February 26, 2026

Dear Investors and Analysts

Company Name:	erex Co., Ltd
Representative:	Hitoshi Honna, Representative Director and President
	(Code No.: 9517, TSE Prime Market)
Contact:	Toshimichi Tanaka, Managing Director
	(TEL. +81-3-3243-1167)

Notice Regarding the Formulation of the Mid-Term Business Plan (Fiscal Year Ending March 31, 2027 to Fiscal Year Ending March 31, 2029)

erex Co., Ltd. (Headquarter: Chuo-Ward, Tokyo, Representative Director and President: Hitoshi Honna, hereinafter referred to as “the Company”) is pleased to announce that the Company has formulated its mid-term business plan for the period from fiscal year 2026 (fiscal year ending March 31, 2027 to fiscal year ending March 31, 2029), as follows.

Note

1. Background and Outline of Formulation of the Mid-Term Business Plan (Fiscal Year Ending March 31, 2027 to Fiscal Year Ending March 31, 2029)

The Company started its power retail business in 2001 and has since established a foundation for growth by leveraging its know-how in the power trading business. In 2013, the Company started operating Japan's first biomass power plant fueled by PKS (palm kernel shells), and has since expanded into the downstream and midstream sectors of the energy business, including procuring fuels in-house.

In recent years, the environment surrounding Japan's energy industry has reached a major turning point. For example, with the widespread adoption of AI, demand for electric power from data centers and other facilities is expanding rapidly. Furthermore, the structural shift toward de-carbonization is accelerating, with the full-scale launch of the GX-ETS (Emissions Trading Scheme) in April 2026 and the ambitious goal of a 40% renewable energy ratio by fiscal 2040 set forth in the 7th Basic Energy Plan, approved by the Cabinet last year.

Meanwhile, in anticipation of rapidly expanding electric power demands due to economic growth, the Company has been expanding its business overseas, particularly in Southeast Asia, and has built a model that integrates domestic and overseas businesses. In Vietnam, the Hau Giang Biomass Power Plant, the country's first commercial biomass power plant, started operations in April 2025, and the Tuyen Quang Pellet Factory, the Company's first wood pellet factory, started producing certified wood in March 2025. Furthermore, leveraging its knowledge, the Company is also proceeding with the construction of two biomass power plants in Vietnam (scheduled for operations to start in fiscal 2027) and has conducted biomass fuel co-firing tests at two existing coal-fired power plants. In Cambodia, the Company is steadily progressing with projects such as the construction of a hydroelectric power plant (scheduled for construction completion in June 2026) and biomass and solar power plants (scheduled for operations to start in fiscal 2027).

Going forward, in the downstream sector, the Company will respond to increasing electric power demands by not only expanding its retail and trading businesses, but also by proceeding with aggregation businesses such as BESS (battery energy storage system) to promote the introduction of renewable energy through adjustment capabilities. In the midstream sector, the Company will further develop its biomass power generation business in Southeast Asia and launch the co-firing business at existing coal-fired power plants in Vietnam, thereby generating carbon credits, selling them domestically and contributing to domestic de-carbonization. Furthermore, in the upstream sector, the Company will strengthen its biomass power generation business by building a fuel supply chain to ensure stable procurement of biomass fuels and developing biomass fuels with a view to supplying them for SAF, etc. In this way, by building an integrated value chain from upstream to downstream and diversifying its source of earnings, the Company will realize a model of promoting domestic and overseas businesses in an integrated manner and achieving growth through mutual circulation.

As the outlook for the businesses that will be the pillars of mid/long-term growth has become clearer in this way, the Company has now formulated a new mid-term business plan.

The outline of the business is as follows:

(１) Domestic Business

① Continued growth of the retail business
② Expansion of the aggregation business, including BESS
③ Utilization of biomass power plants to meet growing demands from AI / data

centers

(２) Overseas Business

① Vietnam: Expansion of biomass power generation and co-firing with coal-fired power generation

② Cambodia: Development of hydroelectric, biomass and solar power generation

③ Creation and domestic sales of carbon credits

④ Establishment of a fuel supply chain for stable procurement and development of biomass fuels

(３) Financial Strategy and Human Resource Development

① Establishment of a solid financial infrastructure

② Development of global human resources

Please refer to the attached document for details of the mid-term business plan.

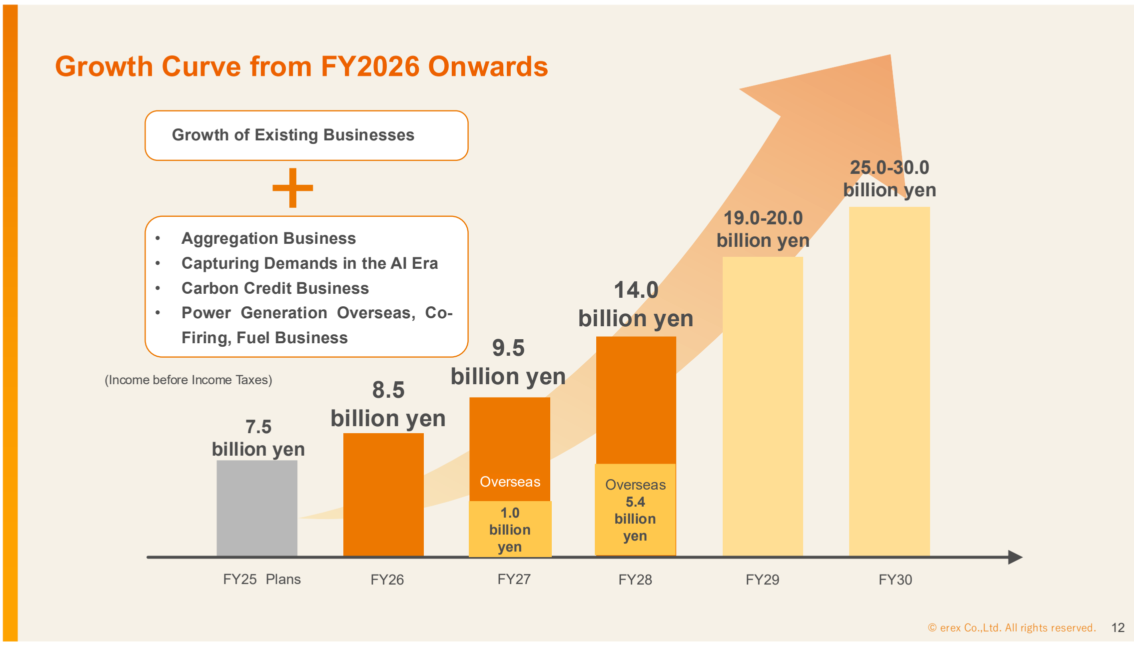
2. Summary of the Mid-Term Business Plan (Fiscal Year Ending March 31, 2027 to Fiscal Year Ending March 31, 2029)

