PowerX Business Model and Growth Strategy

March 2026 (Securities code: 485A)

This document is an English translation of the original Japanese document titled “Jigyo Keikaku Oyobi Seichou Kanousei Shiryou” and is provided solely for reference purposes.
In the event of any discrepancy between this translation and the original Japanese document, the original Japanese version shall prevail.

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PowerX at a Glance

Established in

2021

(5 years of operation)

Addressing a TAM of

Up to 10.1 tn JPY

by 2040 in Japan *1

No. 1

Adoption rate of FY2025 Grid-scale battery & water electrolysis equipment subsidy program (49.2%)*2

Signed Orders & Probable Orders as of 2/13/2026*3

80.1bn JPY

Cumulative value of signed & probable orders (2026–2030)*3

JPY 6.16bn → JPY 19.3bn

FY24 Revenue → FY25 Revenue

27% +

GP margin (FY25)

*1 Estimated market size assuming that the cumulative balancing capacity required to accommodate the increase in renewable energy supply from now through 2040 is fully covered by battery storage systems. This estimate is based on projected energy mix and total power generation for 2040 under Japan's 7th Strategic Energy Plan and reflects our independent estimate of the battery storage market size (on a charging capacity basis), multiplied by an assumed system unit price of ¥30,000 per kWh

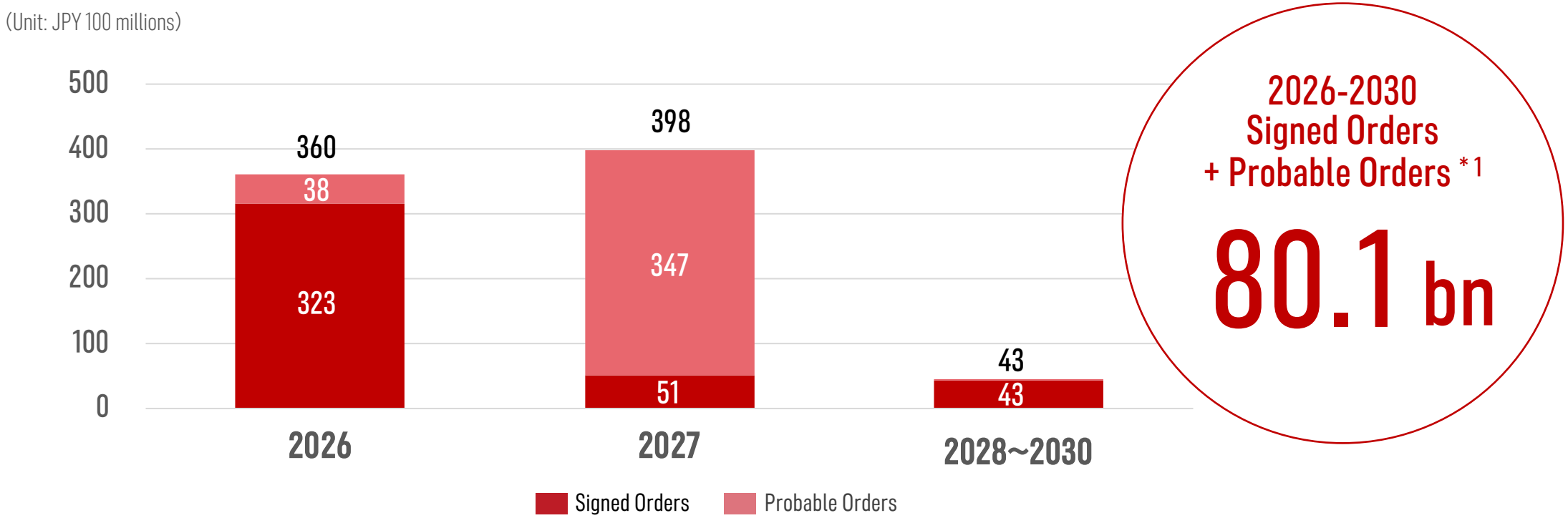
*2 The subsidy adoption rate is based on our selection results under the FY2025 government subsidy program, "FY2025 Grid-Scale Battery and Water Electrolysis Equipment Deployment Support Project."

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

Order backlog: Subsidy awards have led to a large increase in probable orders. Total value of signed and probable orders from FY26 to FY30 has reached ¥80.1 billion

2026-2030 Signed Orders & Probable Orders *1

(As of Feb 13)



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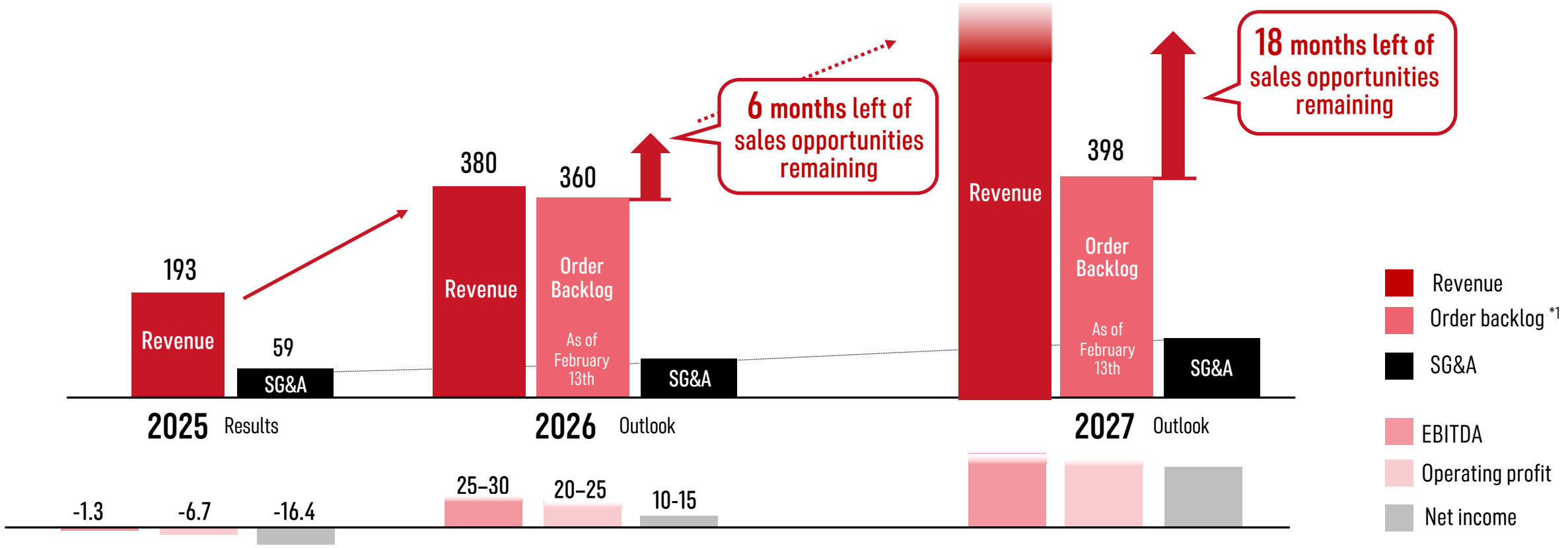
Outlook for FY26 and FY27

- FY2026 order backlog stands at ¥36 bn, up 87% year over year
- As of FY2027, order backlog has already reached ¥39.8 bn, and with additional orders expected over the next 18 months, performance is projected to exceed current fiscal year levels.

Order backlog *1, Sales, and SG&A Expenses Forecast (2025-2027)

(Unit: JPY 100 million)



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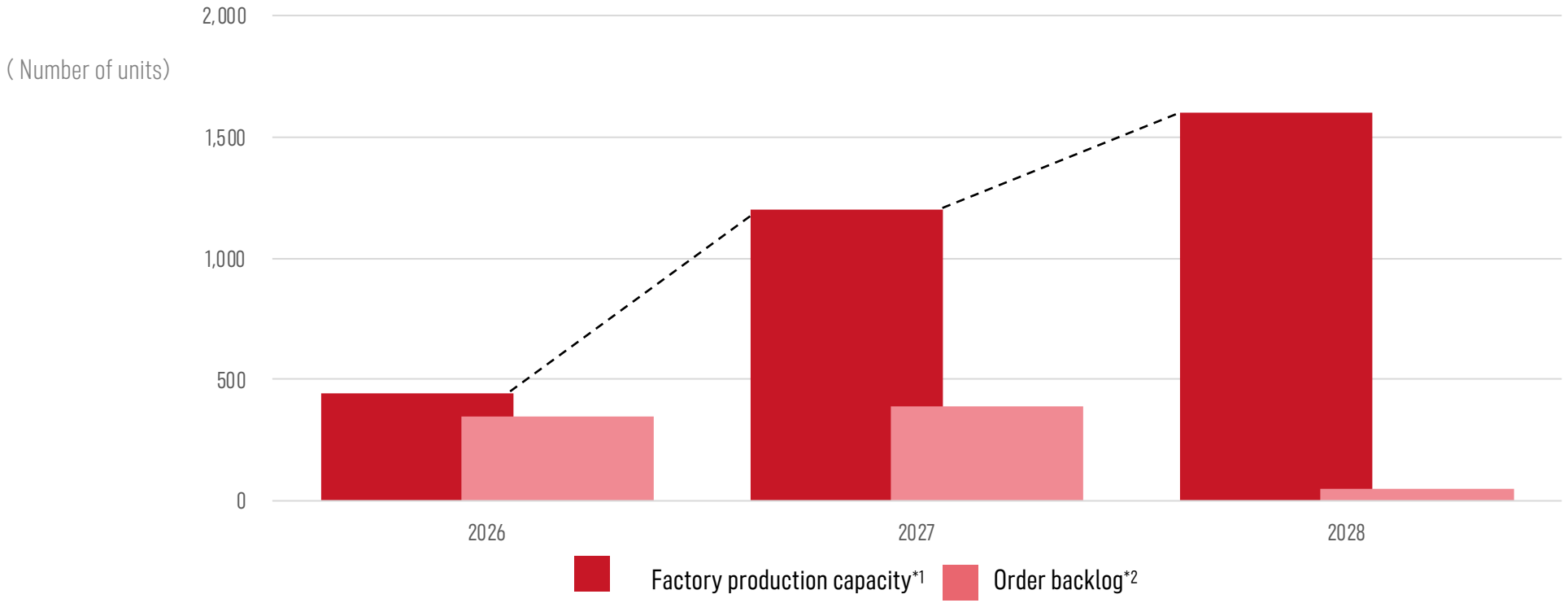
Factory Production Capacity and Backlog Status

Production capacity expansion planned to support continued order growth

Planned annual production capacity and backlog of energy storage systems



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

*2 Total number of units of Mega Power 2700 or Mega Power 2500 expected to be shipped corresponding to “signed orders” and “probable orders” as of February 13, 2026. Includes amounts already recorded as sales. “Signed orders” refer to binding orders that have been officially placed by customers and for which sales contracts have been concluded, including recurring revenue. “Probable orders” refer to any of the following expected orders: (i) those for which the adoption of government subsidies from the Japanese government, Tokyo Metropolitan Government, etc. has been approved, or (ii) orders that are in the final stage of the sales contract conclusion process, with the customer’s internal approval of our final proposal regarding the main terms, and are therefore estimated to have a high probability of being ordered in the near future. However, please note that there is a risk that orders may be canceled prior to contract execution or changed in terms of price or quantity, and that all or part of the expected revenue from concluded contracts may not be recognized.

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Business Overview

PowerX's Main Businesses

*Please note that core business areas represent the businesses in which the Company strategically focuses on and may differ from segment information disclosed in accordance with accounting standards.

Main Businesses

BESS Business

- Sales of proprietary BESS
- Provision, maintenance, and support of operation management systems

Power Business

- Provision of power supply services utilizing BESS
- Development and operation of battery power plant

New Business

Modular Data Center Business

- Development and sales of modular data center

Other Business

- EV Charging Station
- Battery Tanker

Engineering / R&D

+

In-house Manufacturing

Product Lineup

PowerX Mega Power 2700A

2.7MWh 20ft container sized BESS



PowerX Mega Power 2500

2.5MWh 10ft container sized BESS



PowerX Cube / Hypercharger

(+PX PCS 100)

358kWh / Mid-size storage battery

Battery Integrated Ultrafast EV charger



Mega Power DC

Modular data center

(ESS integration available)

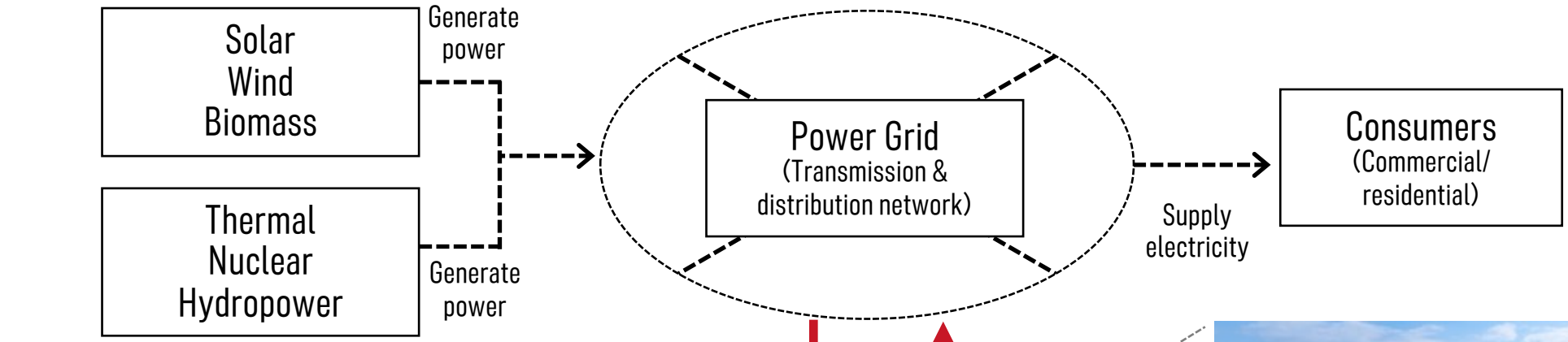


Battery Power Plants*

*Since May 2022, when the Electricity Business Act was amended, energy storage systems with an output of 10 MW or more and directly connected to the power grid have been treated as "power plants." PowerX defines these grid-scale storage systems as "battery power plants."

What is a Battery Power Plant?

- Utilizes large-scale battery systems to charge and discharge electricity to and from the power grid, contributing to grid stability while generating revenue
- This bidirectional capability enables effective supply–demand balancing and creates revenue opportunities through participation in the electricity markets.



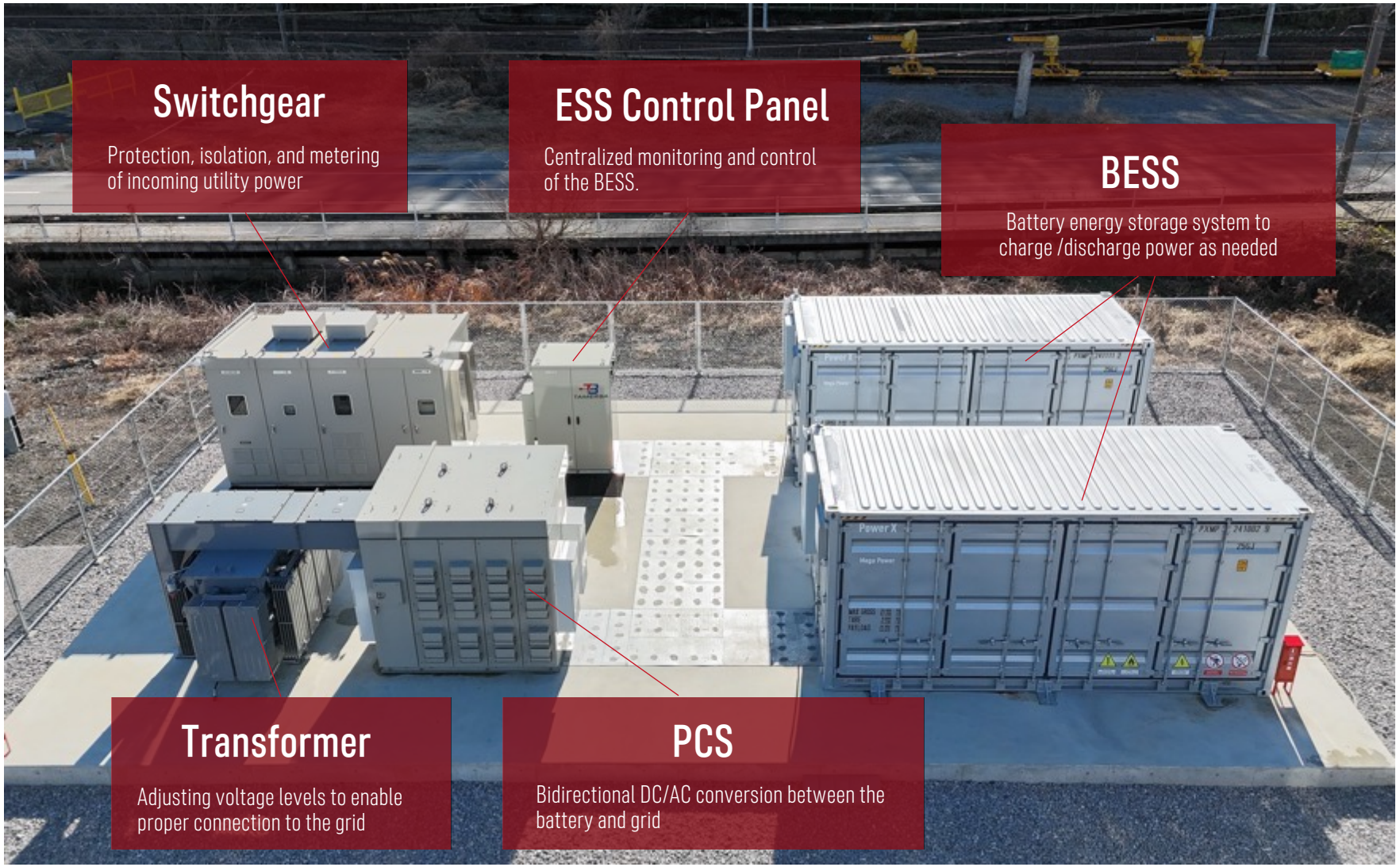
- Contributing to grid stability
- Generating revenue from three electricity markets
  (JEPX、EPRX、Capacity Market)



Extra-High Voltage Battery Power Plant (image: PowerX)

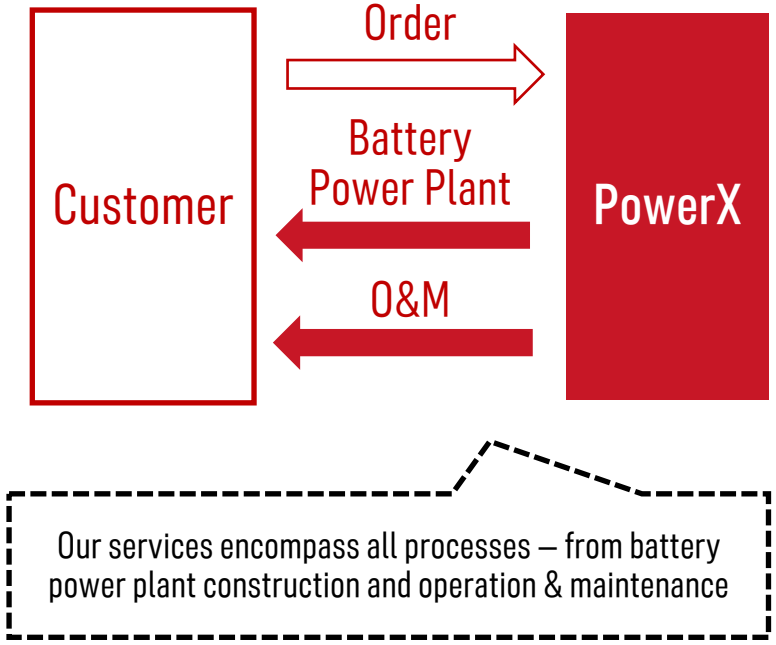
Source: Kenji Eda & Hiroaki Izuma, *Battery Storage Business*.

Key Components of a Battery Power Plant

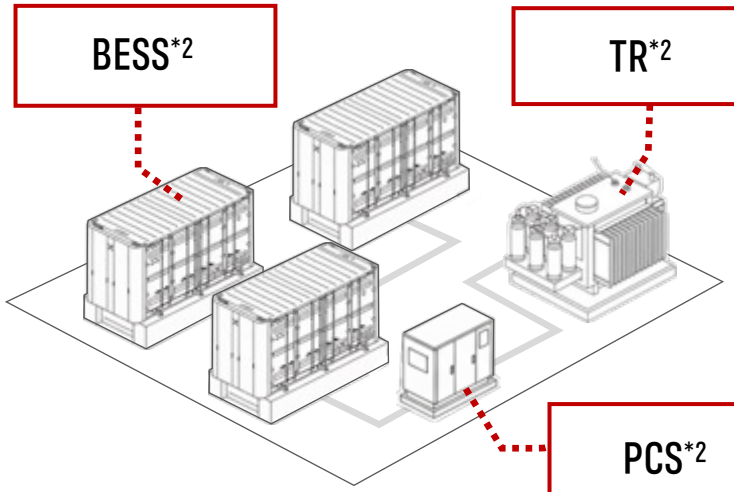


Deployment and Operation of Battery Power Plants

System development and operations for battery power plants are provided on an integrated basis through vertical integration.



Development and Operation of Battery Power Plants*1



Transportation
Maintenance
Installation
Operation

Design, production, and procurement → Transportation & installation → O&M

*1 Since May 2022, when the Electricity Business Act was amended, energy storage systems with an output of 10 MW or more and directly connected to the power grid have been treated as "power plants." PowerX defines these grid-scale storage systems as "battery power plants."
*2 BESS (Battery Energy Storage System): Stores electricity and supplies it when needed. • PCS (Power Converter System): Converts electricity between DC and AC to interface between batteries and the grid. • TR (Transformer): Adjusts voltage levels to enable proper grid connection.

