DIGITAL GRID

FULL-YEAR FINANCIAL RESULTS (FY ENDED JULY 2026), BUSINESS PLAN AND GROWTH POTENTIAL 2/2



DIGITAL GRID Corporation

350A (TSE Growth Market)

September 10, 2026

5. Appendix
Company Highlights

Income Statement / Key Financial Indicators

Income Statement	(Unit)	FYE24/7 Actual	FYE25/7 Actual	FYE26/7 Actual	FYE27/7 Plan	FYE24/7 Q1	FYE24/7 Q2	FYE24/7 Q3	FYE24/7 Q4	FYE25/7 Q1	FYE25/7 Q2	FYE25/7 Q3	FYE25/7 Q4	FYE26/7 Q1	FYE26/7 Q2	FYE26/7 Q3	FYE26/7 Q4
Net sales	JPY million	3,515	6,153	**7,113**	**7,967**	646	765	852	1,251	1,687	1,620	1,482	1,362	2,005	1,323	1,778	2,006
(YoY)	%	+107.9	+75.0	**+15.6**	**+12.0**	-	-	-	-	-	-	-	-	+18.8	-18.4	+19.9	+47.3
Power Platform	JPY million	3,168	5,420	**5,884**	**4,812**	-	-	-	-	1,571	1,341	1,322	1,184	1,780	1,083	1,492	1,527
Transaction volume	GWh	1,409	2,411	**2,573**	**-**	264	309	337	498	596	578	582	654	651	602	592	727
RE Platform	JPY million	185	448	**711**	**816**	-	-	-	-	103	101	113	129	199	143	150	218
Transaction volume	GWh	85	266	**578**	**-**	6	9	26	42	44	48	75	98	127	111	149	189
AS business	JPY million	2,043	-	**489**	**2,043**	-	-	-	-	-	-	-	-	16	88	130	253
Other	JPY million	161	284	**28**	**294**	-	-	-	-	12	177	46	47	8	8	4	7
Cost of sales	JPY million	809	1,573	**1,320**	**-**	-	-	-	-	-	-	351	374	364	329	298	327
Gross profit	JPY million	2,706	4,580	**5,793**	**-**	-	-	-	-	-	-	1,131	989	1,641	993	1,479	1,678
(Gross margin)	%	77.0	74.4	**81.4**	**-**	-	-	-	-	-	-	76.3	72.6	81.8	75.1	83.2	83.7
SG&A expenses	JPY million	1,158	1,837	**2,775**	**-**	271	184	259	441	351	398	467	620	574	524	568	1,108
Operating profit	JPY million	1,547	2,742	**3,017**	**2,865**	303	388	393	461	973	736	663	368	1,067	469	910	570
(Operating margin)	%	44.0	44.6	**42.4**	**36.0**	46.9	50.7	46.1	36.9	57.6	45.4	44.7	27.0	53.2	35.5	51.2	28.4
Power Platform	JPY million	2,127	3,529	**3,499**	**-**	-	-	-	-	1,121	902	862	643	1,234	610	1,014	640
RE Platform	JPY million	24	120	**370**	**-**	-	-	-	-	64	17	37	1	119	67	66	116
AS business	JPY million	2,043	-	**283**	**-**	-	-	-	-	-	-	-	-	(13)	41	97	156
Other	JPY million	(201)	(245)	**(146)**	**-**	-	-	-	-	(83)	(27)	(63)	(70)	(37)	(37)	(31)	(40)
Adjustments	JPY million	(402)	(661)	**(988)**	**-**	-	-	-	-	-	-	(172)	(205)	(235)	(212)	(236)	(303)
Adjusted EBITDA*1	JPY million	-	-	**3,047**	**3,185**	-	-	-	-	-	-	-	-	-	-	-	-
(EBITDA margin)	%	-	-	**42.8**	**40.0**	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary profit	JPY million	1,253	2,614	**2,909**	**2,394**	-	-	-	-	-	-	613	340	1,066	585	899	358
Profit attributable to owners of parent	JPY million	972	1,870	**2,037**	**1,673**	-	-	-	-	-	-	402	282	791	424	655	165
EPS	JPY	24.53*	47.17*	**50.80**	**40.02**	-	-	-	-	-	-	-	-	-	-	-	-
ROE	%	22.9	22.6	**21.7**	**-**	-	-	-	-	-	-	-	-	-	-	-	-

Note: Figures under JPY 1 million, 1 GWh, and 1 MW are rounded down, which may result in discrepancies with previously disclosed data.
*1 Adjusted EBITDA = EBITDA (Operating profit + Depreciation + Amortization) + Share-based compensation expenses

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Balance Sheet / Statement of Cash Flows

Balance Sheet (JPY million)	FYE24/7	FYE25/7	FYE26/7
Total assets	11,476	17,817	30,817
Current assets	10,768	16,532	24,765
Cash and Deposits	3,979	4,648	6,295
Accounts Receivable and Contract Assets	882	1,367	2,234
Accounts Receivable – Other	5,012	9,766	15,154
Allowance for Doubtful Accounts	(3)	(24)	(68)
Other Current Assets	897	774	1,148
Non-Current Assets	707	1,285	6,052
Property, Plant and Equipment	25	107	4,455
Intangible Assets	5	40	37
Investments and Other Assets	681	1,163	1,658
Allowance for Doubtful Accounts	(4)	(26)	(98)
Total Liabilities	7,247	9,540	20,281
Current Liabilities	6,947	8,540	18,988
Accounts Payable – Trade	354	575	2,298
Short-Term Borrowings	2,928	613	8,020
Accounts Payable – Other	3,334	5,400	7,289
Other	330	1,950	1,379
Non-Current Liabilities	300	999	1,292
Long-Term Borrowings	300	999	1,273
Total Net Assets	4,228	8,277	10,536
Shareholders' Equity	4,228	8,277	10,521
Total Liabilities and Net Assets	11,476	17,817	30,817
Equity Ratio (%)	36.8	46.5	34.1

Statement of Cash Flows (JPY million)	FYE24/7	FYE25/7	FYE26/7
Operating cash flow	(1,325)	321	(1,849)
Change in working capital (broad)*1	(1,641)	(3,029)	(2,582)
Investing cash flow	(15)	(181)	(4,396)
Free cash flow	(1,341)	140	(6,246)
Financing cash flow	2,213	528	7,894
Effect of exchange rate changes	0	0	0
Net change in cash equivalents	872	668	1,647
Cash equivalents, beginning of period	3,107	3,979	4,648
Cash equivalents, end of period	3,979	4,648	6,295

Note: Figures through FYE24/7 are non-consolidated; consolidated financial statements are applied from FYE 25/7. Figures under JPY 1 million are rounded down, which may result in discrepancies with previously disclosed data.

*1 Change in working capital (broad) = accounts receivable - trade + inventories + accounts receivable - other + prepaid expenses + accounts payable - trade + accounts payable - other + accrued expenses (each change)

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New Medium-Term Management Plan (FYE 29/7 Targets)

Given higher depreciation from increased battery asset ownership, a new KPI has been adopted: adjusted EBITDA*1 margin, which shows underlying profitability. Targets for FYE 29/7 have been revised with continued focus on capital efficiency.

Revised targets

KPI	New target (FYE29/7)	Reason for change; Notes
ROE	**20%+** (no change)	No change to focus on capital efficiency; previous target maintained.
Operating profit margin	**30%+** (revised)	Target revised as depreciation increases in line with battery asset increase.
Total contracted capacity*2	FYE27/7-FYE29/7 **CAGR 30%+** (no change)	No change to the previous target.
Adjusted EBITDA margin	**40%+** (new)	Newly adopted to show underlying profitability excluding higher depreciation. Profitability to be maintained at a high level even after upfront investment in the battery business.

*1. Adjusted EBITDA = EBITDA (Operating profit + Depreciation + Amortization) + Share-based compensation expenses

*2. Total transaction volume was previously used as a key KPI for business scale. As transaction volume (kWh) is not suitable for evaluating the battery-related business, the KPI has been changed to total contracted capacity (kW).

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Action Plan Toward Medium-Term Growth Targets

Capturing more diverse procurement needs, emerging PPA demand, and growing balancing demand, we plan to strengthen sales, project origination, and operations across the three businesses to expand scale and revenue toward our medium-term targets.

	External Environment	Policy	FYE 27/7-FYE 29/7 (Action Plan)
Power Platform	**As procurement costs fluctuate with fuel prices and supply-demand conditions, corporate consumers increasingly seek to diversify suppliers and procurement methods to secure stable supply.**	**Unit-price adjustments are expected to continue, but contracted-capacity growth remains the priority. Agency collaboration and strengthened regional sales are set to expand the volume and revenue base.**	■ Advance marketing initiatives and strengthen outbound sales to build a lead-generation pipeline ■ Deepen ties with exclusive agency partners, supporting new customer development and launches ■ Strengthen the customer base through the corporate low-voltage segment and regional branch offices ■ Further expansion and uptake of tailored products using financial instruments such as power futures and options ■ Build an efficient organization, allocate sales resources to priority regions, and continue hiring
RE Platform	**With FIT non-fossil certificate prices rising and Scope 2 rules tightening, offsite PPAs with additionality are expected to become more attractive. Since installation takes one to two years, corporate reviews for 2030 targets are now starting in full.**	**With a favorable market and solid pipeline, the Group will pursue larger deals per project and more points of contact.**	■ Drive lead generation with stronger marketing ■ Focus development on visualizing the progress of RE Bridge matches and improving usability ■ Capture renewable energy procurement demand driven by the GHG Protocol revision, with a focus on hourly matching ■ Continue diversifying power sources (solar, wind, geothermal, hydro, biomass) and gain large deals with multiple off-takers
AS / AM	**Balancing demand grows with renewables, while the balancing market sees rule changes such as lower price caps.**	**As balancing demand rises, the Group plans to expand both AS and AM businesses. High gross margins support hiring and stronger operations while enabling rapid adaptation to regulatory changes.**	■ Allocate resources to project origination through low-voltage expansion and matching functions ■ Bring investment-approved projects online and operate them stably ■ Originate large projects, including in the extra-high-voltage segment

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Company Overview

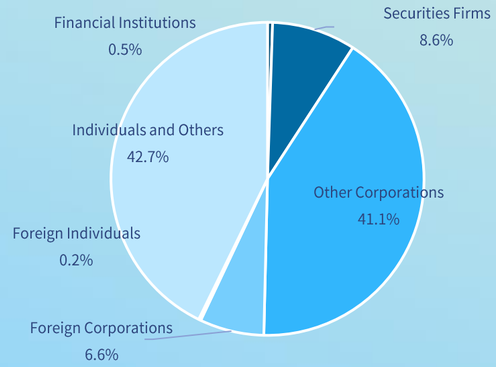
Company Information

As of July 31, 2026

Company Name	DIGITAL GRID Corporation
Location	Akasaka Enokizaka Building 3F, 1-7-1 Akasaka, Minato-ku, Tokyo
Established	October 2017
Share Capital	JPY 1,242 million
Representative	Yusuke Toyoda (Representative Director & President, CEO)
Employees	101 (excluding directors, temporary and dispatched staff)
Subsidiaries	DIGITAL GRID ASSET MANAGEMENT Corporation DIGITALGRID ENERGY SERVICES Corporation DG Life LLC
Business Overview	Operation of DGP, a platform for electricity and environmental value transactions, and provision of aggregation services for distributed energy resources
Certifications	• CDP Accredited Renewable Energy Provider (five consecutive years since 2021) • SBT validation (2021)
Awards	21st Green Purchasing Award: Excellence Award FY2024 New Energy Award: New Energy Foundation Chairman's Award FY2025 Climate Change Action: Minister of the Environment Award

Stock Information

As of July 31, 2026



	Number of Shares Held	Shareholding Ratio (%)
Financial Institutions	218,900	0.5
Securities Firms	3,621,285	8.6
Other Corporations	17,226,611	41.1
Foreign Corporations	2,778,744	6.6
Foreign Individuals	95,934	0.2
Individuals and Others	17,878,706	42.7
Government and Local Governments	0	0

Major Shareholders	Number of Shares Held	Shareholding Ratio (%)		Number of Shares Held	Shareholding Ratio (%)
Toshiba Corporation	4,999,920	11.96	OTS LLC	1,500,000	3.59
Yusuke Toyoda	2,556,000	6.11	Tokyu Land Corporation	1,500,000	3.59
FD Corporation	2,000,580	4.78	Takehisa Shimada	1,398,000	3.34
WIL FUND II . L. P.	2,000,400	4.78	Rakuten Securities, Inc. Shared Account	1,393,800	3.33
Takuma Chikakiyo	1,830,000	4.38	Fuva Investment Limited	1,297,680	3.10

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Power Industry History / DIGITAL GRID Milestones

DIGITAL GRID has a proven track record of delivering innovative services ahead of regulatory and market developments in the power industry. It continues to be an industry pioneer, contributing to a society built on sustainable energy.