(billion yen)

Consolidated	Fiscal Year Ending March 31, 2027	Fiscal Year Ending March 31, 2028	Fiscal Year Ending March 31, 2029
Net Sales	174.9	181.8	208.3
Operating Income	8.5	9.0	11.3
Income before Income Taxes	8.5	9.5	14.0
Net Income Attributable to the Owners of the Parent Company	5.5	6.5	9.5

(Note) The above plan was created based on the information available at the time of publication of this document, and actual results may differ depending on various factors going forward.

3. Mid/Long-Term Growth Image



[Attachment]

erex Co., Ltd.

Mid-Term Business Plan (Fiscal Year Ending March 31, 2027 to Fiscal Year Ending March 31, 2029)

Note: This document is an English translation of the original Japanese language document and has been prepared solely for reference purposes. No warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this English translation and the original Japanese language document, the original Japanese language document shall prevail in all respects.

erex Co., Ltd. [9517]

Mid-Term Business Plan

FY March 2027 – FY March 2029

February 26, 2026

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Business Outline of the Mid-Term Business Plan

	Current Environmental Awareness	Issues and Opportunities	Key Initiatives from FY26 Onwards
Japan	• Feasibility and impact of the 7th Strategic Energy Plan • Increasing needs for de-carbonization with the introduction of GX-ETS market	• Developments into new demand-side • Demonstration of competitive advantages • Adapting to the AI era • Utilization of carbon credits	• Expansion of BESS / aggregation business based on supply / demand adjustment know-how • Power supply to meet increasing demands for AI era data centers by utilizing domestic biomass power generation
Southeast Asia	• Increasing power demands due to significant economic growth • Increasing use of fossil fuel • Starting to address co-firing of coal-fired power generation	• Full-scale entry into the upstream energy business • Development of added value such as biomass-derived SAF* *SAF (sustainable aviation fuel)	• Expansion into hydropower and additional small-scale hydropower in Cambodia • Development of biomass power plants and co-firing biomass with coal-fired power generation • Strengthening of stability of the power generation business by establishing a long-term, stable supply chain
Base		• Solid financial structure to support sustainable additional investments • Development of global talent capable of working across both domestic and overseas businesses	• Strengthening of financial foundation and human resource developments that support business growth

Promoting domestic & overseas markets in an integrated manner to build a "mutually circulating growth model"

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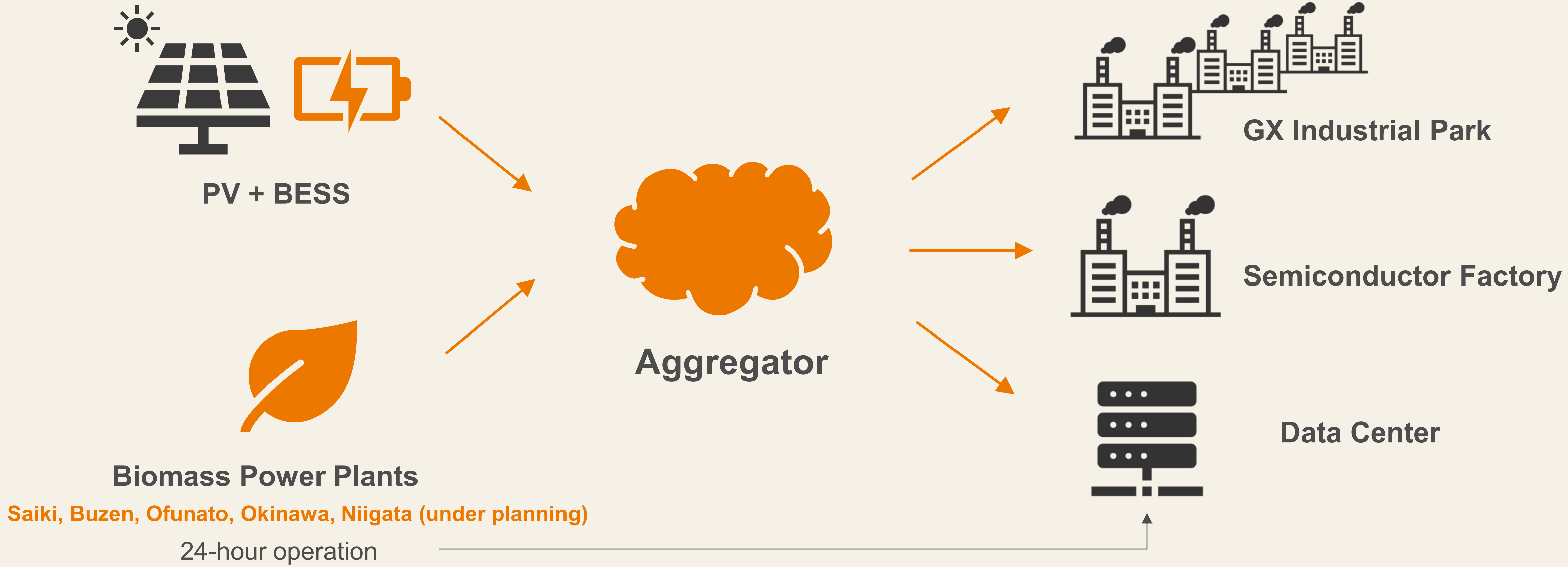
Meeting Power Demands in the AI Era