Power business utilizing battery storage systems

PowerX Power Business Overview

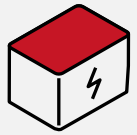
- Leverages its position as a battery system manufacturer to expand into the power business
- Delivers cost-efficient and stable services through vertical integration of power, aggregation, and assets

Power Business

Electricity Supply Services

- Offering electricity plans to corporate customers, utilizing the flexibility of BESS

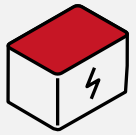
Flat Plan	Semi-Flat Plan	Advanced Plan



Aggregation Services

- Operation and monitoring of battery power plants
- Bess power trading

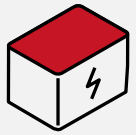
Battery Power Plant	Co-located with PV	Commercial & Industrial



Asset Services

- Development and sales of battery power plant

Site Development	Engineering & Procurement	Turnkey sales



Modular Data Center

New Business: Modular Data Center

Press Movie

“Mega Power DC” launched; available from February 13, 2026

NEW

Modular Data Center

Mega Power DC

Containerized Data Center

Low cost, fast deployment – without construction hurdles

Integrated Energy Storage System

Integrated ESS to tackle grid congestion and decarbonization

Cooling Technology

Applying cooling systems of BESS

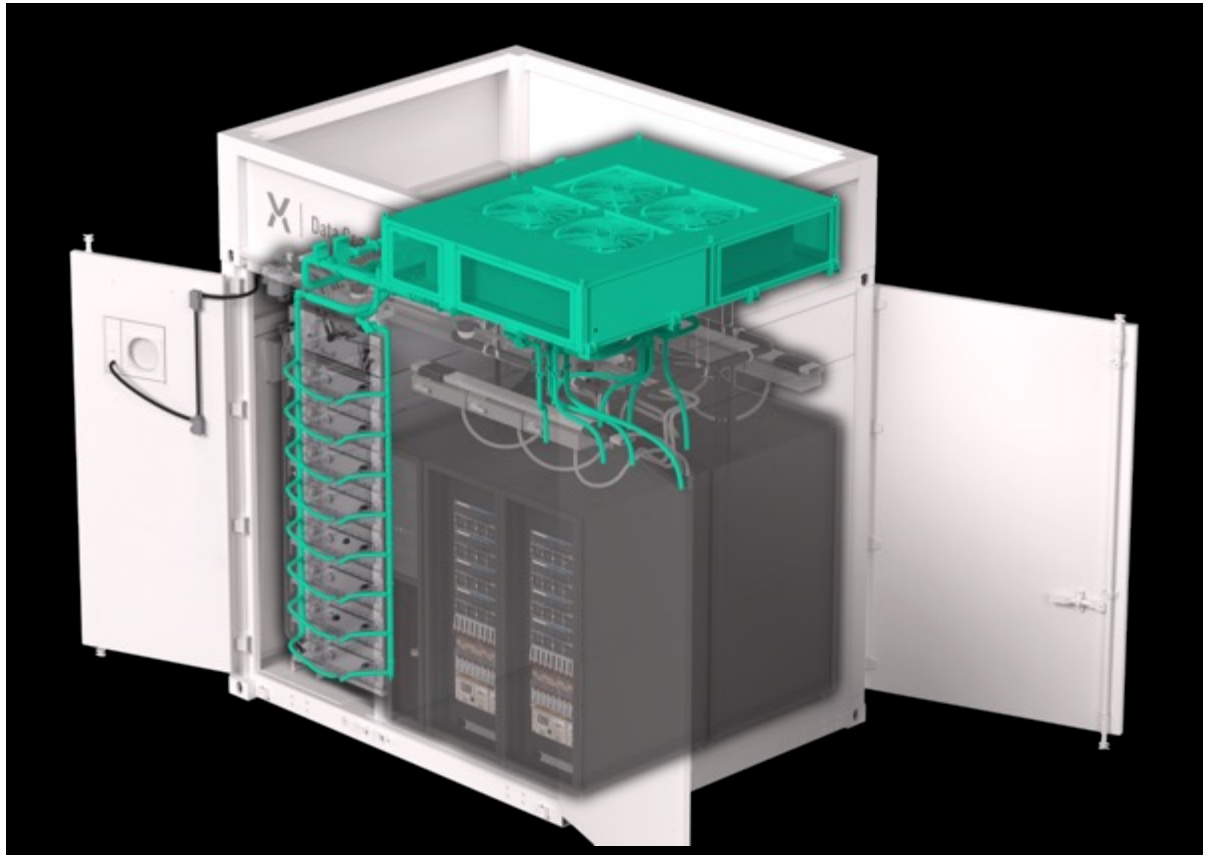
Mass Production

Mass production at PowerX factories



Mega Power DC: Technologies Supporting Stable Operations

Integrated Cooling | Space-Efficient Design | ESS Integration & DC-Ready

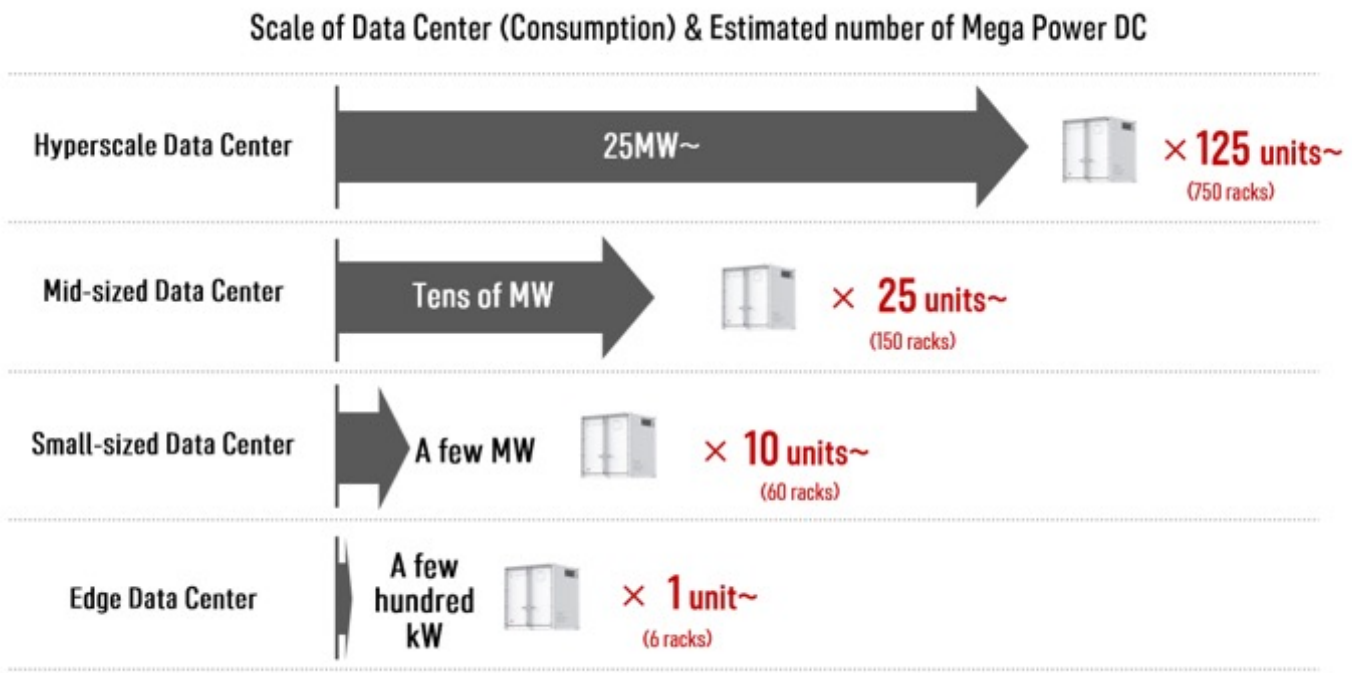


Closed-Loop Liquid Cooling for High Efficiency and Stability

As server performance and rack power densities continue to increase, data centers require more precise and reliable cooling. Mega Power DC is purpose-built with a dedicated liquid-cooling architecture to maintain stable temperature control in high-density, high-heat environments.

Drawing on our expertise as a battery manufacture, we apply advanced thermal design to deliver uniform cooling, ensuring continuous operation and improved energy efficiency.

Mega Power DC Scalability and Flexibility





Large-scale Power Plant 1,000MW

Power Received	Container	IT racks*
25MW	125	750



Battery Power Plant • Renewable Power Plant 2~20MW

Power Received	Container	IT racks*
0.2~2MW	1~10	6~60

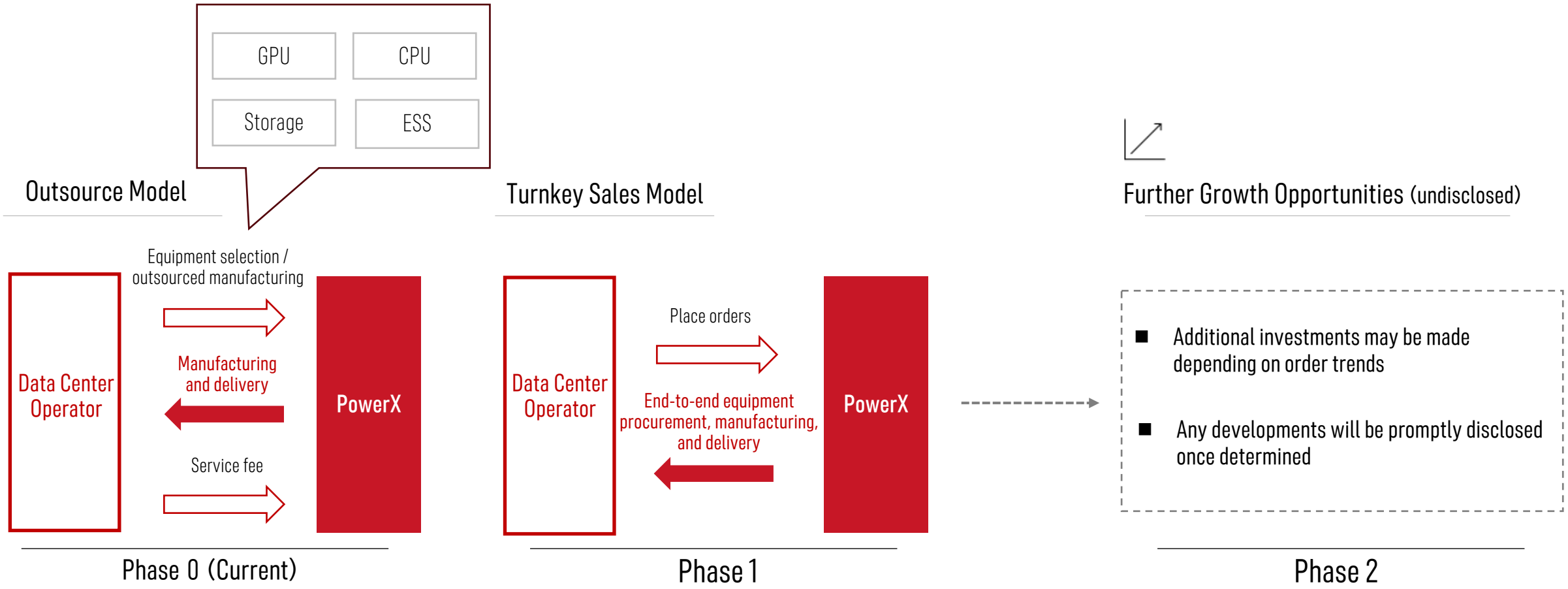


Edge Location Research institutes, areas under elevated tracks, logistics centers, factories, and more

Power Received	Container	IT racks*
0.2MW	1	4 (ESS integrated)

*Industry-standard 42U rack

Modular Data Center Business: Business Model (Phase 0)



*No significant changes to large-scale CAPEX or the current disclosed business plan are expected as a result

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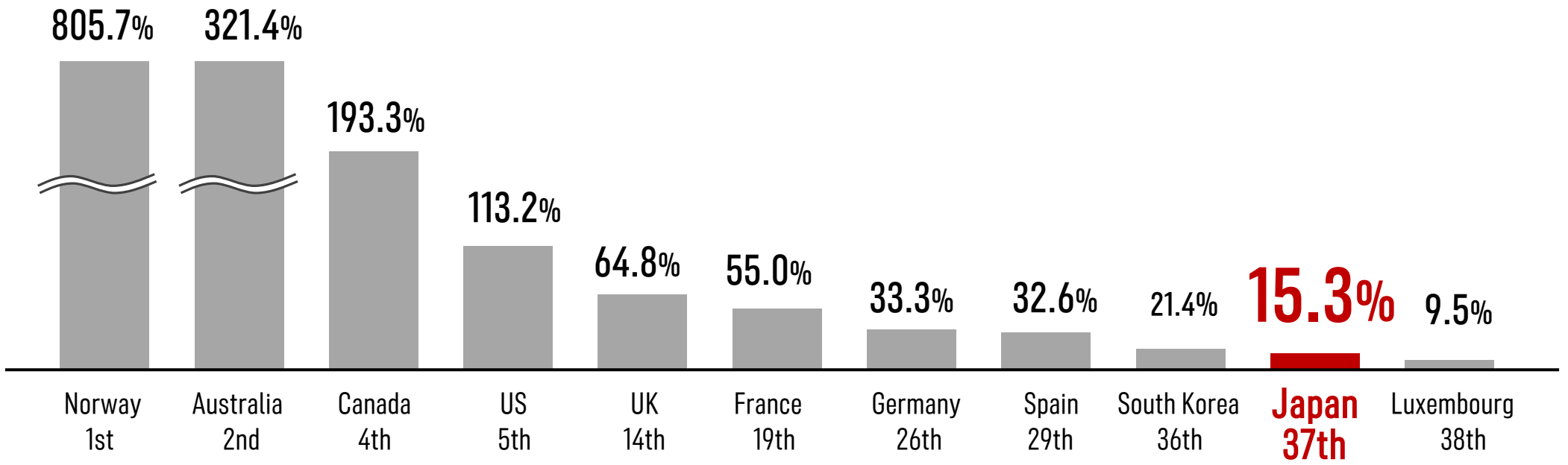
Market Environment

Japan is Among the Least Energy Self-Sufficient Countries in the OECD

Expanding domestic energy will significantly improve energy self-sufficiency*

As of 2023, Japan's energy self-sufficiency rate stands at just **15.3% (37th),** indicating a continued high dependence on external energy resources

Energy Self-Sufficiency Ratios of Select OECD Countries (2023)



Source: Prepared based on World Energy Balances Highlights (International Energy Agency, October 2025).Energy self-sufficiency is calculated as domestic energy production (PJ) divided by total domestic energy supply (PJ).Japan's energy self-sufficiency ratio is sourced from the Comprehensive Energy Statistics (Final Time-Series Data for FY1990–FY2023) published by the Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry (METI).Note that there are minor differences between the energy self-sufficiency calculation methodologies used by the International Energy Agency and METI.

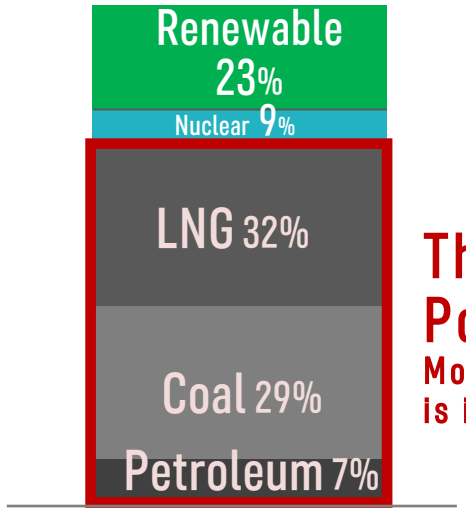
*Domestic energy refers to energy that can be produced domestically on a sustainable basis. Japan relies heavily on imported energy resources. In particular, fossil fuels (oil, natural gas, coal) used for thermal power generation and uranium for nuclear power are largely imported, which creates energy security risks. Therefore, domestic energy in Japan primarily refers to renewable energy (solar, wind, hydro, geothermal, biomass).

Japan's Power Generation Mix and the Economic Impact of Energy Imports

Japan's Power Generation Mix

(Total Electricity Generation)

992.2TWh



Thermal Power: 70%

Most fuel for thermal is imported

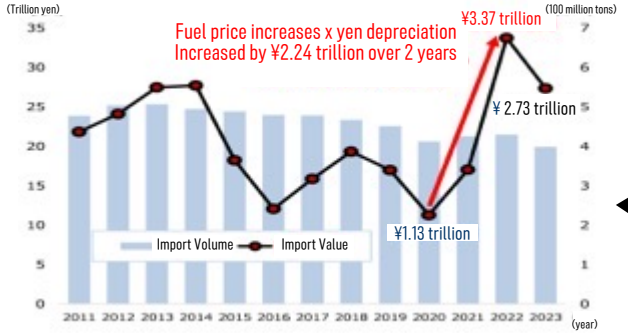
Source: Agency for Natural Resources and Energy, Comprehensive Energy Statistics (Preliminary FY2024 Data) (https://www.meti.go.jp/press/2025/12/20251212002/20251212002.html)

Impact of rising crude oil prices on GDP

	Crude Oil Price Increase	Impact on real GDP growth
World GDP	10 USD	(0.5)
OECD Countries		(0.4)
USA		(0.3)
EU		(0.5)
Japan		(0.4)
Asia		(0.8)

A USD 10 increase in crude oil prices reduces Japan's real GDP by approximately 0.4% (**around JPY 2.2 trillion**)

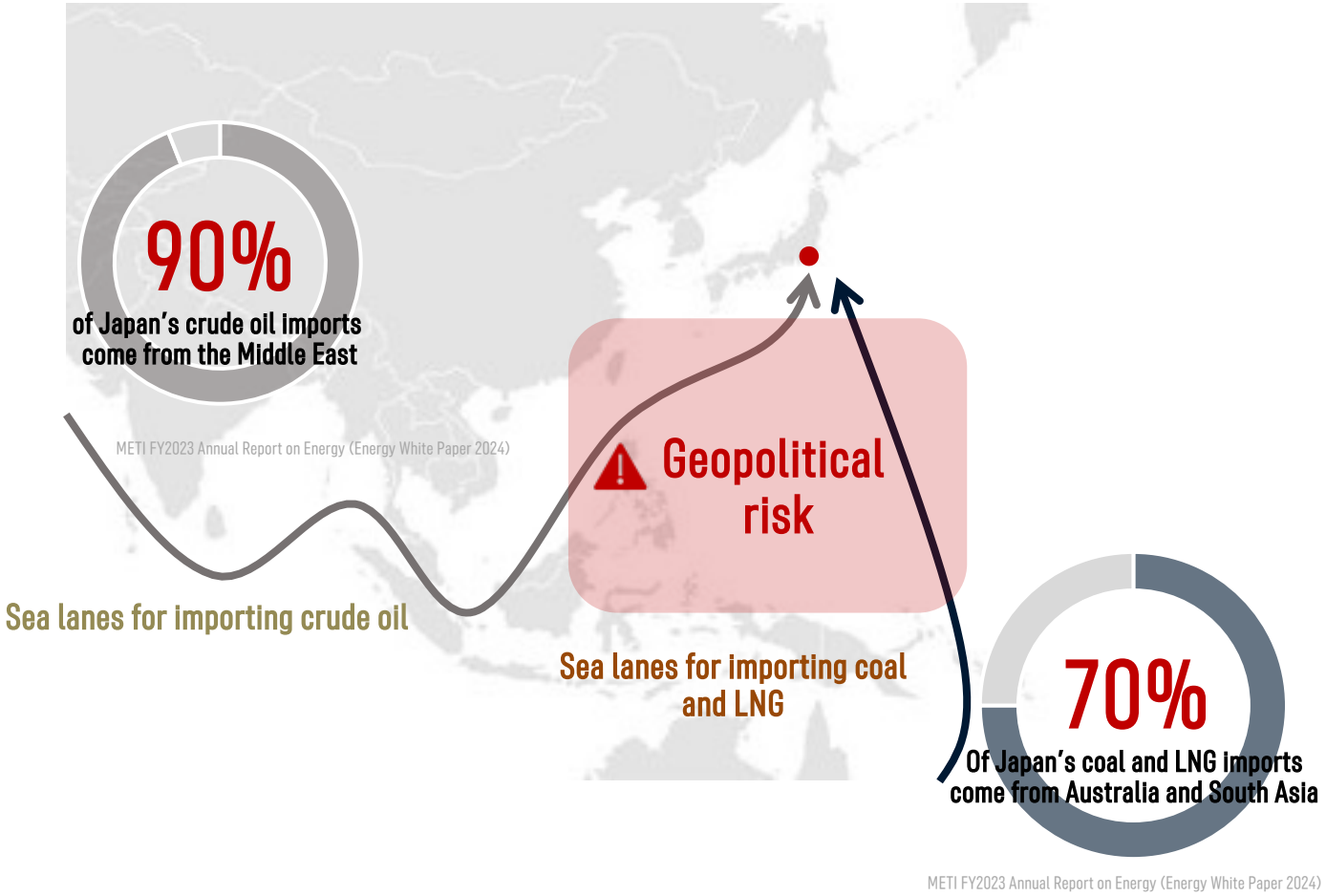
Source: Cabinet Office, "Impact of Rising Crude Oil Prices on the Global Economy"; International Energy Agency (IEA)



Due to rising fuel prices, fossil fuel import costs increased by **JPY 22.4 trillion** between 2020 and 2022

Source; Agency for Natural Resources and Energy, Energy White Paper 2024

An Imported Energy Supply Chain Exposed to Energy Security Risks



- Japan depends on the Middle East for 90% of its crude oil supply, which is transported via maritime routes through the Indian Ocean.
- 70% of Japan's coal and LNG imports come from Australia and Southeast Asia, relying on maritime transport routes that run north-south through the region.
- Therefore, any rise in tensions around the South China Sea or waters near Taiwan poses a significant risk to the stable supply of energy to Japan.

Boosting energy self-sufficiency with domestic sources is an urgent priority for Japan's energy security

Mandated by the Japanese Government's Strategic Energy Plan

In the 7th Strategic Energy Plan approved by Japan's cabinet on Feb. 18th, 2025, the government projected that renewable energy would supply approximately 40% to 50% of total power by FY2040, becoming the largest source. The plan highlights expected growth in battery storage demand and measures to enhance cybersecurity across all power sources, including batteries.

Key Points on Battery Storage in the Strategic Energy Plan *1

1) Necessity of Batteries as a Core Power Source

The Plan identifies batteries as a central tool for managing renewable variability, while also supporting their use in disaster resilience, emergency power supply, and as resources under Japan's Feed-in Premium (FIP) renewable scheme.

2) Ongoing Support for Battery Storage Deployment

Government support will not rely on price competition alone, but will prioritize projects that guarantee safety, sustainability, and reliable long-term operations.

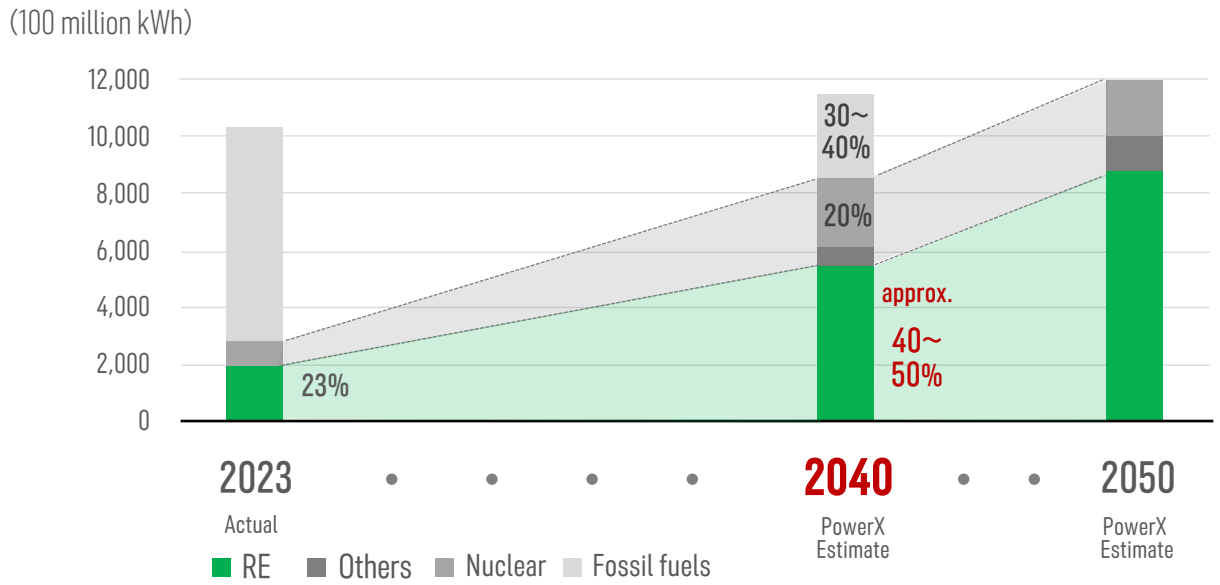
3) Strengthening Cybersecurity Across All Power Sources (Including Batteries)

The Plan highlights the need to strengthen cybersecurity measures across the entire power system, including battery assets.

4) Building International Competitiveness with a Global Supply Chain

The Plan promotes the development of both global and domestic supply chains for batteries, aiming to enhance international competitiveness while improving business stability and profitability.

Estimated Balancing Capacity Required (Batteries) *2

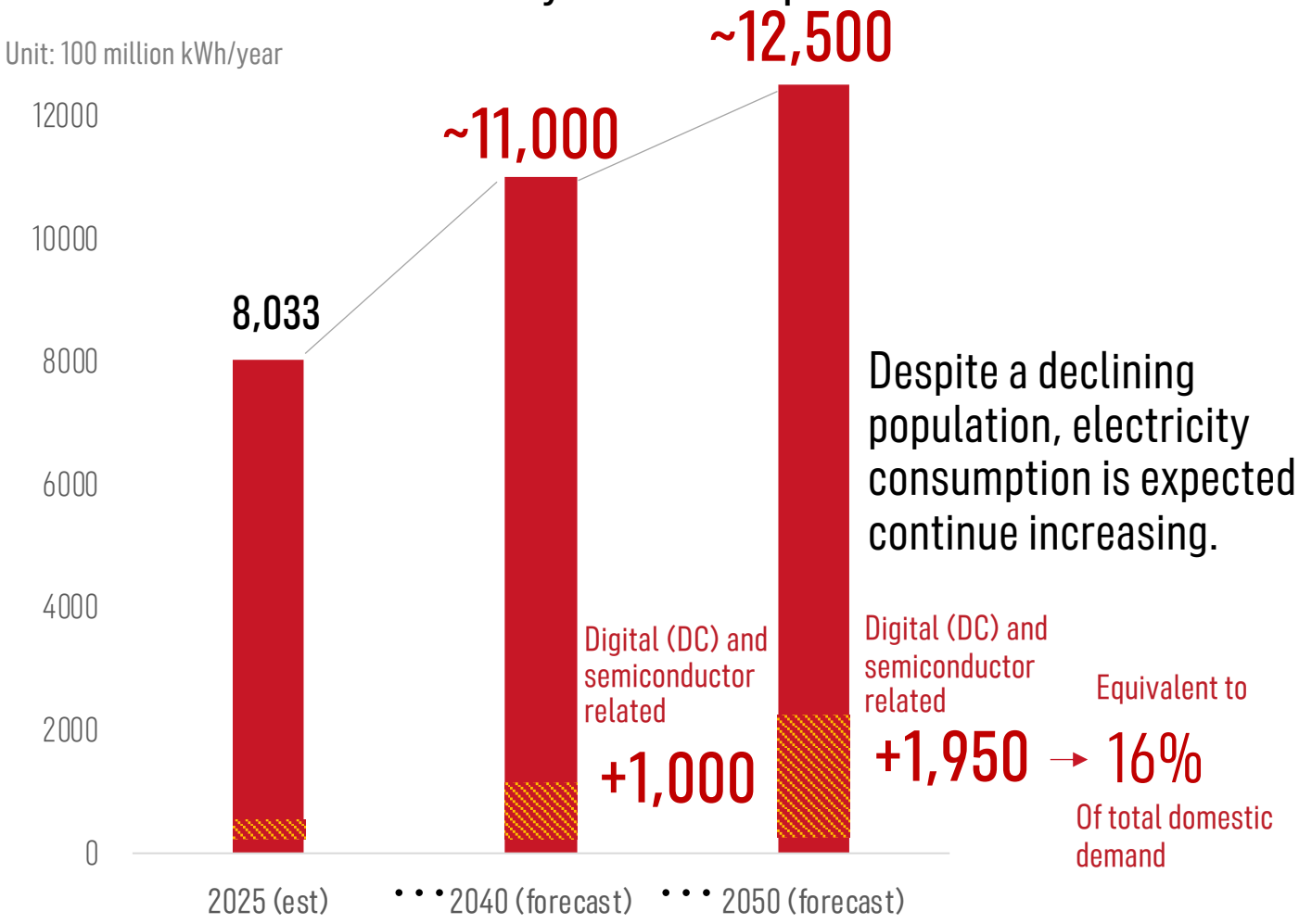


*1 Source: Strategic Energy Plan (Agency for Natural Resources and Energy, February 2025)..