Power Industry Transformation

Early Stage of Renewable Energy

- Partial amendment of the Electricity Business Act for liberalization*1
- Introduction of FIT*2 scheme for renewables

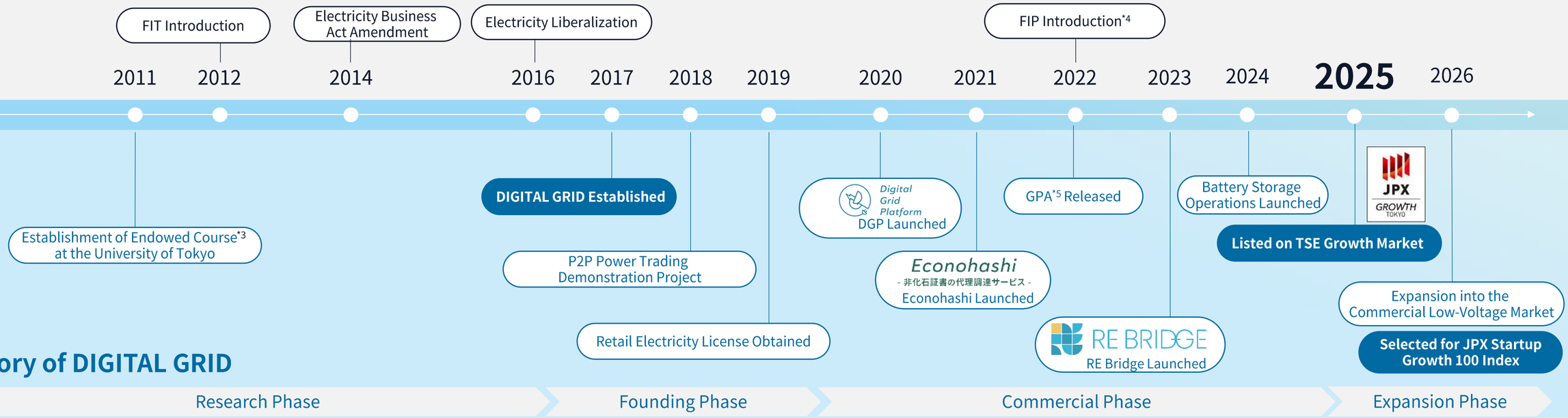
Expansion of Market Liberalization

- Full liberalization of retail electricity market
- Market expanded with rising new entrants

Shift to Renewable Energy Mainstreaming

- Introduction of the FIP scheme to incorporate market principles into the power market
- Renewables designated as main power source in the Strategic Energy Plan

History of DIGITAL GRID



*1 Partial amendment to the Electricity Business Act and other laws to implement full liberalization of entry into electricity retailing.
*2 FIT stands for Feed-in Tariff, a government-mandated scheme under which electric utilities purchase electricity generated from renewable energy at a fixed price for a specified period.
*3 An endowed course is a university course established with donations from companies or other external organizations to address specific issues or advance research.
*4 FIP stands for Feed-in Premium, a scheme that allows renewable electricity to be sold with a certain premium added to the sale price.
*5 GPA refers to a comprehensive scheme for renewable energy transactions in which consumers directly purchase environmental value (non-FIT non-fossil certificates) generated from additional renewable energy from FIP-certified operators. Non-FIT non-fossil certificates are compliant with RE100.

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Board Members



Yusuke Toyoda
Representative Director, President and CEO

- Completed Graduate School of Engineering, The University of Tokyo.
- Joined DIGITAL GRID as co-founder in February 2018 after working at Goldman Sachs and Integral, appointed President & CEO in July 2019.
- Appointed Director of Renewable Energy Aggregation Platform Association (REAP) in April 2023.



Takuma Chikakiyo
COO, Director

- Completed Graduate School of Engineering, The University of Tokyo.
- Joined DIGITAL GRID in May 2019 after working at McKinsey & Company Japan
- Appointed Director & COO in August 2019.



Takehisa Shimada
CFO, Director

- Graduated from Faculty of Law, Meiji University.
- Held positions at The Long-Term Credit Bank of Japan (SBI Shinsei Bank), Tokyo-Mitsubishi Securities (Mitsubishi UFJ Morgan Stanley Securities), Managing Director at Goldman Sachs, and Managing Director at UBS.
- Joined DIGITAL GRID as Executive Officer & CFO in April 2020, appointed Director & CFO in September 2020 .



Tatsuya Kurokawa
CTO, Director

- Completed Graduate School of Engineering, The University of Tokyo.
- Worked at DeNA and PKSHA Technology before joining DIGITAL GRID as CTO in August 2020.
- Appointed Executive Officer & CTO in April 2023 and Director & CTO in October 2023.



Ryuko Inoue
Independent Director

- Graduated from Faculty of Law, The University of Tokyo. Joined the Ministry of Agriculture, Forestry and Fisheries, became an attorney in 2017 (Atsumi & Sakai).
- Served as Employer Member of the Central Labor Relations Commission, Outside Director at Cosmo Energy Holdings.
- Appointed Outside Director of DIGITAL GRID in January 2024



Rikuo Otsuki
Independent Director

- Graduated from Faculty of Law, The University of Tokyo.
- Held positions as Managing Director of TEPCO Power Grid and Managing Executive Officer of TEPCO Holdings.
- Also served as Outside Director of Japan Electric Power Procurement Solutions and other roles.
- Appointed Outside Director of DIGITAL GRID in January 2024



Yoshio Ino
Audit &Supervisory Board Member

- Graduated from Faculty of Law, Waseda University.
- Worked at Morgan Bank (J.P. Morgan Chase Bank), Aozora Bank, and Renewable Japan before founding RJ Investment in 2016, serving as President & CEO.
  Also established Japan Renewable Energy Infrastructure Investment Corporation in the same year.
- Appointed Audit & Supervisory Board Member of DIGITAL GRID in October 2021.



Yukio Kimura
Outside Audit & Supervisory Board Member

- Graduated from Faculty of Sociology, Rikkyo University, CPA.
- Joined Tohmatsu Audit Corporation (Deloitte Touche Tohmatsu LLC).
- Held CFO positions at Regulus Press (Coincheck) and Union Tech (Craft Bank) after working at Growin' Partners and Anicom Holdings, followed by PharmaBio.
- Appointed Outside Audit & Supervisory Board Member of DIGITAL GRID in March 2022.



Hideyuki Sago
Outside Audit & Supervisory Board Member

- Graduated from Faculty of Law, The University of Tokyo, and completed MBA at University of London Business School.
- Joined The Mitsubishi Bank (MUFG Bank).
- Served as Director & Audit Committee Member of Mitsubishi UFJ Securities Holdings and Audit & Supervisory Board Member of Mitsubishi UFJ Morgan Stanley Securities since 2020.
- Appointed Outside Audit & Supervisory Board Member of DIGITAL GRID in February 2025

	Yusuke Toyoda	Takuma Chikakiyo	Takehisa Shimada	Tatsuya Kurokawa	Ryuko Inoue	Rikuo Otsuki	Yoshio Ino	Yukio Kimura	Hideyuki Sago
Management	●	●				●	●		
Finance	●		●				●	●	●
HR / Governance	●		●	●	●			●	●
IT				●					
Power / Renewable Energy	●	●				●	●		
Policy					●	●			

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Mission / Vision / Values / Brand Story

Mission

Empower the democratization of energy

Vision

Create a world without energy constraints for future generations

Values

Be on the Edge
Far Together
Stay Gold

Tagline

Choices for the Future of Energy

What Can We Do for the Future of Energy?

Concerns over fossil fuel depletion.
The importance of stable power supply, deeply felt in the wake of the 2011 earthquake.
The excitement of technologies enabling free electricity trading.
And the growing hope as renewable energy begins to take its place.
With these thoughts, DIGITAL GRID has continued to engage with the future of energy.

And in 2017, DIGITAL GRID was founded, marking the beginning of its challenge to solve energy issues.
There is no single answer—this is an ongoing journey to find optimal solutions by combining diverse options.

The starting point was the development of the Digital Grid platform for power trading.
By leveraging digital technology, it enables direct transactions between generators and consumers, creating a new flow beyond traditional supply models.
Through this platform and related initiatives, DIGITAL GRID aims to enable the free exchange of energy for all—advancing energy democratization.

What lies beyond energy democratization? What does the future look like?
As more participants generate and consume new forms of energy alongside conventional sources, the world will move toward an era of energy abundance.
As marginal costs decline and energy self-sufficiency rises, "a prosperous and independent future" can be passed on to the next generation.
Energy democratization ultimately represents the freedom to choose one’s own future.

Driven by accumulated knowledge, technology, and unwavering passion, DIGITAL GRID will continue to move forward—no matter how challenging the path ahead may be.

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Sources of Value

Pioneer business model via the MOE Pilot Project (2018); hold a patent-protected power platform (DGP).
Deliver AI-driven power supply and demand forecasting system with high accuracy at low cost; enabled by a specialized engineering team and a knowledge-based operation.

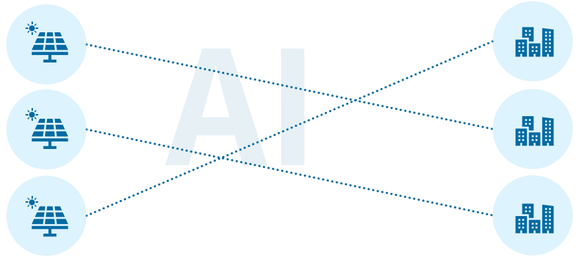
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Protected by patent
“Digital Grid Platform” model

Patent Holder	DIGITAL GRID Corporation
Patent No.	Patent No. JP 6782479 Patent No. JP 6803596 Patent No. JP 7106081 Patent No. JP 7873036

AI-driven high-accuracy and low-cost
supply and demand forecasting system

AI-Driven Balancing Service



Engineering Team with High DORA*1,2 Scores*3

Deploy Frequency	CFR	TTR	Lead Time
Elite	Elite	High	Elite

*1 DORA = DevOps Research & Assessment, a software engineering research program operated by Google Cloud. *2 Assessment period: Aug 2022–Jul 2024. *3 Rating scale (highest to lowest): Elite, High, Medium, Low.

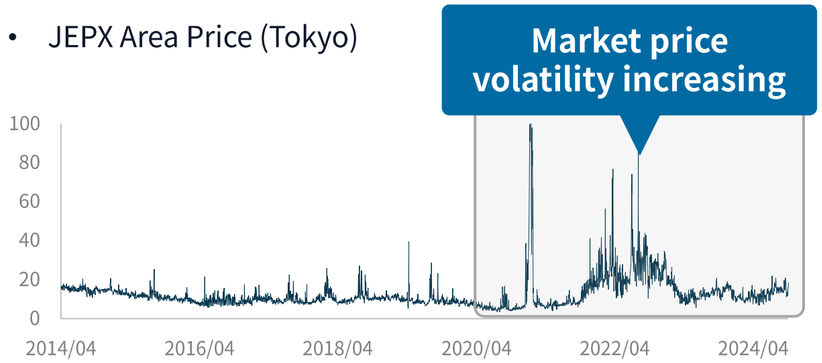
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Value for Consumers

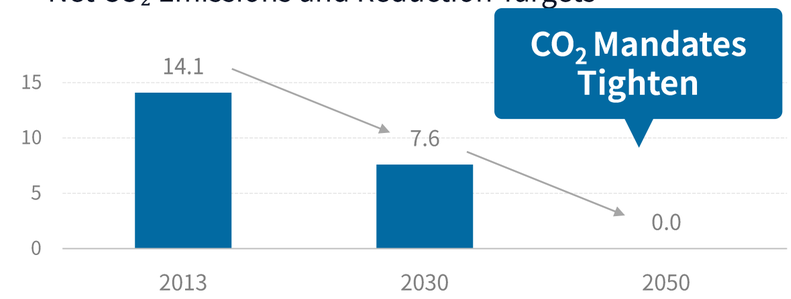
Amid rising power price volatility driven by COVID-19 and global conflicts, and stronger CO_2 reduction demands toward 2050 net zero, market needs are rapidly evolving. DGP enables highly customized direct transactions to meet three key needs: (1) low-cost procurement, (2) hedged procurement, and (3) planned renewable procurement.