- The revised GHG Protocol adds new concepts such as hourly matching to electric power usage. This is expected to increase the value of biomass power plants that can generate electric power stably 24 hours a day
- As demands are expected to increase, erex Group will maximize the use of renewable energy through BESS and aggregation



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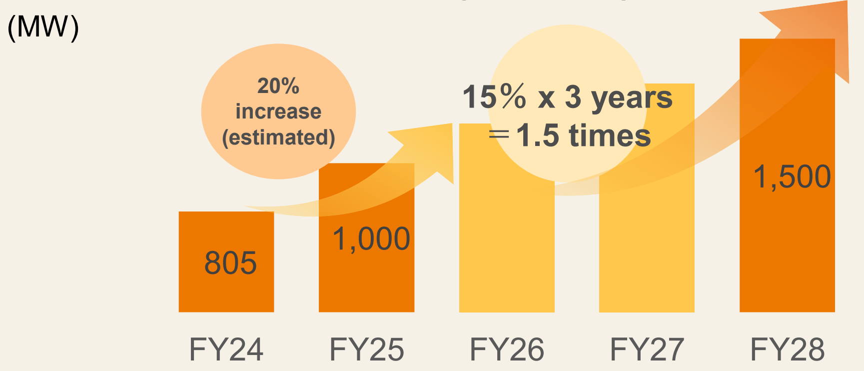
Domestic Business Growth Outlook

- Business scale will be expanded by building a power supply system that takes into account market fluctuation risks (high voltage)
- Customer retention rate will be improved by designing plans that combine electric power with city gas and other additional services (low voltage)
- Trading, in-house power source, and aggregation functions will be utilized to increase power sales volume and to improve profit margins

Growth Image of High-Voltage Retail Business

FY28: Planned supply capacity of 1,500MW



Growth Image of Low-Voltage Retail Business

FY28：Planned 300,000 supply contracts

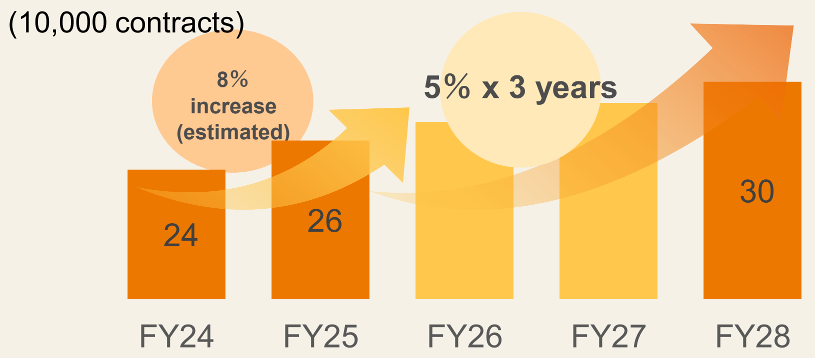


Image of the BESS Business Plan

Based on Power Source Handled

	FY26	FY27	FY28
Output	35MW	50MW	100MW

Based on Investment Decision

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Overview of the Overseas Power Generation Business

	Vietnam		Cambodia	
	Yen Bai Biomass Power Plant	Tuyen Quang Biomass Power Plant	Hydroelectric Power Plant	Biomass + Solar Power Plants
Scheduled Start of Operations	End of FY2027	End of FY2027	End of December 2026	End of FY2027
Power Generation Output	50 MW	50 MW	80MW	50 MW + 40 MW
Power Generation Volume (Operating Rate)	334GWh (76.3%)	334GWh (76.3%)	480GWh （69.1%）	405GWh (48.8%)
Total Investment Amount	120.5 MMUSD	120.5 MMUSD	240 MMUSD	180 MMUSD
Power Sold to	Vietnam Electricity	Vietnam Electricity	Electricité du Cambodge	Electricité du Cambodge
Operating Income (* ownership ratio considered)	10 MMUSD/year (power sales & credits)	10 MMUSD/year (power sales & credits)	11 MMUSD/year	8～10 MMUSD/year (Credits will be reviewed after adoption)

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Creation of Carbon Credits

Steady implementation of biomass power generation development pipeline in Vietnam will meet electric power demands while generating carbon credits

	～FY25	FY26	FY27	FY28	FY29～
Vietnam	• **Hau Giang Biomass Power Plant (Power Plant #1 in Vietnam)** • **Tuyen Quang Pellet Factory**	• **Na Duong Power Plant (biomass co-firing with coal-fired power)** • **Cao Ngan Power Plant (biomass co-firing with coal-fired power)**  Na Duong Thermal Power Plant	• **Yen Bai Biomass Power Plant (Power Plant #2 in Vietnam)** • **Tuyen Quang Biomass Power Plant (Power Plant #3 in Vietnam)**  Rendering of the Completed Biomass Power Plant	• **Cam Pha Power Plant (biomass co-firing with coal-fired power)** • **An Giang Biomass Power Plant (Power Plant #4 in Vietnam)**	• **New biomass power plants** • **Pellet factories**

List of Projects	Output (MW)	erex Group’s Estimated Acquisition Volume (year)
Hau Giang Biomass Power Generation	20MW	23,000t-CO2
Yen Bai Biomass Power Generation	50MW	71,000t-CO2
Tuyen Quang Biomass Power Generation	50MW	71,000t-CO2
An Giang Biomass Power Generation	50MW	71,000t-CO2
Na Duong Power Plant (co-firing with coal)	55MW × 2 units	45,000t-CO2
Cao Ngan Power Plant (co-firing with coal)	57.5MW × 2 units	47,000t-CO2
Cam Pha Power Plant (co-firing with coal)	335MW × 2 units	274,000t-CO2

