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February 13, 2026

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 485A
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 Scheduled date of annual general meeting of shareholders: March 27, 2026
 Scheduled date to commence dividend payments: –
 Scheduled date to file annual securities report: March 25, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
December 31, 2025	19,306	213.4	(677)	–	(1,796)	–	(1,646)	–
December 31, 2024	6,161	–	(4,942)	–	(5,702)	–	(8,013)	–

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥(1,582) million [–%]
 For the fiscal year ended December 31, 2024: ¥(8,013) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	(51.40)	–	(43.0)	(9.7)	(3.5)
December 31, 2024	(280.07)	–	(242.7)	(59.0)	(80.2)

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2025: ¥– million

For the fiscal year ended December 31, 2024: ¥– million

Note: Diluted earnings per share are not stated because, although dilutive shares exist, net loss per share was recorded.

* The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. Accordingly, net loss per share was calculated assuming that the stock split was carried out at the beginning of the previous fiscal year (fiscal year ended December 31, 2024).

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	26,236	6,648	23.7	171.38
December 31, 2024	10,830	1,670	13.2	(535.46)

Reference: Equity

As of December 31, 2025: ¥6,230 million

As of December 31, 2024: ¥1,431 million

* The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. Accordingly, net assets per share were calculated assuming that the stock split was carried out at the beginning of the previous fiscal year (fiscal year ended December 31, 2024).

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	1,369	(1,466)	6,306	7,454
December 31, 2024	(6,971)	(1,458)	8,670	1,244

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2024	—	—	—	0.00	0.00	—	—	—
Fiscal year ended December 31, 2025	—	—	—	0.00	0.00	—	—	—
Fiscal year ending December 31, 2026 (Forecast)	—	0.00	—	0.00	0.00		—	

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	38,000	96.8	2,500 ~3,000		2,000 ~2,500	—	1,000 ~1,500	—	1,000 ~1,500	—	27.51 ~41.26

Note: 1. EBITDA = Operating Profit + Depreciation and Amortization + Stock-Based Compensation Expense

2. Consolidated earnings forecasts for the fiscal year ending December 2026 are disclosed in a range format. For matters related to consolidated earnings forecasts, please refer to page 4 of the attached materials, “1. Overview of Operating Results for the Current Period (4) Future Outlook.”

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – companies (–)

Excluded: – companies (–)

(2) 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

(3) Number of issued shares (common shares)

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

As of December 31, 2025	36,353,600 shares
As of December 31, 2024	30,976,000 shares

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

As of December 31, 2025	– shares
As of December 31, 2024	– shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	32,042,252 shares
Fiscal year ended December 31, 2024	28,611,193 shares

* The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. Accordingly, the number of shares was calculated assuming that the stock split was carried out at the beginning of the previous fiscal year (fiscal year ended December 31, 2024).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	19,306	213.4	(487)	–	(1,608)	–	(1,461)	–
December 31, 2024	6,161	–	(4,940)	–	(5,699)	–	(8,008)	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2025	(45.61)	–
December 31, 2024	(279.92)	–

Note: Diluted earnings per share are not stated because, although dilutive shares exist, net loss per share was recorded.

* The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. Accordingly, net loss per share was calculated assuming that the stock split was carried out at the beginning of the previous fiscal year (fiscal year ended December 31, 2024).

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	26,676	6,746	24.1	176.83
December 31, 2024	11,177	1,682	12.9	(535.05)

Reference: Equity

As of December 31, 2025: ¥6,428 million

As of December 31, 2024: ¥1,443 million

* The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. Accordingly, net assets per share were calculated assuming that the stock split was carried out at the beginning of the previous fiscal year (fiscal year ended December 31, 2024).

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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. (4) Future Outlook” on page 4 of the Attachments.

(Method to obtain supplementary material on financial results)

The Company plans to hold a financial results briefing for institutional investors and analysts on February 13, 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 Fiscal Year under Review

During the fiscal year ended December 31, 2025, the global economy remained uncertain despite positive developments such as the agreement to reduce mutual tariffs with the United States. This uncertainty stemmed mainly from U.S. policy trends and the impact of geopolitical risks in Ukraine and the Middle East. The Japanese economy continued its gradual recovery, supported in part by improvements in the employment and income environment.

Within this business environment, the 7th Basic Energy Plan announced by the government in February 2025 set a guideline for renewable energy to account for approximately 40-50% of total power generation by 2040. Moves to accelerate the introduction of grid-connected energy storage systems are continuing to gain momentum, as evidenced by continuous support for grid-connected storage batteries in the FY2025 Supplementary Budget. In response to this situation, the Company is leveraging its foundation of domestic production and sales of cost-competitive energy storage systems while expanding multiple products and services, including software that enables long-term, stable operation as energy infrastructure.