Rapidly Changing Market Environment

- JEPX Area Price (Tokyo)



- Net CO_2 Emissions and Reduction Targets

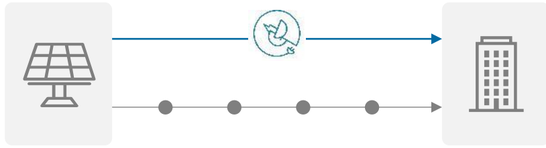


Needs

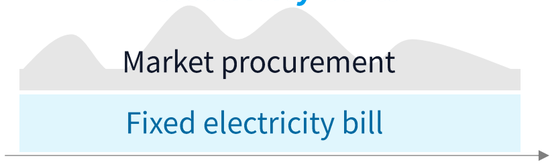
- Procure power at lower cost
- Hedge future price volatility
- Accelerate renewable transition toward Net Zero

Value Delivered

Cost reduction via the Platform



Hedging a defined share of electricity costs



Procuring renewable power as desired



Offer not only RE menus (solar, wind) but also vPPA & self-consignment plan

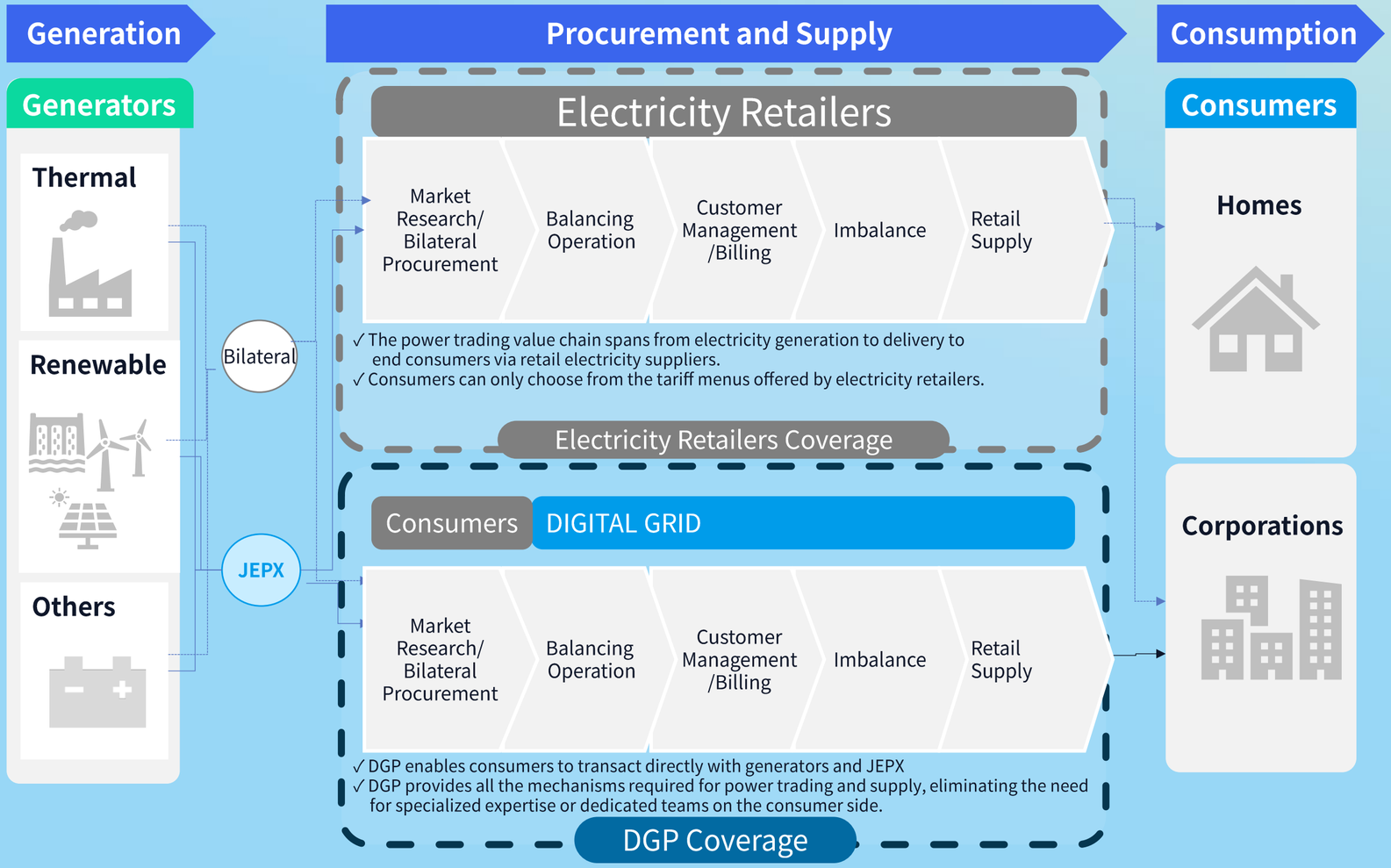
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Note: Data obtained from JEPX; references: Cabinet Secretariat, Ministry of the Environment, and METI, “Plan for Global Warming Countermeasures.”

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DIGITAL GRID's Value Proposition Across the Power Trading Value Chain

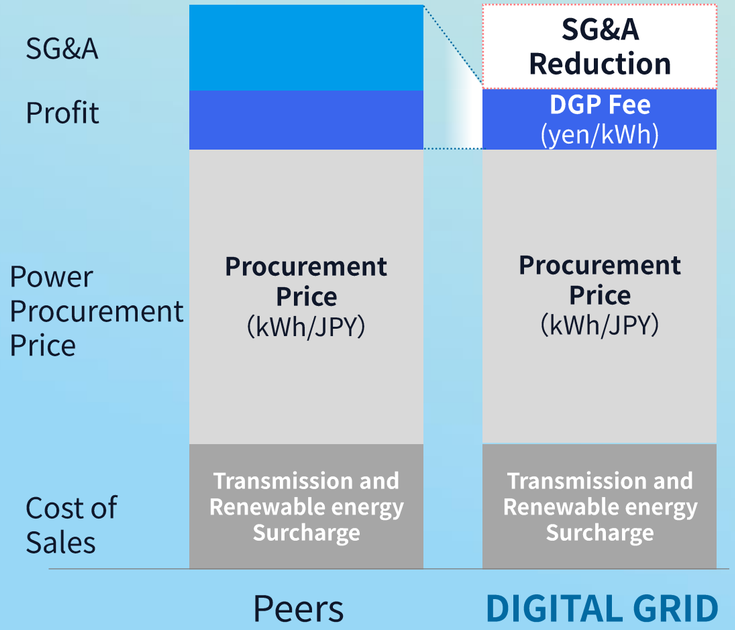
Traditionally, consumers depended on retailers and had to choose from limited power source options. With DGP, they can trade directly with generators and the market, freely select power sources, and reduce costs.



Note: DIGITAL GRID does not provide services for residential customers.

Cost Structure Comparison (vs. Industry Peers)

Compared with the typical cost structure of power retailers, costs can be reduced by lowering SG&A and other expenses.



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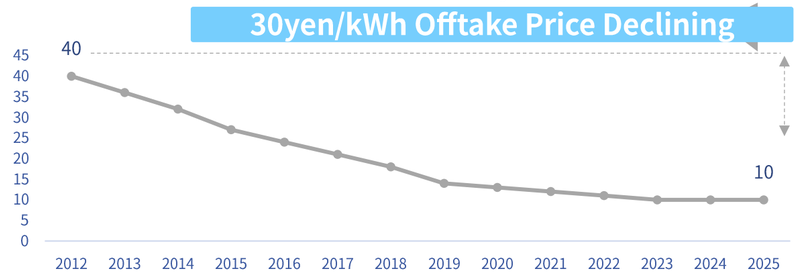
Value for Generators

With the shift from FIT to non-FIT, generators are required to secure buyers and manage balancing operations.
DGP delivers value by providing (1) stable buyer access, (2) accurate balancing services, and (3) transparent pricing.

Rapidly Changing Market Environment

	FIT	Non FIT
Scheme	Generator → TSO	Generator → TSO → Off-taker
Secure off-takers	No (Fixed price procurement by TSO/Government)	● (must secure off-takers themselves)
Balancing	No (Exempt)	● (Self-manage supply–demand balancing)
Financing Conditions	Relatively easy (easy to forecast future cash flow)	Hard (Need to secure off-taker)

● Solar Feed-in Tariff (FIT) Price Trend by FYE

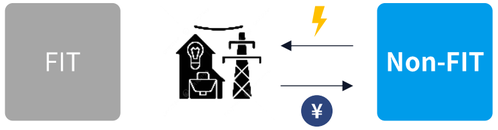


Needs

- Need stable off-takers
- Want to outsource supply-demand management
- Want to understand price drivers and the breakdown

Value Delivered

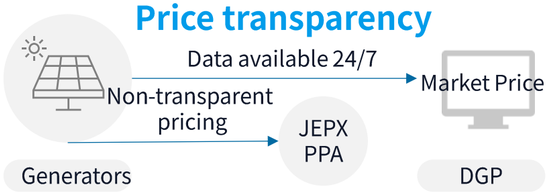
Secure off-taker



High-accuracy forecasting



Price transparency



DIGITAL GRID

Note: Figures based on ground-mounted solar PV panels capacity 10–<50 kW.

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Industry Challenges & DG Group Solutions

Addressing challenges unique to the energy industry, DIGITAL GRID's "connecting" platform helps reduce the burden on both generators and consumers and accelerates adoption of renewable energy.

Challenges of the Power Industry

Surging Energy Prices
Persistently high fuel prices amid Middle-East tensions push up electricity rates via fuel-cost adjustments and market linked plans, increasing energy procurement costs

Fossil-Fuel Dependence and Energy Security
Geopolitical risks and turmoil in the LNG market affect Japan's energy costs and disrupt supply stability

Supply-Demand Tightness and Grid Instability
Output volatility from a growing share of renewables presents challenges to balancing supply and demand and stabilizing the grid

Service Solutions by the DIGITAL GRID Group

Power PF — Reduce Energy Procurement Costs for Consumers
- Connects energy generators and consumers, improving market-price transparency and reducing intermediary margins and costs

- Curbs price-spike risks through fixed-price + JEPX-linked procurement (tailor-made schemes, use of futures, etc.)

RE PF — Accelerate Renewables as a Mainstream Power Source
- Supports the shift from fossil-fuel dependence to renewables

- Helps consumers meet CO_2-reduction targets through planned renewable energy procurement

Battery — Achieve Supply-Demand Balance and Increase Resilience
- Absorbs fluctuations in renewable output through grid-scale batteries, contributing to stable grid operation

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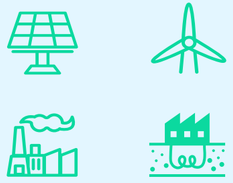
Value Network

Connecting over 4,300 demand sites across ~1,300 companies with over 2,000 generation sites, DIGITAL GRID serves as a power platformer. The platform provides infrastructure where numerous market participants can trade under transparent pricing and flexible product design within a market-driven framework.



Generator

over **2,000** sites*



Supply-Demand Forecasting

Power Brokerage

Risk Management

DIGITAL GRID

Price Transparency

Structuring

Customer Management



Consumer

over **4,300** sites*

about 1,300

Electronics / Chemicals / Steel / Retail / Food Service / Tourism / Finance / Insurance / Agriculture / Forestry / Fisheries / Construction / Civil Infrastructure / Energy & Power / Local Governments / Hospitals

Note: Counts of generator and consumer sites as of July 31, 2026.

