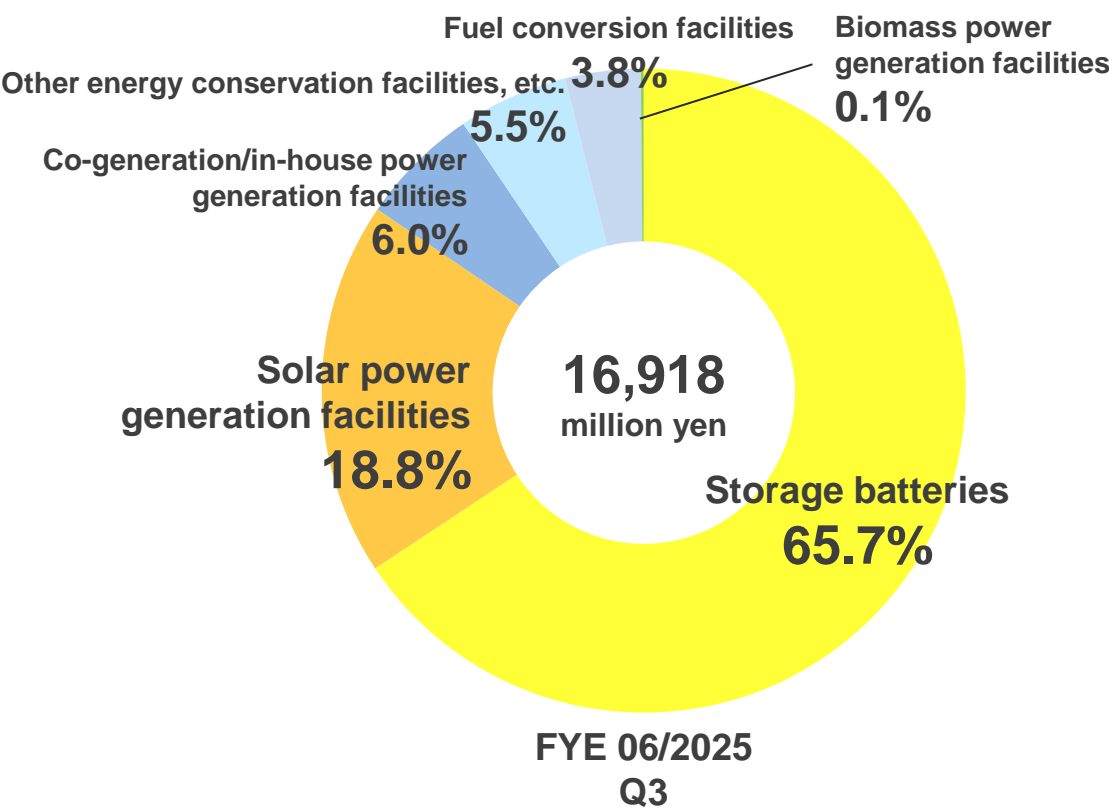


- Energy conservation EPC (commissioned) saw increased revenue and profits year-on-year due to an increase in the number of co-generation construction projects and an increase in project scale.
- Renewable energy EPC (commissioned) saw decreased revenue and profits year-on-year due to a decrease in the number of rooftop solar construction projects for logistics warehouses and factories.
- For renewable energy EPC (development), in contrast to there being no new EPC projects in the corresponding period of the previous fiscal year, revenue and profit were recorded during the nine months ended March 31, 2025 for EPC of a solar power plant (generating capacity of approx. 8.0 MW, utilizing the FIT system) that had been under development in Kagoshima Prefecture, resulting in year-on-year growth in both revenue and profit.

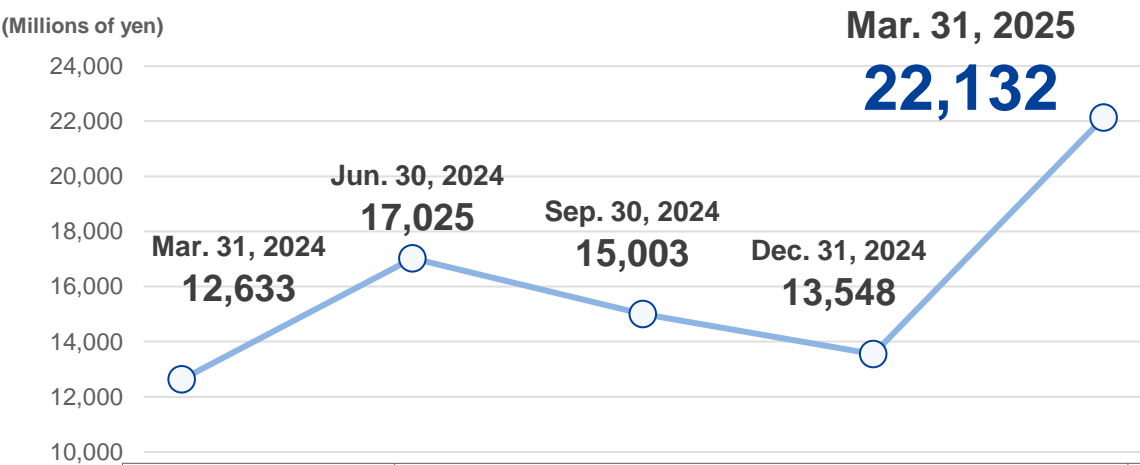
* The breakdown of net sales and gross profit by reportable segment has not been audited.
* Figures are after inter-segment elimination.