As a result, for the fiscal year under review, consolidated results were as follows: net sales of ¥19,306 million (up 213.4% year on year), an operating loss of ¥677 million (operating loss of ¥4,942 million in the previous fiscal year), an ordinary loss of ¥1,796 million (ordinary loss of ¥5,702 million in the previous fiscal year), and a loss attributable to owners of parent of ¥1,646 million (loss attributable to owners of parent of ¥8,013 million in the previous fiscal year).

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. 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 accumulating smoothly, primarily for shipments scheduled for 2026.

Under these conditions, the BESS business recorded net sales of ¥17,102 million (up 312.8% year on year) and segment profit of ¥3,870 million (up 352.6% year on year) for the fiscal year under review, primarily due to the steady delivery of the “PowerX Mega Power” system.

(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. Installation of the “PowerX Hypercharger” is expanding, 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,” which enables bidirectional connection to the grid, the product lineup is being expanded to meet energy management needs at municipalities and commercial facilities. On the other hand, given the current state of EV adoption, customers are tending to postpone investment decisions to the next fiscal year or later.

Under these conditions, the EVCS business recorded net sales of ¥1,149 million (down 29.4% year on year) and a segment loss of ¥424 million (segment loss of ¥498 million in the previous fiscal year) for the fiscal year

under review, primarily due to lower purchase prices of common parts associated with an increase in the overall production volume of storage battery products, which reduced manufacturing costs, despite a decrease in deliveries of the “PowerX Hypercharger” compared to the previous fiscal year.

(Power Business)

In the Power Business, electricity sales plans centered on renewable energy sources such as nighttime solar and wind power are offered through optimized combinations tailored to customer needs. Electricity is supplied to a wide range of business customers through the provision of power plans that leverage characteristics unique to a storage system manufacturer. Moreover, the energy storage system “PowerX Mega Power” is sold to business customers that operate energy storage facilities, and power operation services are provided for grid-scale battery storage facilities.

Under these conditions, the Power Business recorded net sales of ¥1,054 million (up 70.6% year on year) and segment profit of ¥35 million (segment loss of ¥55 million in the previous fiscal year) for the fiscal year under review, due to strong electricity and product sales.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review were ¥26,236 million, an increase of ¥15,405 million compared to the end of the previous fiscal year. This was primarily due to an increase of ¥6,209 million in cash and deposits from advances received related to product sales contracts and an increase in short-term borrowings, an increase of ¥3,720 million in accounts receivable - trade, and contract assets from increased revenue, an increase of ¥1,147 million in merchandise and finished goods to meet orders received, an increase of ¥1,218 million in raw materials and supplies associated with expanded production volume, and an increase of ¥984 million in advance payments to suppliers for the procurement of raw materials and other items.

Liabilities at the end of the fiscal year under review amounted to ¥19,587 million, an increase of ¥10,427 million compared to the end of the previous fiscal year. This was primarily due to an increase of ¥8,035 million in contract liabilities (mainly advances received related to product sales), an increase of ¥618 million in accounts payable - trade from increased merchandise purchases associated with increased revenue, and an increase of ¥1,307 million in short-term borrowings as working capital to accommodate business expansion.

Net assets at the end of the fiscal year under review amounted to ¥6,648 million, an increase of ¥4,978 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 ¥1,646 million and an increase in share capital and capital surplus of ¥3,177 million each resulting from the issuance of shares following the Company’s new listing on the Tokyo Stock Exchange Growth Market and a third-party allotment of new shares.

Furthermore, based on a resolution at the extraordinary general meeting of shareholders held on August 8, 2025, share capital of ¥7,645 million and capital reserve of ¥9,049 million were transferred to other capital surplus, respectively. This other capital surplus of ¥16,694 million was then transferred to retained earnings to cover the deficit. However, this did not result in any change to total net assets.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents for the fiscal year under review increased by ¥6,209 million from the end of the previous fiscal year to ¥7,454 million. An overview of cash flows for the fiscal year under review is as follows.

(Cash Flows from Operating Activities)

Cash flows from operating activities in the fiscal year under review resulted in an inflow of ¥1,369 million (outflow of ¥6,971 million in the previous fiscal year). This was primarily due to the recording of a loss before income taxes of ¥2,278 million, an increase of ¥8,065 million in contract liabilities, an increase of ¥3,720 million in accounts receivable - trade, and contract assets, and an increase of ¥2,381 million in inventories.

