

Financial Results Meeting Materials for the Fiscal Year Ended June 30, 2024



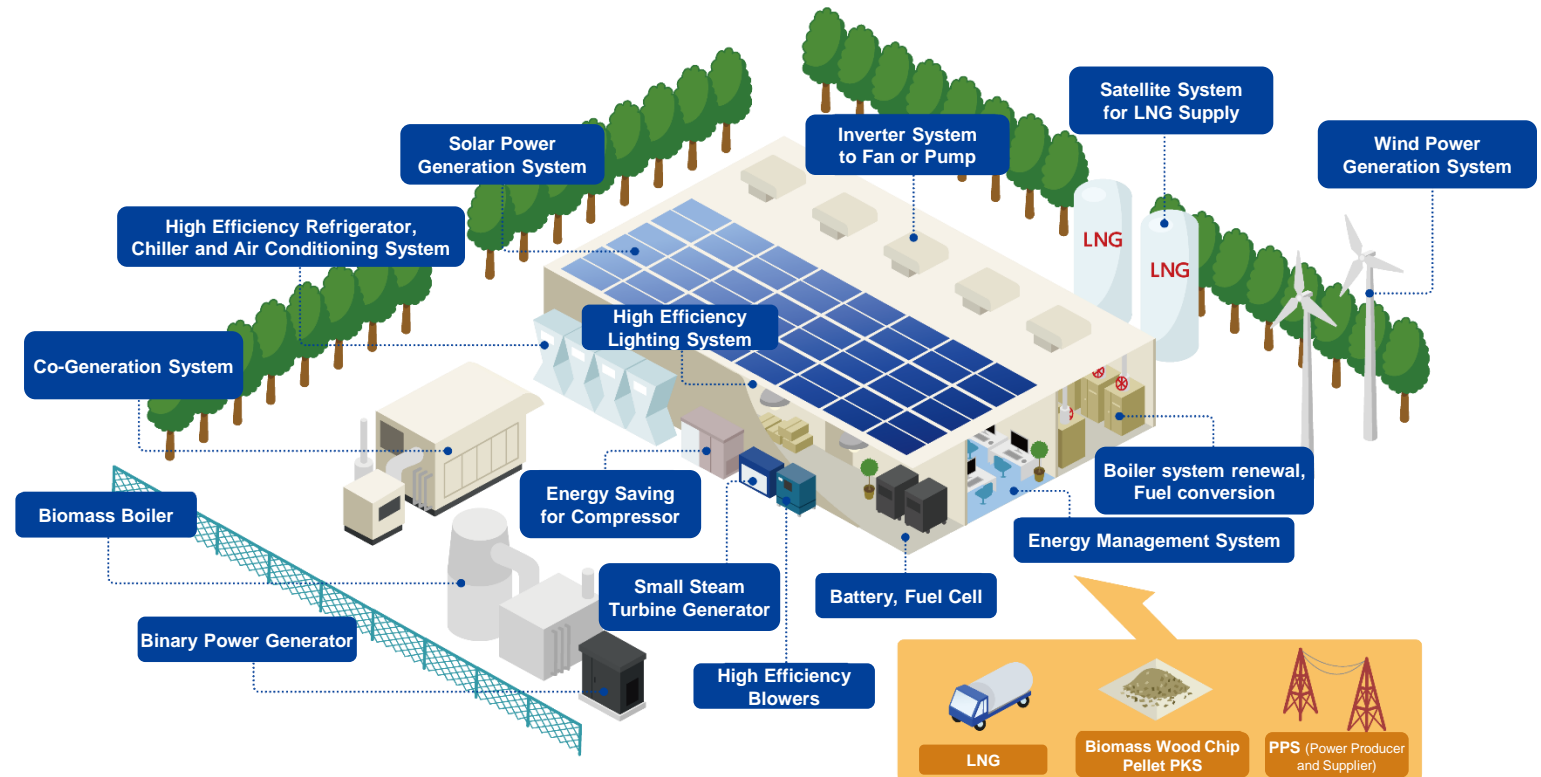
August 14, 2024
TESS Holdings Co., Ltd.
Securities code: 5074

Leading Decarbonization Company

Items handled by the TESS Group



TESS Group original characters
“Tecchan & Soochan”



1 . Summary of Consolidated Financial Results for the Fiscal Year Ended June 30, 2024

Executive Summary

Consolidated Results FYE 06/2024

Net sales	Gross profit	Operating profit	Ordinary profit	Profit attributable to owners of parent	ROE	Dividend per share (Draft)
30,643 million yen (-11.0% YoY)	6,553 million yen (-38.2% YoY)	2,370 million yen (-65.5% YoY)	7,660 million yen (+38.8% YoY)	1,185 million yen (-67.0% YoY)	2.9%	16.00 yen

Entire Business

- Consolidated results for FYE 06/2024 **decreased** YoY (ordinary profit increased due to gain on valuation of derivatives).
- The Company recorded a gain on valuation of derivatives of 5,636 million yen and an impairment loss of 3,939 million yen on fixed assets at Kumamoto Nishiki Green Power LLC.