- ▶ Orders received totaled 16,918 million yen (131.2% year-on-year). Mainly driven by commissioned and development EPC projects for FIP conversion of FIT solar power plants + storage battery co-location, as well as for power storage plants for the grid.
- ▶ Order backlog was 22,132 million yen (175.2% year-on-year). Approximately 50% was for storage batteries, and approximately 40% was for co-generation/in-house power generation facilities and biomass power generation facilities.

Breakdown of orders received



Trends in order backlog over the most recent year



Breakdown of order backlog (major factors) (As of Mar. 31, 2025)	Storage batteries	50.2%
	Co-generation/in-house power generation facilities	25.8%
	Biomass power generation facilities	15.8%
	Solar power generation facilities	6.3%
	Fuel conversion facilities	2.0%
	Other energy conservation facilities	0.02%

- ▶ The major EPC projects listed below were completed in Q3 of FYE June 2025.
Providing EPC for energy conservation-related facilities, solar power generation systems, etc., for factories and other facilities of high energy consumption.



Co-generation systems

4 projects
(approx. 16.9 MW)

LNG satellite facilities and
other fuel conversion equipment,
utility equipment

3 projects

Energy management systems

1 project

Solar power generation systems

23 projects
(approx. 34.5 MW)

Facilities completed in Q3 of FYE June 2025

Stock-type

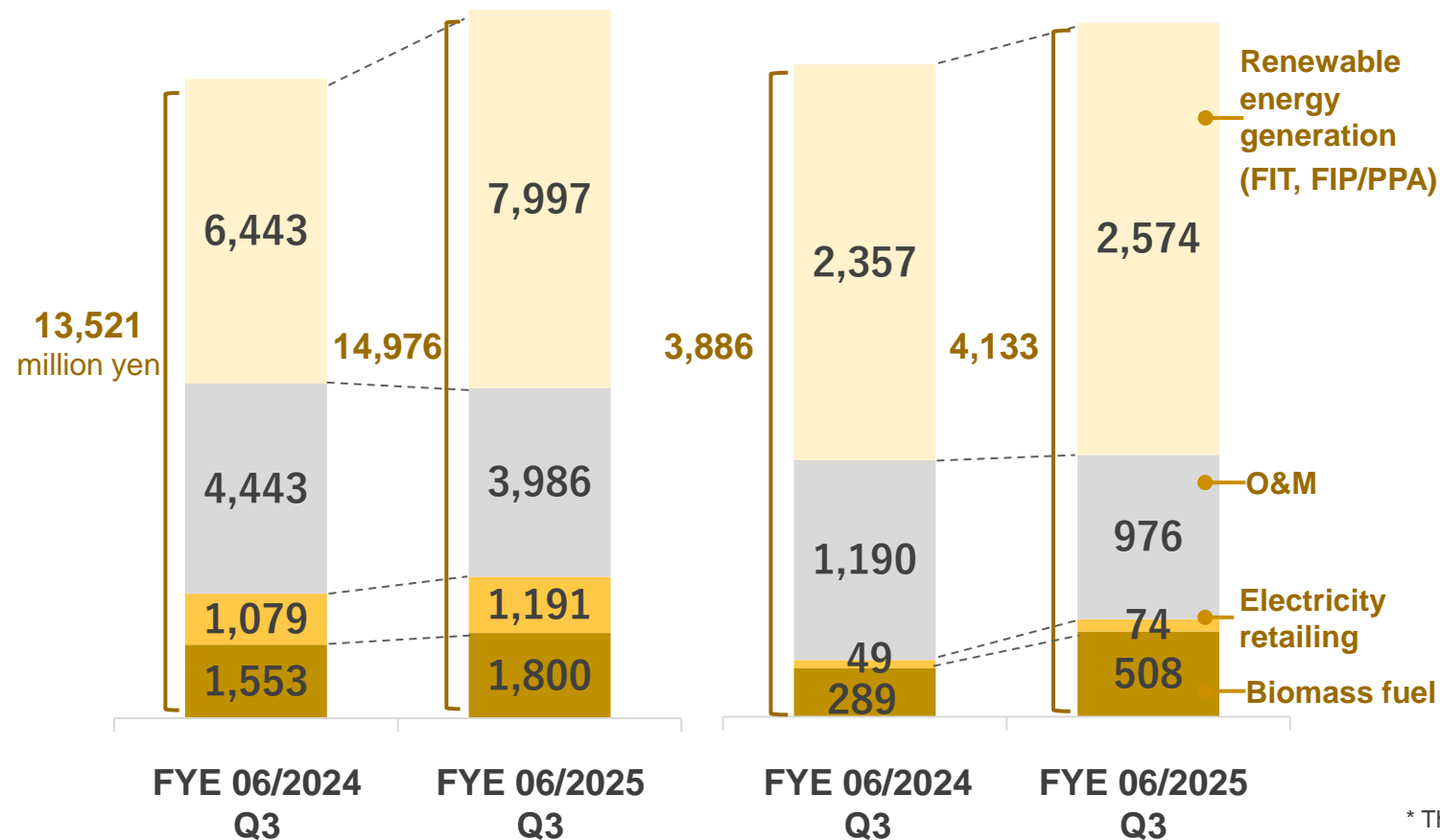


Energy Supply Segment

- ▶ Both revenue and profit in the Energy Supply Segment climbed year-on-year.