(Cash Flows from Investing Activities)

Cash flows from investing activities in the fiscal year under review resulted in an outflow of ¥1,466 million (outflow of ¥1,458 million in the previous fiscal year). This was primarily due to purchase of property, plant and equipment of ¥1,275 million, amount of national subsidy received of ¥90 million, and purchase of intangible assets of ¥32 million.

(Cash Flows from Financing Activities)

Cash flows from financing activities in the fiscal year under review resulted in an inflow of ¥6,306 million (inflow of ¥8,670 million in the previous fiscal year). This was primarily due to proceeds from issuance of shares of ¥6,355 million, a net increase in short-term borrowings of ¥1,307 million, repayments of long-term borrowings of ¥750 million, and expenditure for payment of financing expenses of ¥707 million.

(4) Future Outlook

The business environment in the next fiscal year is expected to remain uncertain due to factors such as rising raw material prices caused by the continued depreciation of the yen. However, with the aim of enhancing Japan's energy self-sufficiency rate, we recognize that the business domains in which the Company operates will continue to expand. The Company's business will respond to the needs for large-scale stationary storage batteries directly connected to the power grid, and to the growing demand for storage batteries from customers such as logistics operators and solar power plants. At the same time, we will actively engage in the sale of electricity (retail, wholesale, and distribution), the aggregation of energy storage facilities, and more. We will also make upfront investments in new product development while carefully assessing investment efficiency, as well as work to manage expenses and ensure profits.

As of February 13, 2026, the order backlog (Note 1) expected to be recorded as sales in the fiscal year ending December 31, 2026 is ¥34,668 million.

For the consolidated financial results forecast for the fiscal year ending December 31, 2026, in addition to the above, we have considered external environment risks, and have adopted a range format:

- Since January 2026, a combination of factors—including production halts by lithium producers, robust demand for EVs and Energy Storage Systems (ESS), and front-loaded demand ahead of China's phased abolition of VAT export rebates—has driven up raw material prices. Consequently, there is a possibility that module procurement costs from our suppliers will rise. While we anticipate that lithium prices may eventually stabilize, and we plan to mitigate impacts by passing through costs to existing and new contracts or switching to more cost-competitive new products, these factors may affect our short-term financial performance. On the other hand, since this situation affects the entire Chinese ESS market, we believe it may positively contribute to our relative competitiveness. Compared to competitors who procure finished products, our cost impact is more limited as we only procure specific components.
- Regarding the exchange rate, we anticipate a rate of around 155 yen. Although we have secured a certain amount of foreign exchange forward contracts, recent volatility has been severe, and predicting dollar-denominated purchase prices remains difficult. This situation is shared by other companies as well. While we may pass on any impact to sales prices depending on exchange rate movements, this could affect our short-term financial performance.
- Regarding the new data center mass production business (hereinafter referred to as the “Modular data center Business”), we do not anticipate revenue recognition for the consolidated earnings forecast for the fiscal year ending December 2026. However, expenses related to research and development are factored in. Additional investments may be required if product development and sales infrastructure or if customer demand exceeds expectations for the Modular data center Business.

Considering the above, for the consolidated financial results for the fiscal year ending December 31, 2026, we forecast net sales of ¥38,000 million, EBITDA (Note 2) of ¥2,500 million ~ 3,000 million, operating profit of ¥2,000 million ~ ¥2,500 million, ordinary profit of ¥1,000 million ~ ¥1,500 million, and profit attributable to owners of parent of ¥1,000 million ~ ¥1,500 million.

Furthermore, customer budget execution tends to be concentrated in the second half of the fiscal year, primarily due to subsidies and similar factors. Consequently, the Group's sales also tend to be concentrated in the second half. We anticipate a similar pattern for the fiscal year ending December 2026.

(Note 1) The total value of “signed orders” and “probable orders.” “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 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 our final proposal regarding the main terms and conditions, and therefore estimated to have a high probability of being ordered in the near future. However, please bear in mind that 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

(Note 2) EBITDA = Operating profit + Depreciation + Share-based payment expenses

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP for the time being, taking into consideration the comparability over reporting periods and with other companies.