*2 Unless otherwise noted, numerical data is quoted from publications of government agencies, including the Ministry of Economy, Trade and Industry and the Agency for Natural Resources and Energy. The power source composition for 2040 reflects the Japanese government's estimates of the energy mix as stated in the 7th Strategic Energy Plan. The renewable energy volume for 2040 is our estimate, calculated by multiplying the above composition ratios by the government's projected total power generation for 2040.The composition of renewable energy in 2050 is based on the Japanese government's forecast of total power generation and its targets for offshore wind power, with adjustments made based on our assumption that electricity generated from thermal power (premised on CCS) will be replaced by renewable energy. As a result of this adjustment, total electricity generation from renewable energy is estimated to increase by approximately 10%–20% compared to the Japanese government's estimates. Based on these figures, growth rates from 2021 to the government's 2040 estimates are applied to estimate the growth in total renewable energy generation from 2040 to 2050 for power sources other than offshore wind. The absolute volume of renewable energy in 2050 is calculated by applying the above ratios to the Japanese government's projected total power generation for 2050.

Electricity demand in Japan is increasing, while supply is expected to fall short

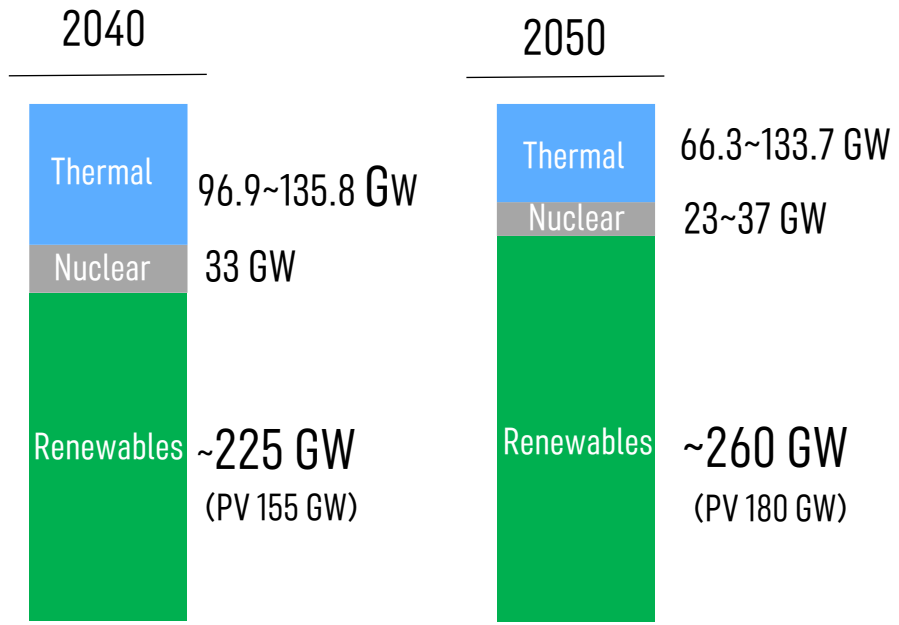
Outlook for Electricity Demand in Japan*1



Despite a declining population, electricity consumption is expected to continue increasing.

Equivalent to → 16%
Of total domestic demand

Supply Capacity Scenario*2



Compared with the 13.9% reserve margin used in the FY2025 supply plan, there could be periods in which

up to 46 GW

up to 89 GW

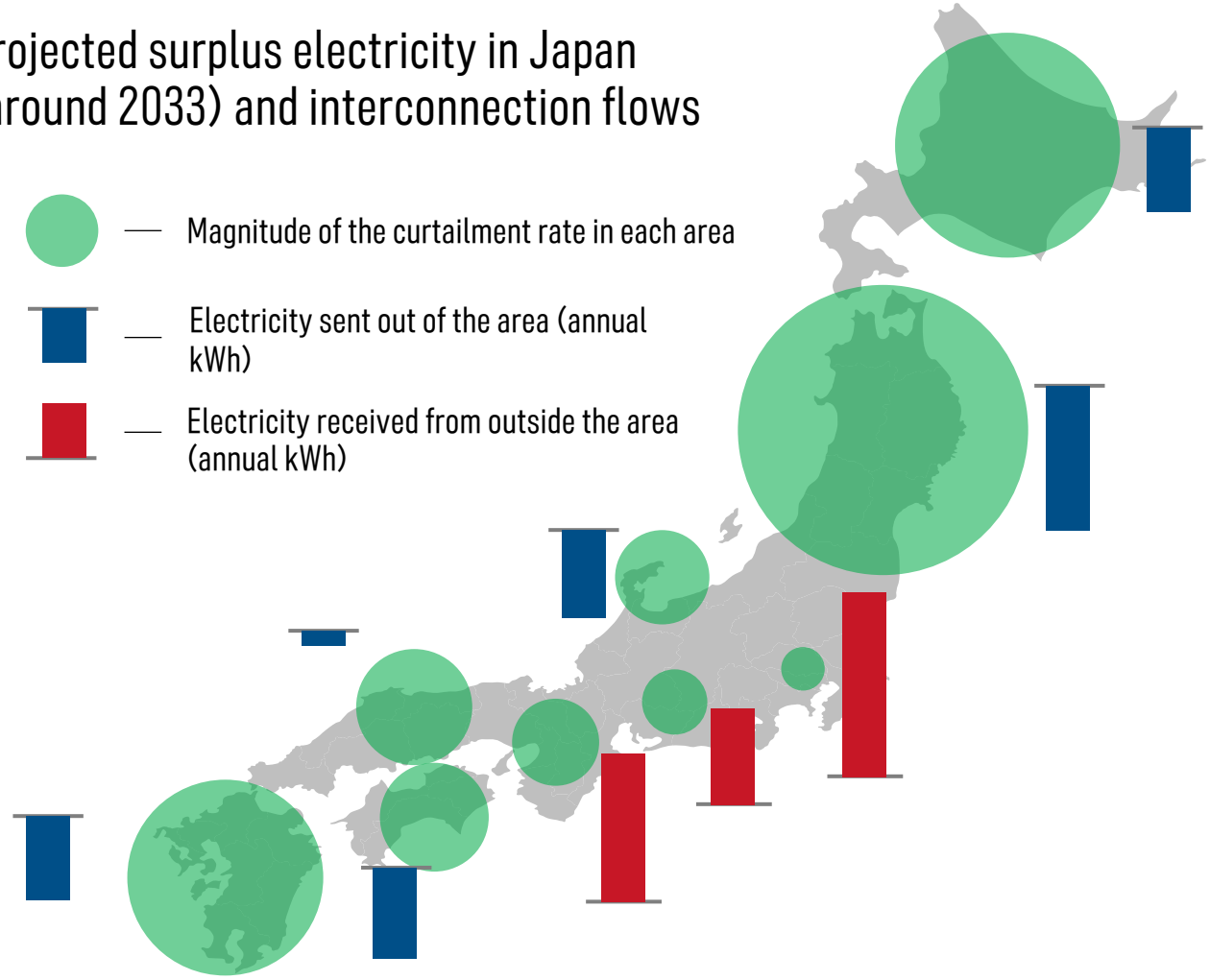
of a supply short fall occurs

*1 The estimated actual figure for 2025 is based on the "National and Regional Demand Outlook (FY2026)" published by the Organization for Cross-regional Coordination of Transmission Operators (OCCTO). The projections for 2040 and 2050 are based on the "Report of the Study Group on Future Power Supply and Demand Scenarios" (June 26, 2025), also published by OCCTO.

*2 The analysis is based on the model case scenario presented in the "Report of the Study Group on Future Power Supply and Demand Scenarios" (June 26, 2025) published by the OCCTO. For thermal power, publicly announced plans for new construction and retirement have been incorporated. The capacity range for thermal power in 2040 and 2050 reflects two cases calculated by the Study Group: (1) full replacement after 45 years of operation, and (2) no replacement. For nuclear power in 2050, two cases were similarly evaluated:(1) replacement assuming 60 years of operation, and (2) no replacement after 60 years of operation. The supply–demand balance shortfall (capacity shortfall in kW) is assessed against a 13.9% reserve margin threshold, consisting of: 5.8% for contingency response, 5.1% for severe weather response, 1.0% for low-frequency risks, and 2.0% for sustained demand fluctuations. Any surplus or deficit is evaluated relative to this threshold.

Geographic Imbalance of Surplus Electricity and Supply-Demand Mismatches

Projected surplus electricity in Japan (around 2033) and interconnection flows



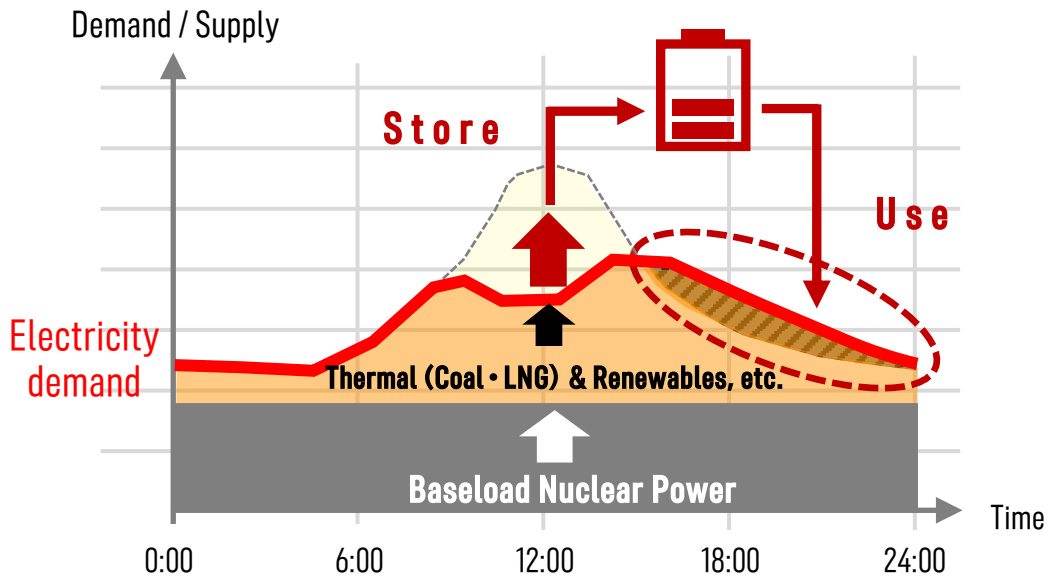
- In Japan, power generation sites and major demand centers are geographically separated, creating a structural "location mismatch" in electricity supply and demand.
- Building or upgrading transmission lines requires 10–20 years, making short-term solutions difficult.
- While BESS is effective for temporal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

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

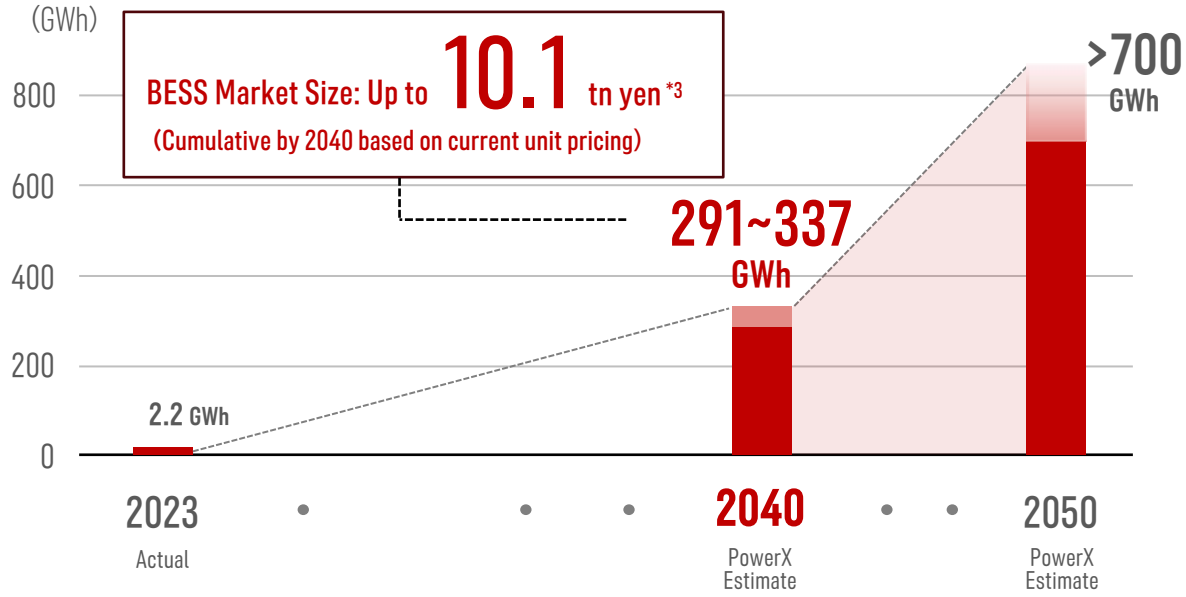
Japan's BESS Market is Expected to Reach 300 GWh within 15 Years

- As renewable energy continues to expand, demand for grid-balancing capacity will grow.
- Even with increased nuclear or gas generation, flexibility to store ("charge") and release ("discharge") electricity remains essential.
- **Based on PowerX estimates, up to 337 GWh of battery storage will be required by 2040.*2**

Need for Storage to Balance Power Supply and Demand*1



Estimated BESS Capacity Required for Balancing in Response to Renewable-Energy Growth*2:

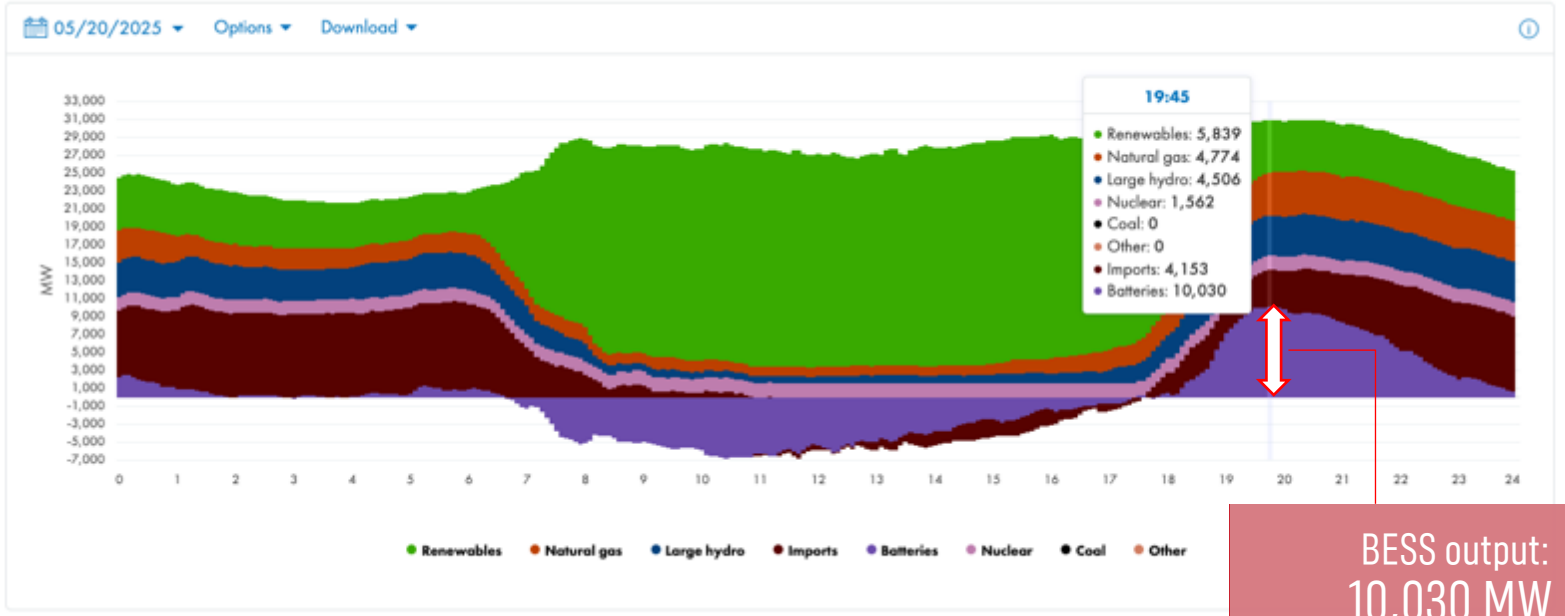


*1 Conceptual illustration created by PowerX.
*2 All figures in this document are PowerX estimates based on publicly available data, including materials published by the Ministry of Economy, Trade and Industry (METI) and the Agency for Natural Resources and Energy. The 2040 figures are estimated using Japan's official energy-mix forecast and total power-generation projections under the 7th Strategic Energy Plan. The 2050 figures are estimated based on the government's total power-generation forecast and the offshore-wind targets outlined in the draft Long-Term Policy for Wide-Area Grids (Master Plan for Inter-Regional Interconnection Systems) by OCCTO, with additional independent assumptions for other renewable-energy sources. Specifically, the 2050 renewable-energy values apply growth rates derived from comparing actual 2021 renewable output with Japan's 2040 government target. For non-renewable sources in 2050, no additional nuclear capacity is assumed beyond plants currently operating or under construction, and the share of hydrogen and ammonia generation is assumed to be 10% as projected by the government. The shaded area in the bar chart represents the storage capacity required if all aging pumped-storage hydropower facilities are replaced with BESS at end of life, though actual replacement may vary due to multiple factors.
*3 Calculated by assuming no change in unit prices through 2040, with battery-storage system costs set at 30,000 yen per kWh.

The BESS Market is Closely Linked to Japan's Security Challenges

In some regions outside Japan, BESS already function as primary power sources during certain hours.
Their output capacity is equivalent to several nuclear power plants, making the enhancement of BESS security a matter of urgent importance from a security standpoint.

In California, for example, around 7 p.m.—when renewable energy generation declines—battery storage systems supply roughly 30% of the state's electricity demand.*1

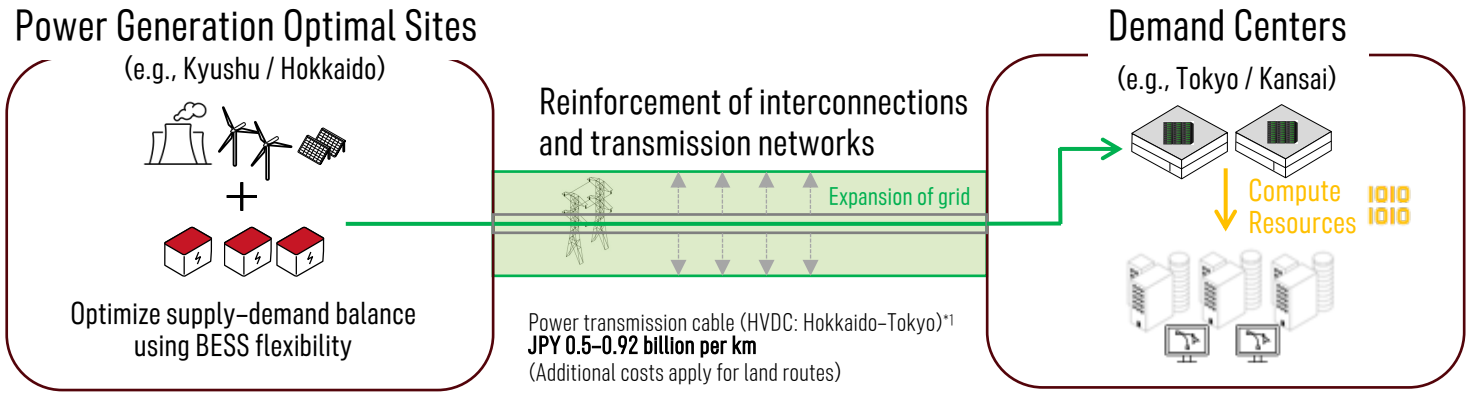


BESS output:
10,030 MW
Equivalent to 10 nuclear power plants*2

Domestic control of BESS is essential for Japanese national security.

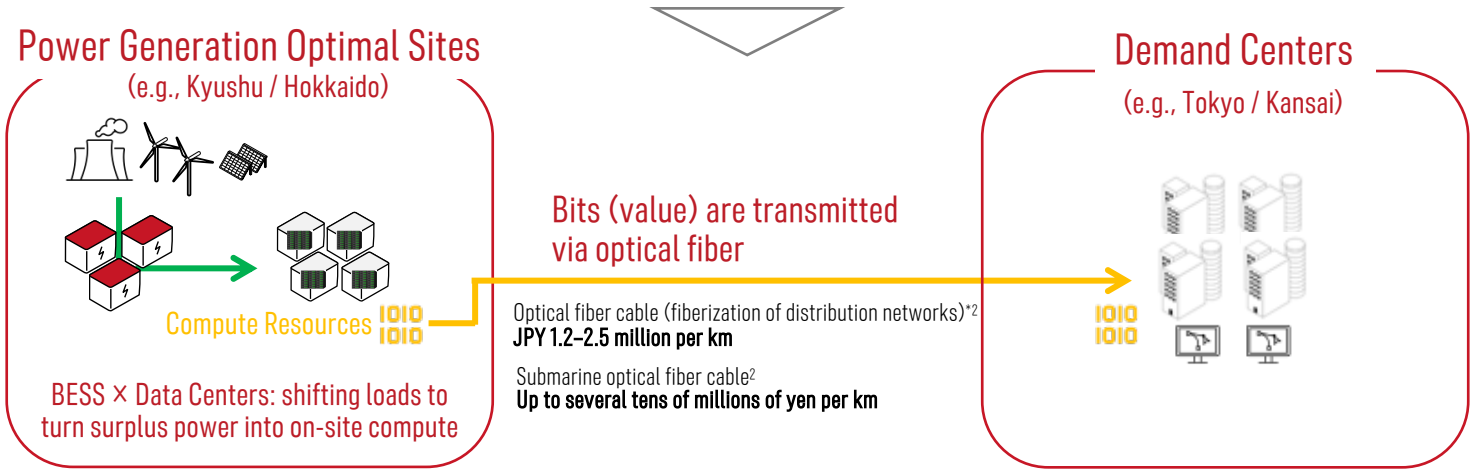
*1 May20, 2025 California power mix (CAISO)
*2 Calculated based on the average output of all nuclear power reactors that are currently based in Japan, i.e., 1003 MW in 2025. (Source: Japan Nuclear Safety Institute)

Deploying Data Centers Near Power Generation Sites to Overcome Transmission Constraints



Problems

- Even with BESS and industrial demand, surplus power remains.
- Transmission to demand centers is constrained by interconnections and grid capacity.
- Grid reinforcement requires significant time (~10 years) and cost.



Solutions

- Deploy containerized data centers at generation sites, convert surplus power into compute and send it via optic fiber.
- Combine with BESS to enable load flexibility.
- Fully utilize surplus power locally—even after grid measures.

Power transmission cables are costly and slow to build
Fiber is cheaper, faster, and scalable

*1 For power transmission cables (HVDC between Hokkaido and Tokyo), please refer to the materials of the 20th Study Committee on the Master Plan for Wide-Area Interconnections and the Framework for Grid Utilization Rules published by the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) (https://www.occto.or.jp/assets/iinkai/masutapuran/2022/files/masuta_20_01_01.pdf).

*2 For optical fiber cables (fiberization of distribution networks), please refer to the materials of the 24th Tariff System Expert Meeting of the Electricity and Gas Market Surveillance Commission (https://www.occto.or.jp/assets/iinkai/masutapuran/2022/files/masuta_20_01_01.pdf). For submarine optical fiber cables, publicly available construction cost (https://cloudnetworks.co.jp/report/report.20140516.pdf) and distance data (https://cloudnetworks.co.jp/aboutncs/cable.html) from the Japan Sea Fiber Optic Cable System (NSC Project) were referenced. Based on a published construction cost of USD 66 million (approximately JPY 10.3 billion, assuming USD 1 = JPY 156) and a cable length of approximately 1,000 km, the estimated cost is approximately JPY 13 million per km. However, as construction costs vary significantly by project, the cost range is presented more broadly as up to several tens of millions of yen per km.

BESS Use Cases & Economics

Three Core Value Drivers Provided by Battery Storage Systems

kWh Value

"How much energy can be shifted over time"

Use Cases :

- Arbitrage in the JEPX spot market (time-based price differences)

kW Value

"How much power (kW) can be delivered or reduced at a specific moment"

Use Cases :

- Peak shaving on the demand side
- Capacity market participation

ΔkW/ΔkWh Value

"The ability to match unexpected supply-demand imbalances through real-time adjustments (ΔkW / ΔkWh)"

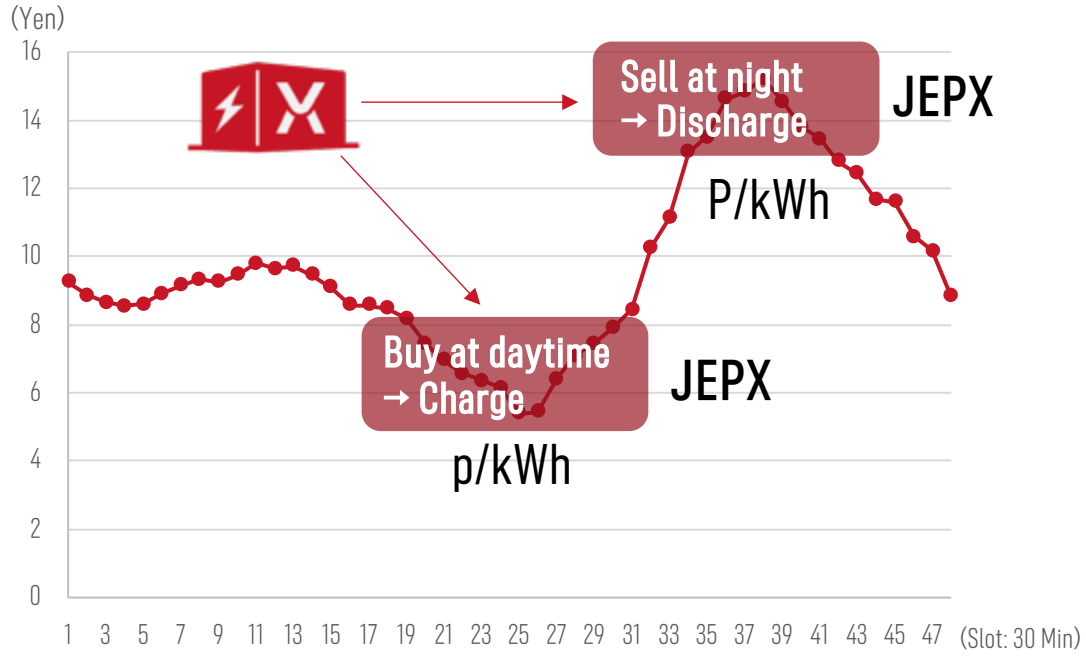
Use Cases :

- Balancing market (EPRX) participation (FCR, S-FRR, etc.)