- ▶ This results mainly from increased revenue and profits in renewable energy generation, electricity retailing, and biomass fuel.

Net sales

Gross profit



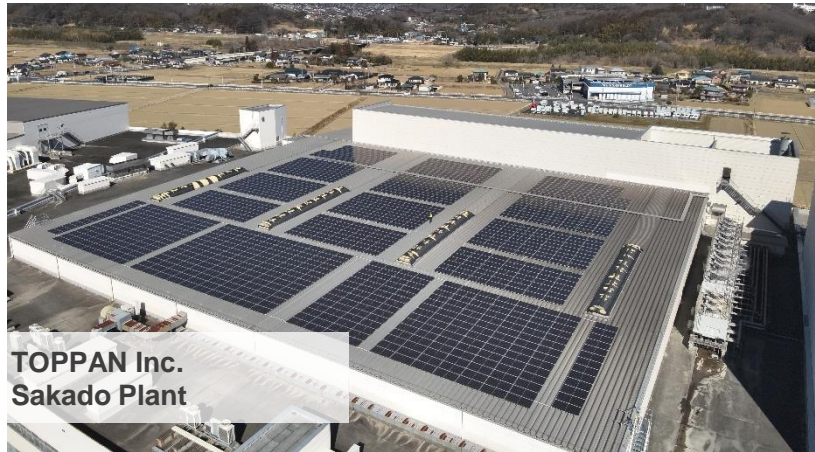
Energy Supply Segment Highlights

- Revenue and profit from renewable energy power generation grew year-on-year because of an increased number of projects and expanded power generation capacity held by consolidated subsidiaries, including the conversion of a silent partnership operated by Fukuoka-Miyako Mega Solar power plant (power generation capacity of approx. 67.0 MW) into a consolidated subsidiary.
- O&M saw a decrease in revenue and profit year-on-year due to a decrease in irregular maintenance work arising from the expiration of large O&M contracts and the recording of a loss on the valuation of components in inventory.
- Electricity retailing saw an increase in revenue and profit year-on-year due to an expanded supply volume under market-linked offerings and an increase in electricity prices as well as a decrease in procurement costs.
- Biomass fuel saw an increase in revenue and profit year-on-year due to an increase in shipment volume and a decrease in PKS procurement costs.

* The breakdown of net sales and gross profit by reportable segment has not been audited.

* Figures are after inter-segment elimination.

- ▶ In Q3 of FYE June 2025, we started supplying a total of approximately 19.6 MW of electricity to eighteen locations generated by renewable energy using solar power generation systems for in-house consumption employing an on-site PPA model.