The Company intends to respond appropriately to the application of international accounting standards, taking into consideration various domestic and international circumstances.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	1,244	7,454
Accounts receivable - trade, and contract assets	2,160	5,881
Lease receivables	-	491
Merchandise and finished goods	1,466	2,613
Work in process	-	15
Raw materials and supplies	670	1,889
Advance payments	460	1,444
Prepaid expenses	91	139
Consumption taxes refund receivable	113	67
Other	19	201
Total current assets	6,226	20,197
Non-current assets		
Property, plant and equipment		
Buildings, net	2,288	2,206
Machinery and equipment, net	534	1,032
Vehicles, net	76	87
Tools, furniture and fixtures, net	198	293
Land	1,001	1,001
Leased assets, net	165	157
Construction in progress	100	169
Total property, plant and equipment	4,365	4,948
Intangible assets		
Patent right	-	0
Trademark right	0	0
Software	55	73
Total intangible assets	55	74
Investments and other assets		
Investments in capital of subsidiaries and associates	7	7
Long-term prepaid expenses	8	27
Deferred tax assets	-	608
Other	167	372
Total investments and other assets	183	1,016
Total non-current assets	4,604	6,038
Total assets	10,830	26,236

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	264	882
Short-term borrowings	2,693	4,000
Current portion of long-term borrowings	175	750
Lease liabilities	6	82
Accounts payable - other	527	709
Accrued expenses	422	709
Income taxes payable	65	18
Contract liabilities	1,118	9,153
Deposits received	167	46
Provision for bonuses	77	185
Provision for loss on orders received	–	142
Provision for product warranties	21	144
Other	8	8
Total current liabilities	5,547	16,833
Non-current liabilities		
Long-term borrowings	3,325	2,000
Lease liabilities	187	595
Deferred tax liabilities	4	–
Asset retirement obligations	35	71
Other	60	87
Total non-current liabilities	3,612	2,754
Total liabilities	9,160	19,587
Net assets		
Shareholders' equity		
Share capital	9,089	4,634
Capital surplus	9,049	3,190
Retained earnings	(16,707)	(1,659)
Total shareholders' equity	1,431	6,165
Accumulated other comprehensive income		
Deferred gains or losses on hedges	–	64
Total accumulated other comprehensive income	–	64
Share acquisition rights	238	418
Total net assets	1,670	6,648
Total liabilities and net assets	10,830	26,236

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net sales	6,161	19,306
Cost of sales	4,614	14,073
Gross profit	1,546	5,232
Selling, general and administrative expenses	6,489	5,909
Operating loss	(4,942)	(677)
Non-operating income		
Interest income	0	2
Indemnity	5	10
Bounty income	1	2
Other	2	1
Total non-operating income	9	17
Non-operating expenses		
Interest expenses	244	261
Share issuance costs	12	24
Financing expenses	479	571
Foreign exchange losses	23	49
Compensation expenses	6	221
Other	4	7
Total non-operating expenses	769	1,136
Ordinary loss	(5,702)	(1,796)
Extraordinary income		
Gain on state subsidy	–	90
Gain on reversal of share acquisition rights	1	4
Total extraordinary income	1	95
Extraordinary losses		
Loss on retirement of non-current assets	85	0
Loss on tax purpose reduction entry of non-current assets	–	86
Loss on sale of non-current assets	3	–
Impairment losses	2,211	246
Cancellation penalty	–	243
Total extraordinary losses	2,300	577
Loss before income taxes	(8,002)	(2,278)
Income taxes - current	6	10
Income taxes - deferred	4	(642)
Total income taxes	10	(631)
Loss	(8,013)	(1,646)
Loss attributable to owners of parent	(8,013)	(1,646)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Loss	(8,013)	(1,646)
Other comprehensive income		
Deferred gains or losses on hedges	–	64
Total other comprehensive income	–	64
Comprehensive income	(8,013)	(1,582)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(8,013)	(1,582)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Millions of yen)

	Shareholders' equity				Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity		
Balance at beginning of period	6,952	6,912	(8,694)	5,170	73	5,244
Changes during period						
Issuance of new shares	1,946	1,946		3,893		3,893
Issuance of new shares - exercise of share acquisition rights	190	190		380		380
Loss attributable to owners of parent			(8,013)	(8,013)		(8,013)
Net changes in items other than shareholders' equity				—	165	165
Total changes during period	2,136	2,136	(8,013)	(3,739)	165	(3,574)
Balance at end of period	9,089	9,049	(16,707)	1,431	238	1,670

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	9,089	9,049	(16,707)	1,431
Changes during period				
Issuance of new shares	3,177	3,177		6,355
Issuance of new shares - exercise of share acquisition rights	12	12		25
Loss attributable to owners of parent			(1,646)	(1,646)
Capital reduction	(7,645)	7,645		–
Deficit disposition		(16,694)	16,694	–
Net changes in items other than shareholders' equity				–
Total changes during period	(4,454)	(5,858)	15,047	4,734
Balance at end of period	4,634	3,190	(1,659)	6,165

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	–	–	238	1,670
Changes during period				
Issuance of new shares			–	6,355
Issuance of new shares - exercise of share acquisition rights			–	25
Loss attributable to owners of parent			–	(1,646)
Capital reduction			–	–
Deficit disposition			–	–
Net changes in items other than shareholders' equity	64	64	179	243
Total changes during period	64	64	179	4,978
Balance at end of period	64	64	418	6,648

