Note: 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.

November 12, 2026

Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: PowerX, Inc.
Listing: Tokyo Stock Exchange
Securities code: 485A
URL: https://power-x.jp/en/investors?gl=JP
Representative: Masahiro Ito, Director, President & CEO
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	16,564	126.2	(359)	–	(858)	–	(1,681)	–	(1,681)	–
September 30, 2025	7,323	–	(1,780)	–	(2,182)	–	(2,986)	–	(3,046)	–

Note: Comprehensive income For the nine months ended September 30, 2026: ¥(1,677) million [–%]
For the nine months ended September 30, 2025: ¥(3,027) million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	(14.68)	–
September 30, 2025	(31.92)	–

Note: (1) Diluted earnings per share for the nine months ended September 30, 2025 are not stated because, although dilutive shares existed, the Company's stock was unlisted at the time, making it impossible to determine the average share price during the period. In addition, net loss per share was recorded.
(2) Diluted earnings per share for the nine months ended September 30, 2026 are not stated because, although dilutive shares exist, net loss per share was recorded.
(3) The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. In addition, the Company carried out a 3-for-1 stock split of its common stock on June 1, 2026. Net loss per share was calculated assuming that these stock splits were carried out at the beginning of the previous fiscal year (fiscal year ended December 31, 2025).

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	40,976	7,355	15.9
December 31, 2025	26,236	6,648	23.7

Reference: Equity
As of September 30, 2026: ¥6,521 million
As of December 31, 2025: ¥6,230 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	–	–	0.00	0.00
Fiscal year ending December 31, 2026	–	0.00	–		
Fiscal year ending December 31, 2026 (Forecast)				0.00	0.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated financial results forecast for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	41,000	112.4	2,700 –3,000	–	2,200 –2,500	–	1,000 –1,500	–	1,000 –1,500	–	8.73 –13.10

Note: (1) Revisions to the most recently announced financial results forecast: Yes
(2) EBITDA = Operating profit + Depreciation + Share-based payment expenses
(3) The consolidated financial results forecast for the fiscal year ending December 31, 2026 is disclosed in a range format. For matters related to the consolidated financial results forecast, please refer to page 4 of the attachment, "1. Overview of Operating Results, etc. (3) Explanation of Forward-looking Statements, Including Consolidated Financial Results Forecast."
(4) The forecasted basic earnings per share for the fiscal year ending December 31, 2026 has been calculated based on the average number of shares outstanding during the period, reflecting the third-party allotment of new shares and the exercise of share acquisition rights during the nine months ended September 30, 2026, as well as the impact of the stock split effective June 1, 2026 (three shares for every one common share).

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: – companies (–)
Excluded: 1 company (PowerX Manufacturing Inc.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatements
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	116,616,750 shares
As of December 31, 2025	109,060,800 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	– shares
As of December 31, 2025	– shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2026	114,540,459 shares
Nine months ended September 30, 2025	95,434,967 shares

Note: The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. In addition, the Company carried out a 3-for-1 stock split of its common stock on June 1, 2026. Each of the figures for the number of shares in "(4) Number of issued shares (common shares)" has been calculated assuming that these stock splits were carried out at the beginning of the fiscal year ended December 31, 2025.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts and other special matters
(Cautionary note regarding forward-looking statements, etc.)

The financial results forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For details on the assumptions underlying the financial results forecasts and notes regarding their use, please refer to "1. Overview of Operating Results, etc. (3) Explanation of Forward-looking Statements, Including Consolidated Financial Results Forecast" on page 4 of the attachments.

(Method to obtain supplementary material on financial results)

The Company plans to hold a financial results briefing on November 12, 2026. Supplementary material on financial results to be used on the day will be posted in advance on TDnet and the Company's website, and the presentation and audio of the financial results briefing will promptly be posted on the Company's website after the briefing.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

During the nine months ended September 30, 2026, the global economy remained opaque, mainly due to the impact of geopolitical risks, including those in the Middle East, and uncertainty surrounding trade policies. The Japanese economy continued its gradual recovery, supported by factors such as a recovery in consumer spending on the back of improvements in the employment and income environment, as well as the resilience of investments in capital.