Supplied to	Power generation capacity	Date of supply launch
Not disclosed	Approx. 2,736 kW	Jul. 2024
Miyazakiken Nokyo Kajyu Co., LTD., Head Office Factory	Approx. 501 kW	Aug. 2024
SOSiLA Logistics REIT, Inc., SOSiLA Kasukabe	Approx. 1,532 kW	Sep. 2024
Maniwa City, Okayama Prefecture Maniwa City Hokubo Elementary School and four other locations	Total approx. 345 kW	Sep. 2024
Not disclosed	Approx. 2,613 kW	Nov. 2024
Not disclosed	Approx. 1,654 kW	Jan. 2025
Not disclosed	Approx. 2,777 kW	Feb. 2025
Nippon Life Insurance Company, Nissay Logistics Center Tosu	Approx. 350 kW	Feb. 2025
Oita Prefecture Livestock Industry Corporation	Approx. 579 kW	Feb. 2025
Koatsu Gas Kogyo Co., Ltd. Koka Plant	Approx. 543 kW	Feb. 2025
TOPPAN Inc., Sakado Plant	Approx. 645 kW	Feb. 2025
Minami Nihon Rakuno Kyodo Co., Ltd., Miyakonojo Factory	Approx. 957 kW	Feb. 2025
ULVAC, Inc., Kyushu Plant	825 kW	Feb. 2025
Not disclosed	Approx. 1,271 kW	Mar. 2025
Toyo Seikan Co., Ltd., Shizuoka Plant	Approx. 1,558 kW	Mar. 2025
Not disclosed	Approx. 740 kW	Mar. 2025

- ▶ A total supply of approximately 3.0 MW to four locations is being launched from April 2025 onwards. Supply launches for a total of approximately 31.8 MW are planned moving forward for eight locations.



Supply initiation status	Supplied to	Power generation capacity	Scheduled date* of supply launch <small>*Tentative schedule at the time of release</small>
Initiated	ARIAKEFARM Co., Ltd. Isahaya Bay Reclamation Branch	Approx. 365 kW	Apr. 2025
Initiated	Zenkai Meat Co., Ltd.	Approx. 457 kW	May 2025
Initiated	Not disclosed (Total of 2 supply destinations)	Total approx. 2,206 kW	Apr.-May 2025
Scheduled	Kracie, Ltd., Kyoto Factory	Approx. 1,012 kW	Aug. 2025

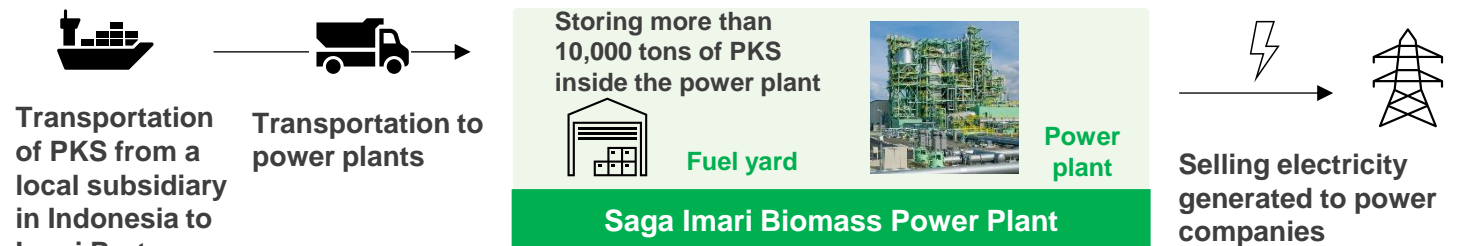
* Other plans for upcoming supply launches: Supply launch for seven projects (approx. 30.8 MW).

- ▶ On April 19, 2025, the Saga Imari Biomass Power Plant (generating capacity: 46.0 MW) commenced commercial operations. The start date was brought forward due to the smooth progress of construction and trial operation processes.
- ▶ The estimated annual sales for this power generation project are approximately 7.4 billion yen*1.



Saga Imari Biomass Power Plant

Consistent business scheme within the TESS Group, from PKS fuel procurement to power generation



Estimated annual electricity sales amount	Approx. 312,000,000 kWh/year (1st year estimate)
Feed-in tariff	24 yen/kWh
CO ₂ reduction contribution*2	Approx. 131,664 t-CO ₂

The Imari Green Power Co., Ltd.
website (Japanese)



*1 Calculated by multiplying the estimated annual electricity sales volume by the fixed purchase price

*2 Calculated using the alternative emission factor for electricity suppliers: 0.000422 t-CO₂/kWh