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Loss before income taxes	(8,002)	(2,278)
Depreciation	325	458
Impairment losses	2,211	246
Share-based payment expenses	166	80
Increase (decrease) in provision for bonuses	52	107
Increase (decrease) in provision for bonuses for directors (and other officers)	(4)	–
Increase (decrease) in provision for loss on orders received	(70)	142
Increase (decrease) in provision for product warranties	20	122
Interest income	(0)	(2)
Interest expenses	244	261
Share issuance costs	12	24
Financing expenses	479	571
Compensation expenses	6	221
Gain on national subsidy	–	(90)
Loss on retirement of non-current assets	85	0
Loss (gain) on sale of non-current assets	3	–
Loss on tax purpose reduction entry of non-current assets	–	86
Contract cancellation penalty	–	243
Decrease (increase) in accounts receivable - trade, and contract assets	(1,928)	(3,720)
Decrease (increase) in lease receivables	–	13
Decrease (increase) in inventories	(1,538)	(2,381)
Decrease (increase) in advance payments - other	(261)	(986)
Increase (decrease) in trade payables	68	618
Increase (decrease) in accounts payable - other, and accrued expenses	80	121
Increase (decrease) in contract liabilities	846	8,065
Other, net	428	(269)
Subtotal	(6,771)	1,657
Interest received	0	2
Interest paid	(192)	(275)
Paid compensation expenses	–	(9)
Income taxes paid	(7)	(6)
Net cash provided by (used in) operating activities	(6,971)	1,369
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,207)	(1,275)
Purchase of intangible assets	(141)	(32)
Payments for retirement of property, plant and equipment	(107)	–
Payments for investments in capital	(0)	–
Amount of national subsidy received	–	90
Other, net	(2)	(248)
Net cash provided by (used in) investing activities	(1,458)	(1,466)

(Millions of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,693	1,307
Proceeds from long-term borrowings	3,500	–
Repayments of long-term borrowings	(1,500)	(750)
Proceeds from issuance of shares	3,893	6,355
Proceeds from issuance of share acquisition rights	380	107
Proceeds from issuance of shares resulting from exercise of share acquisition rights	0	21
Expenditure for payment of financing expenses	(281)	(707)
Other, net	(13)	(27)
Net cash provided by (used in) financing activities	8,670	6,306
Effect of exchange rate change on cash and cash equivalents	–	0
Net increase (decrease) in cash and cash equivalents	240	6,209
Cash and cash equivalents at beginning of period	1,004	1,244
Cash and cash equivalents at end of period	1,244	7,454

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant matters that serve as the basis for preparing consolidated financial statements)

1. Matters concerning the scope of consolidation

We consolidate all of our subsidiaries.

Number of consolidated subsidiaries: 2

Names of consolidated subsidiaries: PowerX Manufacturing, Inc.
 Ocean Power Grid, Inc.

2. Matters concerning the application of the equity method

(1) Number of equity-method affiliates

Not applicable.

(2) Name of a major affiliate not accounted for by the equity method

PXAM LLC

PXAM LLC is excluded from the scope of the application of the equity method because, in terms of profit or loss (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest), excluding it from the scope of the equity method has no significant impact on the consolidated financial statements and is immaterial overall.

3. Matters concerning the fiscal year of consolidated subsidiaries

The fiscal year end of consolidated subsidiaries is the same as the consolidated fiscal year end.

4. Matters concerning accounting policies

(1) Valuation criteria and valuation methods for significant assets

Inventories

The valuation criteria are based on the cost method (a method of writing down the book value due to a decline in profitability).

1) Merchandise and finished goods, work in process

Monthly average method

2) Raw materials

Moving average method

3) Supplies

Last purchase cost method

(2) Depreciation methods for significant non-current assets

1) Property, plant and equipment (excluding leased assets)

The straight-line method is used. However, the declining balance method is used for tools, furniture and fixtures. The principal useful lives are as follows:

Buildings: 8 to 38 years

Machinery and equipment: 2 to 17 years

Vehicles: 2 to 7 years

Tools, furniture and fixtures: 2 to 15 years

2) Intangible assets

The straight-line method is used. Software for internal use is depreciated using the straight-line method over the internal usable period (5 years).

3) Leased assets

Leased assets related to ownership-transfer finance lease transactions
The same depreciation method as for our own non-current assets is applied.

(3) Treatment of significant deferred assets

Share issuance costs

The full amount is expensed at the time of expenditure.