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Growth Potential

Vast market potential for DGP with 190x consumer sites and approximately 350x generator sites. Strengthening network externalities by enhancing value for both consumers and generators and expand DGP participation.

Solar Power 711,630 sites

Hydropower 1,223 sites

Wind Power 2,737 sites

Generator Market Size*

716,634 sites*

Geothermal 92 sites

Biomass 952 sites









DIGITAL GRID

Generators over 2,000 sites

Consumers over 4,300 sites

Medical/ Welfare Facilities 10,930 sites

Factory 160,190 sites

Retail Facilities 131,980 sites

Consumer Sites*

781,490 sites*

Hotel/Inn 10,170 sites

Storage Facilities 189,100 sites

Office Facilities 106,880 sites

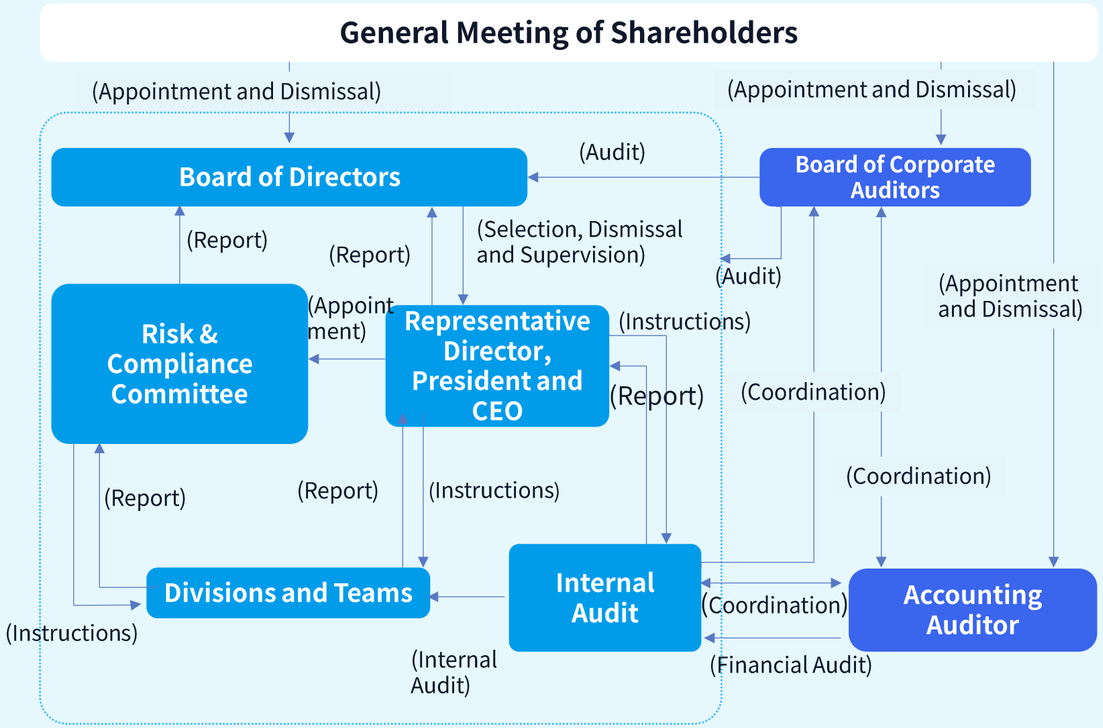
Others 172,240 sites

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Corporate Governance

Established the General Meeting of Shareholders, Board of Directors, Board of Corporate Auditors, and Independent Auditor as the bodies required by the Companies Act, as well as a system to receive advice from outside lawyers and other outside experts as needed. Strive to establish an optimal business management system to ensure sound and efficient management in order to maximize corporate value.

Corporate Governance Structure



Details of Corporate Governance Bodies

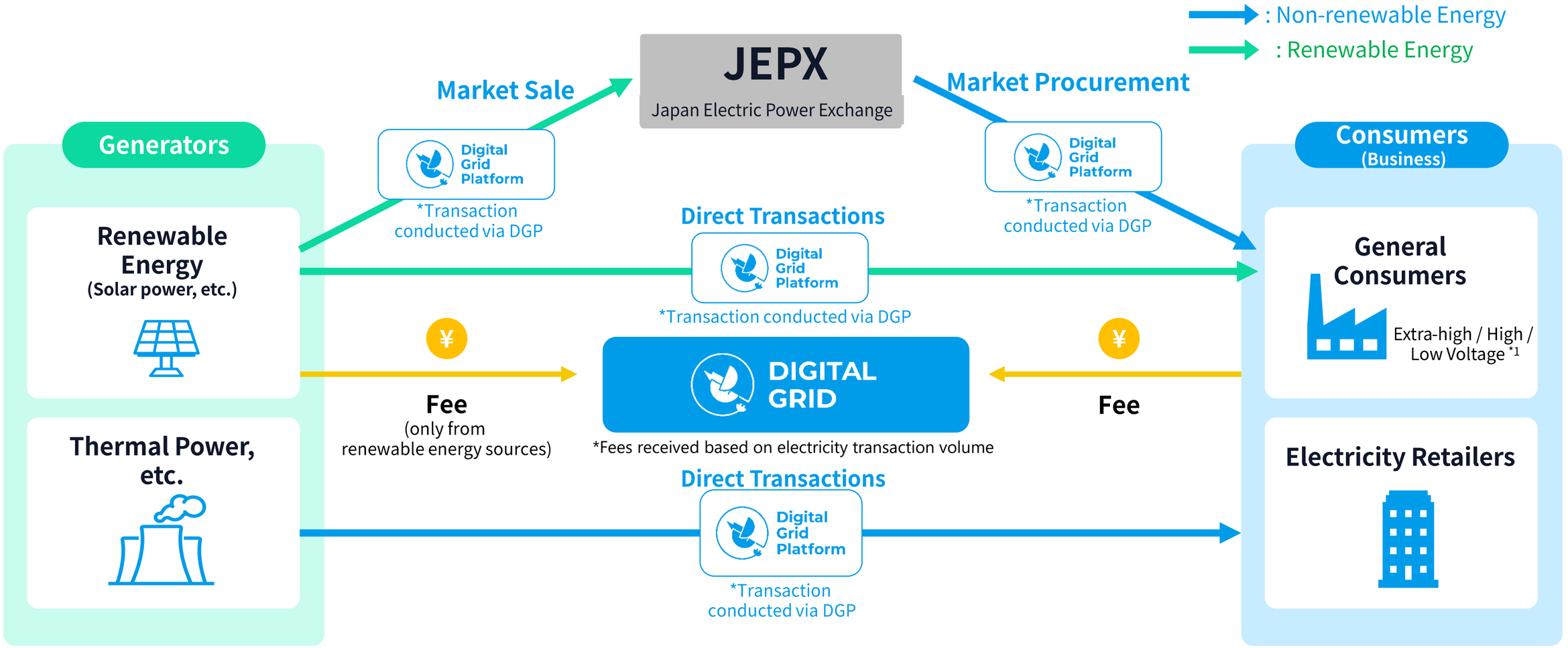
Body	Summary	Representative of Constituent Members
Board of Directors	• Six directors (including two independent outside directors) • Corporate auditors also attend the meeting to audit the execution of duties by directors. • Held once a month in principle	Chair: Representative Director, President and CEO
Board of Corporate Auditors	• 3 auditors (including 2 outside auditors) • Exchanging opinions with the president and other directors, etc., and inspecting important documents, etc. • Corporate auditors shall share information with internal audit staff and audit firms as needed. • Held once a month in principle	Full-time Corporate Auditor
Risk & Compliance Committee	• Consists of directors (excluding outside directors), executive officers, heads of divisions, full-time corporate auditors, and other persons appointed by the chairperson of the committee • Share information necessary for risk management of the Company and promote compliance-related initiatives • Held once a quarter in principle	Committee Chair: Representative Director, President and CEO
Internal Audit	• Conduct internal audits of the Company as a whole, excluding divisions to which he/she belongs, with the internal auditor appointed by the President and Representative Director as the internal auditor. • The person responsible for internal audits shall prepare an internal audit plan for each fiscal year and conduct internal audits upon approval by the President. • No independent internal audit office	Internal audit staff appointed by Representative Director, President and CEO

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6. Appendix
Business Environment

DGP Business Model

Operates as an intermediary platform connecting generators and consumers, earning fees based on transaction volume.
As demand for renewable energy grows, revenue opportunities through the platform are expected to expand further.

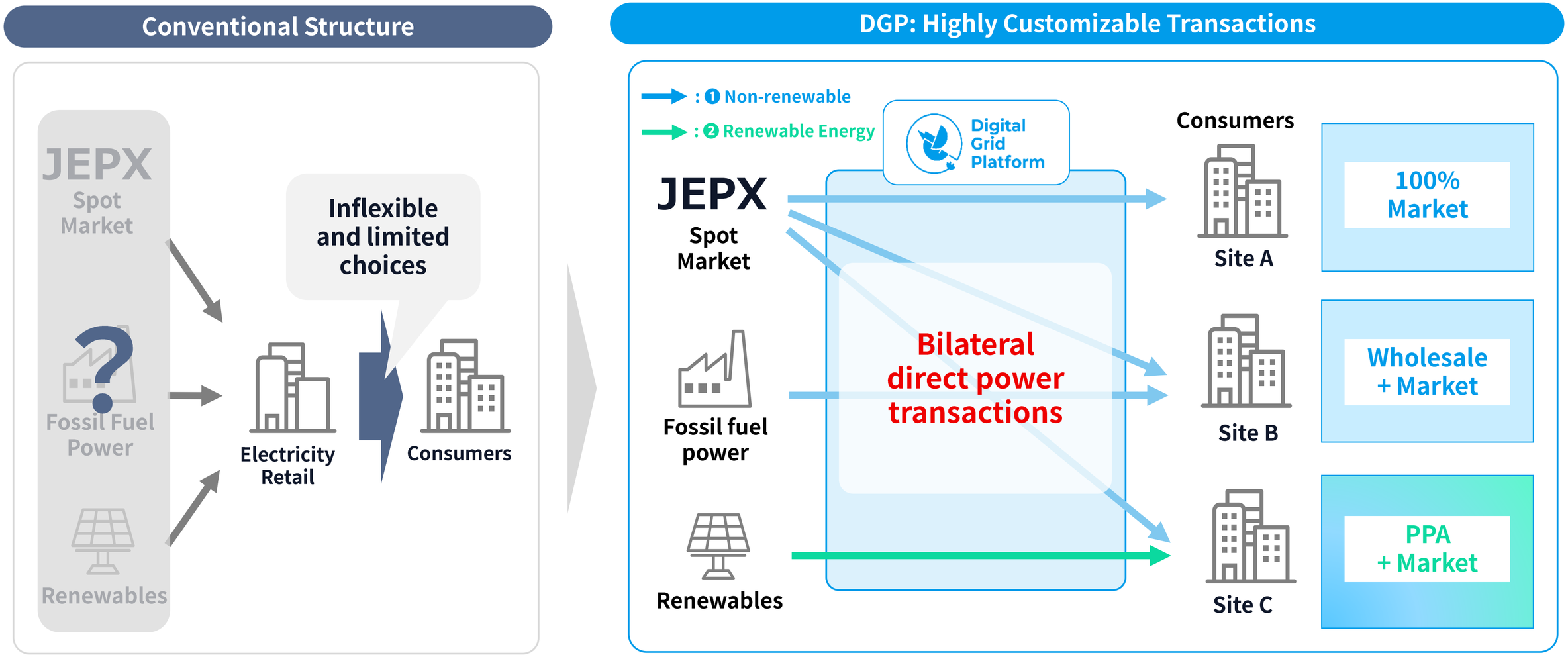


*1 Extra-high voltage is for large-scale facilities with a contracted power of 2,000kW or more. High voltage is for facilities with a contracted power of 50~2,000kW. Low voltage voltage is for facilities with a contracted power of less than 50kW

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Key Features of Transactions on the Digital Grid Platform (DGP)