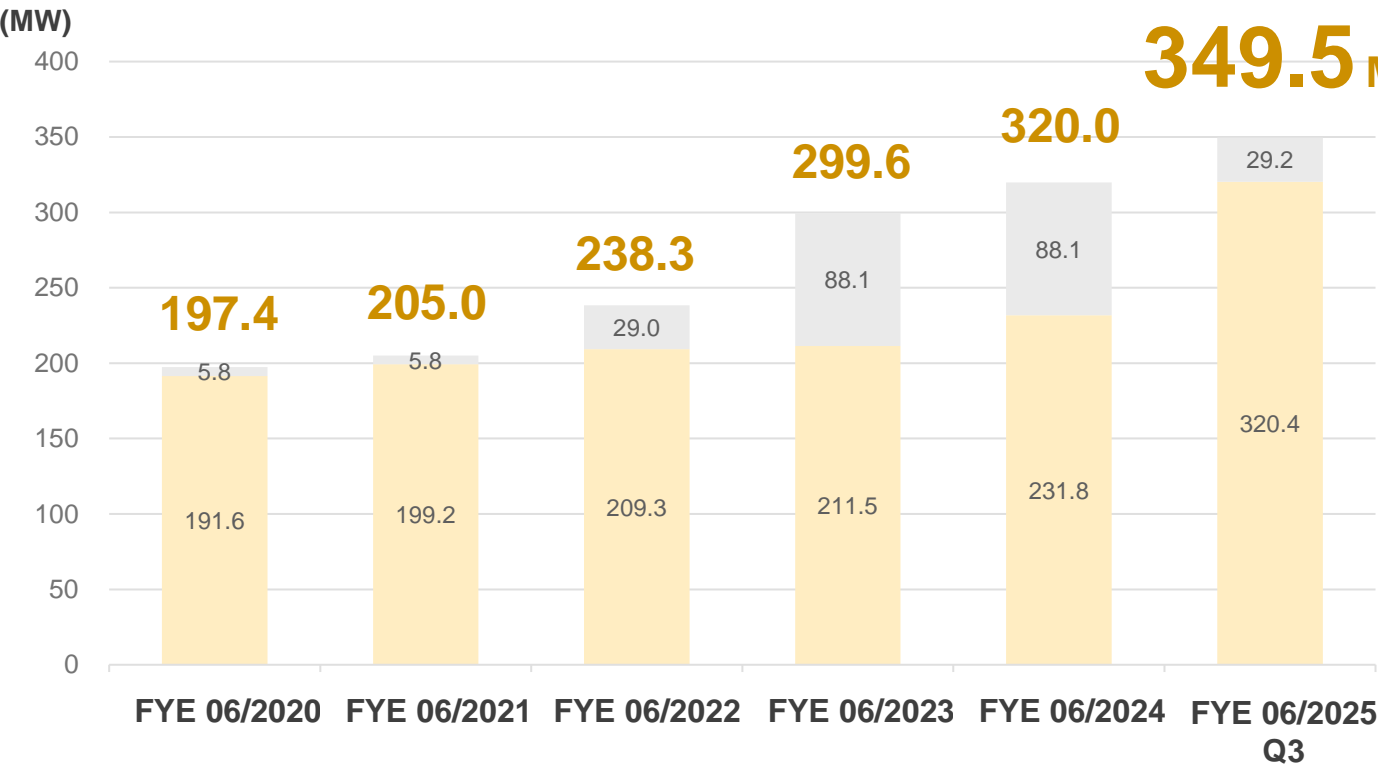
Reference: Ministry of the Environment website "List of Emission Factors by Electricity Suppliers (2025 submission)" (In Japanese only)

https://policies.env.go.jp/earth/ghg-santeikohyo/files/calc/r07_denki_coefficient_rev.pdf

► We seek to obtain stable long-term income from FIT and FIP systems and on-site PPA models for in-house consumption.

Trends in total capacity of renewable energy power generation facilities *

* Solar power plants (including on-site PPA for in-house consumption), biomass power plants, and small-scale wind power plants.



■ Portion owned by consolidated subsidiaries

■ Portion owned by TESS Group investee companies
(Companies accounted for by the equity method and a silent partnership where a limited liability company investing in the silent partnership is the operator)

Topics for Q3 of FYE June 2025

- Increases in capacities owned by consolidated subsidiaries
On-site PPA: Approx. 19.6 MW (18 supply destinations)
FIP system-utilizing solar power plants: Approx. 1.9 MW (1 project)
- Increases in capacities owned by TESS Group investee companies
FIT system-utilizing solar power plants: Approx. 8.0 MW (1 project)
- Since we acquired all the silent partnership investment equity interests in the Miyako silent partnership in August 2024, the approximately 67.0 MW of the solar power plants in the silent partnership were transferred from the portion held by the companies in which TESS Group has invested to the portion held by our consolidated subsidiary (there was no change in the total capacity of renewable energy power generation facilities).