Within this business environment, the 7th Basic Energy Plan—which was approved by the Cabinet in February 2025—projected that renewable energy would account for 40%–50% of total power generation by FY2040, with grid infrastructure development and the promotion of battery storage identified as key challenges in establishing renewable energy as the primary source of power. Against the backdrop of this policy, applications for contracts related to the grid connection of grid-connected storage batteries have increased significantly from the previous year, and business operators' appetite for investment in grid-connected storage systems remains robust. On the other hand, changes in the business environment are expected from FY2026, such as a reassessment of the supply-demand adjustment market and stricter grid interconnection rules creating a situation where businesses with sound business plans and strong operational capabilities will be in demand. In response to this situation, the Company is engaged in the domestic production and sales of cost-competitive storage battery products. During the nine months ended September 30, 2026, the Company also promoted the strengthening of its production and shipment systems through measures such as yard development at existing facilities, and acquired the building and land for a new factory, "Power Base Hokkaido," in Tomakomai City, Hokkaido, aiming to expand production capacity over the medium to long term. In addition, the Company is expanding multiple products and services, including software that enables long-term, stable operation as energy infrastructure.

With regard to sales of energy storage systems, despite a certain degree of increase in parts costs driven by the depreciation of the yen and soaring lithium prices, both net sales and gross profit increased significantly year on year, driven by progress in delivering stationary storage systems contracted in or before the previous fiscal year. In addition, orders for stationary storage systems intended for energy storage facilities are increasing, driven in part by subsidies implemented by the national and local governments. We therefore anticipate an increase in the number of energy storage systems delivered in the future. Furthermore, during the nine months ended September 30, 2026, the Company recorded sales for a large-scale stationary storage system destined for Vietnam, which represents its first international project. Going forward, we will expand into Europe and the U.S., in addition to Asia. The number of power supply contracts is also steadily increasing, and going forward, we plan to continue focusing our efforts on acquiring new customers.

As a result, for the period under review, consolidated results were as follows: net sales of ¥16,564 million (up 126.2% year on year), EBITDA of ¥−359 million (EBITDA of ¥−1,780 million in the same period of the previous fiscal year), an operating loss of ¥858 million (operating loss of ¥2,182 million in the same period of the previous fiscal year), an ordinary loss of ¥1,681 million (ordinary loss of ¥2,986 million in the same period of the previous fiscal year), and a loss attributable to owners of parent of ¥1,681 million (loss attributable to owners of parent of ¥3,046 million in the same period of the previous fiscal year).

The consolidated results of the Group exhibit seasonal fluctuations, as sales and profits tend to be recorded in the second half, particularly in the fourth quarter, due to the timing of customer purchases of storage battery products to meet the requirements for receiving subsidies. As of November 12, 2026, the order backlog (Note) amounted to ¥114,046 million, of which ¥42,136 million is scheduled to be recognized as revenue (including ¥41,248 million in "signed orders") in the fiscal year ending December 31, 2026. Accordingly, progress toward the full-year consolidated net sales forecast of ¥41,000 million for the fiscal

year ending December 31, 2026 has reached 100.6%.

(Note) The total value of "signed orders" and "probable orders" as of November 12, 2026, including amounts that have already been recognized as revenue. "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 prospective orders: (i) projects approved for government subsidies from entities such as Japanese government or Tokyo Metropolitan Government, or (ii) projects undergoing the final stage of the sales contract execution procedures after obtaining internal customer approval of the Company's final proposal regarding the main terms and conditions, and therefore estimated to have a high probability of being ordered in the near future. However, there is a risk that orders may be canceled, or prices and quantities changed before a contract is concluded, or that all or part of the expected revenue from an already concluded contract may not be recognized.

Operating results by segment are as follows.

(BESS Business)

The BESS (Battery Energy Storage System) business manufactures and sells large-scale stationary storage system "PowerX Mega Power" and medium-scale stationary storage system "PowerX cube," which can be used for applications such as grid-connected storage batteries, renewable energy integrated storage batteries, and industrial/commercial storage batteries. The business environment surrounding the BESS business is characterized by an urgent need to effectively utilize surplus renewable energy and secure balancing power to align renewable energy fluctuations with electricity demand. This is essential for establishing renewable energy as a primary power source in Japan and ensuring stable electricity supply. Against this backdrop, demand for large-scale stationary energy storage systems directly connected to the power grid is growing steadily, and orders are still accumulating smoothly, including for shipments in the next fiscal year and beyond. In addition, among customers such as logistics operators, efforts to achieve decarbonization through the introduction of renewable energy generation for their owned facilities are progressing, and the adoption of energy storage systems on the demand side is also expanding.