(4) Criteria for recording significant provisions

1) Provision for bonuses

To provide for the payment of bonuses to employees, the Company records the estimated amount to be paid in the fiscal year under review.

2) Provision for loss on orders received

To prepare for future losses relating to orders received as of the end of the fiscal year under review, the Company records the estimated amount of losses expected to be incurred in or after the following fiscal year for cases where a loss is expected to occur and the amount of such loss can be reasonably estimated.

3) Provision for product warranties

To provide for product warranty expenses, the Company records the estimated amount of warranty expenses expected to be incurred in or after the following fiscal year arising from no-charge warranties provided at the time of product sales and from liability for non-conformity with contracts.

(5) Criteria for recording significant revenue and expenses

The principal performance obligations relating to revenue arising from contracts with customers of the Group, and the timing at which such performance obligations are typically satisfied (timing at which revenue is typically recognized) are as follows.

The Group's reportable segments consist of the BESS Business, which manufactures and sells large-scale stationary storage system "PowerX Mega Power" and other products, which can be used for applications such as grid-connected storage batteries and industrial/commercial storage batteries, and conducts operational testing therefor; the EVCS Business, which manufactures and sells the battery-based ultra-fast EV charging system "PowerX Hypercharger," and provides EV charging services at Company sites; and the Power Business, which retails electricity to business customers and sells storage battery products to energy storage facility operators.

Considerations for transactions occurring in these businesses are received within one year after the satisfaction of performance obligations and do not include any significant financing components.

1) Sale of storage battery products and related merchandise

The Company manufactures and sells "PowerX Mega Power" in the BESS Business and "PowerX Hypercharger" in the BESS Business and EVCS Business, and sells related merchandise as well. Revenue from the sale of these products and merchandise is recognized at the point when the products and merchandise are delivered and accepted by the customer, as it is judged that the customer obtains control of the products and merchandise and the performance obligation is satisfied at that time.

2) Provision of services

In each of its businesses, the Company provides services such as operational testing related to storage batteries. For such services, in the case of contracts where the period from the start of operational testing work to customer acceptance is very short, the performance obligation is deemed satisfied at the time of the acceptance, and revenue is recognized at that time. Storage battery products and related merchandise are usually sold together with operational testing services. In cases where the delivery of products and operational testing services are identified as separate performance obligations in the contract, the contract amount is allocated to each performance obligation as standalone selling prices.

3) EV charging services

In the EVCS Business, the Company provides an EV charging service that allows customers to rapidly charge their EVs using the “PowerX Hypercharger”. ~~which can be booked using the Company’s proprietary “PowerX App.”~~ For EV charging services, revenue is recognized when the charging of a customer’s EV is completed.

4) Electricity retail

In the Power Business, the Company provides electricity retail services to customers such as financial institutions and business companies. For electricity retail, the Company’s performance obligation is to supply electricity to customers over the contract period in accordance with power supply contracts. The performance obligation is satisfied according to the amount of electricity supplied, and revenue is recognized each month based on the amount supplied, etc.

(6) Criteria for converting significant foreign currency-denominated assets and liabilities into Japanese currency

Foreign currency-denominated monetary receivables and payables are converted into Japanese yen at the spot exchange rates on the consolidated closing date, and translation differences are recorded as profit or loss.

(7) Significant hedge accounting methods

1) Hedge accounting method

In principle, deferral hedge accounting is applied. For hedging of foreign exchange risk, designated hedge accounting is applied when the relevant requirements are met.

2) Hedging instruments and hedged items

Hedging instruments: Forward exchange contracts

Hedged items: Foreign currency-denominated monetary payables

3) Hedging policy

The Company’s policy is to use forward exchange contracts within the scope of actual demand in order to avoid the risk of future exchange rate fluctuations.

4) Method for assessing hedge effectiveness

For forward exchange contracts related to planned foreign currency-denominated transactions, hedge effectiveness is assessed by evaluating the predictability of the main terms of the planned transactions and the feasibility of their execution. Forward exchange contracts related to foreign currency-denominated monetary receivables and payables that are subject to the designated hedge accounting are confirmed to meet the relevant requirements, and this judgement serves as a substitute for an assessment of hedge effectiveness.

(8) Scope of funds in the consolidated statement of cash flows

This consists of cash on hand, deposits that can be withdrawn at any time, and short-term investments that are readily convertible into cash and have minimal risk of value fluctuations, and that mature within three months from the date of acquisition.