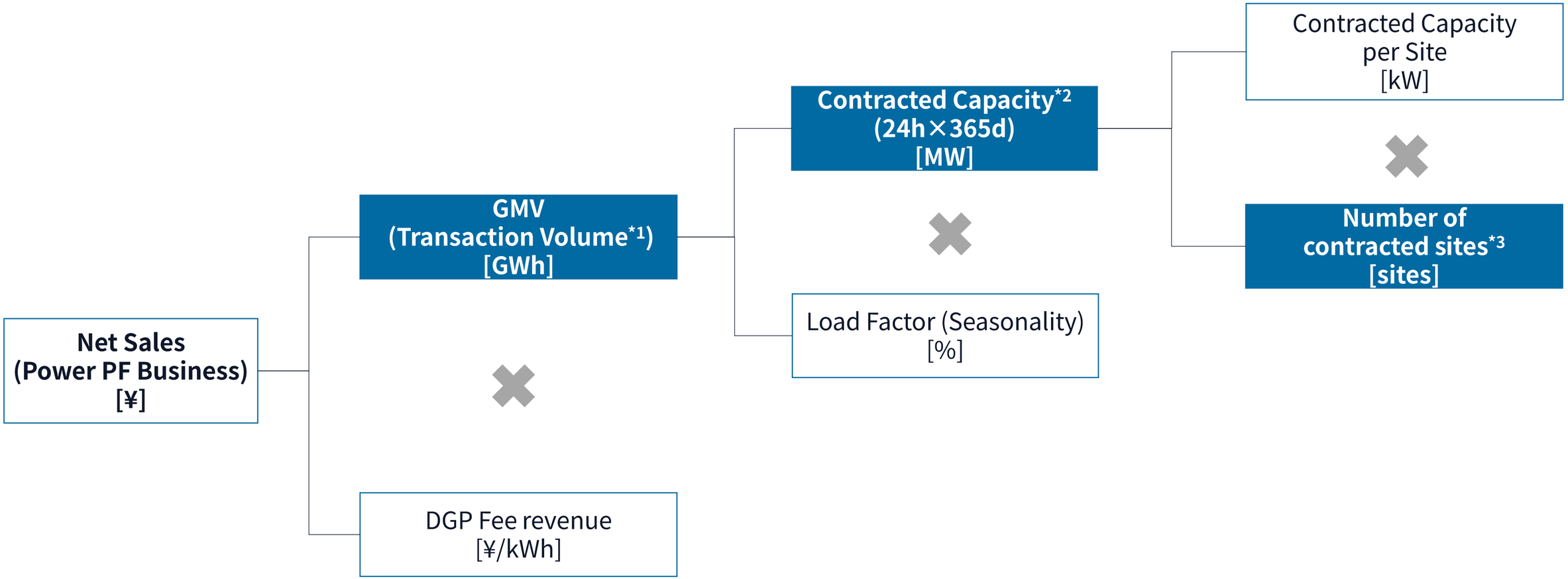
Enabling direct electricity transactions allows consumers to procure electricity in line with their risk tolerance and procurement policies. Generators can flexibly supply electricity to a diverse range of consumers and benefit from direct transactions with consumers.



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Non-Financial KPIs

The Group’s revenue is linked to transaction volume (GWh), with contracted capacity (MW) and number of sites as key components and KPIs.

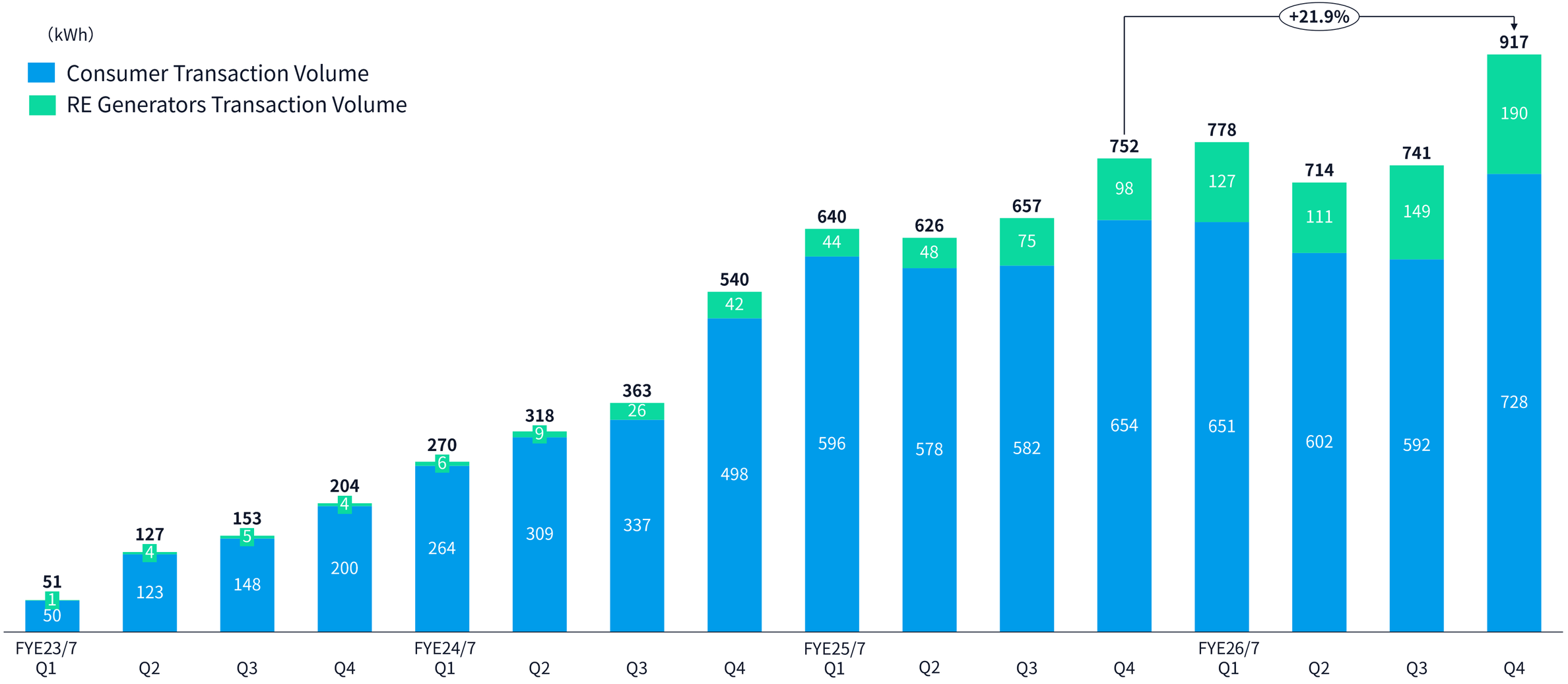


*1 Total volume of electricity procured by consumers using DGP and transmitted by generators using DGP.
*2 Total capacity of consumer sites procuring electricity through DGP and power generation sites for which the Group provides balancing services.
*3 Total number of consumer sites procuring electricity through DGP and power generation sites for which the Group provides balancing services.

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Transaction Volume (kWh)

Transaction Volume (kWh) represents actual electricity consumed over a period (kW × h). While an important indicator of revenue growth, Transaction Volume tends to fluctuate due to seasonal factors such as weather.



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Competitive Advantage

The Group has established a unique positioning as an energy tech company, combining platform functions with power plant (battery storage) ownership and electricity delivery.

	Platformer (Third-party transactions)	Electricity Delivery (electricity supplier license)	Assets
Utilities	-	✓	✓
Power producers and suppliers	-	✓	(✓) **(depends on company)**
DIGITAL GRID	✓	✓	(✓) (own battery storage)
Energy trading Marketplace	✓	-	-
Electricity price comparison websites	✓	-	-
JEPX Japan Electric Power Exchange	✓	-	-

DG Group Advantages:

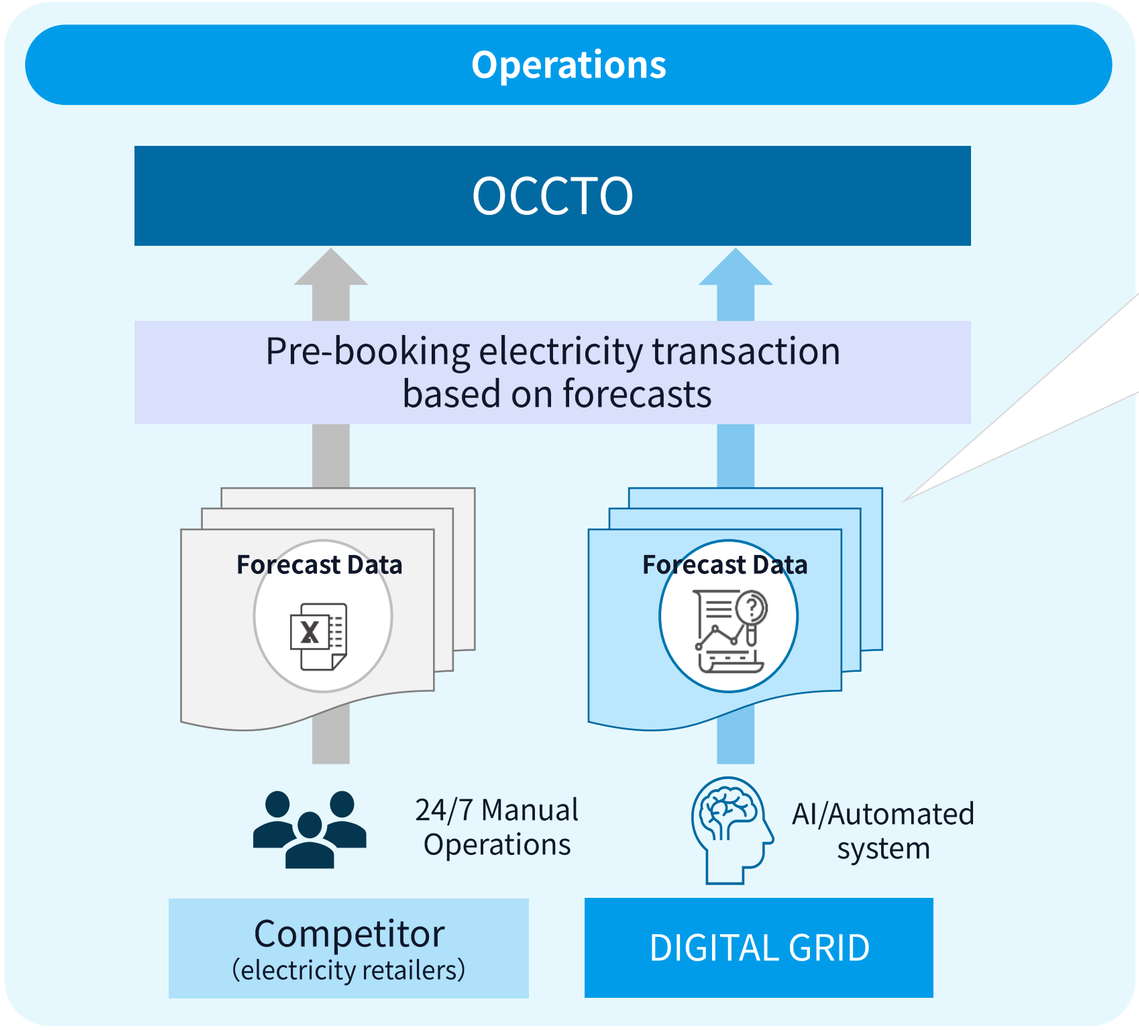
- **Platform connecting generators and consumers**: optimizes power transactions while leveraging market trading
- **AI-driven demand and generation forecasting and balancing by site:** enables efficient power trading and supply-demand optimization
- **Diverse power sources and procurement methods:** enables power procurement tailored to customer needs, including market-linked, fixed-price, customized schemes, and corporate PPAs
- **Battery ownership and aggregation services:** battery investment and aggregation capabilities, enabling integrated optimization of investment and operations in line with market conditions

Note: This is the Company's own analysis of its positioning in the power industry.