Under these conditions, the BESS business recorded net sales of ¥14,378 million (up 134.2% year on year) and segment profit of ¥2,160 million (up 55.1% year on year) for the period under review, primarily due to the on-schedule delivery of the "PowerX Mega Power" system, despite a certain degree of increase in parts costs driven by the depreciation of the yen and soaring lithium prices.

(EVCS Business)

The EVCS (EV Charge Station) business manufactures and sells the battery-based ultra-fast EV charging system "PowerX Hypercharger" for B2B customers and provides fast EV charging services utilizing the "PowerX Hypercharger" for B2C customers. The Company installs "PowerX Hypercharger" primarily among automobile dealers and other customers, with a focus on imported car manufacturers that have high demand for fast charging. Furthermore, with the launch of "PowerX Hypercharger Pro," bidirectional connection with facilities has become possible, enabling the Company to expand its product lineup to meet energy management needs at municipalities, commercial facilities. On the other hand, customers tend to utilize subsidies provided by the Ministry of Economy, Trade and Industry and other government organizations to reduce investment burden, resulting in a tendency for installations and sales to be concentrated in the second half of the fiscal year, especially in the fourth quarter. In addition, given the current state of EV adoption, customers are also increasingly postponing investment decisions.

Under these conditions, despite the presence of one-time, high-margin projects, the EVCS business recorded lower net sales during the nine months ended September 30, 2026 as compared to the same period of the previous fiscal year, due to a reduction in orders received. Nevertheless, segment loss narrowed year

on year due to those same high-margin projects and containment of selling, general and administrative expenses, resulting in net sales of ¥416 million (down 33.4% year on year) and segment loss of ¥171 million (segment loss of ¥379 million in the same period of the previous fiscal year).

(Power Business)

In the Power business, the energy storage system “PowerX Mega Power” is sold to business customers that operate energy storage facilities, and energy storage facility operation services (tolling/merchant revenue models, etc.). In addition, focusing primarily on electricity generated from renewable energy sources and fixed-rate electricity tariffs, we provide power to a wide range of businesses by offering electricity plans tailored to customer requirements, as only an energy storage system manufacturer can.

Under these conditions and with the full-scale launch of energy storage facility operation services and the sale of energy storage systems, the Power business recorded net sales of ¥1,770 million (up 216.4% year on year) and segment profit of ¥49 million (segment loss of ¥90 million in the same period of the previous fiscal year) during the nine months ended September 30, 2026.

(2) Overview of Financial Position for the Period under Review

Total assets at the end of the period under review were ¥40,976 million, an increase of ¥14,740 million compared to the end of the previous fiscal year. This was primarily due to a decrease of ¥2,613 million in cash and deposits due mainly to procurement of raw materials and other items and investments in capital, an increase of ¥10,318 million in merchandise and finished goods resulting from the accumulation of inventory in preparation for future deliveries, an increase of ¥2,916 million in advance payments to suppliers for the procurement of raw materials and other items, an increase of ¥1,094 million in buildings resulting from the purchase of buildings for the new factory, “Power Base Hokkaido” and interior and equipment work associated with the relocation of the Tokyo office, and an increase of ¥329 million in structures resulting from yard development at the Headquarters Factory (Power Base No. 1).

Liabilities at the end of the period under review amounted to ¥33,621 million, an increase of ¥14,033 million compared to the end of the previous fiscal year. This was primarily due to an increase of ¥1,170 million in accounts payable - trade associated with procurement of raw materials and other items, an increase of ¥1,000 million in short-term borrowings resulting from borrowings, an increase of ¥270 million in long-term borrowings (including the current portion), and an increase of ¥10,870 million in contract liabilities (mainly advances received related to product sales).

Net assets at the end of the period under review amounted to ¥7,355 million, an increase of ¥706 million compared to the end of the previous fiscal year. This was primarily due to the recording of a loss attributable to owners of parent of ¥1,681 million and increases of ¥859 million in share capital and ¥1,021 million in capital surplus resulting from a third-party allotment and the exercise of share acquisition rights by the Company and its consolidated subsidiaries, as well as an increase of ¥649 million in non-controlling interests.