Engineering Segment

- Both sales and income increased YoY **due to an increase in contract-based EPC**
- Both orders and order backlogs **increased YoY** due to **steady growth in inquiries** from customers, including growing needs for decarbonization.

Energy Supply Segment

- **Sales and income decreased YoY**, mainly due to a reversal impact from the sales of nine in-house solar power plants recorded in the previous period and a decrease in the volume of electricity retail supply.
- **Total renewable energy generation capacity** is approximately **320.0 MW**, of which **approximately 16.7 MW** is newly started to be supplied by on-site PPA.

Consolidated Earnings Forecast and Dividend Forecast FYE 06/2025

Net sales	Gross profit	Operating profit	Ordinary profit	Profit attributable to owners of parent	ROE	Dividend per share
38,000 million yen (+24.0% YoY)	8,000 million yen (+22.1% YoY)	2,700 million yen (+13.9% YoY)	2,000 million yen (-73.9% YoY)	1,200 million yen (+1.2% YoY)	2.8%	5.11 yen

Entire Business

- Consolidated earnings forecasts for the fiscal year ending June 30, 2025 are expected to show an **increase in both sales and profit**, excluding ordinary income (excluding gains/losses on valuation of derivatives).
- Dividend forecast is ¥5.11 per share based on a consolidated payout ratio of 30%.

Consolidated Financial Results

- Consolidated results for the period ending June 30, 2024 (July 2023-June 2024) show a year-on-year decrease in both sales and profits. (Ordinary income increased due to a 5,636 million yen gain on valuation of derivatives)

(Millions of yen)

	FYE June 2023 Full-year results	FYE June 2024 Full-year results	FYE June 2024 Full-year targets *1	Year-on-Year changes	Percentage of full-year target achieved	<Reference> If there had been no gain on valuation of derivatives*2	
						FYE June 2024 Full-year results	Year-on-Year changes
Net sales	34,415	30,643	30,000	-11.0%	102.1%	30,643	-11.0%
Gross profit	10,611	6,553	6,200	-38.2%	105.7%	6,553	-38.2%
(Profit margin)	(30.8%)	(21.4%)	(20.7%)			(21.4%)	
Operating profit	6,864	2,370	2,200	-65.5%	107.7%	2,370	-65.5%
(Profit margin)	(19.9%)	(7.7%)	(7.3%)			(7.7%)	
Ordinary profit	5,518	7,660	7,600	38.8%	100.8%	2,024	-63.3%
(Profit margin)	(16.0%)	(25.0%)	(25.3%)			(6.6%)	
Profit attributable to owners of parent	3,592	1,185	1,100	-67.0%	107.8%	-2,519	—
(Profit margin)	(10.4%)	(3.9%)	(3.7%)			(-8.2%)	

*1 We have revised on August 2, 2024 the financial results forecast for the fiscal year ending June 30, 2024

*2 Figures for the scenario in which there had been no gain on valuation of derivatives have not been audited



Consolidated Balance Sheet

(Millions of yen)

	FYE June 2023 Full-year results	FYE June 2024 Full-year results	Increase/ decrease	Main factors for the change, etc.
Current assets	27,381	36,022	8,640	Increase in cash and deposits as a result of partial commitment-type rights offering
Non-current assets	66,707	83,106	16,398	Increase in construction in progress and derivative receivables
Total assets	94,089	119,128	25,038	
Current liabilities	19,002	23,249	4,246	Increase in short-term borrowings
Non-current liabilities	46,746	54,082	7,336	Increase in long-term borrowings
Total liabilities	65,749	77,332	11,582	
Shareholders' equity	28,053	41,083	13,029	Increase in share capital and capital surplus as a result of partial commitment-type rights offering
Accumulated other comprehensive income	194	429	234	
Non-controlling interests	91	283	192	
Total net assets	28,340	41,796	13,456	
Total liabilities and net assets	94,089	119,128	25,038	

Consolidated Statements of Cash Flows

(Millions of yen)

	FYE June 2023 Full-year results	FYE June 2024 Full-year results	Increase/ decrease	Main factors for the change, etc.
Cash flows from operating activities	13,827	-42	-13,870	Increase in contract assets
Cash flows from investing activities	-16,029	-15,490	539	
Cash flows from financing activities	-5,192	18,436	23,628	Increase in long-term debt and proceeds from issuance of shares as a result of partial commitment-type rights offering
Effect of exchange rate changes on cash and cash equivalents	50	167	117	
Cash and cash equivalents at beginning of year	18,369	11,026	-7,342	
Cash and cash equivalents at end of year	11,026	14,098	3,071	

Year-end dividend for FYE June 2024

- ▶ Basic dividend policy has been changed as below, effective from FYE June 2024 (as announced on April 25, 2024)
- ▶ For FYE June 2024, the dividend per share is expected to be 16.00 yen, as announced at the beginning of the fiscal year. This reflects the commitment to maintain stable dividends in line with the basic policy, irrespective of the target consolidated dividend payout ratio.