(Changes in presentation)

(Consolidated statement of income)

“Compensation expenses,” which was included in “Other” under “Non-operating expenses” in the previous fiscal year, has been presented separately from the fiscal year under review due to increased monetary significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the ¥10 million presented as “Other” under “Non-operating expenses” in the consolidated

statement of income for the previous fiscal year has been reclassified as “Compensation expenses” of ¥6 million and “Other” of ¥4 million.

(Consolidated statement of cash flows)

“Compensation expenses,” which was included in “Increase (decrease) in accounts payable - other, and accrued expenses” under “Cash flows from operating activities” in the previous fiscal year, has been presented separately from the fiscal year under review due to increased monetary significance. To reflect this change in presentation, the consolidated statement of cash flows for the previous fiscal year has been reclassified.

As a result, the ¥86 million presented as “Increase (decrease) in accounts payable - other, and accrued expenses” under “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year has been reclassified as “Compensation expenses” of ¥6 million and “Increase (decrease) in accounts payable - other, and accrued expenses” of ¥80 million.

“Proceeds from issuance of shares resulting from exercise of share acquisition rights,” which was included in “Other, net” under “Cash flows from financing activities” in the previous fiscal year, has been presented separately from the fiscal year under review due to increased monetary significance. To reflect this change in presentation, the consolidated statement of cash flows for the previous fiscal year has been reclassified.

As a result, the ¥(13) million presented as “Other, net” under “Cash flows from financing activities” in the consolidated statement of cash flows for the previous fiscal year has been reclassified as “Proceeds from issuance of shares resulting from exercise of share acquisition rights” of ¥0 million and “Other, net” of ¥(13) million.

(Segment information, etc.)

1. Overview of reportable segments

The Group’s reportable segments are the components of the Group for which separate financial information is available, and which are subject to regular review by the Executive Committee for the purpose of determining the allocation of management resources and evaluating business performance.

The Group is composed of segments based on businesses, with three reportable segments: the “BESS business,” “EVCS Business,” and “Power Business.”

The “BESS Business” manufactures and sells large-scale stationary storage system “PowerX Mega Power,” the “EVCS Business” manufactures and sells the battery-based ultra-fast EV charging system “PowerX Hypercharger” and provides charging services, and the “Power Business” provides electricity retail services to business customers and sells storage battery products such as “PowerX Mega Power.”

2. Calculation method for net sales, profit (loss), assets and other items by reportable segment

The accounting methods for the reported business segments are consistent with the accounting policies adopted for the preparation of the consolidated financial statements.

Reportable segment profits are based on operating profit.

3. Information on net sales, profit (loss), assets and other items by reportable segment and breakdown of revenue
For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment				Adjustments (Note 1)	Amounts in consolidated financial statements (Note 2)
	BESS Business	EVCS Business	Power Business	Total		
Net sales						
Goods or services transferred at a point in time	4,139	1,617	187	5,944	—	5,944
Goods or services transferred over a specified period	4	10	201	216	—	216
Revenue arising from contracts with customers	4,143	1,628	389	6,161	—	6,161
Net sales to external customers	4,143	1,628	389	6,161	—	6,161
Total	4,143	1,628	389	6,161	—	6,161
Segment profit (loss)	855	(498)	(55)	301	(5,244)	(4,942)
Segment assets	3,733	960	359	5,053	5,776	10,830
Other items						
Depreciation	3	9	0	13	312	325
Increase in property, plant and equipment and intangible assets	172	283	0	456	619	1,075

(Notes) 1. Adjustments are as follows:

- (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) Adjustments to segment assets represent corporate assets not allocated to any reportable segment. The main component of corporate assets is assets related to manufacturing and administrative departments. With reference to the corporate assets, expenses related to manufacturing departments are allocated to each reportable segment based on a reasonable method, but as it is difficult to allocate assets reasonably, they are included in adjustments as shared assets.
 - (3) Adjustments to depreciation represent depreciation of corporate assets not allocated to any reportable segment.
2. Segment profit (loss) has been adjusted with operating loss in the consolidated statement of income.

For the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segment				Adjustments (Note 1)	Amounts in consolidated financial statements (Note 2)
	BESS Business	EVCS Business	Power Business	Total		
Net sales						
Goods or services transferred at a point in time	17,083	1,145	461	18,691	—	18,691
Goods or services transferred over a specified period	18	4	592	615	—	615
Revenue arising from contracts with customers	17,102	1,149	1,054	19,306	—	19,306
Net sales to external customers	17,102	1,149	1,054	19,306	—	19,306
Total	17,102	1,149	1,054	19,306	—	19,306
Segment profit (loss)	3,870	(424)	35	3,481	(4,158)	(677)
Segment assets	11,298	1,696	362	13,356	12,879	26,236
Other items						
Depreciation	18	35	0	54	404	458
Increase in property, plant and equipment and intangible assets	0	734	—	734	636	1,370

(Notes) 1. Adjustments are as follows:

(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) Adjustments to segment assets represent corporate assets not allocated to any reportable segment. The main component of corporate assets is assets related to manufacturing and administrative departments. With reference to the corporate assets, expenses related to manufacturing departments are allocated to each reportable segment based on a reasonable method, but as it is difficult to allocate assets reasonably, they are included in adjustments as shared assets.