(3) Explanation of Forward-looking Statements, Including Consolidated Financial Results Forecast

As announced in the " Notice Concerning Upward Revision to Full-Year Financial Results Forecast" released today, we have revised our full-year consolidated earnings forecasts for the fiscal year ending December 31, 2026. For further details, please refer to the said announcement.

The forward-looking statements, including financial forecasts, contained in this document are based on information currently available to the Company as of the release date of this document. Actual results may differ from the forecasted figures due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	7,454	4,840
Accounts receivable - trade, and contract assets	5,881	5,970
Lease receivables	491	433
Merchandise and finished goods	2,613	12,932
Work in process	15	227
Raw materials and supplies	1,889	2,383
Advance payments	1,444	4,360
Prepaid expenses	139	179
Consumption taxes refund receivable	67	1,224
Other	201	515
Total current assets	20,197	33,068
Non-current assets		
Property, plant and equipment		
Buildings, net	2,206	3,300
Structures, net	–	329
Machinery and equipment, net	1,032	966
Vehicles, net	87	159
Tools, furniture and fixtures, net	293	337
Land	1,001	1,176
Leased assets, net	157	157
Construction in progress	169	174
Total property, plant and equipment	4,948	6,601
Intangible assets		
Patent right	0	0
Trademark right	0	0
Software	73	78
Software in progress	–	60
Total intangible assets	74	139
Investments and other assets		
Investments in capital of subsidiaries and associates	7	7
Long-term prepaid expenses	27	31
Deferred tax assets	608	627
Other	372	502
Total investments and other assets	1,016	1,167
Total non-current assets	6,038	7,908
Total assets	26,236	40,976

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	882	2,053
Short-term borrowings	* 4,000	* 5,000
Current portion of long-term borrowings	750	* 375
Lease liabilities	82	86
Accounts payable - other	709	1,056
Accrued expenses	709	765
Income taxes payable	18	66
Contract liabilities	9,153	20,024
Deposits received	46	292
Provision for bonuses	185	167
Provision for loss on orders received	142	143
Provision for product warranties	144	248
Other	8	8
Total current liabilities	16,833	30,288
Non-current liabilities		
Long-term borrowings	2,000	* 2,644
Lease liabilities	595	537
Asset retirement obligations	71	107
Other	87	43
Total non-current liabilities	2,754	3,333
Total liabilities	19,587	33,621
Net assets		
Shareholders' equity		
Share capital	4,634	5,494
Capital surplus	3,190	4,212
Retained earnings	(1,659)	(3,341)
Total shareholders' equity	6,165	6,364
Accumulated other comprehensive income		
Deferred gains or losses on hedges	64	156
Total accumulated other comprehensive income	64	156
Share acquisition rights	418	184
Non-controlling interests	–	649
Total net assets	6,648	7,355
Total liabilities and net assets	26,236	40,976

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Nine Months Ended September 30

(Millions of yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Net sales	7,323	16,564
Cost of sales	5,125	12,736
Gross profit	2,198	3,828
Selling, general and administrative expenses	4,380	4,686
Operating loss	(2,182)	(858)
Non-operating income		
Interest income	2	11
Indemnity	0	14
Consumption taxes refund	0	3
Bounty income	1	1
Other	0	15
Total non-operating income	6	46
Non-operating expenses		
Interest expenses	189	196
Share issuance costs	8	10
Financing expenses	*1 508	*1 458
Foreign exchange losses	21	2
Compensation expenses	75	191
Other	6	9
Total non-operating expenses	809	869
Ordinary loss	(2,986)	(1,681)
Extraordinary income		
Gain on state subsidy	87	186
Gain on reversal of share acquisition rights	1	12
Total extraordinary income	88	198
Extraordinary losses		
Loss on retirement of non-current assets	–	24
Loss on sale of non-current assets	–	1
Loss on tax purpose reduction entry of non-current assets	86	173
Impairment losses	59	138
Total extraordinary losses	146	338
Loss before income taxes	(3,043)	(1,820)
Income taxes	2	(51)
Loss	(3,046)	(1,769)
Loss attributable to non-controlling interests	–	(87)
Loss attributable to owners of parent	(3,046)	(1,681)