Solar

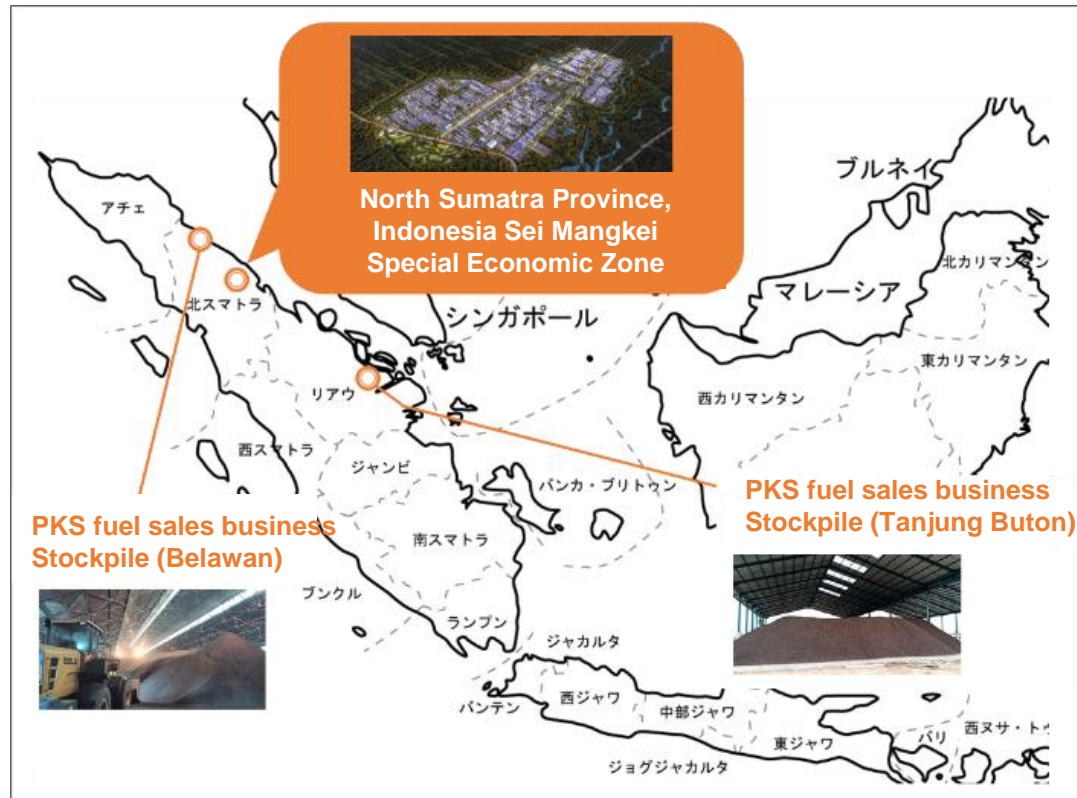
123 projects, approx. 341.7 MW
including 47 on-site PPA projects, approx. 54.8 MW

Biomass

2 projects, approx. 7.8 MW

* As of March 31, 2025.

- ▶ EFB pellet manufacturing will advance into the Sei Mangkei Industrial Park in Indonesia, a major hub of the palm oil industry.
- ▶ Small-scale factory construction site changed to facilitate early large-scale commercialization and synergies with PKS fuel sales business.
- ▶ Annual production after the start of operations is expected to be around 10,000 tons, with operations targeted to begin in June 2026.



North Sumatra Province, Indonesia
Sei Mangkei Special Economic Zone



Top: Groundbreaking ceremony held at Sei Mangkei Special Economic Zone (February 20, 2025)
Bottom: Illustration of the planned small-scale factory once completed

- ▶ **CDP 2024: Achieved a “B” score in the Climate Change category.**
- ▶ **Continued efforts to create a workplace environment that is comfortable for all staff members.**

CDP 2024 Score Results

CDP, an international non-profit organization that operates an environmental information disclosure system, awarded the company a “B” score at the management level in the Climate Change category of its 2024 Full Corporate Questionnaire. In addition, the company received a “C” score at the awareness level in the Water Security category, which it responded to for the first time this year.



*What is CDP?

Established in 2000, CDP operates a global disclosure system that enables investors, companies, countries, regions, and cities to manage their environmental impact. Every year, it publishes environmental information on companies and local governments and evaluates their environmental impact on an eight-point scale (A, A-, B, B-, C, C-, D, D-). In 2024, over 24,800 companies worldwide disclosed their environmental information through CDP, and this data is widely utilized for investment and procurement related to sustainable economic activities.