FY28 Estimated Acquisition Volume	**FY29** Estimated Acquisition Volume
115,000t-CO2	604,000t-CO2

Credit trading price: Assuming 60$/t-CO2

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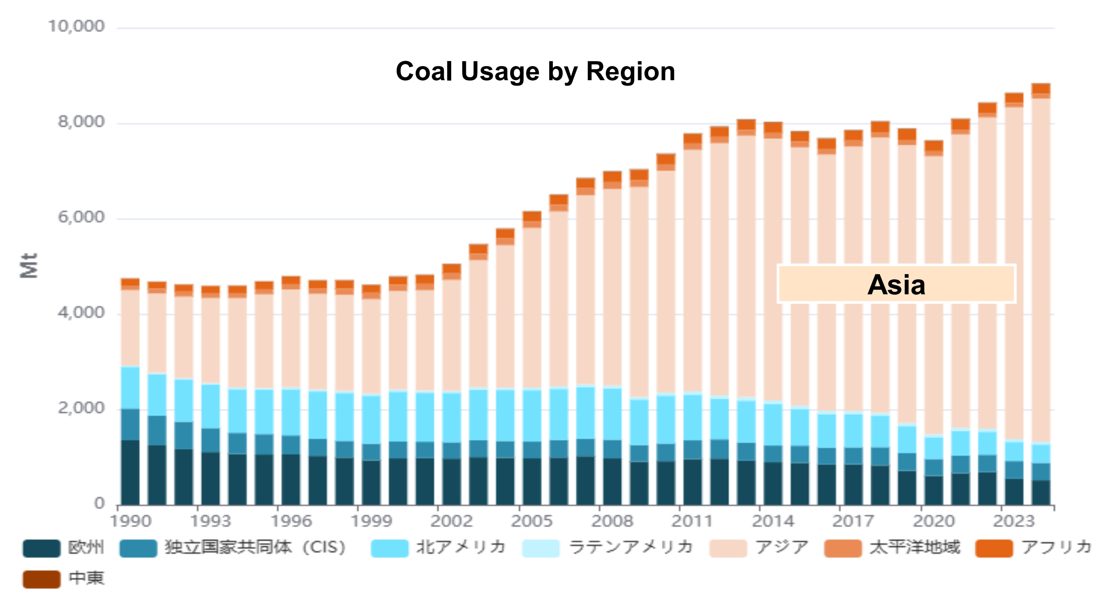
Initiatives to Achieve Sustainable Regional Economic Growth & De-Carbonization

Promoting Sustainability Business

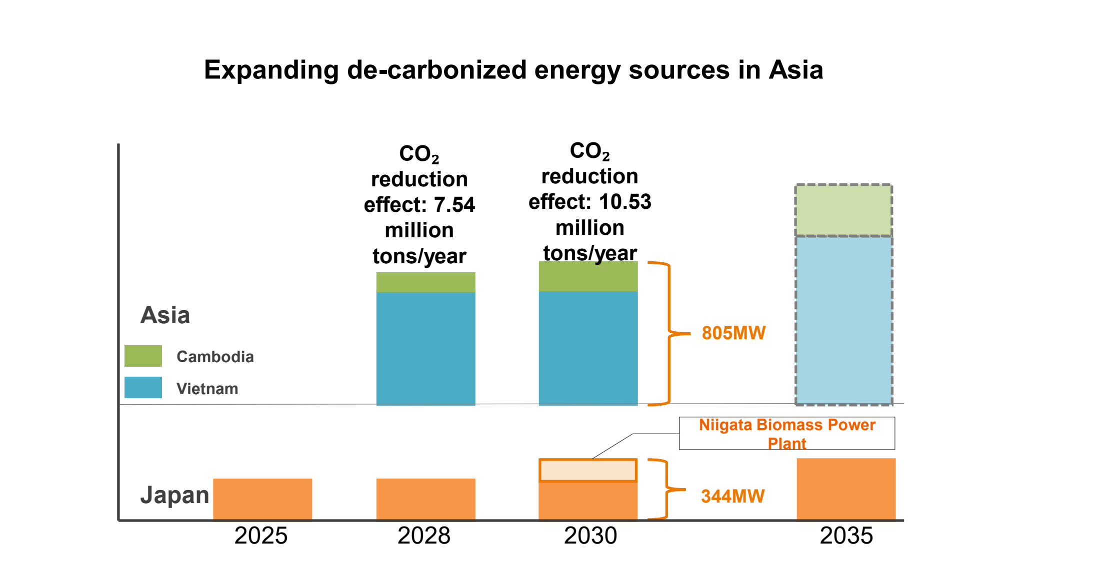
- **In Asia, where economic and population growth is driving a rapid increase in electric power demand, there is an urgent need to address the tight electric power supply/demand situation and to reduce dependence on coal-fired power generation. erex Group will work to resolve regional energy issues through new construction of biomass and hydroelectric power plants and fuel conversion, including by utilizing the JCM**

Perspectives on Asian Energy Business

Asia's coal consumption is currently still high and on the rise. It is necessary to significantly de-carbonize procurement portfolio, including by transitioning to biomass fuels



By making effective use of JCM, erex Group will work to solve regional energy issues by achieving both regional de-carbonization and stable supply through the development of biomass and hydroelectric power generation and fuel conversion from coal