Quarterly Consolidated Statement of Comprehensive Income
Nine Months Ended September 30

(Millions of yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Loss	(3,046)	(1,769)
Other comprehensive income		
Deferred gains or losses on hedges	18	91
Total other comprehensive income	18	91
Comprehensive income	(3,027)	(1,677)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,027)	(1,589)
Comprehensive income attributable to non-controlling interests	–	(87)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Application of accounting methods specific to the preparation of quarterly consolidated financial statements)

(Income tax expense)

Income tax expenses are calculated by reasonably estimating the effective tax rate after tax effect accounting to profit before income taxes for the consolidated fiscal year including the third quarter of the fiscal year ending December 31, 2026, and multiplying the estimated effective tax rate by profit before income taxes.

However, when using the estimated effective tax rate would result in a significantly inappropriate calculation, income tax expenses are calculated by adding or deducting material differences that are not temporary differences to profit before income taxes and multiplying the result by the statutory effective tax rate.

(Changes in presentation)

(Quarterly consolidated statement of income)

"Indemnity" and "Consumption taxes refund," which were included in "Other" under "Non-operating income" in the previous fiscal year, have been presented separately from the nine months ended September 30, 2026 due to increased monetary significance. To reflect this change in presentation, the quarterly consolidated financial statements for the nine months ended September 30, 2025 have been reclassified.

As a result, the ¥1 million presented as "Other" under "Non-operating income" in the quarterly consolidated statement of income for the previous fiscal year has been reclassified as "Indemnity" of ¥0 million, "Consumption taxes refund" of ¥0 million, and "Other" of ¥0 million.

"Compensation expenses," which was included in "Other" under "Non-operating expenses" in the previous fiscal year, has been presented separately from the nine months ended September 30, 2026 due to increased monetary significance. To reflect this change in presentation, the quarterly consolidated financial statements for the nine months ended September 30, 2025 have been reclassified.

As a result, the ¥81 million presented as "Other" under "Non-operating expenses" in the quarterly consolidated statement of income for the previous fiscal year has been reclassified as "Compensation expenses" of ¥75 million and "Other" of ¥6 million.

(Notes to quarterly consolidated balance sheet)

*In order to secure flexible and stable financing for working capital and capital expenditures, the Company has entered into a syndicated commitment line agreement and a term loan contract with a commitment period with its financial institutions. The unused balances under these agreements are as follows.

(1) Commitment line agreement

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Total commitment line	4,000	8,000
Amount drawn	4,000	5,000
Available balance	–	3,000

(2) Term loan contract with a commitment period

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Total amount of term loan contract with a commitment period	–	3,000
Amount drawn	–	1,020
Available balance	–	1,980

(Notes to quarterly consolidated statement of income)

*1. Financing expenses

For the nine months ended September 30, 2025

The main components of financing expenses include arrangement fees paid to lead arrangers and other financial institutions in connection with the syndicated loans, commission fees paid to advisors and others in connection with the third-party allotment of new shares and preparations for the stock listing, and fees paid to attorneys and others in connection with these matters.

For the nine months ended September 30, 2026

The main components of financing expenses include arrangement fees paid to lead arrangers and other financial institutions in connection with the syndicated loans.

2. The consolidated results of the Group exhibit seasonal fluctuations between the first and second half of the fiscal year, as sales and profits tend to be recorded in the second half due to the timing of customer purchases of storage battery products to meet the requirements for receiving subsidies.

(Notes to quarterly consolidated statement of cash flows)

No quarterly consolidated statement of cash flows for the nine months ended September 30, 2026 has been prepared. Depreciation (including amortization of intangible assets) for the nine months of the respective fiscal years is as follows.

(Millions of yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Depreciation	321	485

(Notes on significant changes in shareholders' equity)

(1) Issuance of new shares through third-party allotment

The Company's shares were listed on the Tokyo Stock Exchange Growth Market on December 19, 2025. In connection with this listing, at the Board of Directors meeting held on November 21, 2025, the Company resolved to issue new shares through a third-party allotment to Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. in relation to the over-allotment sale conducted by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., as follows, and payment was completed on January 19, 2026. As a result, share capital and capital surplus increased by ¥653 million each.