① kWh Value : “How much energy can be shifted over time”

- Due to variable renewable energy (e.g., solar), peak thermal generation hours are shifting→ Price spreads emerge in JEPX between daytime and nighttime
- As battery costs decline, day–night arbitrage becomes increasingly economical→ Also applicable to retail power procurement (improving procurement costs)

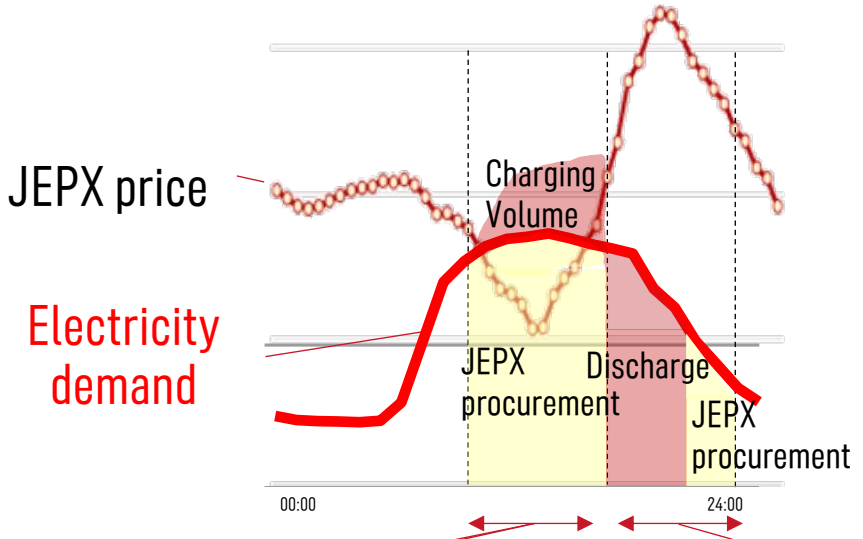
Energy Arbitrage



Annual expected income from price spread trading

X kWh × (P – p) ¥/kWh × 365 days × battery utilization rate

Retail



Low-price periods
Procure demand plus battery charging volume from JEPX

High-price periods
Supply part of demand through battery discharge ⇨
Avoid purchasing from JEPX during peak price hour

Charging volume can also be sourced from solar or other renewable generation

Expected Annual revenue = Procurement Cost Improvement

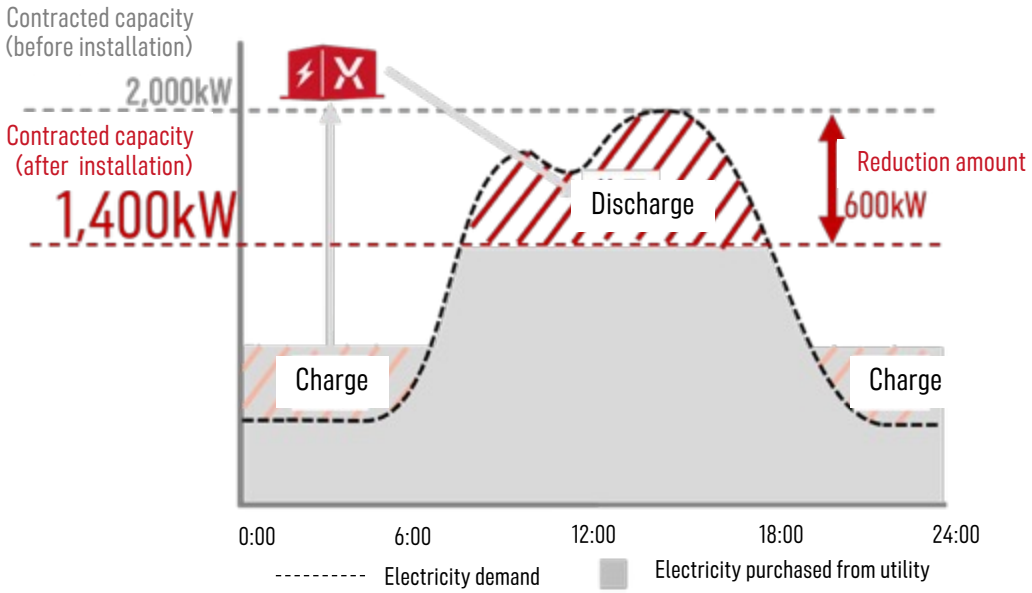
② kW Value: “How much power (kW) can be delivered or reduced at a specific moment”

Premise

For a stable electricity supply, both a sufficient continuous energy supply (kWh) and the ability to meet the highest instantaneous peak demand (kW) are essential.

Contracted Utility Capacity Reduction Effect

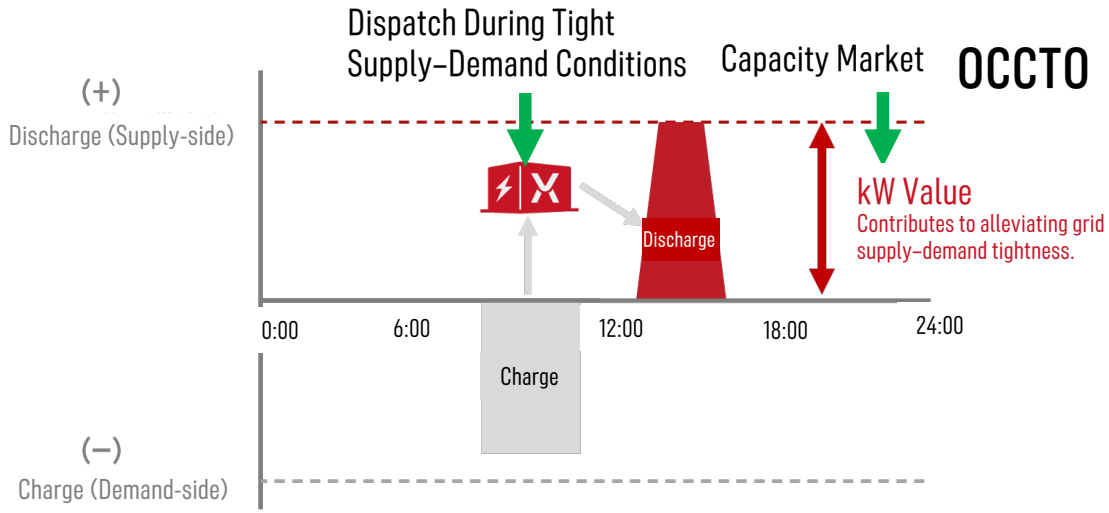
Peak shaving using BESS
Lower peak demand → Reduced contracted capacity



Expected Annual Value of kW (Capacity Value)
Reduced kW × Basic demand charge (JPY/kW/month)×12 months

Capacity Market

The capacity market compensates resources for committing to make power capacity (kW) available during future peak demand periods.

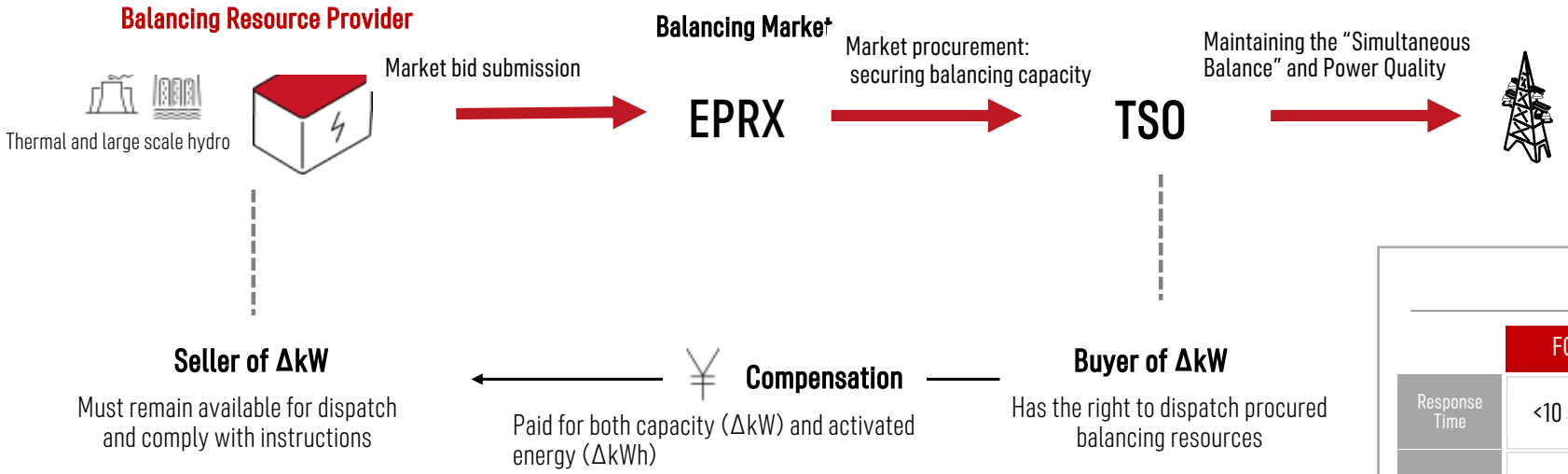


Expected Annual kW Value=For dispatched resources
Activated kW × Capacity market price (JPY/kW/year)

Confidential and Proprietary, PowerX, Inc.

③ ΔkW/ΔkWh Value: “The ability to match unexpected supply-demand imbalances through real-time adjustments”

ΔkW (Balancing Market) ⇨ Capacity secured in advance to adjust output during real-time supply–demand imbalances.



Product Categories in the Balancing Market

	FCR	S-FRR	FRR	RR	RR-FIT
Response Time	<10 sec	<5 min	<5 min	<15 min	<45 min
Duration	>5 min	>30 min	>30 min	3 hours	3 hours

Fast ⟷ Medium

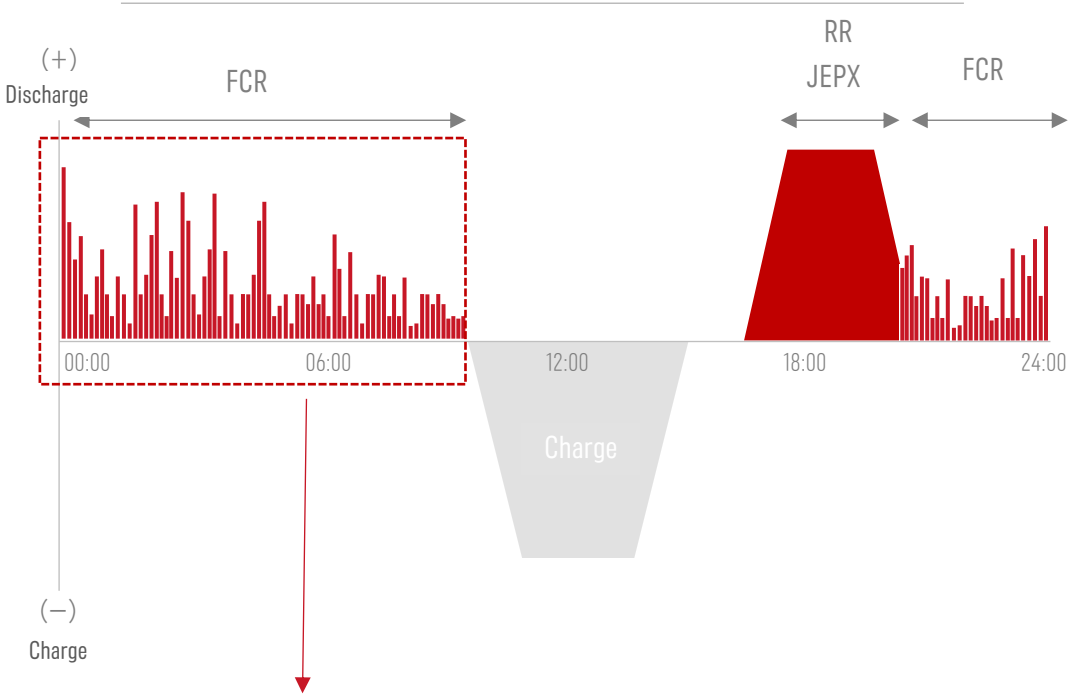
*used for frequency regulation

*used for supply-demand balancing

Expected Annual Revenue from Balancing Market Transactions
(Reserved Capacity) : Reserved ΔkW × Reservation price (JPY/ΔkW/30 min)×Number of awarded hours per year
(Activated Energy) : (Discharge marginal cost×110%)−Charging cost

Balancing Market: Operational Framework

Operational Framework of BESS in the Balancing Market



Responding to unpredictable load fluctuations and supply–demand mismatches (within seconds to several minutes).

電氣新聞 The Denki Shimbun



"Upper Price Cap in the Balancing Market to Be Lowered to JPY 15"

Source: The Denki Shimbun, January 26, 2026.(https://digital.denkishimbun.com/000/news/OK0000026012600101_02)

経済産業省 Ministry of Economy, Trade and Industry

Bid Price Cap for FCR, FRR and Composite Balancing Products*1

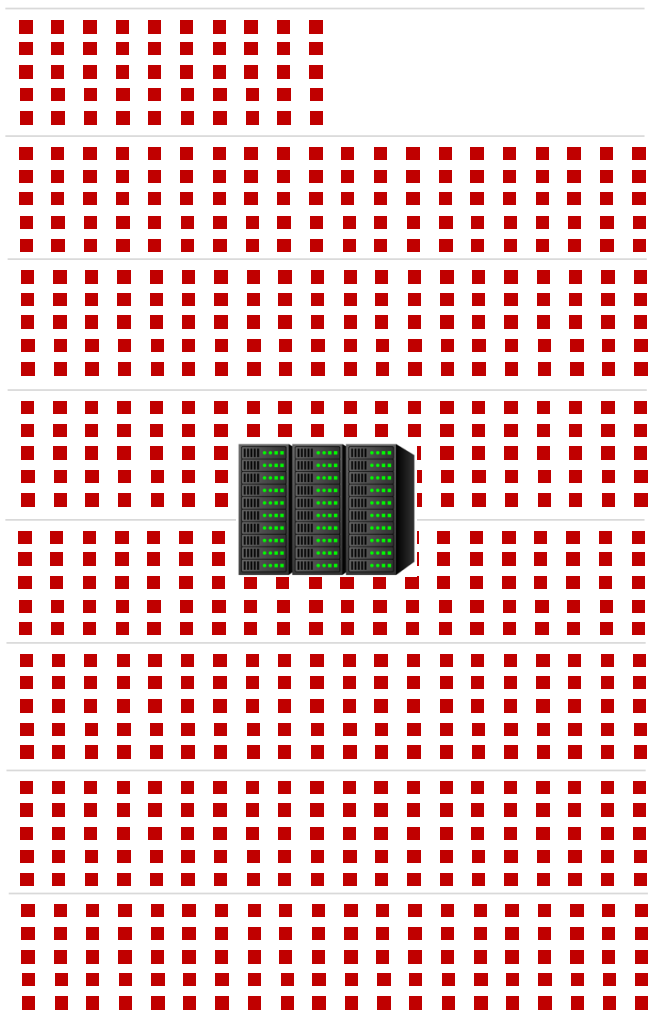
Till FY2025	From FY2026
19.51yen / ΔkW・30min	15yen / ΔkW・30min

Economic viability as infrastructure investment remains intact.

*1 Reference: 110th Meeting of the Electricity and Gas Industry Subcommittee (Working Group on Institutional Design), Comprehensive Resources and Energy Investigation Committee.

The Environment Surrounding AI Data Centers

Japan's AI Compute Capacity Lags Far Behind the U.S.



2024

AI Server Power Capacity
(Within Total Data Center Capacity)*

~7.9 GW

2024

AI Server Power Capacity
(Within Total Data Center Capacity)*

~0.07 GW

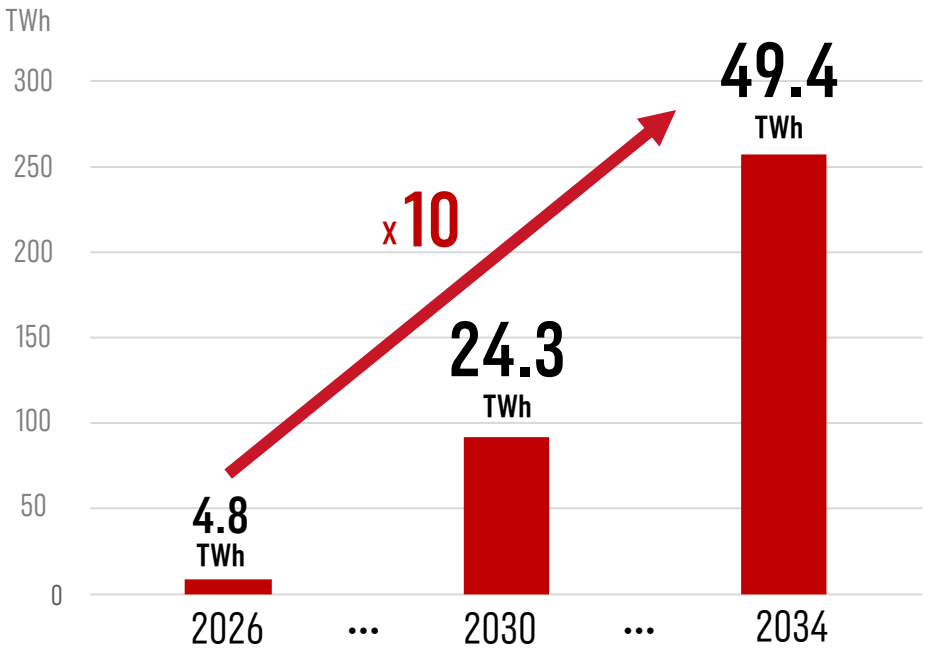
100× Gap
Domestic compute capacity = National competitiveness

* For total data center power capacity in the United States, please refer to BloombergNEF (https://about.bnef.com/insights/commodities/power-for-ai-easier-said-than-built/). According to Lawrence Berkeley National Laboratory, AI servers accounted for approximately 22.5% of total U.S. data center power capacity in 2023. This ratio was applied to 2024 to estimate AI server–related power capacity for 2024 (https://escholarship.org/uc/item/32d6m0d1). For total data center power capacity in Japan, please refer to IDC Japan (https://my.idc.com/getdoc.jsp?containerId=prJPJ53203025) . While the original source states that total data center capacity as of the end of 2024 was 2,365.8 MVA, we converted this figure to approximately 2 GW of active power based on the assumption of a high power factor for IT loads.For AI server–related power capacity in Japan, please refer to IDC Japan (https://my.idc.com/getdoc.jsp?containerId=prJPJ53224525).

Data Center Power Demand Is Expected to Grow Significantly

- Driven by the expansion of AI and IoT, data center capacity and power consumption are expected to accelerate sharply.
- Electricity demand is projected to increase more than tenfold from 2026 to 2035, reaching a scale comparable to the total household electricity consumption of Tokyo and Kanagawa combined.

Projected Growth in Electricity Consumption of Data Centers in Japan



■ The additional electricity demand from data centers in Japan between 2026 and 2034 is equivalent to more than one year of total household electricity consumption in Tokyo and Kanagawa combined[*1]

By 2034, the cumulative electricity demand of data center is expected to reach:



*1 Based on Japan's Ministry of the Environment "Survey on CO_2 Emissions in the Household Sector," the average annual electricity consumption per household is approximately 4,000 kWh. Dividing 49.4 billion kWh by 4,000 kWh yields roughly 12 million households. This exceeds the combined number of households in Tokyo (approximately 7.66 million) and Kanagawa (approximately 4.42 million). Household figures are based on Tokyo Metropolitan Government "Estimated Population of Tokyo" and Kanagawa Prefecture "Population and Households of Kanagawa."

Source: Based on annual data center electricity demand figures individually disclosed in "National and Regional Demand Outlook (FY2026)" (January 22, 2026) published by the Organization for Cross-regional Coordination of Transmission Operators (OCCTO).

Challenges Surrounding Data Centers in Japan – Power

- Many new data centers, including hyperscale facilities, are being planned. At the same time, multiple interrelated challenges are emerging.

Power

- Grid constraints limit capacity
- Decarbonization required



Building & Infrastructure

- Construction cost inflation
- Large upfront capital investment

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Power-related Challenges Facing Data Centers in Japan

Data center power demand is outpacing supply capacity. Grid interconnection is becoming increasingly difficult.

日本経済新聞

"Accelerating data center operations – shortening '10-year wait' for power supply through rule relaxation"

The Ministry of Economy, Trade and Industry (METI) will enable data centers to receive electricity supply more quickly. The development of transmission and distribution networks is not keeping pace with construction demand, and there are currently cases where waits reach up to 10 years. The rules will be revised so that, if preparations such as storage batteries for blackout measures are in place, connection to the power grid can be made earlier. This will support the expansion of infrastructure essential in the digital age.

The government will request revisions to the terms and conditions set by transmission and distribution companies. Since these provisions require approval by METI, practicality can be ensured. Based on input from power companies and experts, a conclusion will be reached within the year.

With the spread of artificial intelligence (AI), data communication volumes are increasing globally. Construction of data centers, which form the foundation, is expanding rapidly. To handle large volumes of data, reinforcement of high-voltage transformers and power transmission networks is necessary. Construction work by transmission and distribution companies, such as Tokyo Electric Power Grid, is falling behind demand.

Source: The Nikkei, September 10, 2025. "Accelerating Data Center Operations – Shortening '10-Year Wait' for Power Supply Through Rule Relaxation." (English translation prepared by PowerX)
(https://www.nikkei.com/article/DGXZQOUA194H00Z10C25A8000000/)

GOV·UK

Home > Environment > Energy infrastructure

Press release

Clean energy projects prioritised for grid connections

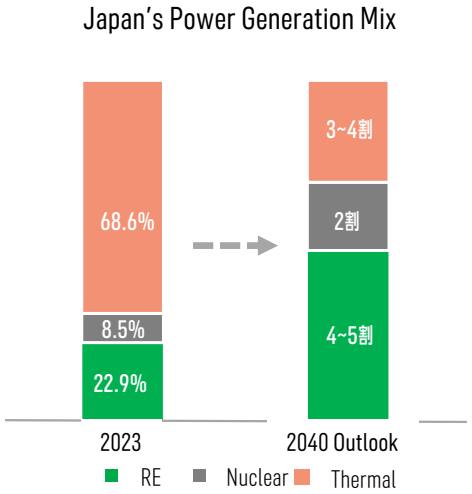
So-called 'zombie' projects will no longer hold up the queue for connection to the electricity grid to prioritise businesses that will drive growth and deliver energy security.

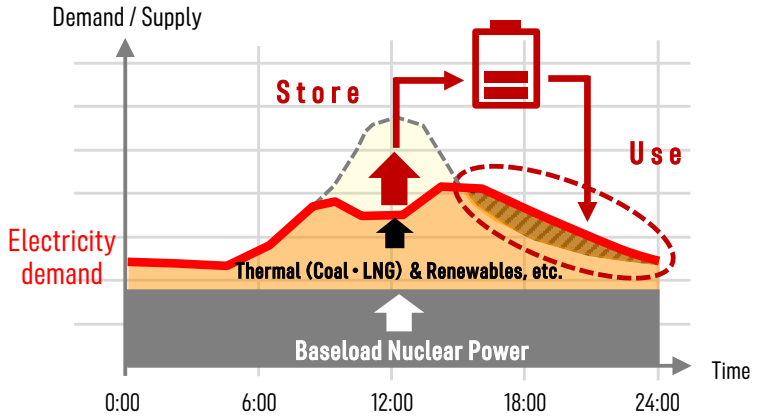
Companies are currently waiting up to 15 years to be connected to the grid leaving promising businesses 'grid-locked', and over the last 5 years, the grid connection queue has grown tenfold.

The changes will help to kick-start the economy to put more money in working people's pockets, the first priority of the government's Plan for Change.

Source: UK Government April 2025 Clean energy projects prioritised for grid connections
(https://www.gov.uk/government/news/clean-energy-projects-prioritised-for-grid-connections /)

Data Centers and BESS Have Strong Synergies in Addressing Power Supply–Demand Challenges.



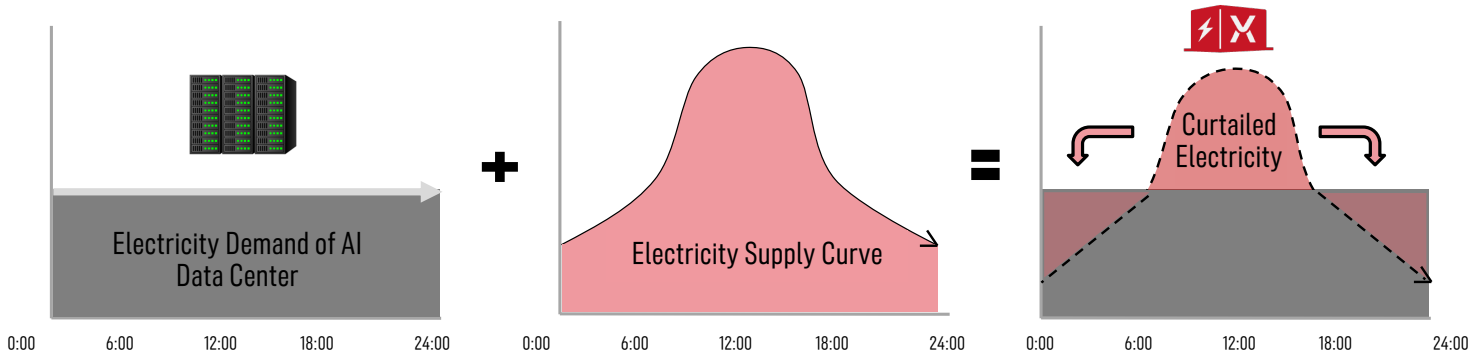


- While renewables and nuclear power are projected to expand by 2040, the reduced share of thermal power may limit system flexibility.
- Given that nuclear power serves as baseload generation and renewables are inherently variable, the volume of curtailed electricity is likely to rise.