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Cost Advantage through Automation of Balancing Services

By utilizing AI and automated transaction systems, we are building a mechanism to offer cost-effective electricity plans while reducing operational expenses compared to traditional electricity retailers. Through advanced management, the settlement of discrepancies between actual and planned values prevents annual losses and reduces the burden on customers.



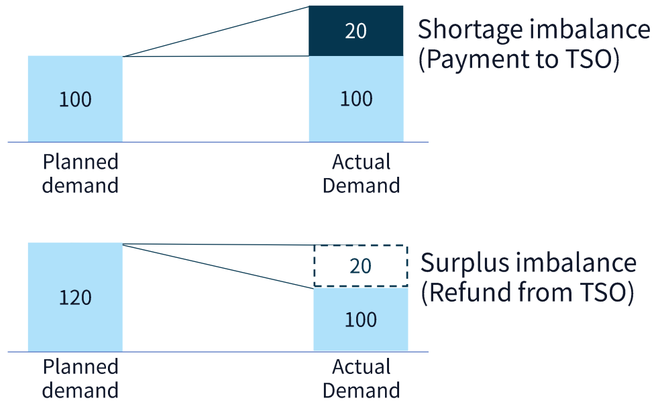
Concept for Plan submission

- Requires a transmission reservation based on prediction of consumption & generation volume every 30 minutes, 365 days a year

Cycle	Planned
00:00-00:30	100
00:30-01:00	105
…	…

×365days

In case of a shortage or surplus



- Imbalance caused by Retail electricity provider and Power producer are adjusted by TSO.
- Discrepancies between planned and actual amounts are settled.

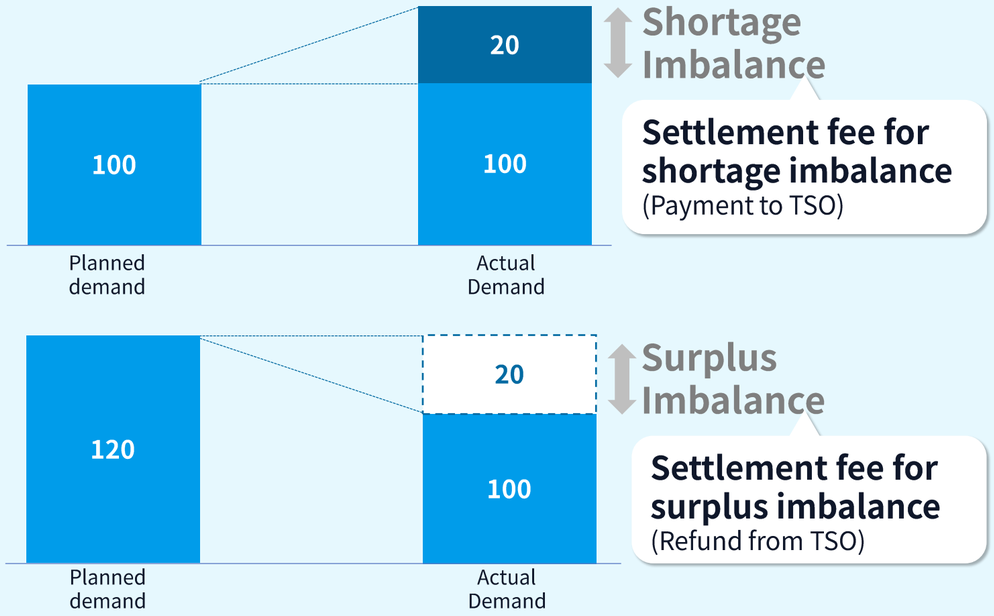
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Settlement with Transmission System Operator (TSO)

1. Retail electricity providers and power generators are required to prepare demand and generation schedules in 30-minute intervals, dividing each day into 48 settlement periods.
2. Any deviation from these schedules in actual supply and demand is referred to as an imbalance, which is adjusted by TSOs.
3. Generators or retailers that cause imbalances must settle the corresponding electricity volumes with TSOs after the fact.

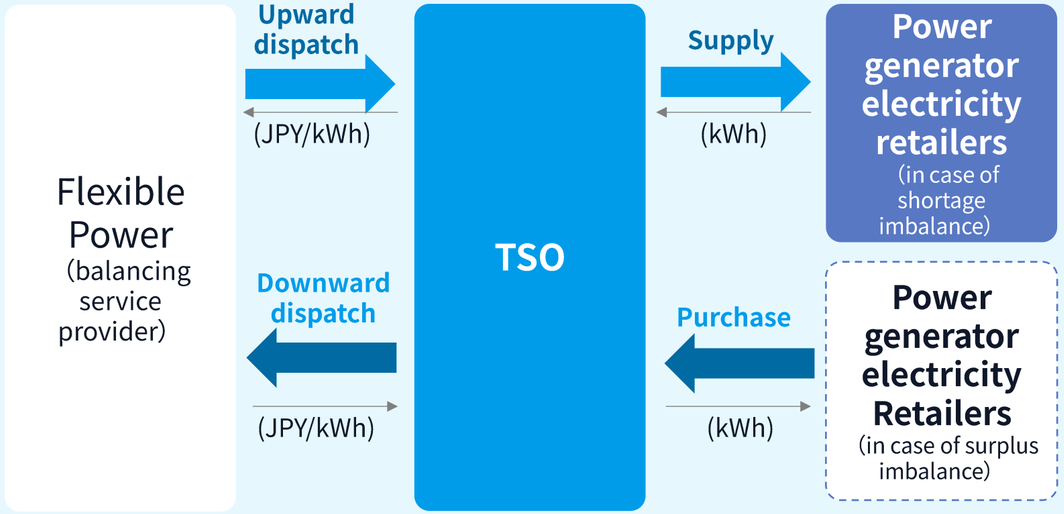
Plan Submission and Imbalance

TSO resolve imbalances caused by electricity retailers and generators using contracted balancing resources secured in advance.



Settlement of Imbalance

- Any power generators and electricity retailers who caused imbalance will settle the payment with TSOs.
- TSOs pay compensation to balancing capacity providers for the amount of balancing capacity activated in response to dispatch instructions.

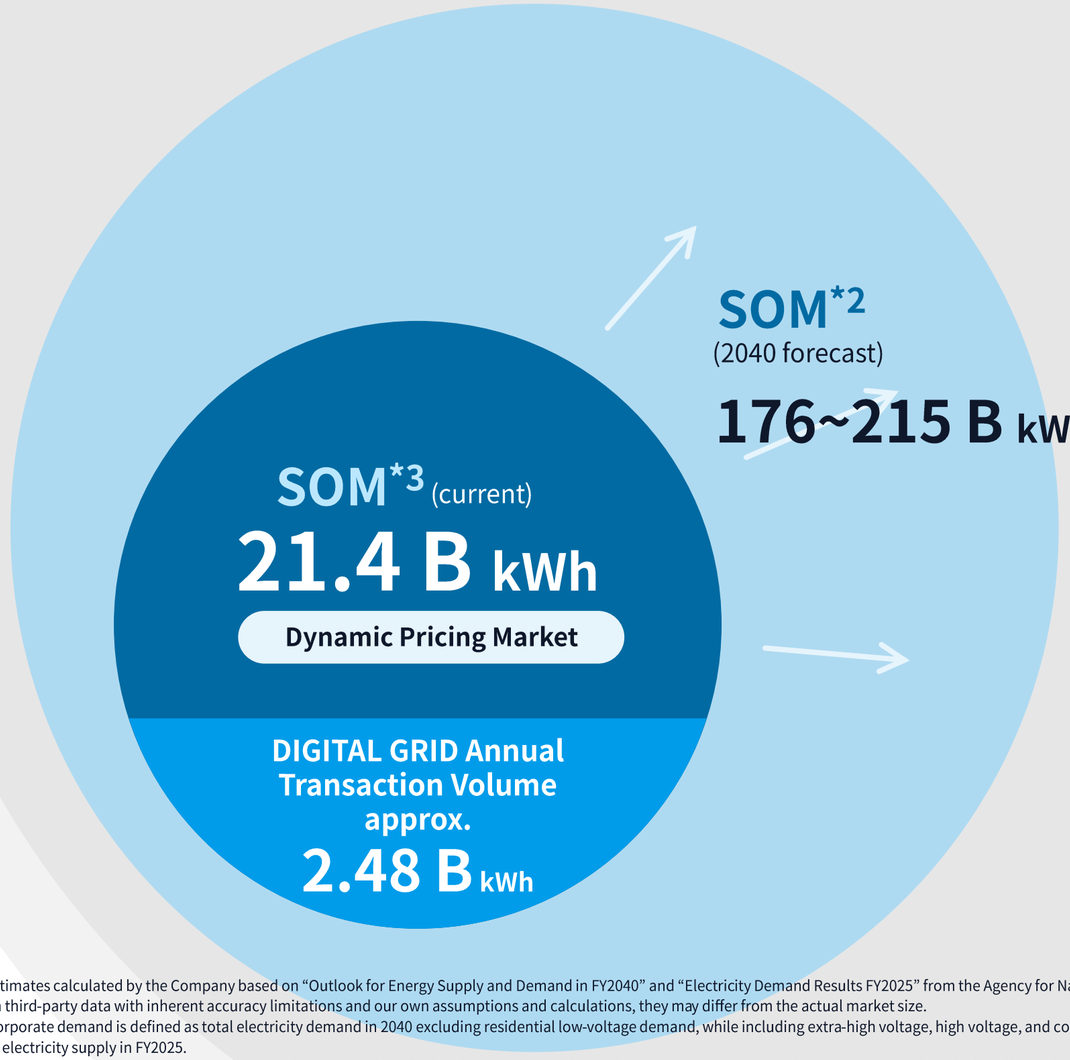


Source: Electricity and Gas Market Surveillance Commission Secretariat, Network Business Monitoring Division, “Imbalance Charges Scheme,” January 28, 2022.

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Potential Market Volume (Power Platform)

Driven by changes in the external environment, the dynamic pricing market is likely to expand with growing corporate demand.
DIGITAL GRID handles approximately 2.48 billion kWh of electricity annually, accounting for about 11.6% of the target market.



SOM*2
(2040 forecast)
176~215 B kWh

SAM*1
(2040 forecast)
661~808 B kWh
Corporate Demand

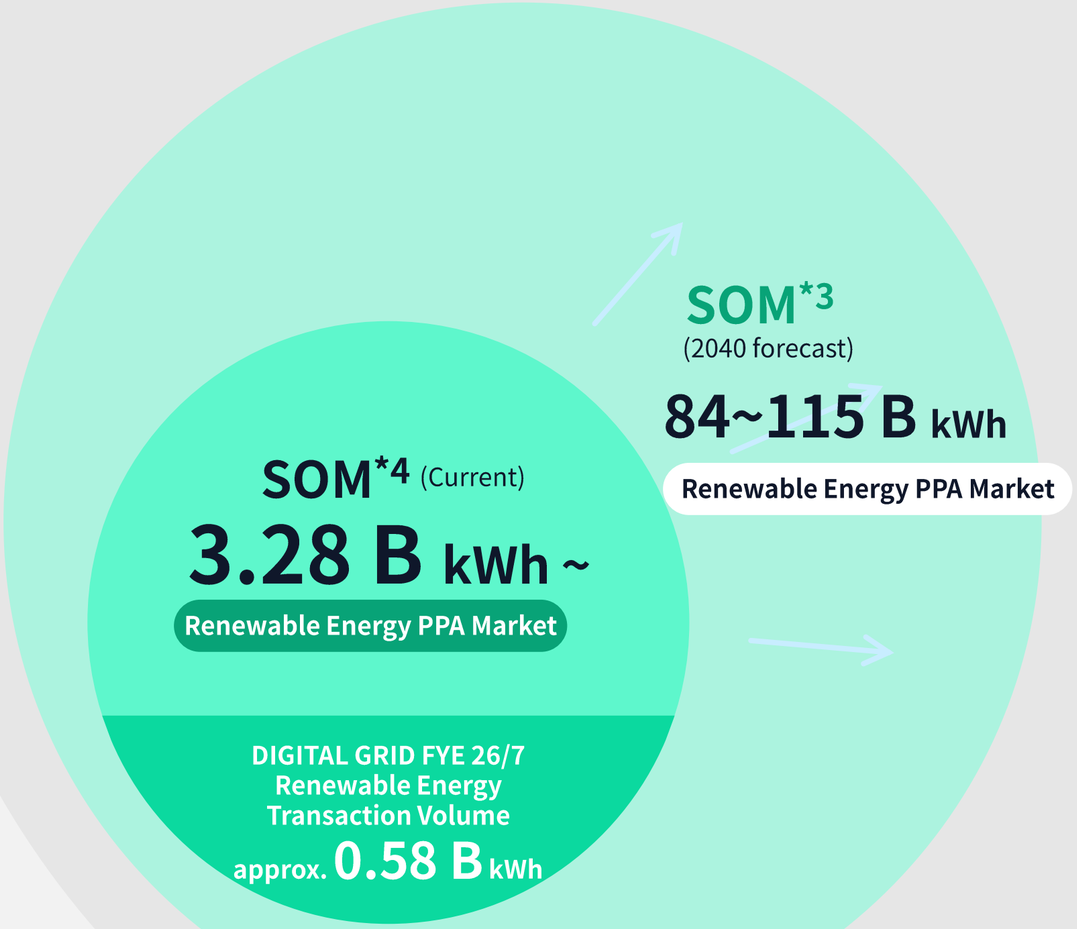
TAM
(2040 forecast)
900~1,100 B kWh
Total Electricity Demand