(2) Exercise of share acquisition rights

During the period under review, a portion of the 1st, 2nd, 4th, 5th, 6th, 8th, 9th, and 10th Share Acquisition Rights was exercised, resulting in increases of ¥205 million each in share capital and capital surplus.

(3) Issuance of new shares of a subsidiary

During the period under review, Ocean Power Grid, Inc., a consolidated subsidiary of the Company, conducted a third-party allotment of new shares, resulting in an increase of ¥161 million in capital surplus.

As a result, as of September 30, 2026, share capital and capital surplus amounted to ¥5,494 million and ¥4,212 million, respectively.

(Notes to segment information, etc.)

For the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

1. Information on net sales and profit (loss) by reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment				Adjustments (Note 1)	Amounts in quarterly consolidated financial statements (Note 2)
	BESS Business	EVCS Business	Power Business	Total		
Net sales						
Goods or services transferred at a point in time	6,124	601	122	6,849	–	6,849
Goods or services transferred over a specified period	14	22	436	473	–	473
Revenue arising from contracts with customers	6,138	624	559	7,323	–	7,323
Net sales to external customers	6,138	624	559	7,323	–	7,323
Total	6,138	624	559	7,323	–	7,323
Segment profit (loss)	1,392	(379)	(90)	921	(3,104)	(2,182)

(Notes) 1. Adjustments to segment profit (loss) represent corporate expenses not allocated to any reportable segment. The main component of corporate expenses is costs related to the Company's head office administrative departments.

2. Segment profit (loss) has been adjusted with operating loss in the quarterly consolidated statement of income.

2. Information concerning impairment losses on non-current assets for each reportable segment

(Millions of yen)

	Reportable segment				Corporate/ eliminations	Total
	BESS Business	EVCS Business	Power Business	Total		
Impairment losses	–	–	–	–	59	59

For the nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

1. Information on net sales and profit (loss) by reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment				Adjustments (Note 1)	Amounts in quarterly consolidated financial statements (Note 2)
	BESS Business	EVCS Business	Power Business	Total		
Net sales						
Goods or services transferred at a point in time	14,342	409	403	15,156	–	15,156
Goods or services transferred over a specified period	35	6	1,366	1,408	–	1,408
Revenue arising from contracts with customers	14,378	416	1,770	16,564	–	16,564
Net sales to external customers	14,378	416	1,770	16,564	–	16,564
Total	14,378	416	1,770	16,564	–	16,564
Segment profit (loss)	2,160	(171)	49	2,037	(2,896)	(858)

(Notes) 1. Adjustments to segment profit (loss) represent corporate expenses not allocated to any reportable segment. The main component of corporate expenses is costs related to the Company's head office administrative departments.

2. Segment profit (loss) has been adjusted with operating loss in the quarterly consolidated statement of income.

2. Information concerning impairment losses on non-current assets for each reportable segment

(Millions of yen)

	Reportable segment				Corporate/ eliminations	Total
	BESS Business	EVCS Business	Power Business	Total		
Impairment losses	–	–	–	–	138	138

(Business Combinations, etc.)

Transactions under Common Control, etc.

At a meeting of the Executive Committee held on March 30, 2026, the Company resolved to conduct an absorption-type merger with its consolidated subsidiary, PowerX Manufacturing Inc., and executed the absorption-type merger on June 1, 2026.

1. Overview of the Transaction

(1) Name and Description of Business of the Combining Company

Name of the combining company: PowerX Manufacturing Inc.

Description of business: Contract manufacturing of battery products and related products

(2) Date of Business Combination
June 1, 2026

(3) Legal Form of the Business Combination
An absorption-type merger with the Company as the surviving entity and PowerX Manufacturing Inc. as the dissolving entity.

(4) Name of the Entity After the Combination
PowerX, Inc.

(5) Other Matters Concerning Overview of Transaction
Through this absorption-type merger, the Group's manufacturing department will be consolidated into the Company to pursue more efficient operations.

2. Overview of Accounting Treatment Applied
The transaction has been accounted for as a transaction under common control based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

(Notes on revenue recognition)
For the nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)
The breakdown of revenue arising from contracts with customers is as stated in “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Notes to segment information, etc.).”