AI data centers = 24/7 inflexible load

Nuclear + renewables = daytime supply peaks

BESS = time-shifting surplus power → stable demand coverage



BESS aligns well with the 24/7 load profile of data centers. Strong potential for effective deployment in this segment.

Challenges Surrounding Data Centers in Japan – Building & Infrastructure

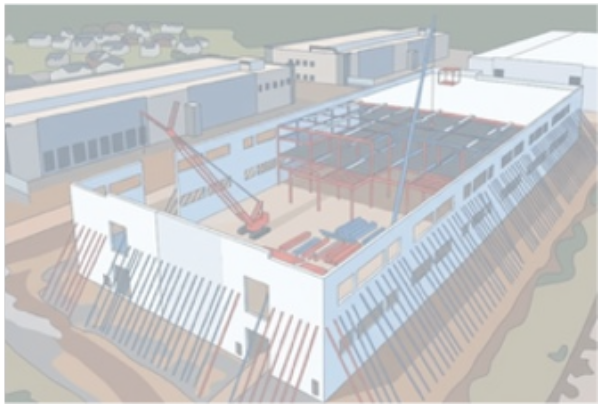
- Many new data centers, including hyperscale facilities, are being planned. At the same time, multiple interrelated challenges are emerging.

Power

- Grid constraints limit capacity
- Decarbonization required

Building & Infrastructure

- Construction cost inflation
- Large upfront capital investment



Capital- and Resource-Intensive Structure of Data Centers



Large-scale data centers, particularly hyperscale facilities, demand expansive physical infrastructure to house thousands of servers, extensive network systems, and associated power and cooling equipment.

As a result, development requires considerable financial investment and access to a large skilled workforce.

日本経済新聞
Nikkei Shimbun

Tokyo Ranks as the Most Expensive City for Data Center Construction

According to a survey released on the 25th by UK-based construction consultancy Turner & Townsend, Tokyo recorded the highest data center construction cost in the world in 2025 among 52 cities surveyed.

Construction costs in Tokyo reached USD 15.2 per watt, the highest globally. The increase is attributed to higher costs of imported materials due to yen depreciation, as well as rising labor costs.

General construction costs in Tokyo have increased by 38% compared to 2020, while data center construction costs have risen by approximately 2.5 times over the same period.

With growing demand, construction timelines have also lengthened. Major general contractors and specialty subcontractors are reportedly unable to bid on projects scheduled to begin before 2029.

Source: The Nikkei, November 25, 2025. "Tokyo Ranks as the Most Expensive City for Data Center Construction, Says UK Consultancy." (English translation prepared by PowerX) (https://www.nikkei.com/article/DGXZQOUC253MX0V21C25A1000000/)

Escalating material prices and labor costs are driving up construction expenses.

At the same time, increased demand is lengthening project timelines.

Japan's Data Center Market Size from a Power Demand Perspective

Forecast from the 10th Study Group on Future Power Supply and Demand Scenarios (OCCTO)

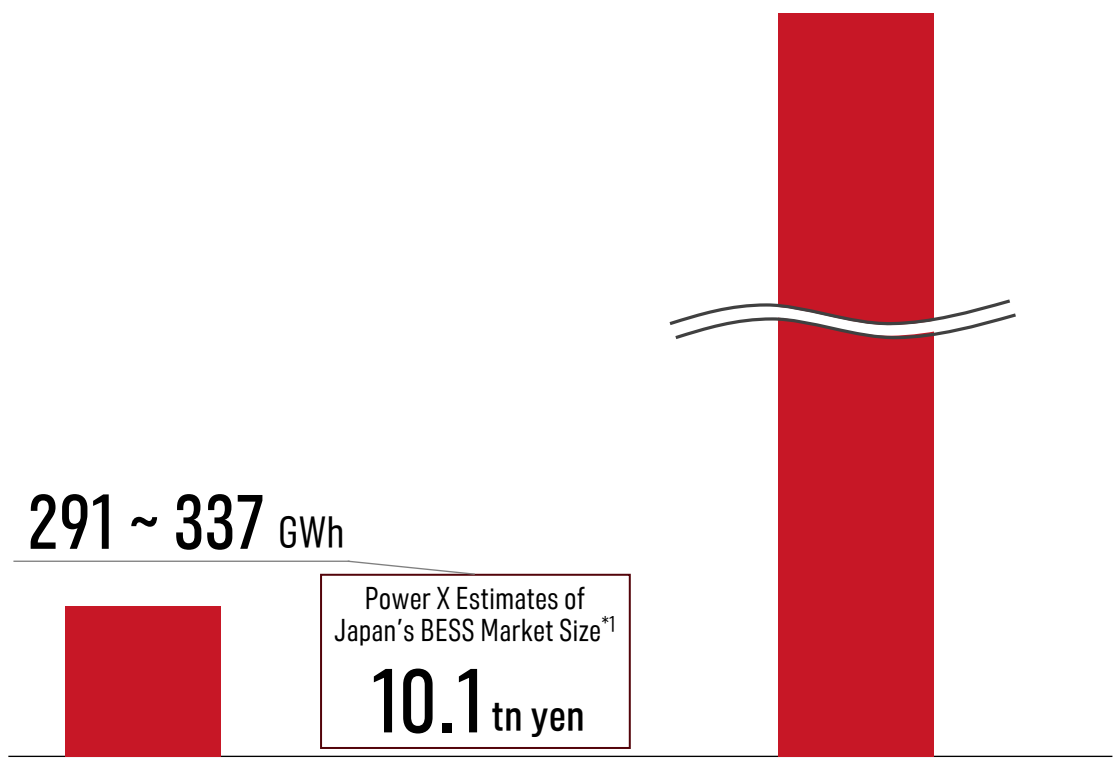
45,000~70,000 GWh ≈ (average power)*2

5.1~ 8 GW

Approx. 2.1 GW of data center capacity already deployed in Japan (end-2024)*2

From now to 2040

3 ~ 5.9 GW



291 ~ 337 GWh

Power X Estimates of Japan's BESS Market Size*1

10.1 tn yen

Estimated BESS capacity required by 2040 *1
PowerX estimates

Estimated annual electricity demand of domestic Data Centers in 2040*2

PowerX Estimates of Japan's Data Center Market Size*2

5.3 ~ 10.4 tn yen

Calculated by multiplying the average power by the cost per MW of grid-connected capacity (construction plus five years of OPEX)

+α Overseas Market

*1 Our estimate of domestic energy storage capacity in 2040. For details on the estimated market size, please refer to the Appendix section "Market Environment" (p. 49).
*2 The Forecast of annual electricity demand for domestic data centers in 2040 is based on the 2040 power demand scenario presented in the report of the 10th Study Group on Future Power Supply and Demand Scenarios by the Organization for Cross-regional Coordination of Transmission Operators (OCCTO). Average power demand is calculated by dividing the annual electricity demand of domestic data centers by 8,760 hours. As of the end of 2024, the total power capacity of domestic data centers is 2,365.8 MVA, according to research by IDC Japan ((https://my.idc.com/getdoc.jsp?containerId=prJPJ53203025)). Given the high power factor of data center IT loads, a power factor of 0.9 is assumed, which corresponds to approximately 2.1 GW of active power based on our proprietary conversion. The estimated domestic market size is calculated by taking the difference between the projected 2040 power capacity and the installed capacity as of the end of 2024 (3–5.9 GW, equivalent to 3,000–5,900 MW) and multiplying it by the cost per MW of grid-connected capacity for our Mega Power DC (JPY 1.77 billion per MW, including construction and five years of OPEX). For details on how the cost per MW of grid-connected capacity for Mega Power DC is calculated, please refer to the Appendix section "PowerX Mega Power DC Value Propostion" (p. 75).

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01 Company Overview
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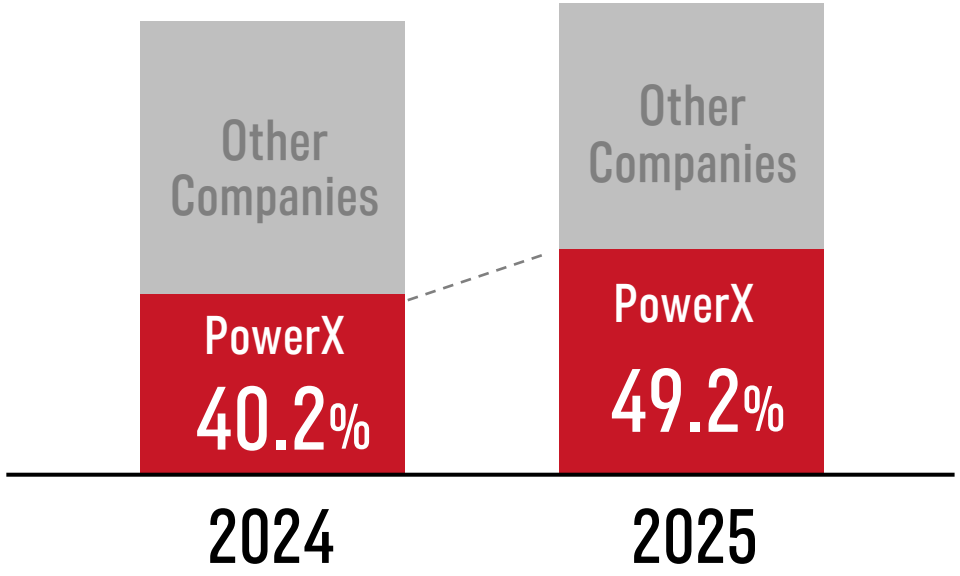
03 Market Environment
04 Competitive Advantages
05 Growth Strategy
06 Financial Highlights
07 Risk Information

FY2024–2025 Results: Grid-Scale Battery & Water Electrolysis System Subsidy Program*

PowerX has consistently achieved strong selection results for two consecutive years under a government subsidy program supporting grid-scale batteries and water electrolysis systems.

Adoption results (based on subsidy amount)



2025 Selected Projects **16**

2025 Total Project Value **33.4bn**

(FY2026: 1.2bn、FY2027: 32.2bn)

2025 share of projects selected and subsidy amount rewarded **No. 1**

*Based on PowerX's selection results under the "令和6年度 系統用蓄電池・水電解装置導入支援事業" and "令和7年度 系統用蓄電池・水電解装置導入支援事業."

Competitive Advantages

Competitors

PowerX is the only BESS supplier in Japan that meets all key requirements for Battery Power Plants, including JC-Star, local manufacturer support and Japan-based data hosting.

Product / Service Lineup of BESS Suppliers in Japan*2*3

(as of March 12, 2026)

Company	ESS (Energy Storage System	PCS (Power Conditioner)	TR (Transformer)	PMS / EMS (Power/Energy Management System)	AC/RA (Aggregator/Coordinator)	JC-Star (Japan Security Certificate)	Local support by the manufacturer	Japan-based data hosting*1
PowerX	○	○	○	○	○	○	○	○
Domestic Company A	○	○	○	○	X	○	○	○
Foreign Company B	○	○	X	△	X	○	X	X
Foreign Company C	○	X	X	X	X	○	X	X
Foreign Company D	○	X	X	△	X	X	X	X
Foreign Company E	○	X	X	△	X	X	X	X
Foreign Company F	○	○	○	△	X	X	X	X
Foreign Company G	○	X	X	X	X	X	X	X

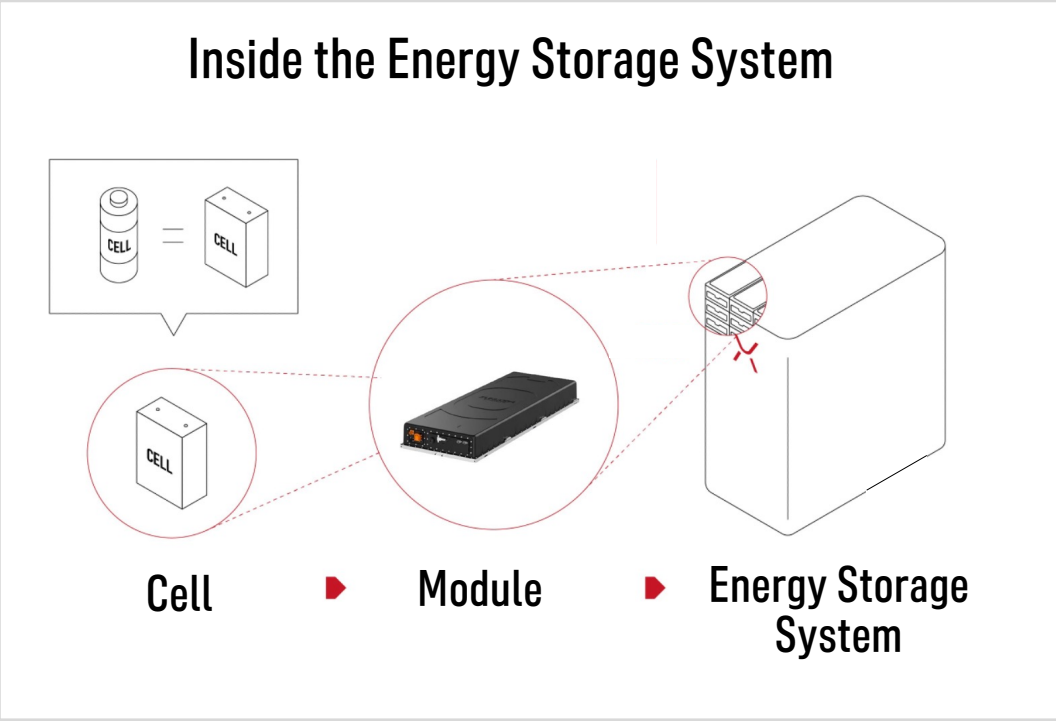
*1 A "○" is assigned when servers used for controlling charge/discharge of the battery system and for recording and managing data are installed and operated in data centers located in Japan.

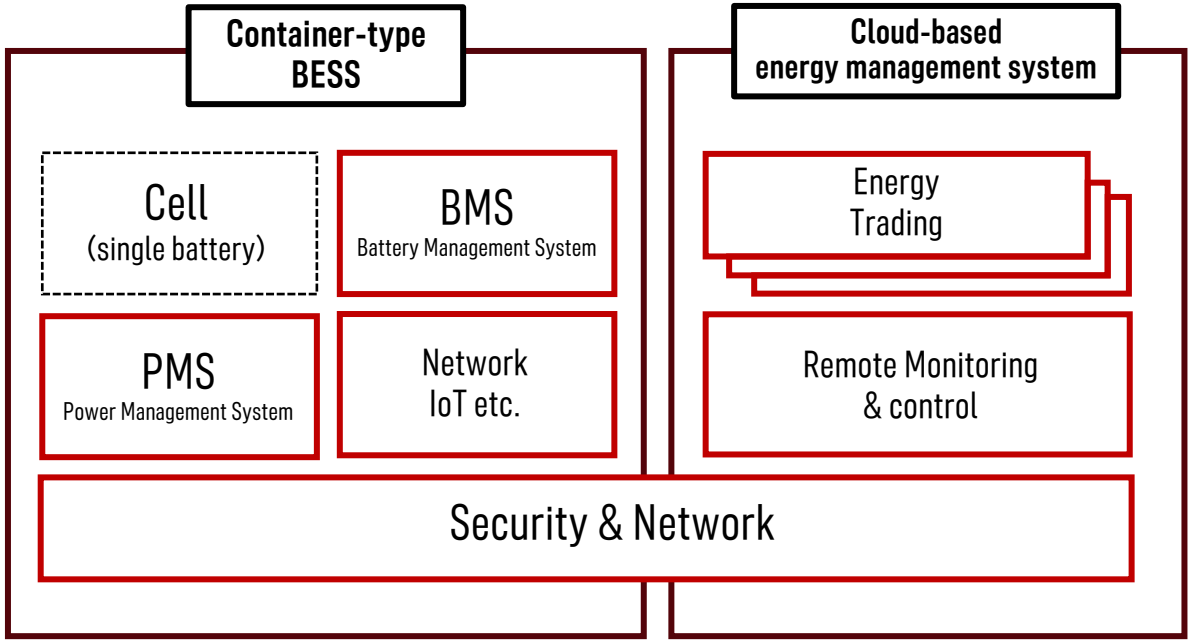
*2 Based on the Company's own research, including publicly disclosed materials of each company and interviews with stakeholders involved in subsidy programs supporting BESS deployment.

*3 In the table, "○" indicates that a company provides the relevant component as part of its product offering, while "×" indicates that the component is not directly provided. For PMS/EMS (Power Management System / Energy Management System), "△" indicates that only one of PMS or EMS is provided. For EMS and AC/RA, "○" is assigned only when solutions support functions specific to the Japanese electricity market (e.g., power trading and demand response). ESS (Energy Storage System) stores and supplies electricity; PCS (Power Conditioner) converts DC/AC and functions as the interface between the battery and the power grid; TR (Transformer) adjusts voltage levels and enables grid connection; PMS monitors and controls power usage for optimal operation; EMS optimizes supply-demand balance and manages power trading and operations; AC/RA (Aggregator / Coordinator) aggregates systems, connects to power markets, and controls on-site resources; JC-Star is a Japan-origin IoT security labeling system operated by IPA under METI policy, launched on March 25, 2025, with ★1 applications currently accepted.

Competitive Advantages

In-house developed, designed, and packaged BESS





As cells become commoditized, products that meet common standards and are certified for safety by third-party institutions are adopted. Cells function as individual battery products, but only function as energy storage systems when assembled into modules and battery systems.

All components, control systems, networks, and applications—excluding cells and certain modules—are handled domestically in-house, from design and development to assembly and operational support.

Power X

“Made in Japan” Promise: Ensuring the Highest Level of Security through Vertically Integrated, In-house Developed Software and JC-STAR Certification

Made In Japan Promise*

*The “Made in Japan Promise” reflects the belief that secure electricity infrastructure is achieved through the three elements below.

All Products Designed & Assembled in Japan

Product design and assembly are conducted entirely in Japan. High-quality BESS are assembled at in-house and partner factories in Tamano City, Okayama Prefecture.

Ensuring Security with In-house Software

Vertically integrated, in-house software protects domestic electricity infrastructure by minimizing cybersecurity risks to critical power transmission and distribution systems, supporting a stable electricity supply.

Reliable On-site Field Maintenance / 24/7 Support

Dedicated teams provide comprehensive on-site technical support nationwide, including post-installation operations and troubleshooting, on a 24/7 basis.

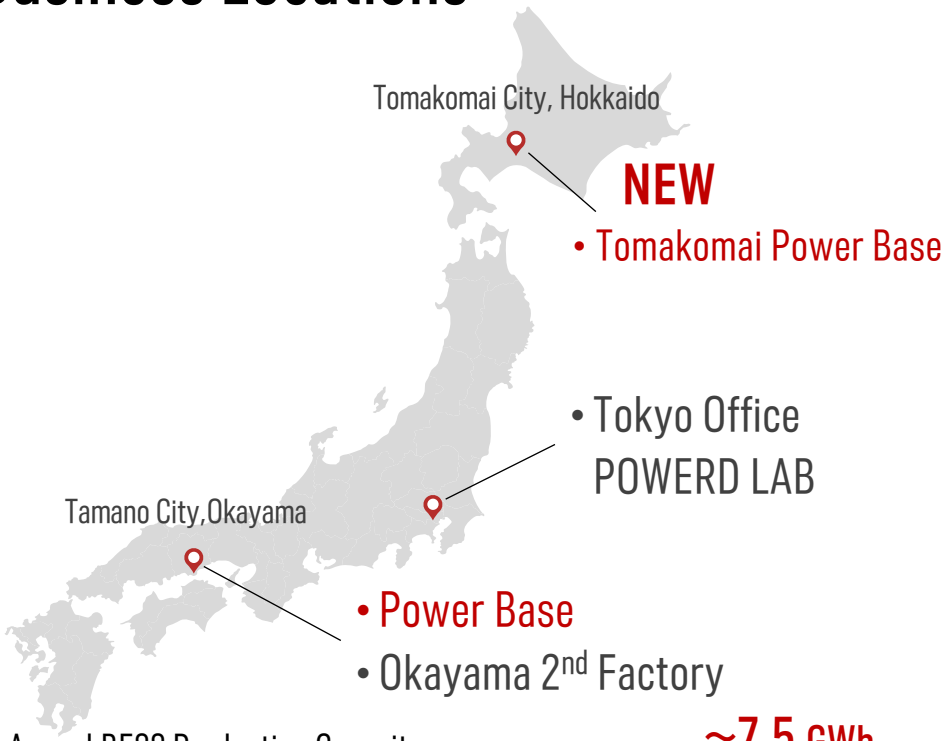


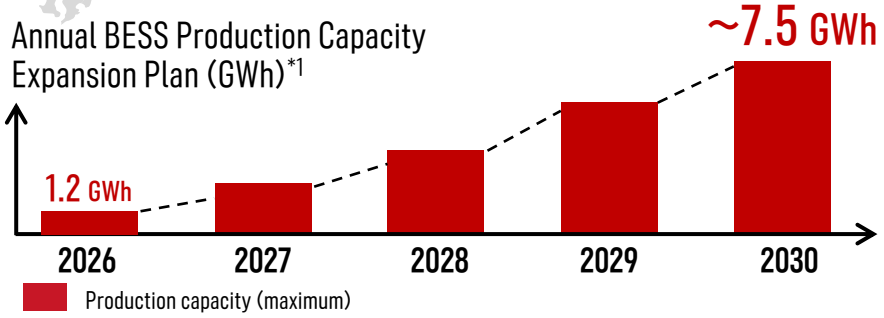
Obtained the IoT product security certification label (Level 1) under the “JC-STAR” system established by the Information-technology Promotion Agency (IPA) for stationary battery storage systems.

Competitive Advantages

Production Facilities and Business Locations

Manufacturing of all products at one of Japan's largest grid-scale battery production plants in Okayama. Production capacity to be expanded to approximately 7.5 GWh annually by 2029 *1.





Power Base (HQ/Factory)



Power Base Hokkaido (from 2027) NEW



Okayama 2nd Factory



Tokyo Office



POWERD LAB (R&D)



- Power Base (HQ/Factory): Tai 6-9-1, Tamano, Okayama, Japan 706-0001
- Okayama 2nd Factory: Within the Mitsui E&S Tamano Works site (Tamano City, Okayama Prefecture)
- Power Base Hokkaido: Uenae, Tomakomai City, Hokkaido
- Tokyo Base: Midtown Tower 43F, 9-7-1 Akasaka, Minato-ku, Tokyo, Japan 107-6243
- POWERD LAB: 6-1-1 Heiwajima, Ota-ku, Tokyo, Japan 143-0006

*1 Forward-looking figures are current targets and are subject to various risks and uncertainties, including changes in market conditions. These figures are based on expansion plans for both Power Base (planned expansion in 2027) and Power Base Hokkaido (planned start-up in 2027). GWh capacity is calculated by multiplying the number of units that can be manufactured by the storage capacity per unit: for FY2026, based on Mega Power 2700A; for FY2027 onward, based on Mega Power 2500.

Competitive Advantages

BESS Deployment Track Record

BESS Deployments

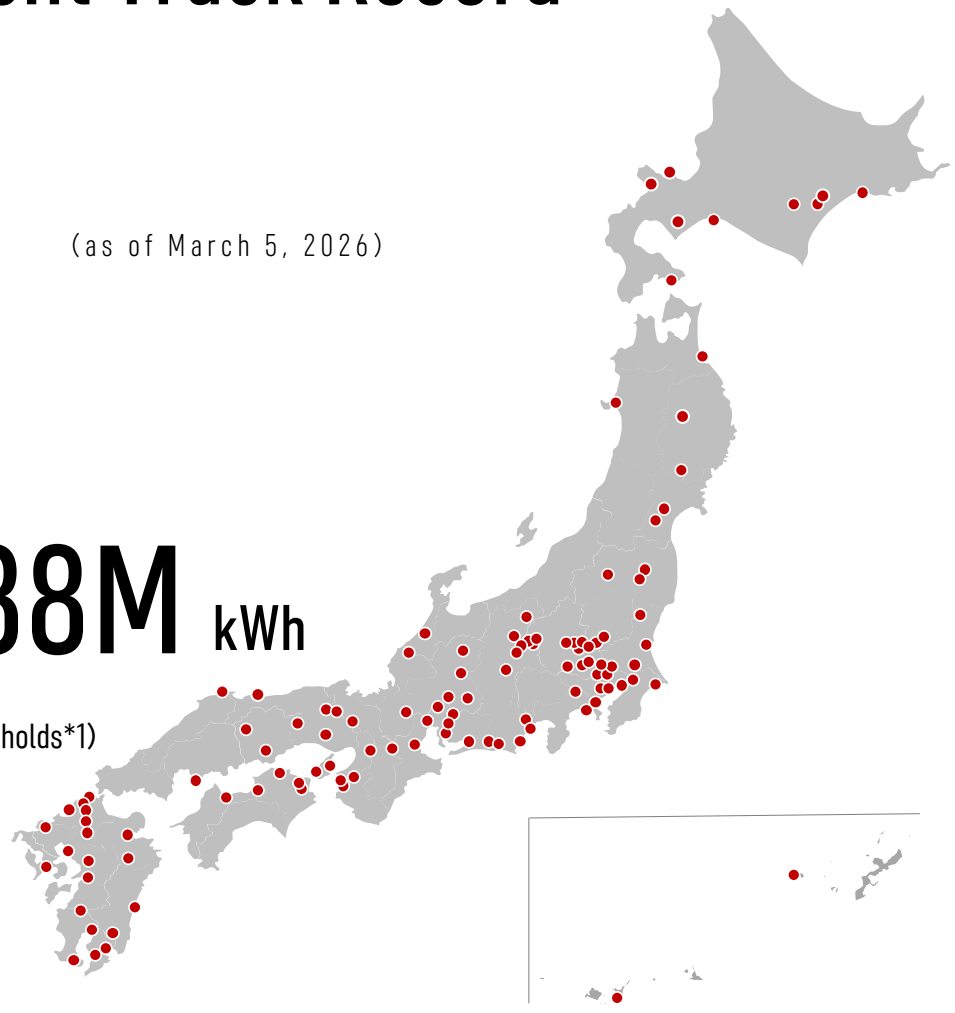
(as of March 5, 2026)

153 sites

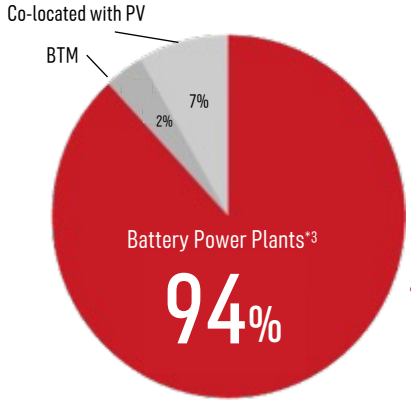
(excluding EV charging equipment)

Capacity: >2.88M kWh

(equivalent to approximately one day of electricity consumption for over 260,000 households*1)



BESS Use Case*2



94% Battery Power Plants*3

7% Co-located with PV、2% C&I (BTM)

(as of March 5, 2025)

*1 Calculated by dividing 2.88 million kWh by approximately 11 kWh. The 11 kWh figure is derived by dividing the average annual household electricity consumption of 3,950 kWh by 365 days. The annual household consumption figure is based on the Ministry of the Environment's "Statistical Survey on CO_2 Emissions in the Household Sector."