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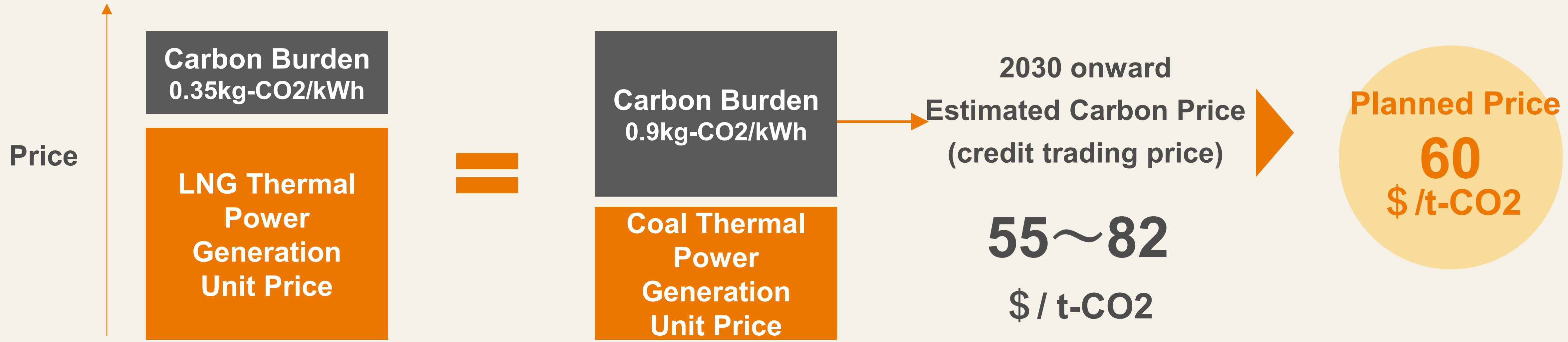
(Supplementary Information) Planned Credit Transaction Prices

- As the trend toward de-carbonization continues, the energy mix is expected to gradually shift from coal to LNG (natural gas) to renewable energy. The optimal mix for nuclear power is assumed to be 15%
- erex Group estimates that a transitional period will come first when (coal + carbon burden) = (LNG + carbon burden) becomes "substantially equal”



	Unit	LNG	Coal
Power Generation Unit Price	US ¢ /kWh	7.0～10.5	4.0～6.0
Emission Factor	kg-CO2/kWh	0.35	0.90

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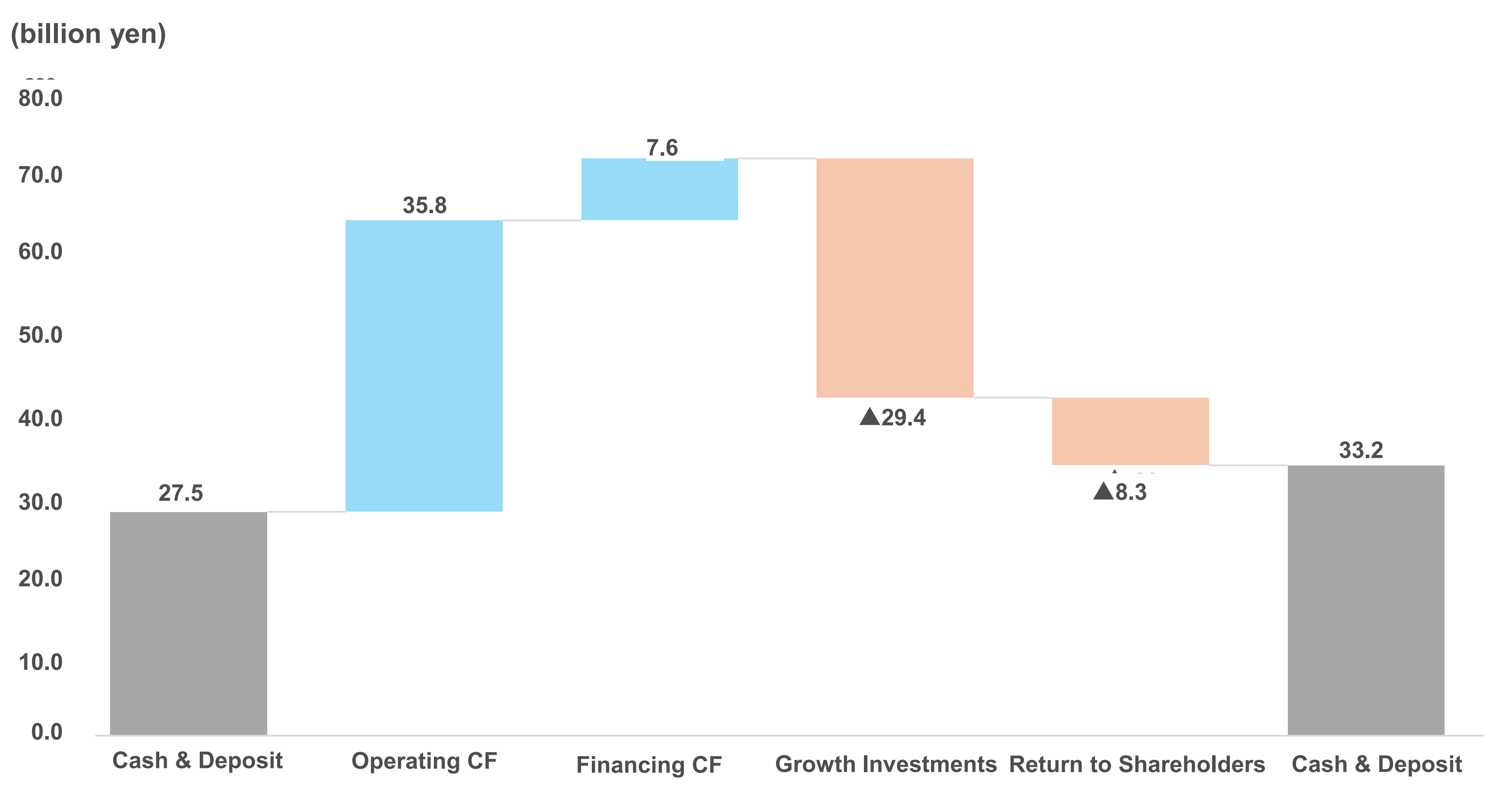
Financial Strategy (FY26-28)