(Per share information)

The basis for calculating net loss per share is as follows.

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Net loss per share	(31.92) yen	(14.68) yen
(Basis for calculation)		
Loss attributable to owners of parent (Millions of yen)	(3,046)	(1,681)
Amount not attributable to common shareholders (Millions of yen)	–	–
Loss attributable to owners of parent relating to common shares (Millions of yen)	(3,046)	(1,681)
Average number of common shares outstanding during the period (Shares)	95,434,967	114,540,459
Overview of dilutive shares that were not included in the calculation of diluted earnings per share due to having no dilutive effect, which have undergone significant changes since the end of the previous fiscal year	–	–

(Notes) 1. The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. In addition, the Company carried out a 3-for-1 stock split of its common stock on June 1, 2026. Net loss per share was calculated assuming that these stock splits were carried out at the beginning of the previous fiscal year ended December 31, 2025.

2. The average number of common shares outstanding for the nine months ended September 30, 2025 includes 62,247,582 class shares that rank on a parity with shares of common stock with respect to dividends from retained earnings. In addition, at the Board of Directors meeting held on July 15, 2025, the Company resolved to acquire all of the Class AA shares, Class A preferred shares, Class A-1 preferred shares, Class A-2 preferred shares, Class B preferred shares, Class B-1 preferred shares, Class B-2 preferred shares, and Class C-1 preferred shares, as well as 3,776 Class C preferred shares, pursuant to the provision for acquisition of shares set forth in the Articles of Incorporation of the Company. Following this resolution, the Company acquired these shares, effective August 1, 2025, as treasury shares and delivered one share of common stock per share of each class of shares as consideration. Furthermore, with respect to 102 Class C preferred shares, upon the exercise of the right to request acquisition with common shares as consideration by the shareholder who owned them, the Company acquired these shares, effective August 1, 2025, as treasury shares and delivered one share of common stock per share of Class C preferred shares as consideration. The Company cancelled all shares of each class acquired as described above, effective August 1, 2025.

3. Diluted earnings per share for the nine months ended September 30, 2025 are not stated because, although dilutive shares existed, the Company's stock was unlisted at the time, making it impossible to determine the average share price during the period. In addition, net loss per share was recorded.

4. Diluted earnings per share for the period under review are not stated because, although dilutive shares exist, net loss per share was recorded.

(Significant subsequent events)
Borrowing of Significant Funds

At a meeting of the Executive Committee held on November 4, 2026, the Company resolved to enter into a short-term commitment line agreement and a long-term loan agreement (hereinafter, collectively the "Agreements") with the Chugoku Bank, Ltd., as well as to execute an individual borrowing of ¥1,000 million under the commitment line agreement. Following the adoption of the resolution, the Company entered into the Agreements on November 12, 2026.

1. Reasons to conclude the Agreements
   The purpose is to meet the demand for working capital associated with the expansion of orders received.

2. Overview of the Agreements
   (1) Attributes of counterparty to the agreement
   The Chugoku Bank, Ltd.

   (2) Overview of the agreement

Contract type	Commitment line agreement	Loan agreement
Principal amount of the obligation	¥1,000 million (Maximum limit: ¥1,000 million) (Note)	¥1,000 million
Date of loan execution (scheduled)	November 16, 2026	November 12, 2026
Repayment deadline	October 29, 2027	September 30, 2029
Details of the collateral securing the obligation in question	Real estate owned by the Company	

(Note) The commitment period is November 16, 2026 to October 29, 2027.

   (3) Details of financial covenants
   The financial covenants attached to the Agreements are as follows.

   a) Starting from the fiscal year ending December 31, 2026, the amount of net assets on the consolidated balance sheet as of the end of each fiscal year must be maintained at or above the higher of the following two amounts: 75% of the net assets on the consolidated balance sheet as of the end of the fiscal year ended December 31, 2025, or 75% of the net assets on the consolidated balance sheet as of the end of the immediately preceding fiscal year.

   b) For any two consecutive fiscal years beginning with the fiscal year ending December 31, 2026 as the initial period, the ordinary profit shown on the consolidated statement of income for each fiscal year must not result in a loss for two consecutive fiscal years. The initial assessment will be conducted for the financial results of the fiscal year ending December 31, 2027 and the fiscal year immediately preceding it.