*2 Calculated on a capacity basis. Extra-high voltage battery power plants: 2,087.9 MWh; high-voltage battery power plants: 627.1 MWh; extra-high voltage solar co-located: 49.4 MWh; high-voltage solar co-located: 66.2 MWh; industrial: 57.0 MWh.

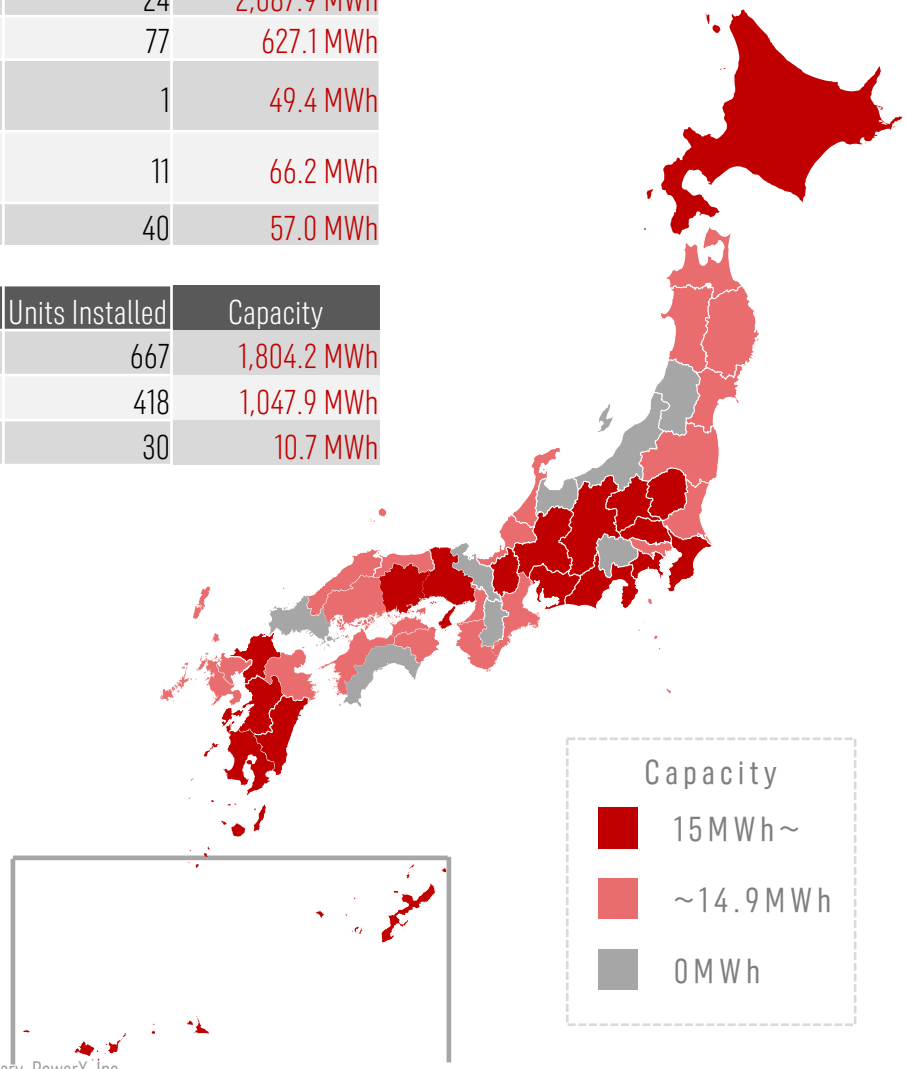
*3 Following the revision of the Electricity Business Act in May 2022, battery storage systems with output of 10 MW or more that are directly connected to the power grid are treated as "power plants." The Company refers to such grid-connected battery storage systems as "Battery Power Plants." Of the 94% of deployed systems referenced above, some include systems with output below 10 MW.

Competitive Advantages

BESS Installations by Prefecture

Application	Sites	Capacity
Extra-high Voltage	24	2,087.9 MWh
High-voltage	77	627.1 MWh
Extra-high-voltage renewable co-location	1	49.4 MWh
High-voltage renewable co-location	11	66.2 MWh
Demand-side	40	57.0 MWh

Product	Units Installed	Capacity
Mega Power 2700A	667	1,804.2 MWh
Mega Power 2500	418	1,047.9 MWh
PowerX Cube 360(BU)	30	10.7 MWh



Prefecture	Sites	Capacity	Application	Status
Hokkaido	9	569.3 MWh	Extra-high V	Planned: 5
			High V	Installed: 1
				Planned:1
			Demand-side	Installed: 1
				Planned: 1
Aomori	1	8.2 MWh	High V	Installed: 1
Iwate	1	2.7 MWh	Demand-side	Installed: 1
Miyagi	3	83.4 MWh	Extra-high V	Planned: 1
			High V	Installed: 1
			Demand-side	Installed: 1
Akita	1	8.2 MWh	High V	Installed: 1
Yamagata	-	-	-	-
Fukushima	3	123.4 MWh	Extra-high V	Planned: 1
			High V	Installed: 1
				Planned: 1
Ibaraki	3	52.5 MWh	Extra-high V	Planned: 1
			High V	Installed: 1
			Demand-side	Installed: 1
Tochigi	5	210.7 MWh	Extra-high V	Planned: 1
			High V	Installed: 2
				Planned: 2
Gunma	6	77.9 MWh	Extra-high V	Planned: 1
			High V	Installed: 3
				Planned: 1
			Demand-side	Installed: 2
Saitama	11	135.1 MWh	Extra-high V	Planned: 1
			High V	Installed: 2
				Planned: 4
			Demand-side	Installed: 5
Chiba	6	20.6 MWh	High V	Planned: 2
			High V Renewable	Planned: 1
			Demand-side	Installed: 2
				Planned: 1
Tokyo	1	8.2 MWh	High V	Planned: 1
Kanagawa	4	82.6 MWh	Extra-high V	Planned: 1
			High V	Installed: 2
			Demand-side	Installed: 1
Yamanashi	-	-	-	-
Nagano	8	70.4 MWh	High V	Installed: 2
				Planned: 6
Niigata	-	-	-	-
Toyama	-	-	-	-
Ishikawa	1	8.2 MWh	High V	Installed: 1
Fukui	1	8.2 MWh	High V	Planned: 1
Gifu	5	27.1 MWh	High V	Installed: 1
				Planned: 2
			Demand-side	Installed: 1
				Planned: 1
Shizuoka	9	198.1 MWh	Extra-high V	Planned: 2
			High V	Installed: 2
				Planned: 2
			Demand-side	Installed: 3

Prefecture	Sites	Capacity	Application	Status
Aichi	6	20.3 MWh	High V	Planned: 2
			Demand-side	Installed: 3
				Planned: 1
Mie	2	16.5 MWh	High V	Installed: 1
				Planned: 1
Shiga	5	53.8 MWh	Extra-high V	Planned: 1
			High V	Installed: 1
				Planned: 3
Kyoto	-	-	-	-
Osaka	1	2.7 MWh	Demand-side	Installed: 1
Hyogo	7	144.3 MWh	Extra-high V	Installed: 1
				Planned: 2
			High V	Installed: 3
				Planned: 1
Nara	-	-	-	-
Wakayama	3	16.8 MWh	High V	Installed: 2
			Demand-side	Installed: 1
Tottori	1	2.7 MWh	High V	Installed: 1
Shimane	1	8.2 MWh	High V	Planned: 1
Okayama	6	28.5 MWh	High V	Planned: 3
			Demand-side	Installed: 3
Hiroshima	2	13.7 MWh	High V	Planned: 1
			Demand-side	Installed: 1
Yamaguchi	-	-	-	-
Tokushima	2	11.0 MWh	High V	Planned: 1
			Demand-side	Installed: 1
Kagawa	3	8.6 MWh	High V	Installed: 1
				Planned: 1
			Demand-side	Installed: 1
Ehime	1	5.5 MWh	Demand-side	Installed: 1
Kochi	-	-	-	-
Fukuoka	11	391.1 MWh	Extra-high V	Planned: 2
			High V	Installed: 3
				Planned: 2
			High V Renewable	Installed: 1
			Demand-side	Planned: 3
Saga	2	52.1 MWh	Extra-high Renewable	Installed: 1
			High V Renewable	Installed: 1
Nagasaki	2	16.5 MWh	High V	Planned: 1
			High V Renewable	Installed: 1
Kumamoto	5	41.1 MWh	High V	Installed: 1
				Planned: 3
			High V Renewable	Installed: 1
Oita	3	104.0 MWh	Extra-high V	Planned: 1
			High V Renewable	Installed: 2
Miyazaki	4	113.1 MWh	Extra-high V	Planned: 1
			Demand-side	Installed: 1
				Planned: 2
Kagoshima	6	33.3 MWh	High V	Installed: 1
			High V Renewable	Installed: 3
				Planned: 1
			Demand-side	Planned: 1
Okinawa	2	95.3 MWh	Extra-high V	Planned: 2

*As of March 5, 2026

Competitive Advantages

Extra-High Voltage Battery Power Plant Deployment Example

Kansai Area – Example Project 13 MW / 54.8 MWh



Extra-high voltage battery power plants

24 locations

Total capacity: 2,087.9 MWh

As of Feb 5 , 2026

Competitive Advantages

Accelerating Deployment: 7x Productivity Improvement YoY

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

Factory production and assembly



Storage in the yard



Land preparation/foundation work



Shipping and Transportation

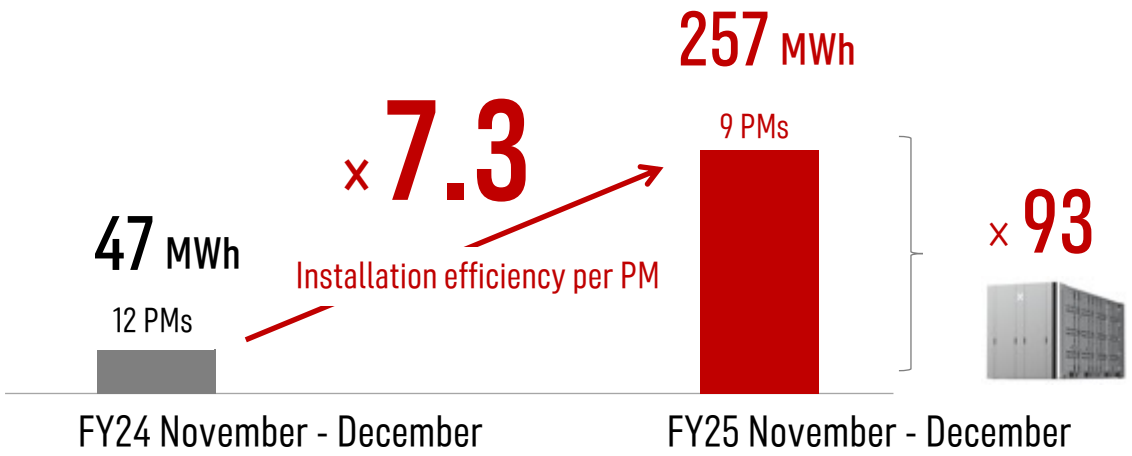


Delivery and installation work



Telecommunications Construction





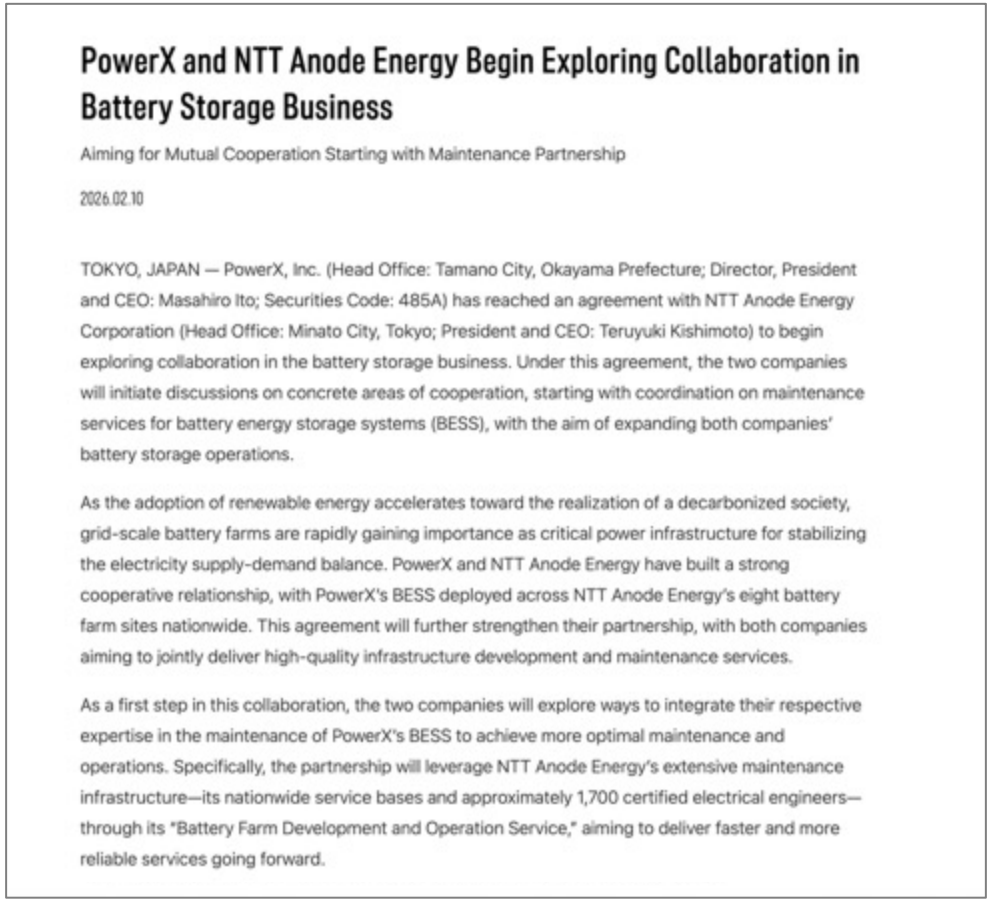


An example of an extra-high voltage storage battery plant installed last year

Competitive Advantages

Collaboration Agreement with NTT Anode Energy

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



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

Aiming for Mutual Cooperation Starting with Maintenance Partnership

2026.02.10

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

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

As a first step in this collaboration, the two companies will explore ways to integrate their respective expertise in the maintenance of PowerX's BESS to achieve more optimal maintenance and operations. Specifically, the partnership will leverage NTT Anode Energy's extensive maintenance infrastructure—its nationwide service bases and approximately 1,700 certified electrical engineers—through its "Battery Farm Development and Operation Service," aiming to deliver faster and more reliable services going forward.

Background to collaboration consideration

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

Value provided and goals of the collaboration

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

Specific Actions

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

Competitive Advantages

Mega Power: Deployment Examples

NTT Anode Energy | Fukuoka Wakamatsu Storage Facility

Kitakyushu City , Fukuoka Prefecture



Installed Product(s)

Mega Power x3

Total Storage Capacity

8,226 kWh (nominal)

(Equivalent to the daily electricity consumption of approx. 720 households*1)

*1 : Calculated by dividing 8,226 kWh by approx. 11 kWh. The value of 11 kWh is derived by dividing the average annual power consumption of a typical household (3,950 kWh) by 365 days. The average annual power consumption of a typical household is based on the Ministry of the Environment's "Statistical Survey on CO2 Emissions from the Household Sector."

MIRARTH Asset Management
MSB Kanagawa Aikawa Energy Storage Facility

Aikawa, Aiko District, Kanagawa Prefecture



Installed Product(s)

Mega Power x3

Total Storage Capacity

7,404 kWh (rated)

Marubeni
Mitsumine-Ina Energy Storage Facility

Nagano Prefecture



Installed Product(s)

Mega Power x3

Total Storage Capacity

8,100 kWh

Japan Post | Okayama Post Office

Soja City, Okayama Prefecture



Installed Product(s)

Mega Power x1

Total Storage Capacity

2,132 kWh

ProLogis | ProLogis Park Soka

Soka City, Saitama Prefecture



Installed Product(s)

Mega Power x1

Total Storage Capacity

2,742 kWh

Competitive Advantages

Mega Power: Deployment Examples

Toyota Motor East Japan – Iwate Plant

Toyota Motor East Japan Selects PowerX's Battery Energy Storage Systems to Enhance Resilience in Kanegasaki Microgrid Project

2025.02.14



Senko Group Holdings Logistics Center

First deployment of stationary battery storage system for Senko Group Holdings

2024.01.10



Imabari Shipbuilding – "Saijo Plant"

Press release

【Joint Release】Implementation of the “On-Site Battery Storage Project” in Saijo City, Ehime Prefecture

四国電力株式会社・今治造船株式会社・株式会社パワーエックス

2025.09.01

四国電力株式会社（以下、四国電力）および今治造船株式会社（以下、今治造船）は、両社共通の出資先である株式会社パワーエックス（以下、パワーエックス）が製造する定置用蓄電システムを今治造船西条工場東ひうち事業部の敷地内に設置し、「オンサイト蓄電池事業」を実施することといたしました。

国内では、２０５０年カーボンニュートラル実現に向け、再生可能エネルギー（以下、再エネ）の最大限の導入・活用が進められておりますが、再エネの発電量は、天候に大きく左右されることから、出力変動に対応するための調整力の確保が課題となっております。

本事業では、蓄電池の利活用により充放電を最適制御する蓄電システムを運用し、電力需給の安定化と再エネの最大限の活用に取り組んでまいります。また、蓄電した電気を有効活用し、工場の最大需要電力を抑制（ピークカット）することで、電気料金の削減にも繋げてまいります。

３社は、引き続き緊密に連携しながら、「オンサイト蓄電池事業」に関するノウハウの確立を目指すとともに、電力需給の安定化と脱炭素社会の実現に貢献してまいります。

Competitive Advantages

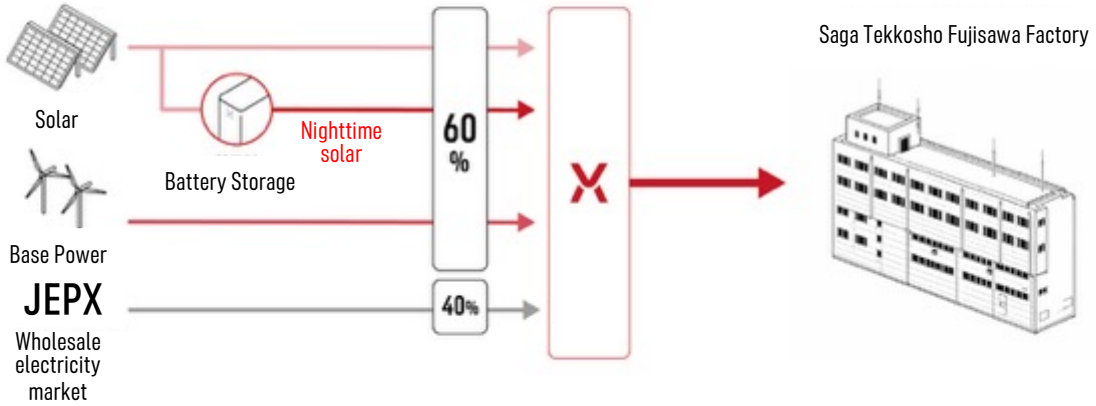
Power Supply Case Using Battery Storage (PowerX Power Business)

Supply of renewable electricity using battery storage to
Saga Tekkosho factory

2026.01.15

Corporate power supply service “Advanced Plan”

Promoting decarbonization of manufacturing
using renewable energy and battery storage



PowerX Corporate Power Offering: “Advanced Plan”

In addition to power sources such as wind generation, daytime solar power and electricity generated during the day are stored in batteries and later supplied as “nighttime solar.”

By combining these power sources, stable renewable electricity can be supplied regardless of the time of day, enabling both decarbonization and a stable power supply.

Competitive Advantages

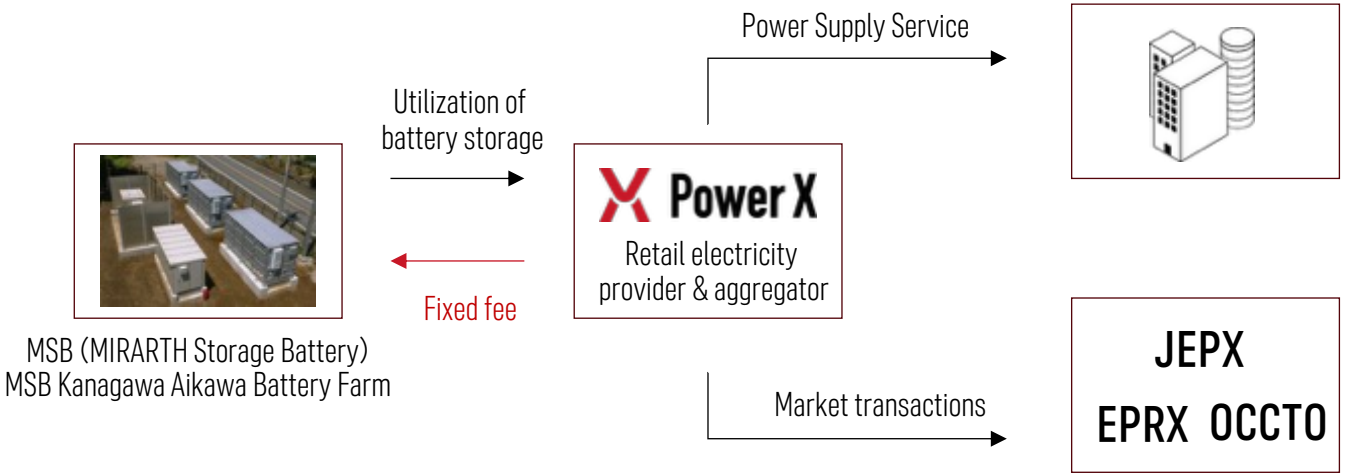
Battery Storage Aggregation Case (PowerX Power Business)

BESS

PowerX and MIRARTH Asset Management Commence Operations of Grid-Scale Battery Farm in Kanagawa

2025.09.08

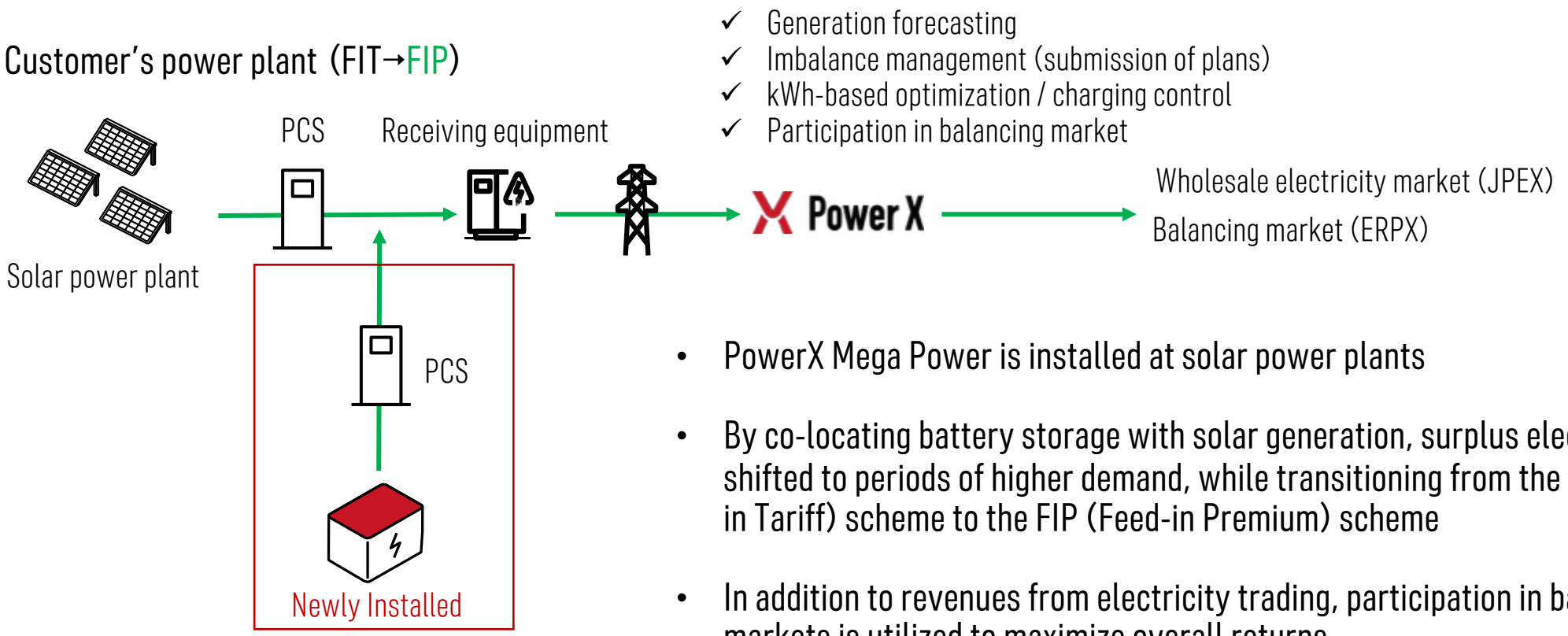




- A case of operating PowerX Mega Power under the “battery storage aggregation service” deployed within the power business
- The balancing capacity of this facility is utilized not only for PowerX’s retail electricity business, including corporate power supply services, but also for trading in the electricity markets
- A scheme is adopted in which PowerX pays a fixed fee to the battery storage owner in return for the provision of balancing capacity (“battery tolling” model)