- Utilization of flexible financing methods in response to changes in the financing environments
- Utilization of partnership-type investments and project finance to promote growth investments with minimal impact on the balance sheet
- Improvement of capital efficiency by optimizing the business portfolio



Cash Allocation

Financial Indicators

Financial Soundness:
Net D/E ratio of 0.6x or less
Maintaining equity ratio of 40%

Capital Efficiency:
ROIC of 5.5% / ROE of 8% or more

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Establishment & Promotion of Human Resource Strategy: “To Become a Pioneer in the New Era of Electric Power"

The kind of talents that erex Group aims for	■ “Challenge, speed, and co-creation“, which should be passed down since founding to the future, is the DNA ■ Human resources who have the ability to adapt to environmental changes and adapt to the VUCA era

In order to develop talents that erex Group aims for,

Developing “People”	Developing “Corporate Culture”	Increasing “Vitality”

KPI of Human Resources Strategy (FY24→FY28)

Work Engagement
2.6⇒3.0

Presenteeism
81.1⇒85.0

Absenteeism
2.8⇒2.5

Ratio of Female Managers
3.3%⇒10%

Male Parental Leave Taker Ratio
0%⇒70%

Sales per employee
629⇒698 million yen
+10%

*FY28 Sales: 208.3 billion yen / 298 employees

Income before income taxes per employee
23⇒47 million yen
+104%

*FY28
Profit 14.0 billion yen / 298 employees

<Explanation of Numbers>
*Absenteeism: Average number of days absent due to personal illness or injury in the past year
*Presenteeism: Average mental and physical condition over the past four weeks, with 100 representing optimal physical and mental health
*Work Engagement: Average score for two work engagement questions on the stress check (maximum 4 points)
*FY24 was 0% due to no employees subject to parental leave
*Sales per employee: Sales ÷ (Group employees (including overseas) + seconded employees)
*Income before income taxes per employee: Income before income taxes ÷ (Group employees (including overseas) + seconded employees)

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Plans from FY March 2026 Onwards

(billion yen)	FY25 (Revised Plans)	FY26	FY27	FY28
Net Sales	176.1	174.9	181.8	208.3
Operating Income	7.1	8.5	9.0	11.3
Income before Income Taxes	7.5	8.5	9.5	14.0
Net Income Attributable to the Owners of the Parent Company	4.0	5.5	6.5	9.5

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Plans from FY March 2026 Onwards (Breakdown of Sales and Operating Income by Division)

(billion yen)	FY25 (Revised Plans)	FY26	FY27	FY28
Net Sales	176.1	174.9	181.8	208.3
Retail / Trading	194.8*	200.0	201.1	221.0
Power Generation / Fuel	58.7*	63.4	71.5	79.0
Overseas	3.8*	6.3	11.1	15.0
Other Consolidation Adjustments	▲81.2*	▲94.9	▲102.0	▲106.8
Operating Income	7.1	8.5	9.0	11.3
Retail / Trading	9.2	7.5	8.9	10.9
Power Generation / Fuel	0.4	0.1	0.7	1.1
Overseas	▲2.1	▲0.9	▲0.9	▲0.4
Other Consolidation Adjustments	▲1.6	▲1.7	▲0.6	▲0.9
IFRS Adjustments	1.1	3.5	0.8	0.6

***Under review**

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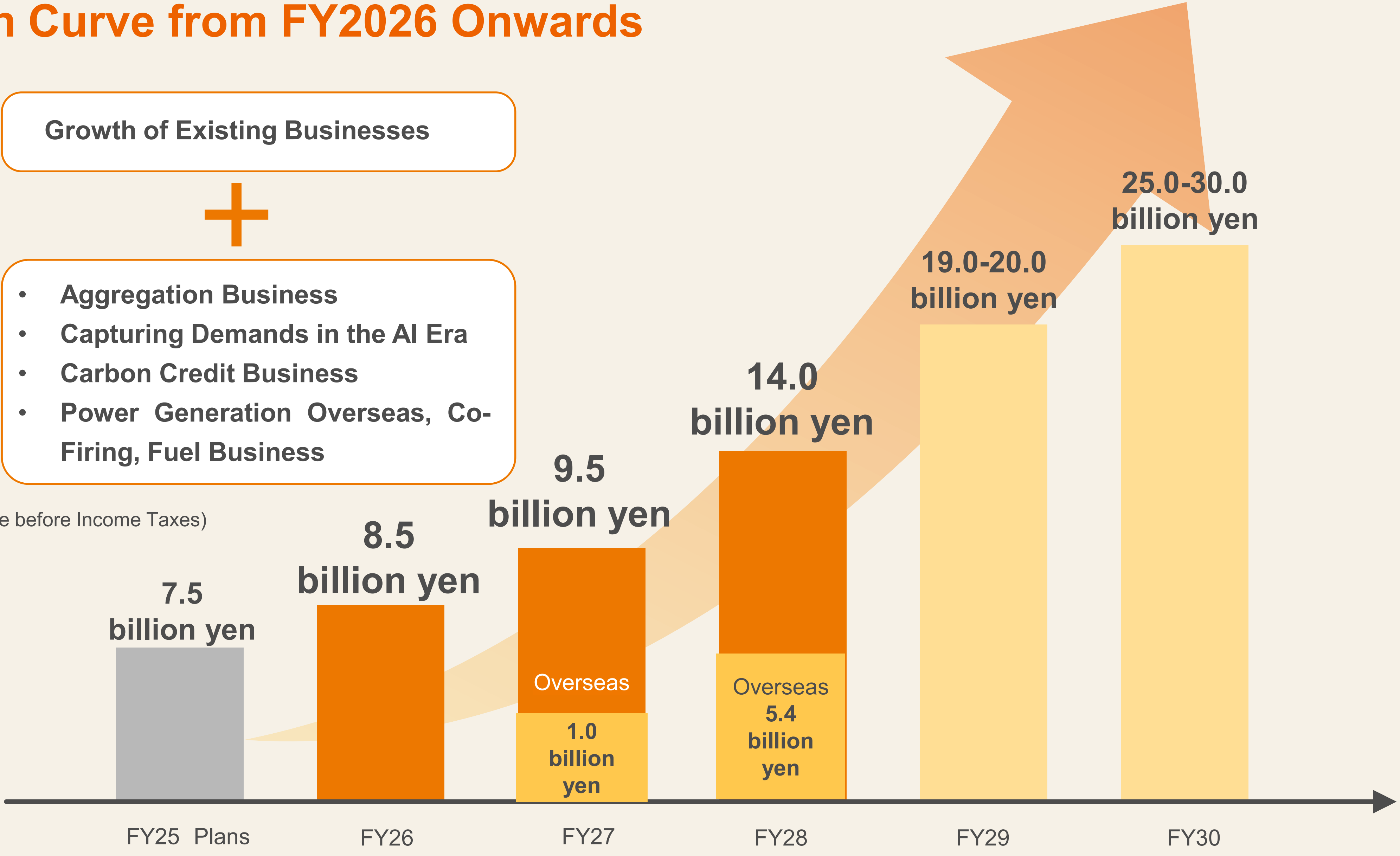
Growth Curve from FY2026 Onwards