TAM, SAM and SOM are estimates calculated by the Company based on “Outlook for Energy Supply and Demand in FY2040” and “Electricity Demand Results FY2025” from the Agency for Natural Resources and Energy, using the methods described in *1, *2 and *3.
As these estimates rely on third-party data with inherent accuracy limitations and our own assumptions and calculations, they may differ from the actual market size.
*1 SAM (2040 forecast): Corporate demand is defined as total electricity demand in 2040 excluding residential low-voltage demand, while including extra-high voltage, high voltage, and corporate low voltage. Calculated by multiplying projected total electricity demand in 2040 by 73.5%, based on the share of extra-high voltage, high voltage, and corporate low-voltage electricity in total electricity supply in FY2025.
*2 SOM (2040 forecast): Based on the 2024 shares of new power providers in extra-high/high-voltage and low-voltage electricity supply, 19.3% and 26.6%, respectively, calculated by multiplying projected extra-high/high-voltage demand in 2040 by 19.3% and projected corporate low-voltage demand by 26.6%.
*3 SOM: The dynamic pricing market is defined as the market in which new power providers offer market-linked menus for extra-high and high-voltage demand. Dynamic pricing is a market where prices fluctuate according to power supply and demand, enabling consumers to save electricity costs and suppliers to operate power facilities and businesses efficiently, and is expected to support optimization of supply-demand balance. Market size is calculated by aggregating FY2025 extra-high + high-voltage supply-demand results of new power providers offering market-linked menus.

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Potential RE Market Volume (RE Platform)

Driven by the 7th Basic Energy Plan in Japan, the renewable energy PPA market is expected to expand rapidly by 2040. In FYE 26/7, our annual renewable energy handled was approximately 0.58 billion kWh, accounting for about 17.6% of the target market.

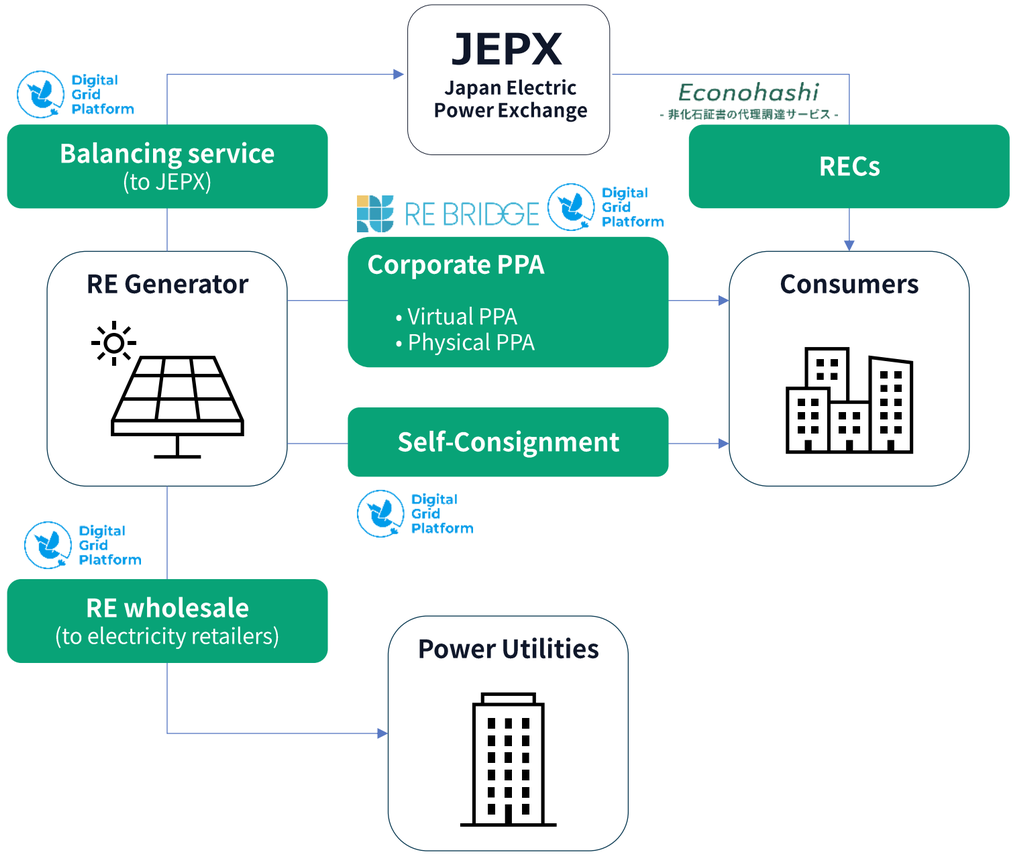


TAM, SAM and SOM are estimates calculated by the Company using the methods described in *1, *2, *3 and *4. Statistical information and third-party data have inherent limitations, and estimates are based on certain assumptions and calculations by the Company; actual market size may differ.
*1 TAM assumes generation volume calculated by applying a renewable energy power mix ratio of around 40–50% to projected total power generation of 1.1–1.2 trillion kWh in FY2040 (Agency for Natural Resources and Energy, “7th Strategic Energy Plan”).
*2 Based on the fact that extra-high and high-voltage electricity accounted for 62.1% of total electricity supply in 2025, calculated by multiplying projected total renewable energy supply in 2040 by 62.1% (Electricity Demand Results FY2025).
*3 Based on corporate PPAs accounting for 31% of natural energy electricity procurement methods among RE100 member companies in 2022, calculated by multiplying projected renewable energy supply to corporate consumers in 2040 by 31% (Renewable Energy Institute, “Electricity Procurement Guidebook for Companies and Local Governments, 8th Edition [2025],” p.66).
*4 Total domestic offsite PPA cases of 2,186 MW converted to kWh using a 15% capacity factor (Renewable Energy Institute, “Corporate PPAs: Latest Trends in Japan 2024, 2025, 2026”).

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Comprehensive RE Platform (RE PF) Offerings

Our Services



Glossary

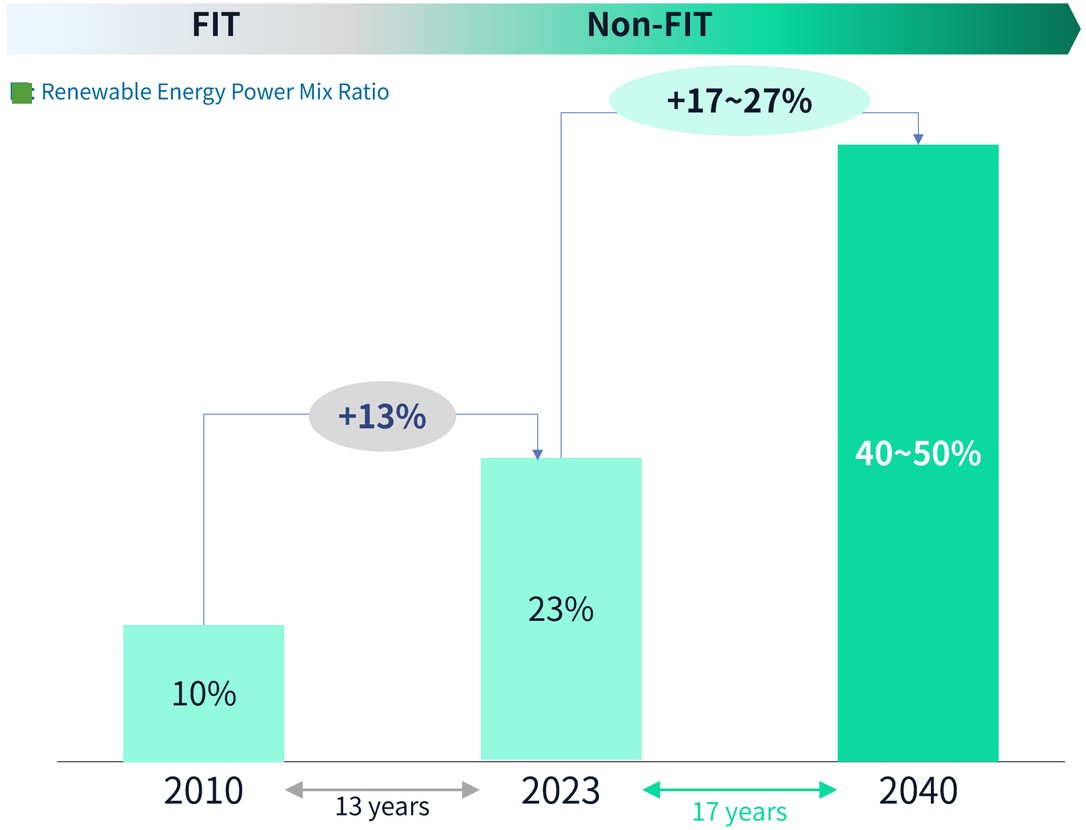
Physical PPA	A long-term contract supplying both electricity and environmental value (non-fossil value) to consumers (PPA)
Virtual PPA	A long-term PPA contracting only environmental value (non-FIT non-fossil value) without any physical electricity transaction with consumers
RE Wholesale	Procuring renewable electricity from generators and supplying it to electricity retailers
Balancing Service	A mechanism for selling electricity through the Japan Electric Power Exchange (JEPX)
Self-consignment	A scheme where electricity generated at company-owned facilities is transmitted to another of the company's sites via the TSO's transmission and distribution network
Battery-equipped	A scheme where a power plant (mainly solar) is operated together with co-located battery storage

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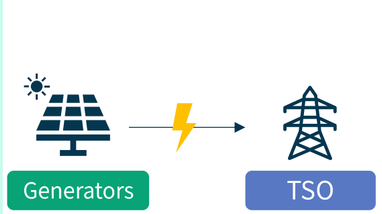
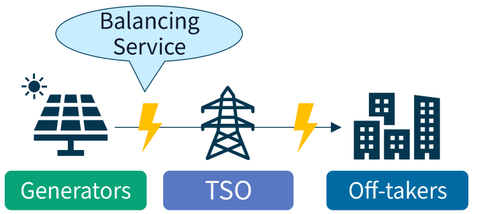
RE Adoption Led by Private Sector

The Japanese government aims to raise the renewable energy ratio by a further +17~27% with non-FIT*1 sources by 2040*2. Non-FIT requires securing power off-takers to enable financing, as well as managing transmission and balancing operations - making support for these tasks essential.

Renewable Energy Growth Through 2023 and 2040 Target



FIT vs. Non-FIT

	FIT	Non-FIT
Scheme		
Securing off-takers	Not required (fixed-price procurement by TSO/government)	Required (to be secured by Generator)
Balancing	Exempt	Required (self-managed supply–demand balancing)
Financing Conditions	Relatively easy (predictable cash flow)	Difficult (off-taker is essential)

From government-led to **private-led RE adoption**

*1 Non-FIT power sources collectively refer to power sources that have not received FIT certification, power sources whose FIT certification period has ended, and FIP-certified power sources. *2 Agency for Natural Resources and Energy, 7th Strategic Energy Plan
Source: Prepared by the Company based on Japan Research Institute, “One and a Half Years Since FIP Introduction: Current Status and Outlook of FIP Transition (1),” and Agency for Natural Resources and Energy, “Nattoku! Renewable Energy.”