Power Operations Service for Solar + Battery Co-located Systems (PowerX Power Business)

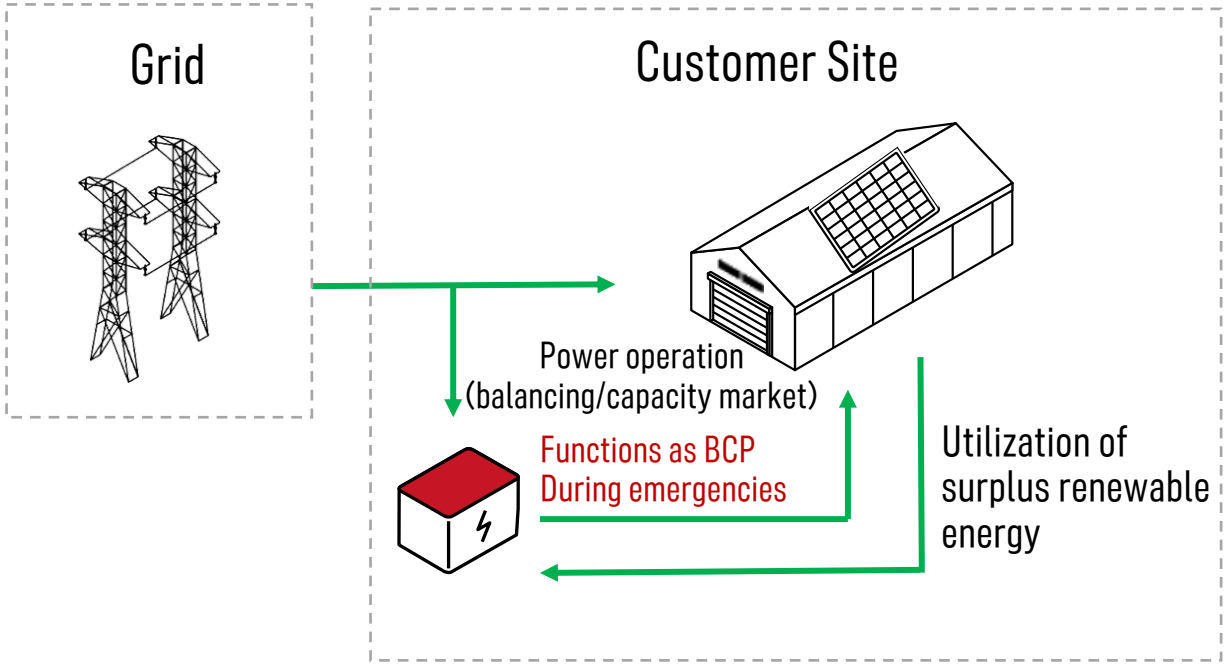
Electricity flow →



- PowerX Mega Power is installed at solar power plants
- By co-locating battery storage with solar generation, surplus electricity is shifted to periods of higher demand, while transitioning from the FIT (Feed-in Tariff) scheme to the FIP (Feed-in Premium) scheme
- In addition to revenues from electricity trading, participation in balancing markets is utilized to maximize overall returns

Competitive Advantages

Corporate Power Supply Service: “Battery Option”



Battery storage can be introduced with effectively zero initial and running costs*1

- A service available to customers subscribed to PowerX’s corporate electricity retail menu (Advanced / Semi-flat / Flat / market-linked plans), enabling the introduction of battery storage systems with effectively zero initial and running costs
- Under normal conditions, customers continue using electricity as usual, while PowerX operates part of the battery system.In emergencies such as natural disasters, the system automatically switches to supply power required by the customer’s facilities, functioning as a BCP (Business Continuity Plan) solution

*1 Installation of the battery system requires a lease agreement. Lease fees are offset through electricity charges, resulting in no effective additional cost burden for the customer

Modular Data Center Differentiators

Mega Power DC Scalability and Flexibility

Scale of Data Center (Consumption) & Estimated number of Mega Power DC

Hyperscale Data Center	25MW~		× 125 units~ (750 racks)
Mid-sized Data Center	Tens of MW		× 25 units~ (150 racks)
Small-sized Data Center	A few MW		× 10 units~ (60 racks)
Edge Data Center	A few hundred kW		× 1 unit~ (6 racks)

Mega Power DC – Regulatory Advantages of Containerized Data Centers

Containerized data centers are not classified as buildings

→ therefore →

Building permit approval & Real estate registration are not required

Condition:	Condition:	Condition:	Condition:
Internal space must be limited to the minimum required for server functionality.	The facility must be operated unmanned, except for emergency maintenance.	Units must not be vertically stacked.	Final determination is subject to consultation with local authorities pursuant to MLIT guidance.

Mega Power DC Project Timeline to Commercial Operation

- Lead times for both grid interconnection and construction can be significantly shortened, enabling a faster start of operations.



Typical Development Process for a New Data Center

Approx. 4 ~ 5 years to commercial operation

- Feasibility study
- Development permit / local stakeholder coordination
- Investment decision-making
- Grid interconnection process
- Equipment procurement
- Detailed design
- Regulatory approvals
- Construction and commissioning

Mega Power DC

Approx. 1+α year to commercial operation

- Feasibility, basic design & local coordination
- Investment decision-making
- Detailed design
- Production
- Installation

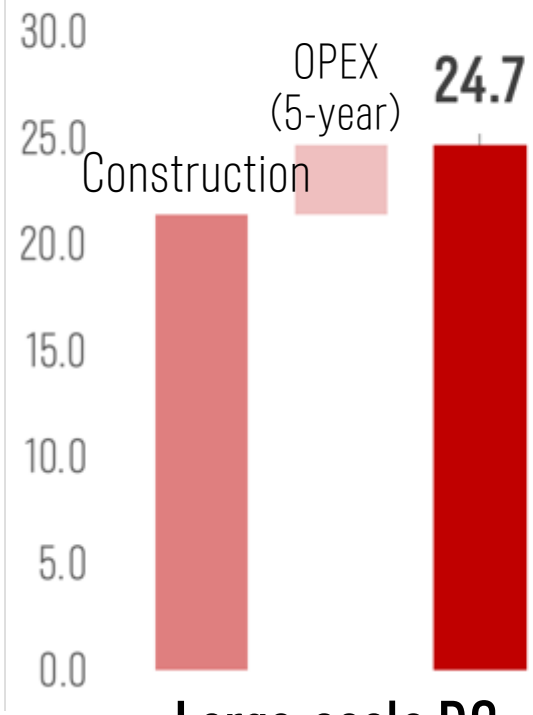
*When installed at a site where grid interconnection has already been secured—such as an existing battery storage facility—additional deployment can be significantly streamlined.

Mega Power DC Cost Advantages

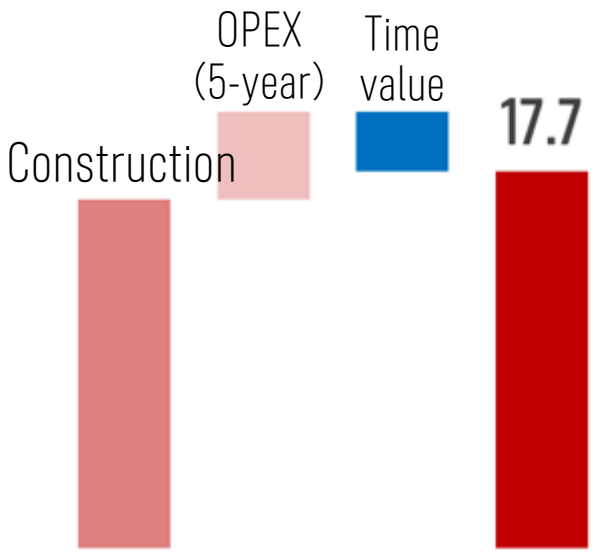
- Comparison based on Construction + 5-year OPEX (LCOC) *IT equipment is standardized globally



Cost Comparison: JPY 100 million per Receiving MW (excluding IT equipment)



Large-scale DC



Mega Power DC

Delivers
Approx. 25%
Cost savings

【Assumptions for Large-Scale Data Center Simulation】
- Receiving Capacity : 50,000kW
- CAPEX : Land acquisition, site preparation, building construction, internal power infrastructure, external works, etc. (Excluding IT equipment)
- OPEX : Operations & maintenance, monitoring , etc.
- Evaluation period : 5 years
- Note : CAPEX is evaluated as the present value of 20 years of building lease-equivalent construction costs (excluding IT equipment0

【Assumptions for Large-Scale Data Center Simulation】
- Receiving Capacity : 200kW (10ft containerized DC x1)
- CAPEX : Container units, land acquisition, installation works, etc. (excluding IT equipment)
- OPEX : Operations & maintenance, monitoring , etc.
- Evaluation period : 5 years
- Note : The difference in years until COD (Δ years) is reflected in present value terms.

Mega Power DC Value Proposition Summary

Cost Advantage
Shortened Project Timeline

Stable Mass Production
Leveraging Shared Battery Technology

Scalability
Flexibility

- High Mobility
- Deployable across a wide range of locations

next

Co-location with Large-scale Power Plant

*Industry-standard 42U rack

Large-scale Power Plant
1,000MW

Power Received	Container	IT racks*
25MW	**125**	**750**



【Image Illustration】

*Approx. 30 m² per 10-ft container, total area example: 3,750 m²

Direct Power Supply from Power Plant

Stable electricity supply from a neighboring generation facility
Avoidance of transmission losses and grid congestion

Battery Support for Thermal Plant Load Balancing

Enables economically optimized charging and discharging
Contributes during scheduled maintenance outages

Space Efficiency & Portability

Efficient layout within plant premises
Relocatable during plant expansion or replacement

*Industry-standard 42U rack

Co-location with Battery Power Plant / Renewables

High / Extra-High Voltage Battery Power Plant
2~20MW

Power Received	Container	IT racks*
0.2~2MW	1~10	6~60



【Image Illustration】

*Approx. 30 m² per 10-ft container, Total footprint range: 30 m² – 300 m²

Watt–Bit Optimized Operations

Joint operation of DC and BESS enables flexible selection of revenue opportunities
Optimizes between power trading, balancing services, and on-site consumption

Accelerated Grid Interconnection

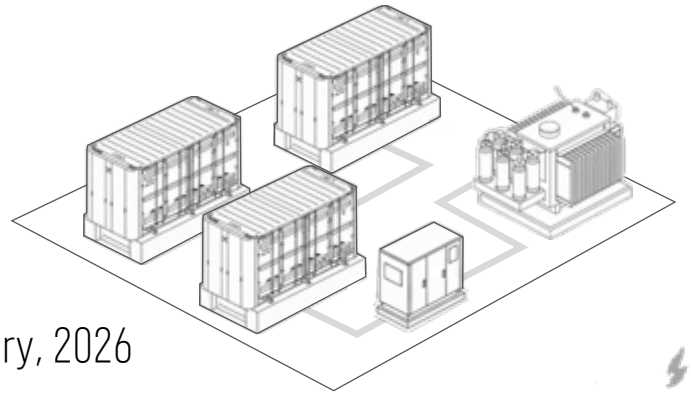
Battery charging control helps manage grid constraints
Contributes to earlier grid connection approval

Renewable Energy Utilization

Enables carbon-free operation of power-intensive IT equipment
Maximizes local renewable energy consumption

Co-location with Battery Power Plant / Renewables

Battery power plant	Solar power plant	Factories and other bases



Our BESS system used: 140 locations

* As of the end of January, 2026

×

Mega Power DC

For example, adding 3 sets per location

=

IT racks Approximately 2,500 units

Comparable to large building-type data centers

Co-location with Edge Sites

*Industry-standard 42U rack

Power Received	Container	IT racks*
0.2MW	1	4 (ESS Integrated)



Universities /Research Institutes



Distribution Substation



Factories



Areas under elevated tracks



Logistics Centers



Offices

【Image Illustration】

Integrated Demand & Location

Ideal for Physical AI and Private AI applications
Low latency and improved response performance

Urban & Space-Efficient Deployment

Suitable for urban environments
Enables effective utilization of limited land

Battery-Backed Power Supply

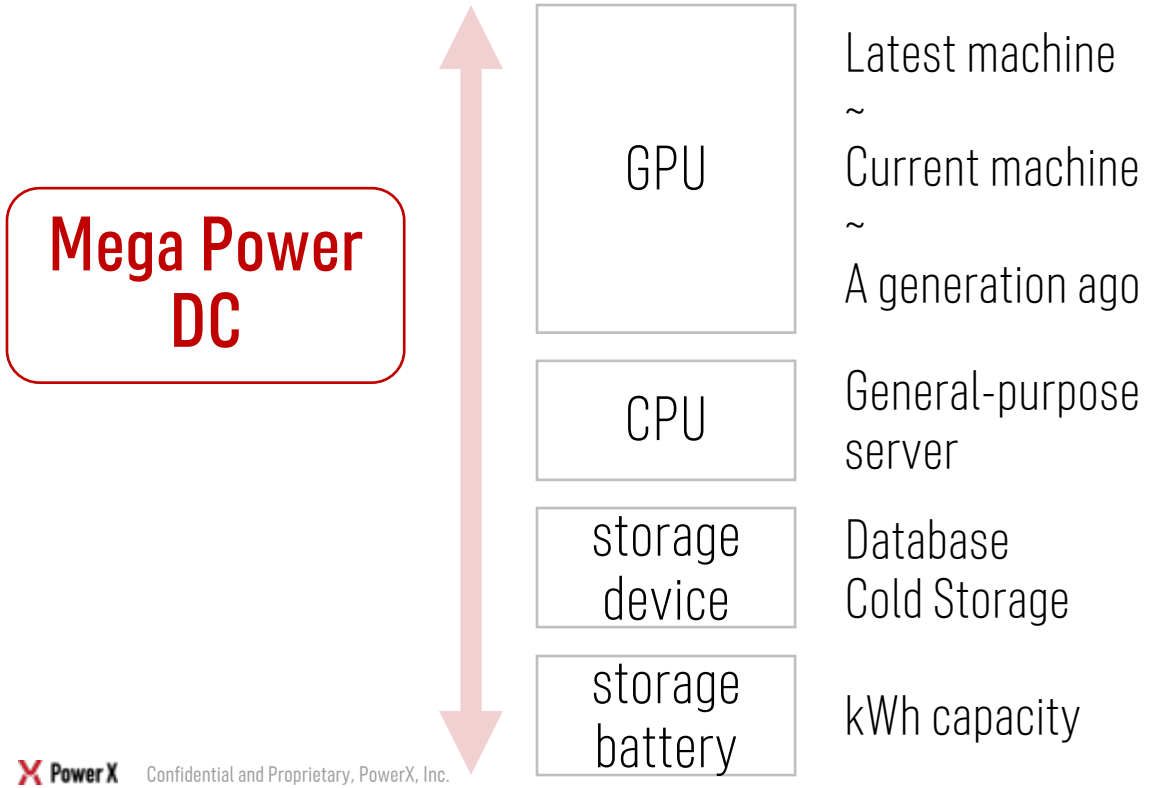
Backup power through integrated battery storage
Supports IT/AI business continuity planning (BCP)

Mega Power DC Applications

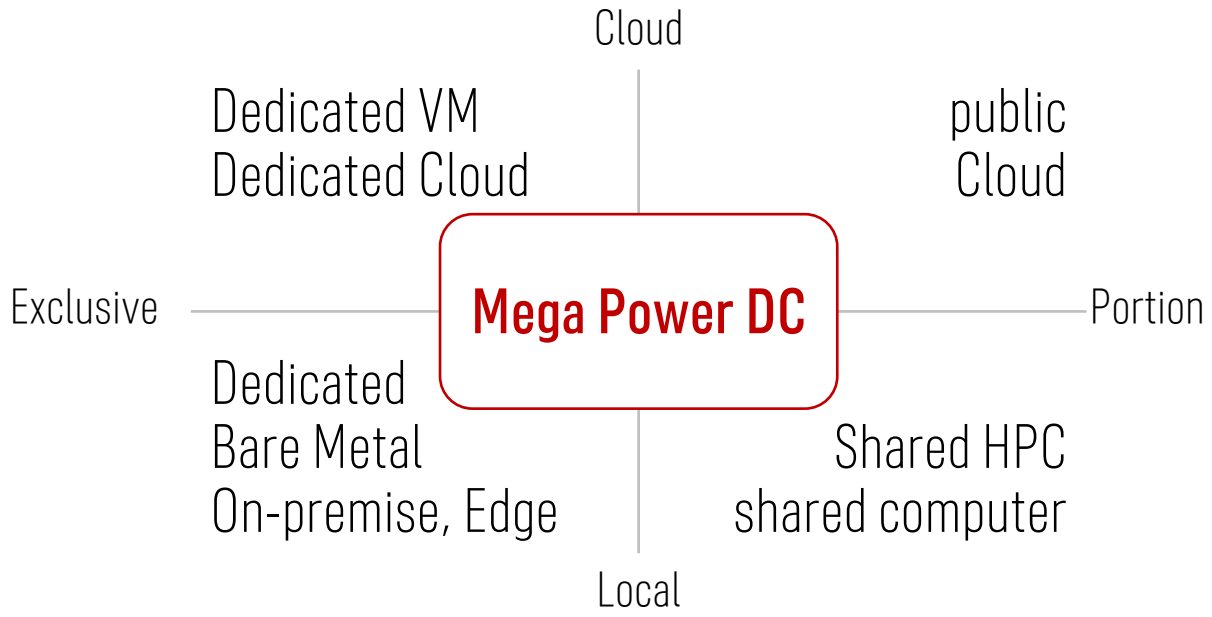
- The ESS integrated modular data center is a physical infrastructure that is portable, mass-produced, and scalable, and can be switched between different uses depending on the application.



Equipment Selection



Selection of usage method



By designing from exclusive use to partial use, and from cloud to local.

* After recovering the investment in IT equipment, it is possible to replace the equipment and use it exclusively as a storage battery.

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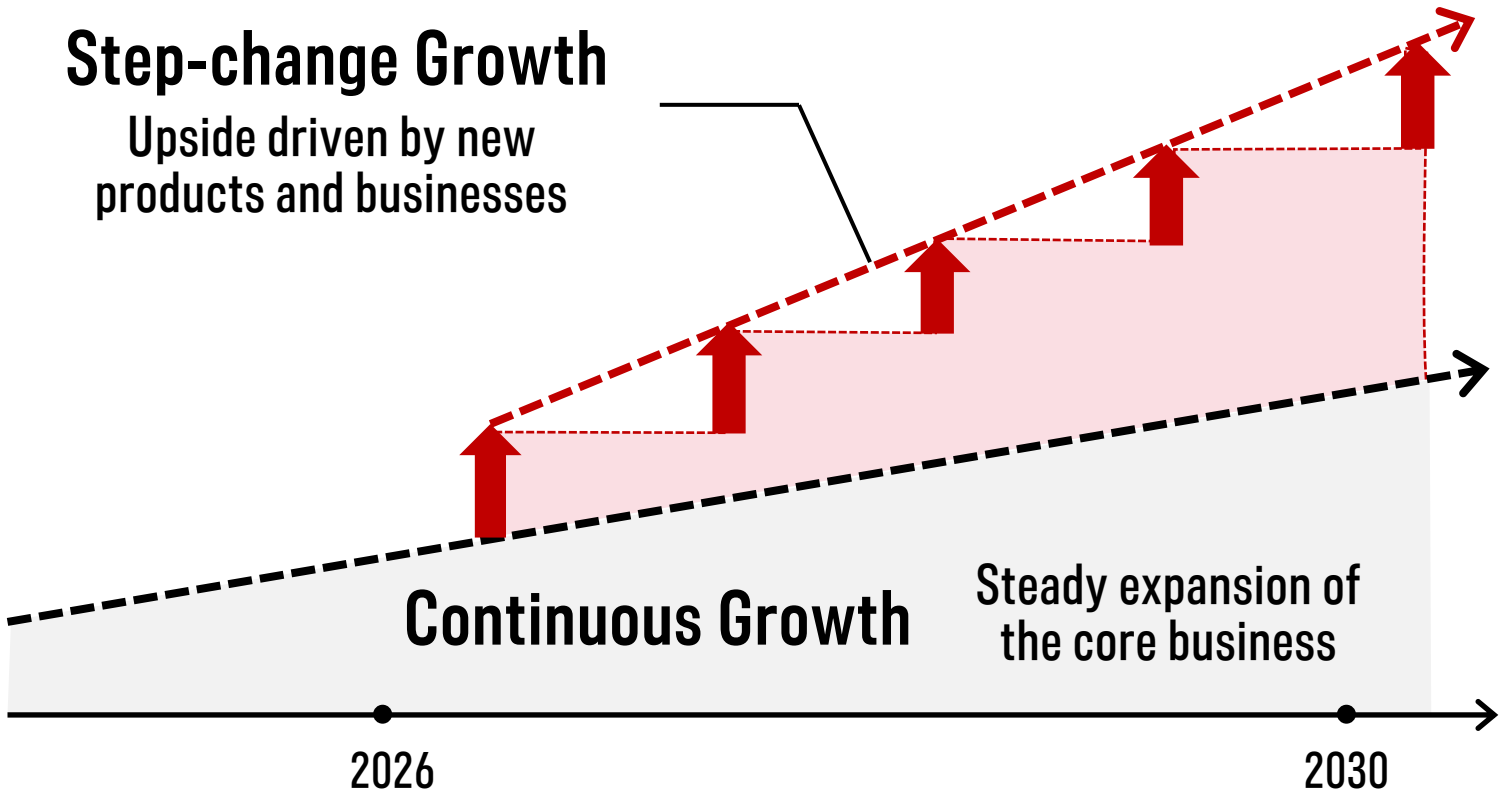
We aim to achieve further growth through continuous growth driven by the expansion and evolution of our existing businesses, and step-change growth driven by new products and new business initiatives.