Growth of Existing Businesses

+

- Aggregation Business
- Capturing Demands in the AI Era
- Carbon Credit Business
- Power Generation Overseas, Co-Firing, Fuel Business

(Income before Income Taxes)



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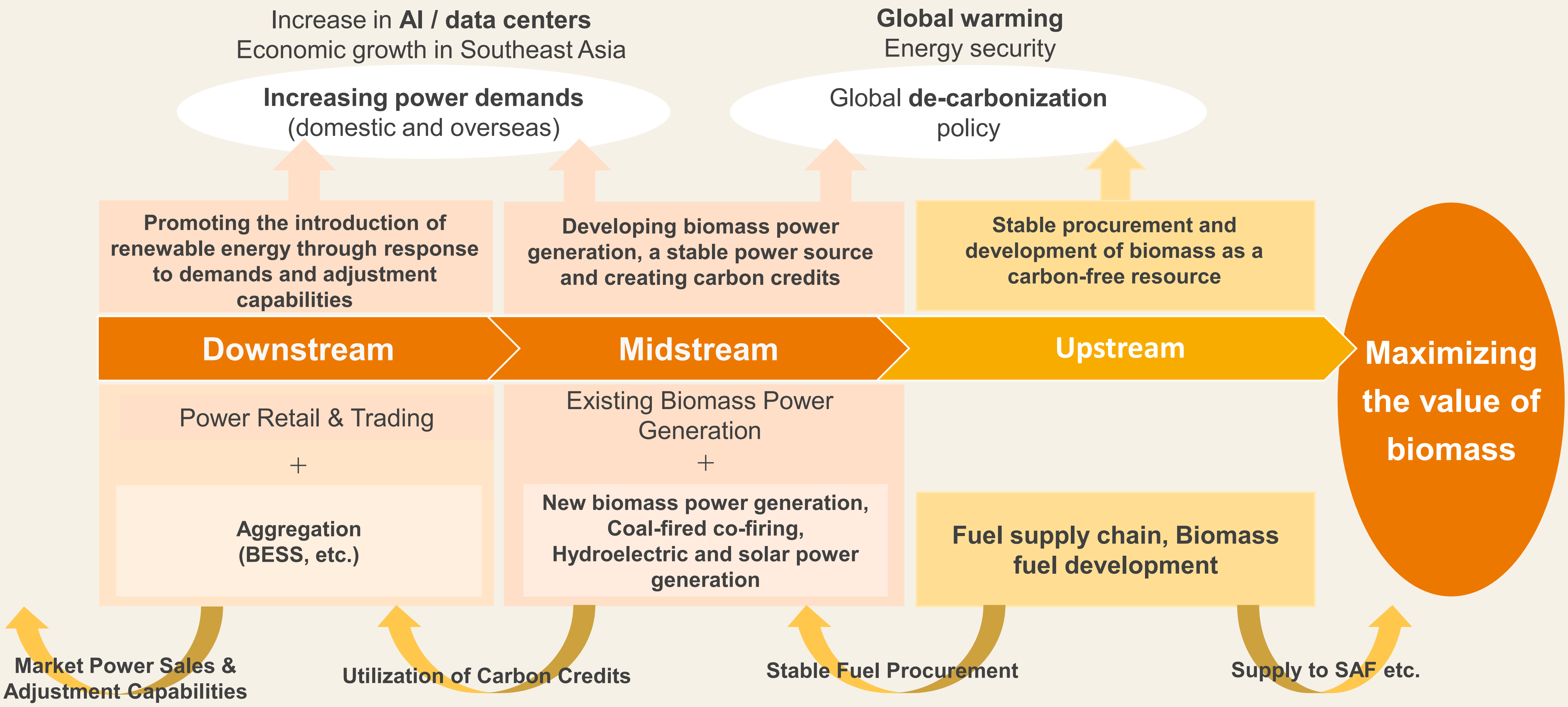
To Become an Energy Company that Solves Growing Demands and De-Carbonization in a New Way - Expanding Upstream -



Realizing an integrated value chain from upstream to downstream, and creating multiple layers of earnings source

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Appendix

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～ Vietnam ～

- **Construction of Tuyen Quang and Yen Bai biomass power plants is progressing smoothly, with operations scheduled to start in 2027**

- **Biomass co-firing at coal-fired power plants will be commercialized (full-scale operations) from FY2026**

  Na Duong Coal-Fired Power Plant (1 of 55MW x 2 units)

  Cao Ngan Coal-Fired Power Plant (1 of 57.5MW 2 units)

