This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 485A
March 30, 2026

Director, President & CEO
Masahiro Ito
PowerX, Inc.
Tai 6-9-1, Tamano, Okayama, Japan

Notice Regarding Absorption-Type Merger (Simplified and Short-Form Merger) with its Wholly Owned Subsidiary, Power Manufacturing Inc.

PowerX, Inc. (the "Company") hereby announces that, at a meeting of its Executive Committee held on March 30, 2026, it resolved to conduct an absorption-type merger (the "Merger") in which its wholly owned subsidiary, PowerX Manufacturing Inc. ("PXM"), will be the absorbed company, and entered into a merger agreement on the same date, as described below.

As this Merger constitutes a simplified absorption-type merger with a wholly owned subsidiary, certain disclosure items and details have been omitted.

1. Purpose of the Merger

The Company established and has operated PXM as a manufacturing subsidiary at its Tamano Plant in Okayama Prefecture to build a factory organization and production system with employment structures and HR frameworks distinct from those of the Company's headquarters. As the organizational development of the Tamano Plant has now been completed and a system enabling flexible HR management at the departmental level has been established, and in light of the planned establishment of a new plant in Tomakomai, Hokkaido, the Company has decided to proceed with the Merger to maximize overall group operational efficiency.

Strengthening governance and optimizing organizational management:
The Merger will eliminate ambiguity in roles and responsibilities between the parent company and subsidiary arising from the current structure, enabling faster decision-making and further strengthening internal controls. Following the integration, the Company will continue to operate flexible HR and labor systems tailored to the characteristics of each department, supporting sustainable growth.
Centralization of manufacturing know-how for multi-site expansion:

By integrating PXM's contract manufacturing functions into the Company, manufacturing technologies and expertise developed at the Tamano Plant will be centrally managed. This will support the smooth launch of the planned Tomakomai plant and enable the establishment of an efficient multi-site production structure.

2. Summary of the Merger

(1) Schedule

Item	Date
Resolution by Executive Committee (Company)	March 30, 2026
Execution of merger agreement (both companies)	March 30, 2026
Effective date of merger (planned)	June 1, 2026

Note: This Merger constitutes a simplified merger under Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form merger under Article 784, Paragraph 1 for PXM. Accordingly, neither company will hold a general meeting of shareholders to approve the merger agreement.

(2) Method of the Merger

The Merger will be conducted as an absorption-type merger with the Company as the surviving entity. PXM will be dissolved.

(3) Consideration for the Merger

As PXM is a wholly owned subsidiary of the Company and the Company is the sole shareholder of PXM, no consideration will be delivered in connection with the Merger.

(4) Treatment of Stock Acquisition Rights and Liabilities with Stock Acquisition Rights

Not applicable.

3. Overview of the Companies Involved in the Merger

(As of December 31, 2025)

Item	Surviving Company	Absorbed Company
Trade Name	PowerX, Inc.	PowerX Manufacturing Inc.
Location	6-9-1 Tai, Tamano, Okayama, Japan	6-9-1 Tai, Tamano, Okayama, Japan
Representative	Masahiro Ito, Director, President & CEO	Masahiro Ito, Representative Director
Capital	JPY 4,634 million	JPY 300 million
Date of Incorporation	March 22, 2021	April 28, 2023
Number of Shares fIssued	36,353,600 shares	1,000 shares
Main Business	・ Manufacturing, sales, and maintenance of large- and mid-scale battery energy storage systems; ・ Manufacturing, sales, and maintenance of battery-based ultra-fast EV charging systems (HC) and operation of EV charging stations ・ Power supply services utilizing battery systems ・ Development and operation of battery power plants (aggregation services)	Contract manufacturing of battery products and related equipment
Fiscal Year-End	December	December
Major Shareholders	FAROUT Inc. (13.04%)	PowerX, Inc. (100.00%)

4. Status of the Company After the Merger

There will be no changes to the Company's name, location, representative, business activities, capital, or fiscal year-end as a result of the Merger.

5. Outlook

As this Merger is conducted with a wholly owned subsidiary, its impact on consolidated financial results is expected to be minimal. If any revisions to the earnings forecast become necessary, they will be promptly disclosed.