Step-change

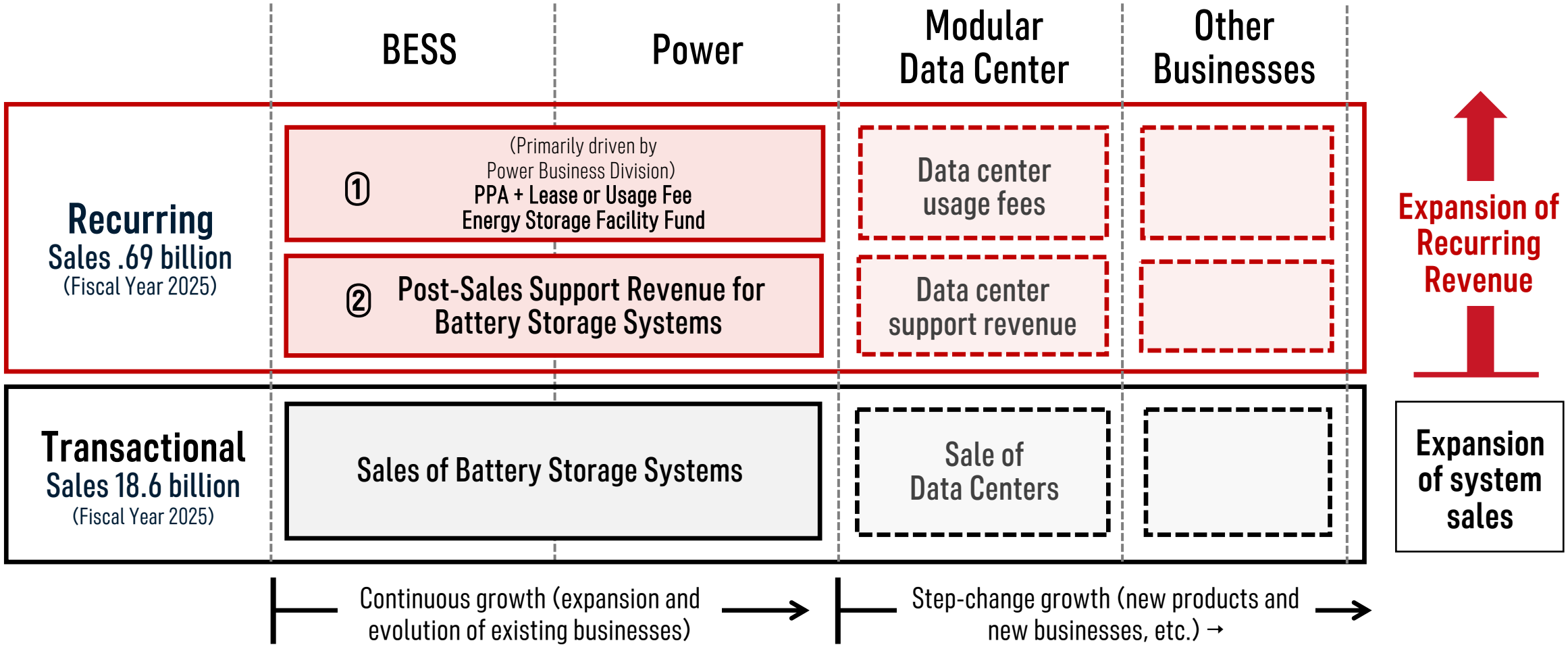
- Power / electricity business (retail, wholesale, trading) and aggregation
- Overseas expansion (Asia, Europe, etc.)
- Battery Tanker business
- Data centers and expansion into new segments

Continuous

- Domestic BESS sales
- Product lineup expansion (including peripheral equipment)
- In-house EPC capabilities for vertical integration
- Product evolution
- O&M (operation & maintenance)

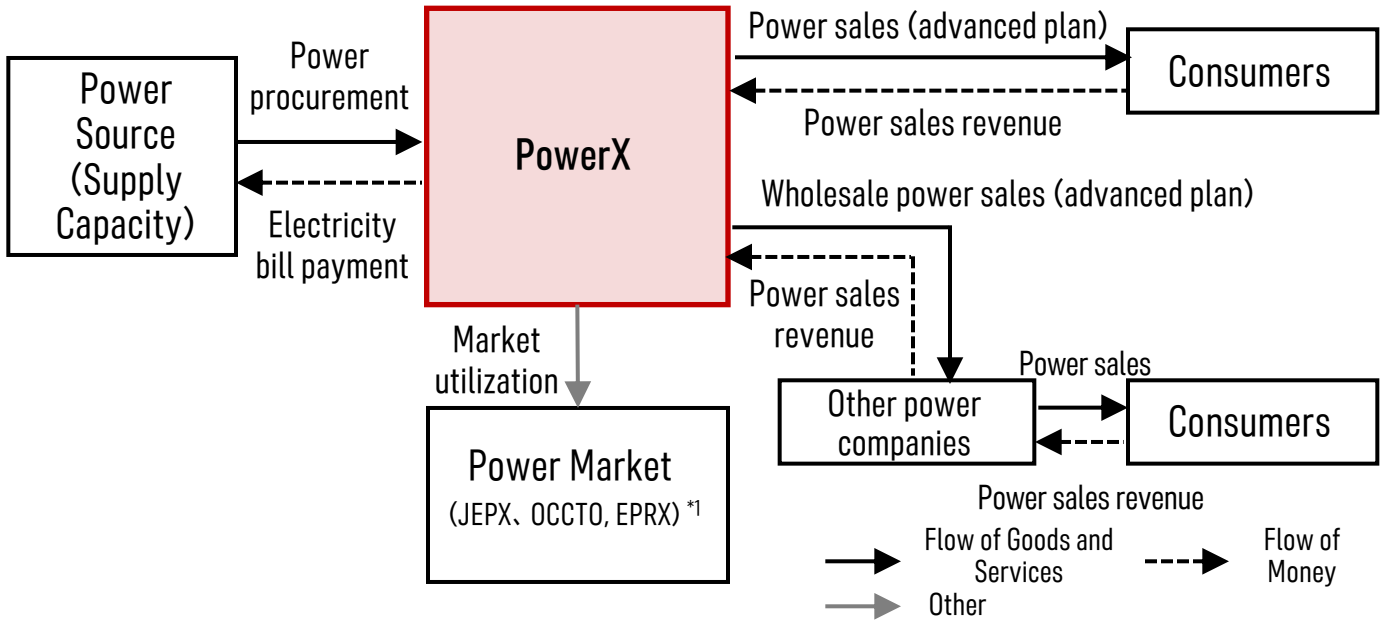
Growth Strategy

As revenue grows, the share of recurring revenue is expected to increase, improving earnings stability. The focus is not only on expanding revenue, but also on strengthening a more stable earnings base.

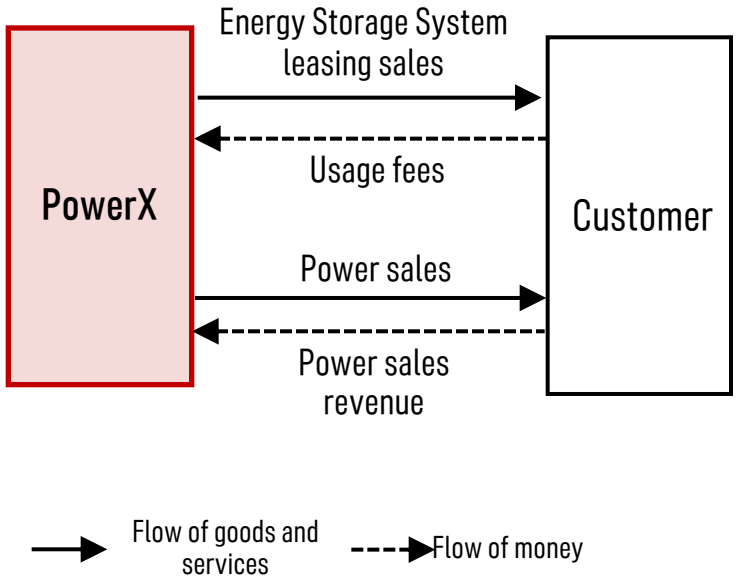


① In addition to battery system sales, long-term revenue is secured through power retail (advanced plans) and leasing models such as PPA and energy storage system leasing.

Power Retail (Advanced Plan)



Energy Storage System Leasing

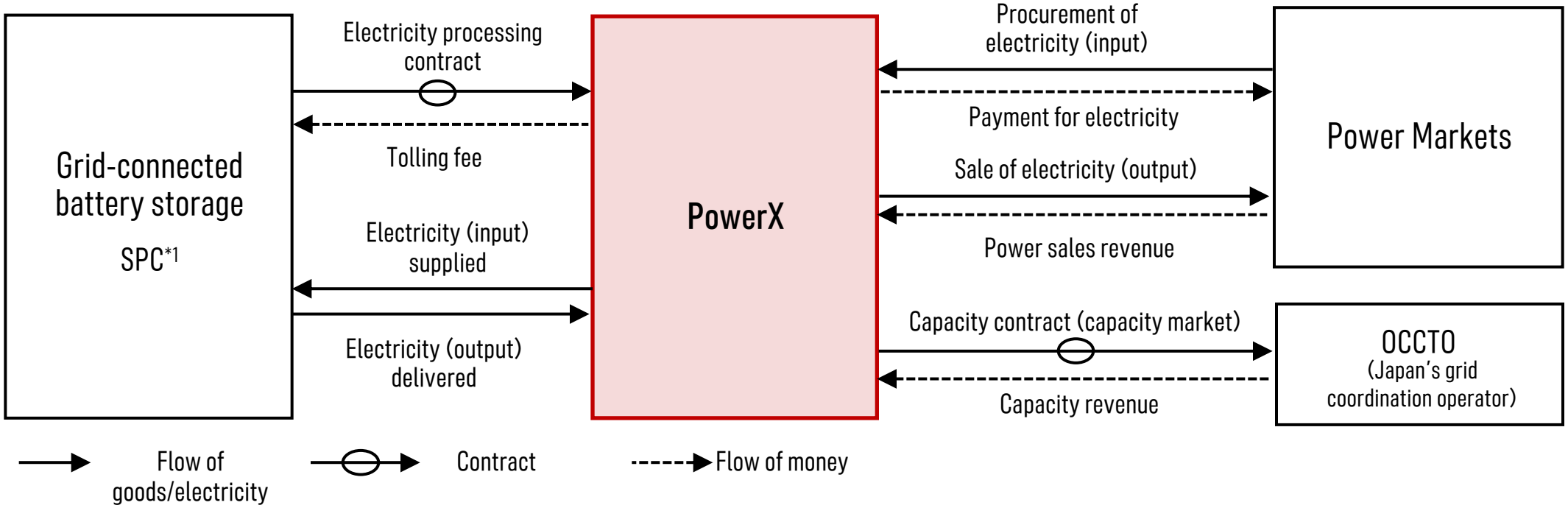


*1 JEPX (Japan Electric Power Exchange): Japan Wholesale Electricity Exchange, OCCTO (Organization for Cross-regional Coordination of Transmission Operators): Organization for Cross-regional Coordination of Transmission Operators, EPRX (Electric Power Reserve eXchange): Electricity Reserve eXchange

② Battery power plant fund

Stable earnings are generated through the development and operation of battery storage facilities, including tolling-based revenue.

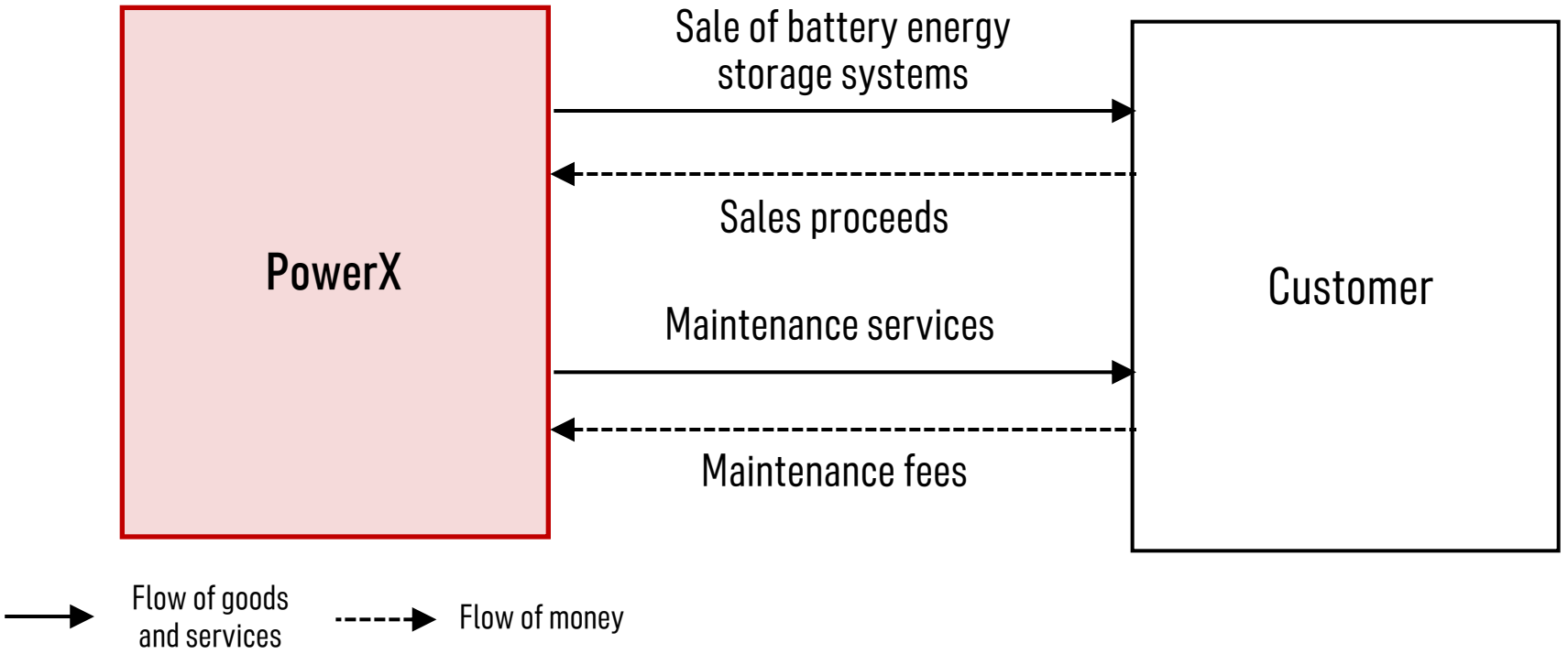
Battery development and operation services (tolling)



*1 SPC (Special Purpose Company): A special-purpose entity established for the financing, construction, and operation of battery storage projects. Project assets and liabilities are managed separately from those of the parent company.

③ Post-Sale Support Revenue from Battery Energy Storage Systems

Ongoing service revenue is generated through post-sale maintenance services (inspection and servicing) for battery energy storage systems.



Expansion of recurring revenue is expected through Battery Power Plant fund operations, EVCS charging revenue, and post-sale maintenance services for battery systems.

	Key Initiatives for Recurring Revenue Expansion
① PPA, leasing, or usage fees / Battery Power Plant fund	• Launch and expansion of new retail services (launched in early September; outreach to approximately 150 sites initiated within one month) • Expansion of aggregation services for grid-scale battery storage (approximately 9 projects under discussion within one month)
② Charging revenue from owned sites	• Improvement in network value and service quality driven by increased utilization, leading to higher repeat usage • Increase in PowerX First membership • Expansion of corporate plan memberships through sales activities
③ Post-sale support revenue for battery systems	• Promotion of maintenance services to customers purchasing battery systems (enabling long-term usage through ongoing maintenance)

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Key management indicators: The Group has identified revenue, ROA, and ROE as key KPIs with significant impact on business performance.

(Unit: JPY millions)

KPI	Definition	Actual (FY2025)	Outlook (FY2026)	Rationale / Mid- to long-term objective
Revenue	Group Revenue	19,306	38,000	Indicator of business scale and growth; also suitable for tracking market share of products
EBITDA	Operating profit + depreciation + stock-based compensation	(137)	2,500-3,000	Appropriate indicator for a business requiring significant upfront investment, as it is less affected by one-time accounting costs such as depreciation, and supports focus on corporate value growth
ROA	Return on assets (Group)*1	–	–	Targeting approximately 5% over the long term
ROE	Return on equity (Group)*1	–	–	Targeting approximately 10% over the long term

*1 FY2025 net income is negative; therefore, ROA and ROE are not shown
FY2026 figures are not disclosed; only long-term target levels are indicated

Outlook (consolidated): A transition to profitability is expected, with operating profit and ordinary profit turning positive, and significant improvement across all profit levels.

(Unit: JPY millions)

	Actual (FY2025)	Outlook (FY2026)	Change (%)	Key Assumptions
Revenue	19,306	38,000	+96.8%	Driven primarily by the BESS business, including large-scale grid-connected battery projects and increased demand for storage linked to renewable energy expansion.
Operating Profit	(677)	2,000-2,500	–	• With revenue growth, operating profit and ordinary profit are expected to turn positive, marking a transition to profitability, with significant improvement across all profit levels • Figures below operating profit are presented as ranges, reflecting risks such as raw material price fluctuations and uncertainties related to new businesses. • For details, refer to the FY2025 full-year financial results briefing materials (released February 13, 2026)
EBITDA(1)	(137)	2,500-3,000		
Ordinary Profit	(1,796)	1,000-1,500	–	
Net Profit (Loss) Attributable to Owners of the Parent	(1,646)	1,000-1,500	–	

(1) EBITDA = operating profit + depreciation + stock-based compensation

Use of IPO Proceeds

Proceeds are expected to be used for capital expenditure and R&D to support growth.

(Unit: JPY million)

Use of Proceeds	FY2025	FY2026	FY2027	Total
Capital expenditure	–	4,428	1,384	5,812
R&D	–	149	–	149
Total	–	4,577	1,384	5,961

1. Capital Expenditure

✓ Construction of a second manufacturing building at PowerBase to secure production capacity for Mega Power 2500, the successor to the flagship Mega Power 2700 and investment associated with relocation to a new Tokyo office to accommodate headcount growth. With respect to the second manufacturing facility, the amount above represents only a portion of the construction costs, and the facility is scheduled to commence operations around 2030.

2. R&D

✓R&D related to Mega Power 2500

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Key Risks and Mitigation

Major Business Risks	Risk Level	Description	Mitigation Measures
Risks related to subsidies	Likelihood: Medium Timing: Uncertain Impact: High	Battery products are eligible for government subsidies under energy policy frameworks, and customers' decisions to introduce battery systems are significantly influenced by such subsidies. However, if government policies are revised or subsidies are reduced or discontinued, or if customers receive lower-than-expected subsidies, demand for battery systems may be affected, which could impact business performance and financial condition.	✓ Maintain relationships with relevant government authorities ✓ Monitor regulatory developments and respond promptly
Competitive risk	Likelihood: High Timing: Short term Impact: Medium	Price competition with domestic and international competitors may intensify. If expected market share and profitability cannot be achieved, this may impact business performance and financial condition.	✓ From an economic security perspective, focus on domestic production and development in Japan. ✓ Conduct manufacturing, software development, and maintenance domestically. ✓ Strengthen competitiveness and drive continued business growth and market share expansion
Risks related to contract execution and delivery	Likelihood: Medium Timing: Uncertain Impact: Medium	The battery system business model requires a certain period from negotiation to delivery and closing. Delays in negotiation, internal approvals, or subsidy application processes may lead to delays in project timelines. Additionally, delays in capital procurement may affect business performance and financial condition.	✓ Establish schedules with sufficient buffer to control timelines ✓ Strengthen contract management and monitor customer status regularly ✓ Formulate business plans incorporating potential delays to limit financial impact

*For other risks, refer to the "Business Risks" section of the securities registration statement.

Key Risks and Mitigation

Major Business Risks	Risk Level	Description	Mitigation Measures
Risks related to raw material procurement	Likelihood: Medium Timing: Uncertain Impact: High	For battery modules, which are key components of the Group's battery products, procurement is concentrated in China, creating a relatively high dependence. In addition, if supplier capacity declines, relationships with suppliers deteriorate, or geopolitical risks (including tensions between the U.S. and China) materialize, procurement from suppliers may become difficult. In such cases, this may impact the Group's business performance and financial condition.	✓ The R&D and procurement departments work in coordination to evaluate battery modules manufactured by other suppliers from both quality and cost perspectives ✓ Procurement from countries other than China, including those in East and Southeast Asia, has been under consideration for some time, with a clear path now in place.
Risks related to fluctuations in raw material prices	Likelihood: High Timing: Short term Impact: Medium	Procurement prices for certain raw materials used in the Group's main products (including lithium-ion battery cells and modules) fluctuate due to changes in supply-demand conditions and trade policies. In addition, if procurement prices increase or exchange rates fluctuate, or if lithium supply falls below demand leading to price increases, this may result in higher procurement costs and logistics expenses, which could impact the Group's business performance and financial condition.	✓ Procurement prices are managed based on agreements reflecting future production plans, aiming to reduce price volatility ✓ Measures are implemented to mitigate foreign exchange risk through advance reservations and to pass on cost increases to customers where possible
Risks related to product defects and product liability	Likelihood: Low Timing: Uncertain Impact: High	Products are designed and manufactured in accordance with the Group's internal standards; however, defects may arise in the future due to issues with procured components or during the manufacturing process. In addition, if large-scale product defects occur, significant costs may be incurred due to product recalls, compensation for damages, or free replacements and repairs. This could also significantly damage the Group's reputation and impact business performance and financial condition.	✓ Evaluation of long-life battery cells and advancement of battery control technology using BMS (Battery Management System) ✓ Provision of paid maintenance services for battery systems, with periodic monitoring to confirm the absence of product defects

*For other risks, refer to the "Business Risks" section of the securities registration statement.

Appendix

Company Overview

Company	PowerX, Inc.
Founded	March 22, 2021
Representative	Masahiro Ito, Director, President & CEO
Locations	Headquarter / Factory: Tai 6-9-1, Tamano, Okayama, Japan Tokyo Office: Midtown Tower, 43F, 9-7-1 Akasaka, Minato-ku, Tokyo Annex / Show Room: AXALL ROPPONGI 2F, 8-6 Roppongi, Minato-ku, Tokyo Hokkaido Factory Uenae, Tomakomai City, Hokkaido 059-1365
Business	Manufacturing & Sales of Large-Scale Battery Energy Storage Systems Development and Sales of Modular Data Centers Power Business EV Charging Station Operations and Services
Employees (Consolidated)	179 (including temporary employees)*



* As of February 28, 2026

Appendix

Directors & Executive Officers



Director, President & CEO

Masahiro Ito

Founded Yappa Inc. in 2000. Joined the ZOZO Group through M&A and served as CEO of ZOZO Technologies, followed by Director and COO of ZOZO, Inc. from 2019. Established PowerX, Inc. in March 2021.



Tadahisa Kagimoto

Tadahisa Kagimoto

Former physician at Kyushu University Hospital. Founded Helios Inc. in 2011, a biotechnology venture originating from academia, and has served as the company's representative since 2012.



External Director

Caesar Sengupta

Former Google executive. After serving as VP and Product Lead for Chrome OS and the operating system for Chromebooks, oversaw Next Billion Users and Google Pay as VP/GM. Founded fintech venture Arta Finance in 2021.



External Director

Mark Tercek

Former Managing Director and Partner at Goldman Sachs with 24 years of tenure. Served as CEO of The Nature Conservancy from 2008 and joined Centerview Partners as Senior Advisor in 2022.



External Director

Mitsugu Serizawa

Joined Mitsui Bank (now Sumitomo Mitsui Banking Corporation) in the 1980s. After serving as Head of European Operations, took responsibility for the bank's international business from 2015. Served as President and Director of SMBC Operation Service Co., Ltd. from 2018 to 2020.



External Director

Tatsuya Sakuma

Former public prosecutor at the Tokyo, Naha, and Niigata District Public Prosecutors Offices. Also held various positions in the Ministry of Justice and the Tokyo District Public Prosecutors Office. Currently serves as an outside officer of multiple companies, including AEON Financial Service.



Corporate Executive Officer
CFO

Toshiyuki Fujita

Engaged in audit and consulting work at Deloitte Tohmatsu and KPMG. As CFO of two operating companies, led both to listings on the Tokyo Stock Exchange Growth Market (formerly Mothers). Certified Public Accountant.



EV Charging Business Executive Officer

Kohei Morii

Joined Mitsui & Co., Ltd. in 2002. After engaging in power business development and energy services within the company's project division, led new business development and global M&A strategy as the executive responsible for the power business and acquisitions in the global renewable energy sector.



Power Business Executive Officer

Yusuke Kojima

Held leadership roles at a major electrical-equipment manufacturer and a global consulting firm. Joined a power-sector company in 2014 as Head of Retail Electricity and established an independent management-consulting firm for the energy sector in 2023.



Executive Officer
Ocean Power Grid, Inc.
President & Director

Hideyuki Ohnishi

Held roles in global marketing and as a Business Director at a multinational chemical manufacturer. Appointed Representative of GE Energy Japan in 2010, leading the launch of onshore and offshore wind businesses in Japan. Appointed President of Ocean Power Grid in January 2025.



Executive Officer of Engineering and Research, CTO

Deepak Raut

Systems-design engineer specializing in model-based development of alternative-powertrain systems, transmission controllers, and high-voltage battery and charging systems for EVs. Professional background includes Daimler Truck, Tata Motors, and Mercedes-Benz.



BESS Executive Officer

Hiroyuki Yoshihara

Joined KEYENCE Corporation in 1992. After serving as Head of the Hiroshima Sales Office and working in the headquarters marketing division, spent 17 years from 2003 stationed in the U.S. and Belgium. In Belgium, led market development and business expansion as the founding head of the local subsidiary. After returning to Japan, served on the global audit team, driving consulting and audit initiatives to improve performance across overseas subsidiaries.


Vision
For a Sustainably Prosperous Future
Mission
Achieving Japan’s Energy Independence

Appendix

Sales & Revenue Recognition Process

		Sales Process*1	Revenue Recognition Process*1
	1st Contact	Lead generation through outbound and agencies	-
3-4 months on average*1	Quote (Initial Quote Request*2)	Follow-up with potential customers	-
	Define Requirements→Confirm	Confirm and finalize detailed requirements	-
	Final Proposal (In negotiation*3)	Submit final proposal and quotation to customer	-
6-7 months on average*1	Customer Internal/Subsidy Approval (Probable Order*4)	Final proposals progress through approval to contract execution; no cancellations on signed or probable order in FY 25	-
	Contract Signing (Signed Order*4)		
	Delivery	No cancellations	Record 95% of contract value as revenue
	Closing	No cancellations	Record remaining 5% of contract value as revenue

*1 The diagram above illustrates PowerX's standard sales and revenue recognition process based on current contract terms with customers. Please note that this process does not necessarily apply to all transactions, including historical contracts.
*2 "Initial quote request" refers to preliminary inquiries received from prospective customers. Projects that have already been lost or cancelled are excluded, while ongoing (pending but not lost or cancelled) cases are included.
*3 Projects that have advanced from initial engagement with a prospective customer to the stage where detailed requirements have been finalized and a final proposal and quotation have been presented. Projects that have already been lost or canceled are excluded, while ongoing (pending but not lost or canceled) projects are included.
*4 "Signed orders" refer to binding purchase agreements formally executed with customers. "Probable orders" refer to cases where either (i) government subsidies (e.g., from METI or the Tokyo Metropolitan Government) have been approved, or (ii) the customer's internal approval and decision-making procedures have reached the final stage prior to contract execution, and the order is therefore considered highly likely to be placed in the near term. However, please note that there remains a risk of cancellation or modification in price or quantity prior to contract execution, or of partial or non-recognition of the expected revenue under the contract.

Appendix

Disclaimer

- This presentation has been prepared by the Company solely for informational purposes and does not constitute an offer to sell, or a solicitation of an offer to buy, any securities of the Company.
- This presentation contains forward-looking statements regarding future plans, outlooks, and expectations. Such statements are based on information available to the Company as of the date of this presentation and involve known and unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward-looking statements.
- Factors that may cause actual results to differ include, but are not limited to, changes in domestic and international economic conditions, industry trends in markets in which the Company operates, and other risks and uncertainties.
- Certain information contained in this presentation has been obtained from publicly available sources. The Company has not independently verified the accuracy or completeness of such information and makes no representations or warranties with respect thereto.
- The Company plans to update this presentation periodically, with updates expected following each full-year earnings announcement.

Thank You