  - Maximum 20-30% co-firing

2025/12 Groundbreaking ceremony held:
Yen Bai Biomass Power Plant

Rendering of completed biomass power plant

Na Duong Coal-Fired Power Plant

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～Cambodia～

■ Hydroelectric Power

Project #1 (80MW): Expected construction completion in June 2026, commercial operations to start after six months of trial operations

Construction of Project #2 (20MW) is scheduled for fiscal year 2029 or later
Utilizing abundant water, power generation is expected year-round, including during the dry season

■ Biomass & Solar Power

Planned start of operations in December 2027
Power sales period: 25 years

Biomass (50MW) / Solar (40MW)
Fuel: Wood chip (450,000 tons/year)
Biomass and solar power will be operated in an integrated manner, and the aforestation project will ensure a stable fuel supply and stable operations

Progress of the hydroelectric power plant construction: Dam (upstream side)

Turbine power generation equipment

Inside of the headrace tunnel

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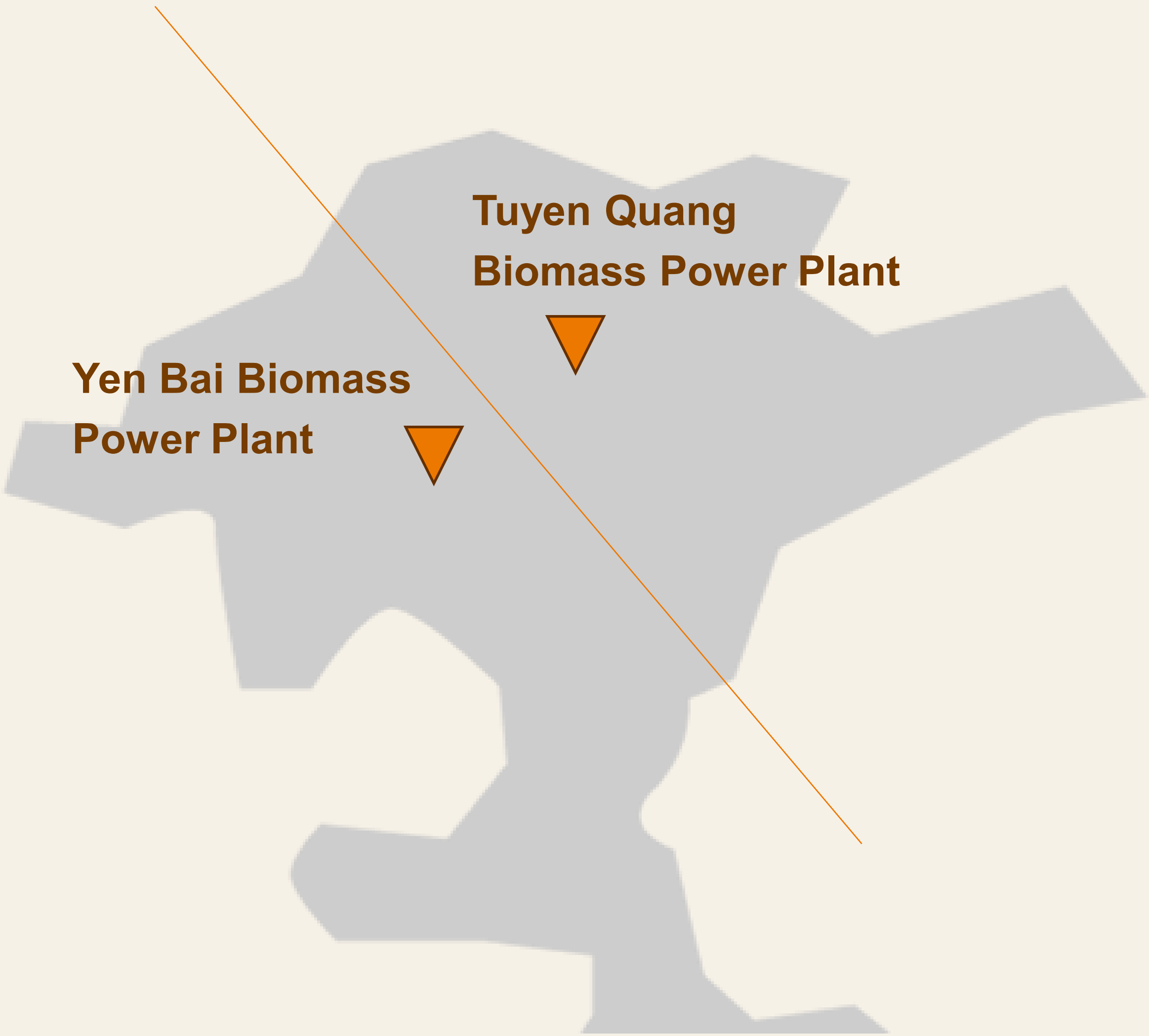
Fuel Potential in Northern Vietnam

■ Potential (2.53-3.45 million tons/year) that significantly exceeds power plant usage (500,000 tons/year x 2 units) has been confirmed



Potential

Scenario 1

Estimated from forest area

2.53

million tons/year

Scenario 2

Estimated from wood-related facilities

3.45

million tons/year

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Initiatives to Expand Fuel Supply Chains

- As the value of biomass is expected to expand, including use for SAF in addition to fuel for power generation, erex Group is focusing on strengthening its procurement capabilities

1 Supply Expansion Strategy

- Afforestation Business
- Attracting Factories
- New Fuel Developments

2 Logistics Optimization Strategy

- In-House Logistics
- Infrastructure Developments

3 Transaction Structure Reform

- Shift from supplier-based procurement to direct sourcing
- Starting Direct Transactions

Mid/Long-Term Measures

- Diversifying procurement sources and hedging risks
- Considering mid/long-term contracts
- Expanding supply sources (afforestation and factory investments)
- Fuel diversification (street trees, recycled furniture)
- Developing stockpiling and accumulation functions
- Strengthening of organization and systems

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erex Co., Ltd. / IR&PR Department
E-mail: ir.info@erex.co.jp

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