Creating a comfortable working environment

- ✓ **Introduction of industrial health nurses**
To further enhance the TESS Group's health and safety system and provide comprehensive support from a preventive perspective for the physical and mental health issues of all staff members, we have introduced industrial health nurses. This initiative aims to further promote health management.
- ✓ **Other initiatives**
 - Issued “Manners Manual Version 2,” which compiles guidelines for creating a workplace environment where all staff members can work comfortably.
 - Expanded office space at the Osaka headquarters to accommodate an increase in employees due to new graduate and mid-career hires.

3. Appendix

- ▶ Focus growth investments and management resources on key business areas while sustaining existing operations as the earnings base.
- ▶ Aim to achieve high profitability and increase ROE and ROIC through business restructuring.

Key Metrics

Period	Gross profit	Operating profit	ROE	ROIC	In-house FIP conversion renewable energy cap.	Cumulative installed cap. (Grid power storage plants)	Cumulative installed cap. (Non-grid power storage plants)	Biomass fuel supply	Renewable energy generation cap. *
FY06/2030 Forecast	21.5 bn yen	13.4 bn yen	11.7%	5.7%	113 MW	700 MW	150 MW	500,000 tons/year	470 MW
FY06/2027 Forecast	13.2 bn yen	6.4 bn yen	5.8%	3.0%	75 MW	100 MW	120 MW	350,000 tons/year	380 MW
FY06/2024 Actual	6.5 bn yen	2.3 bn yen	3.4%	1.6%	0 MW	0 MW	0 MW	104,000 tons/year	231.8 MW

- Expanding business as an engineering company consistently working on energy conservation and environmental measures since its establishment.
- In the Engineering Segment, we have been acquiring large-scale development EPC projects in addition to commissioned projects in response to the rapid expansion of the renewable energy market following the launch of Japan's FIT system in 2012. In the Energy Supply Segment, we have established a medium- to long-term earnings base by increasing revenues from the sale of electricity from our own renewable energy power plants.
- Moving forward, the market for FIT solar power plant FIP conversion and storage battery co-location is expected to grow rapidly from the perspective of effectively utilizing grid power storage plants and existing FIT solar power plants in order to stabilize power grids.
- In addition to existing business for energy-conservation and renewable energy solutions (solar power, CGS, and other existing fields), we will prioritize investments in the power storage system-related business and resource-recycling biomass fuel business sectors, focusing growth investment and management resources on these growth areas through 2030.
- We will increase corporate value and promote stable shareholder returns by emphasizing ROE and ROIC and promoting ESG management.

Consolidated Statement of Income (Four Fiscal Years)

	FYE 06/2022	FYE 06/2023	FYE 06/2024	FYE 06/2025
(Millions of yen)	Q3	Q3	Q3	Q3
Net sales	26,708	24,047	22,858	26,788
Cost of sales	19,389	17,104	17,807	20,584
Gross profit	7,319	6,942	5,051	6,203
Selling, general, and administrative expenses	2,445	2,684	2,978	3,533
Operating profit	4,873	4,257	2,073	2,669
Non-operating income	439	613	2,649	908
Non-operating expenses	890	1,224	951	3,352
Ordinary profit	4,422	3,646	3,771	225
Extraordinary income	-	-	-	985
Extraordinary losses	-	-	-	292
Profit before income taxes	4,422	3,646	3,771	919
Profit	2,901	2,500	2,518	702
Profit attributable to owners of parent	2,843	2,327	2,398	616

Quarterly Consolidated Statements of Income - Reportable Segment Details (Two Periods)