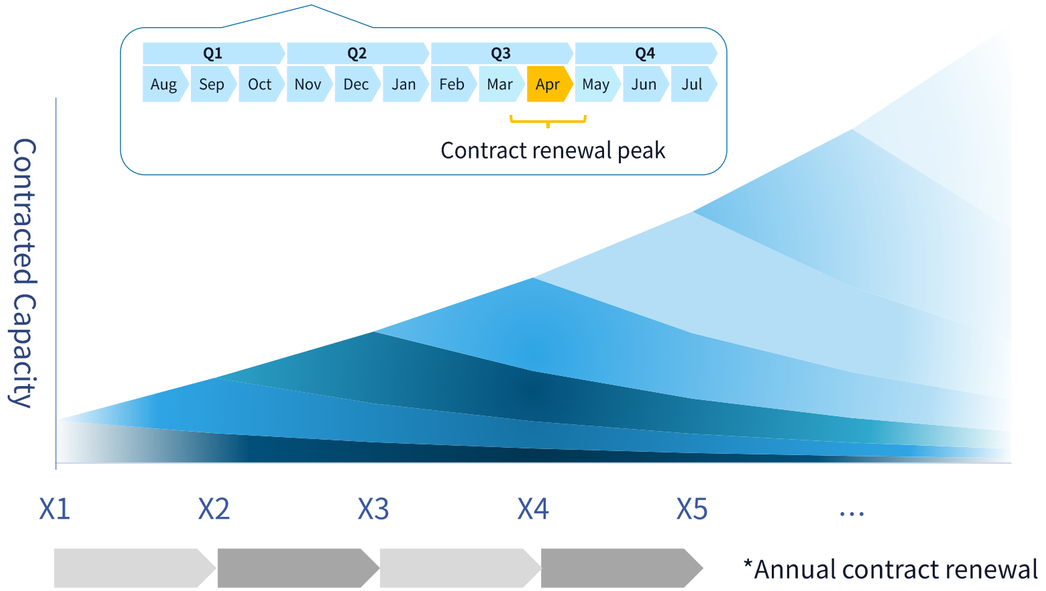
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Contract Term Trends by Business

The Power Platform business is based on one-year contracts, with renewal activity peaking in April.
The RE Platform business is structured around long-term contracts spanning approximately 20 years, generating steady annual additions and a solid foundation for stable recurring revenue.

Power Platform Contract Structure

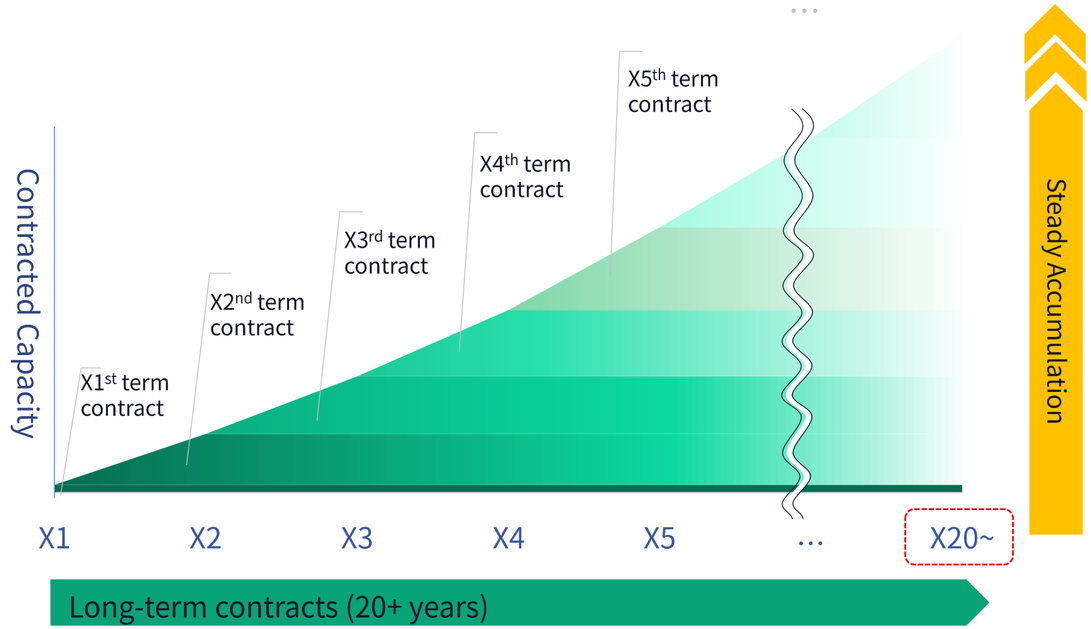
Contract renewal ≒ 1 year



- Primarily one-year contracts, with most corporate customers reviewing terms annually
- Contract volume expanded by partnering with agencies to reach a broader base of consumers
- Improving contract renewal rates is critical, as renewal timing is prone with churn risk

RE Platform Contract Structure

Contract renewal ≒ 20 years



- Primarily long-term contracts of 20 years or more
- Balancing service fees are paid by both Consumers and Generators
- Long-term contracts carry low churn risk and feature high gross margins, contributing to a stable medium-to-long-term revenue

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Business Implications of the Middle East Crisis

While soaring LNG and power prices driven by geopolitical risks such as the Middle East crisis are headwinds for the industry, the impact on the Group is limited. While continuing to accept new contracts, we are further strengthening our competitive advantage by offering solutions less affected by price spikes, such as the tailor-made model.

External Environment: How the Middle East Crisis Impacts Power Market Prices

Geopolitical risks emerge, such as the Middle East crisis and a possible blockade of the Strait of Hormuz

↓

Global LNG supply concerns grow; demand surges in the spot market

↓

JKM[*1] rises amid competition to secure LNG; domestic LNG procurement prices follow

↓

JEPX area prices rise

Business Implications

Power PF

- Even when JEPX market prices spike, the pass-through business structure[*2] limits the impact on our P/L, and funding needs such as advance payments are already covered.

RE PF

- Renewables, which are less affected by price volatility, gain an advantage, and PPA demand is expected to grow.
- Costs are less exposed to the market, increasing the cost competitiveness of renewables.

Battery

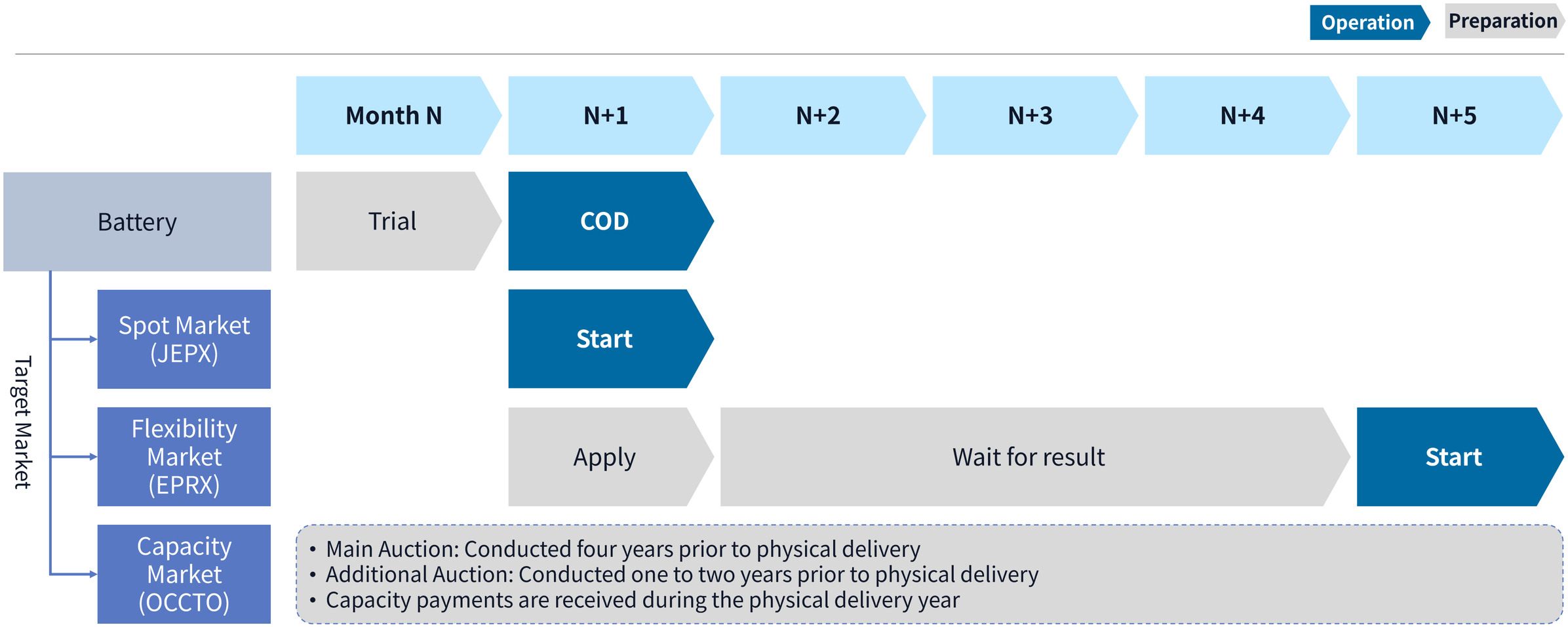
- Arbitrage opportunities increase (charging during low-price hours and discharging during high-price hours), and profitability improves.

*1 Abbreviation of Japan Korea Marker. A benchmark for spot LNG prices traded mainly for Japan, Korea, China, and Taiwan.
*2 A structure where the selling price changes in line with the procurement cost.

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AS Business Revenue Recognition Timing

Revenue recognition timing varies by revenue stream. Balancing market revenue is typically recognized approximately five months after the commencement of commercial operations.



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Risks

▲ Upsides
▼ Downsides

	Probability	Impact on Power Market	Impact on Our Business
Surge in JEPX Market Prices	**High**	● Many electricity retailers in deficit ● Growing demand for power hedging	▼ Temporary revenue decline due to the exit of 100% JEPX customers ➢ During past JEPX surges, growth was driven by absorbing unmet demand from other providers ▲ Offering hedging options for fixed electricity costs and customized plans combining fixed and variable pricing
Further Reduction in the Price Cap for the Balancing Market	**High**	● Potential decline in profitability of the battery storage business ● Optimization of bid volumes	▼ Lower price caps in the balancing market may reduce transaction prices for battery storage services, potentially lowering revenue from the balancing market. ▲ Greater complexity in battery operations is expected to drive demand for aggregators capable of optimizing revenue across multiple markets.
Emergence of Competitors	**Medium**	● Accelerating market red ocean ● Customer attrition & rising service costs	▼ Potential revenue decline due to market monopolization in dynamic pricing ▲ Enhancing unique services and features, including DGP ▲ Expanding service lineup and continuously pursuing new business opportunities
Response to Risks from Electricity Market Reforms	**Medium**	Responding to Various Regulatory Changes ● 2016: Full liberalization of Electricity retailers ● 2020: Legal unbundling of transmission and distribution ● 2024: Introduction of the capacity contribution system	▼ Potential impact on financial position and business performance due to unexpected regulatory changes ▲ Strengthening lobbying and monitoring efforts for regulatory changes
Regulatory Changes in Decarbonization	**Medium**	● Introduction of carbon pricing ● Transition to a renewable energy-centered power mix ● Increase in market prices	▼ Rising LNG-based power generation costs may increase market procurement costs, impacting profitability ▲ Growing demand for corporate PPAs driving an increase in renewable energy supply-demand contracts
Profit and Loss Related to Settlement with Transmission System Operators	**Medium**	● Achieving real-time supply-demand balancing ● Incentives for accurate supply-demand planning	▼ Significant surplus or shortage imbalances due to failure in real-time balancing may impact financial position and business performance ▲ Establishing a system for optimizing supply-demand balance every 30 minutes through in-house systems and a monitoring team

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