(3) Adjustments to depreciation represent depreciation of corporate assets not allocated to any reportable segment.

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

(Per share information)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net assets per share	¥(535.46)	¥171.38
Net loss per share	¥(280.07)	¥(51.40)

(Notes) 1. Diluted earnings per share are not stated because, although dilutive shares exist, net loss per share was recorded.

2. The Company conducted a 1,000-for-1 stock split of its common stock on August 9, 2025. Net assets per share and net loss per share were calculated assuming that the stock split was carried out at the beginning of the previous fiscal year.

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

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net loss per share		
Loss attributable to owners of parent (Millions of yen)	(8,013)	(1,646)
Amount not attributable to common shareholders and shareholders equivalent to common shareholders (Millions of yen)	–	–
Loss attributable to owners of parent relating to common shares and shares equivalent to common shares (Millions of yen)	(8,013)	(1,646)
Average number of common shares and shares equivalent to common shares during the period (Shares)	28,611,193	32,042,252
[Of which, common shares (Shares)]	[5,000,000]	[32,042,252]
[Of which, shares equivalent to common shares (Shares)]	[23,611,193]	[–]
Overview of dilutive shares that were not included in the calculation of diluted earnings per share due to having no dilutive effect	1st Share Acquisition Rights (330,000 common shares) 2nd Share Acquisition Rights (40,000 common shares) 4th Share Acquisition Rights (1,077,000 common shares) 5th Share Acquisition Rights (1,905,000 common shares) 6th Share Acquisition Rights (30,000 common shares) 7th Share Acquisition Rights (322,000 common shares) 8th Share Acquisition Rights (814,000 common shares) 9th Share Acquisition Rights (95,000 common shares) 10th Share Acquisition Rights (506,000 common shares)	1st Share Acquisition Rights (320,100 common shares) 2nd Share Acquisition Rights (40,000 common shares) 4th Share Acquisition Rights (1,077,000 common shares) 5th Share Acquisition Rights (1,866,000 common shares) 6th Share Acquisition Rights (20,000 common shares) 7th Share Acquisition Rights (322,000 common shares) 8th Share Acquisition Rights (742,000 common shares) 9th Share Acquisition Rights (80,000 common shares) 10th Share Acquisition Rights (449,000 common shares) 11th Share Acquisition Rights (555,000 common shares) 12th Share Acquisition Rights (691,000 common shares)

(Note) All class shares issued by the Company rank equally with common shares with respect to dividends of surplus, and therefore the total number of shares equivalent to common shares is considered to be the same number of shares as common shares.

(Significant subsequent events)

(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.

(1) Offering method	Third-party allotment (over-allotment sale)
(2) Class and number of shares issued	1,158,200 shares of common stock
(3) Paid-in amount per share	¥1,020
(4) Allotment price per share	¥1,128.50
(5) Amount incorporated into capital per share	¥564.25
(6) Total allotment value	¥1,307,028,000
(7) Total amount incorporated into capital	¥653,514,000
(8) Payment date	January 19, 2026
(9) Allottee	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
(10) Use of funds	The funds will be used as development funds for PowerX Mega Power 2500, funds for relocation of the Tokyo office, and construction funds for Power Base No. 2.

(Exercise of share acquisition rights)

After the end of the fiscal year under review, and up to January 31, 2026, portions of the 2nd, 5th, 8th, 9th, and 10th Share Acquisition Rights were exercised.

The overview of shares issued through the exercise of the share acquisition rights is as follows:

	2nd Share Acquisition Rights	5th Share Acquisition Rights	8th Share Acquisition Rights	9th Share Acquisition Rights
Number of share acquisition rights exercised	1,000	25	21	5
Number of shares issued	10,000 shares of common stock	25,000 shares of common stock	21,000 shares of common stock	5,000 shares of common stock
Increase in share capital	¥306,000	¥2,422,000	¥7,480,000	¥1,781,000
Increase in capital reserve	¥306,000	¥2,422,000	¥7,480,000	¥1,781,000

	10th Share Acquisition Rights
Number of share acquisition rights exercised	58
Number of shares issued	58,000 shares of common stock
Increase in share capital	¥20,166,000
Increase in capital reserve	¥20,166,000