	(Millions of yen)	FYE 06/2024 Q1	FYE 06/2024 Q2	FYE 06/2024 Q3	FYE 06/2024 Q4	FYE 06/2025 Q1	FYE 06/2025 Q2	FYE 06/2025 Q3
Net sales		6,221	8,847	7,789	7,784	8,308	9,705	8,774
Engineering Segment		1,535	4,096	3,705	3,825	3,710	3,897	4,203
Commissioned EPC (energy conservation)		563	1,723	1,362	793	2,011	1,733	1,401
Commissioned EPC (renewable energy)		972	2,330	2,332	1,568	1,298	1,841	1,687
Development EPC (renewable energy)		0	43	10	1,464	400	322	1,114
Energy Supply Segment		4,685	4,751	4,084	3,958	4,598	5,807	4,570
Renewable energy power generation		2,202	2,399	1,840	1,994	2,421	3,361	2,214
O&M		1,445	1,596	1,401	1,423	1,358	1,296	1,331
Electricity retailing		426	350	301	182	343	334	513
Biomass fuel		610	403	539	358	475	814	510
Gross profit		1,733	2,034	1,282	1,502	2,103	2,627	1,472
Engineering Segment		203	496	464	733	592	491	986
Commissioned EPC (energy conservation)		31	120	38	92	205	198	288
Commissioned EPC (renewable energy)		163	388	442	130	260	237	316
Development EPC (renewable energy)		9	(12)	(15)	510	127	54	381
Energy Supply Segment		1,529	1,538	818	768	1,510	2,136	486
Renewable energy power generation		889	1,159	309	615	894	1,450	229
O&M		497	369	323	166	482	313	181
Electricity retailing		27	(10)	32	(37)	4	47	22
Biomass fuel		116	20	153	24	129	325	53
Operating profit		714	1,050	307	297	944	1,464	260
Engineering Segment		(23)	228	198	404	260	171	626
Energy Supply Segment		1,053	1,151	428	332	1,076	1,686	27
Elimination or company-wide		(315)	(329)	(319)	(439)	(392)	(393)	(393)

Operating Results by Segment

		Actual		Forecast
(Millions of yen)		FYE 06/2023	FYE 06/2024	FYE 06/2025
Net sales		34,415	30,643	38,000
Engineering Segment		10,422	13,163	15,000
	Commissioned EPC (energy conservation)	2,711	4,442	8,100
	Commissioned EPC (renewable energy)	5,018	7,202	5,100
	Development EPC (renewable energy)	2,692	1,518	1,800
Energy Supply Segment		23,992	17,479	23,000
	Renewable energy power generation	14,060	8,437	10,500
	O&M	5,229	5,867	5,600
	Electricity retailing	3,209	1,262	3,900
	Biomass fuel	1,493	1,912	3,000
Gross profit		10,611	6,553	8,000
Engineering Segment		1,780	1,897	1,900
	Commissioned EPC (energy conservation)	307	282	850
	Commissioned EPC (renewable energy)	704	1,124	650
	Development EPC (renewable energy)	768	491	400
Energy Supply Segment		8,830	4,655	6,100
	Renewable energy power generation	6,664	2,972	3,800
	O&M	1,169	1,356	1,300
	Electricity retailing	541	11	150
	Biomass fuel	455	314	850
Operating profit		6,864	2,370	2,700
Engineering Segment		728	808	300
Energy Supply Segment		7,292	2,966	3,800
Elimination or company-wide		(1,156)	(1,404)	(1,400)

Explanations of Terms

Term	Explanation
Energy conservation	Reducing the amount of energy consumed through the efficient use of resources and energy.
Co-generation system	A type of distributed energy resource consisting of a combined heat and electricity supply system that uses the heat emitted during power generation for air conditioning and heating, or for production processes. It may also be referred to as CHP (Combined Heat & Power).
Renewable energy	Energy, such as solar power, wind, and geothermal, that can be used repeatedly without depleting resources, unlike fossil fuels derived from finite resources.
Solar power generation system	A power generation system that uses a photovoltaic panel to absorb light energy from the sun and convert it to electricity for use.
Biomass power generation system	A power generation system that obtains energy through the rotation of a turbine using steam or gas generated by the combustion or gasification of biomass resources (resources derived from biological matter).
On-site PPA (Power Purchase Agreement)	A form of contract in which TESS Group acts as a power generation company, owning, maintaining, and managing solar power generation plants for in-house consumption, and providing the electricity generated by these plants to customers.
EPC	An abbreviation for Engineering, Procurement, and Construction.
FIT (Feed-in Tariff)	A system, based on the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources, under which the national government promises that electricity utilities will purchase electricity generated from renewable energy, such as solar, wind, or biomass, at a set price and for a set period of time.
FIP (Feed-in Premium)	A system where the amount equivalent to the difference between the standard price (FIP price) and market price shall be paid as a premium in the case that electricity produced by renewable energy electricity utilities is sold on the wholesale electricity market or in direct dealings.
PKS (Palm Kernel Shell)	The shell that remains after palm oil has been extracted from palm kernels.
EFB (Empty Fruit Bunch)	The empty oil palm husk produced as a byproduct (residue) when extracting palm oil from oil palms.
Power storage plants for the grid	A facility that connects large industrial storage batteries to a power grid (transmission and distribution network) and performs charging and discharging. The purpose is to stabilize the power grid by storing electricity when there is a surplus and discharging it when there is a shortage.

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