	FYE June 2024 (proposed)
Per Share Dividend	16.00 yen

Revised basic policy on dividends

*The underlined parts have been changed.

With regard to the distribution profits, the basic policy of the Company is to ensure sufficient funds to allow for the future expansion of operations and to strengthen its business position, while emphasizing returns to shareholders by paying a stable and continuous dividend. The Company targets a consolidated payout ratio of 30%, defined as dividend per share divided by consolidated basic earnings per share after deducting the impact of profit and loss arising from the marking to market of derivatives associated with forward exchange contracts, and aims to enhance returns in line with improved business performance going forward. Our policy with regard to internal reserves is to utilize them as a source of funds for business development, capital expenditures, and human resources development.

Non-operating income (gain on valuation of derivatives) and income tax (loss) adjustment

- Gain on valuation of derivatives of 5,636 million yen was recorded as non-operating income for FYE June 2024.
- This situation arose from the fair market valuation of a forward exchange contract entered into by our consolidated subsidiary, Imari Green Power Co., Ltd., to hedge against currency fluctuation risks associated with procuring PKS fuel. This fuel is intended for use at a major biomass power plant, with a generation capacity of approximately 46.0 MW, currently under development in Imari-shi, Saga.
- 1,846 million yen in income taxes-deferred (loss) was due to the recording of deferred tax liabilities in connection with the above-mentioned gain on valuation of derivatives.

Extraordinary loss (impairment of fixed assets of Kumamoto Nishiki Green Power LLC)

- Impairment loss of 3,939 million yen was recorded as an extraordinary loss for FYE June 2024.
- It is resulted in our assessment of the recoverability of the fixed assets taking a consideration of our revenue planning as seen a sign of a decrease through the future cash flow estimation in terms of the Group's fixed asset based on the current industry environment, triggered by a drop in profitability due to an increase in the construction costs of power plants at Kumamoto Nishiki Green Power, a consolidated subsidiary of the Company, and an increase in the procurement price of biomass fuels such as unused thinned wood in Japan impacted by the last year's sharp rise in wood prices.

2 . Financial Results by Segment, Etc.

Engineering Segment

Flow-type

EPC for energy conservation-related facilities



EPC for renewable energy-related facilities



✓ Differences in business formats

Commissioned-type

The segment consists of **EPC commissioned** by customers (Generally, the same format as when a construction company undertakes contract work on facilities)

Development-type

A format in which **a project is developed from scratch**, rights are bought and sold, and EPC are provided to client companies

※EPC: **E**ngineering, **P**rourement, and **C**onstruction

Energy Supply Segment

Stock-type

Renewable energy power generation (FIT, FIP/PPA)



Operation and maintenance (O&M)



Electricity retailing



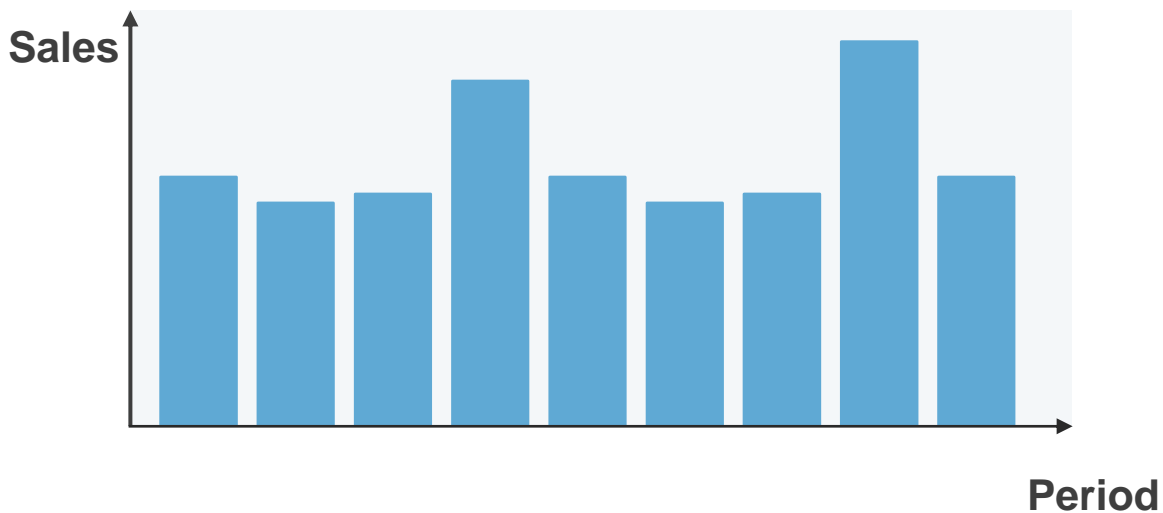
Biomass fuel supply



Engineering Segment

Flow-type

Business that receives orders from client companies on a case-by-case basis
The scale of sales for each project tends to be large



<Image of period recording sales>

- EPC for energy conservation-related facilities: 1–2 years
- EPC for renewable energy-related facilities: Half–2 years

Energy Supply Segment

Stock-type

Business that earns steady stream of income
Stable revenue by accumulating one by one

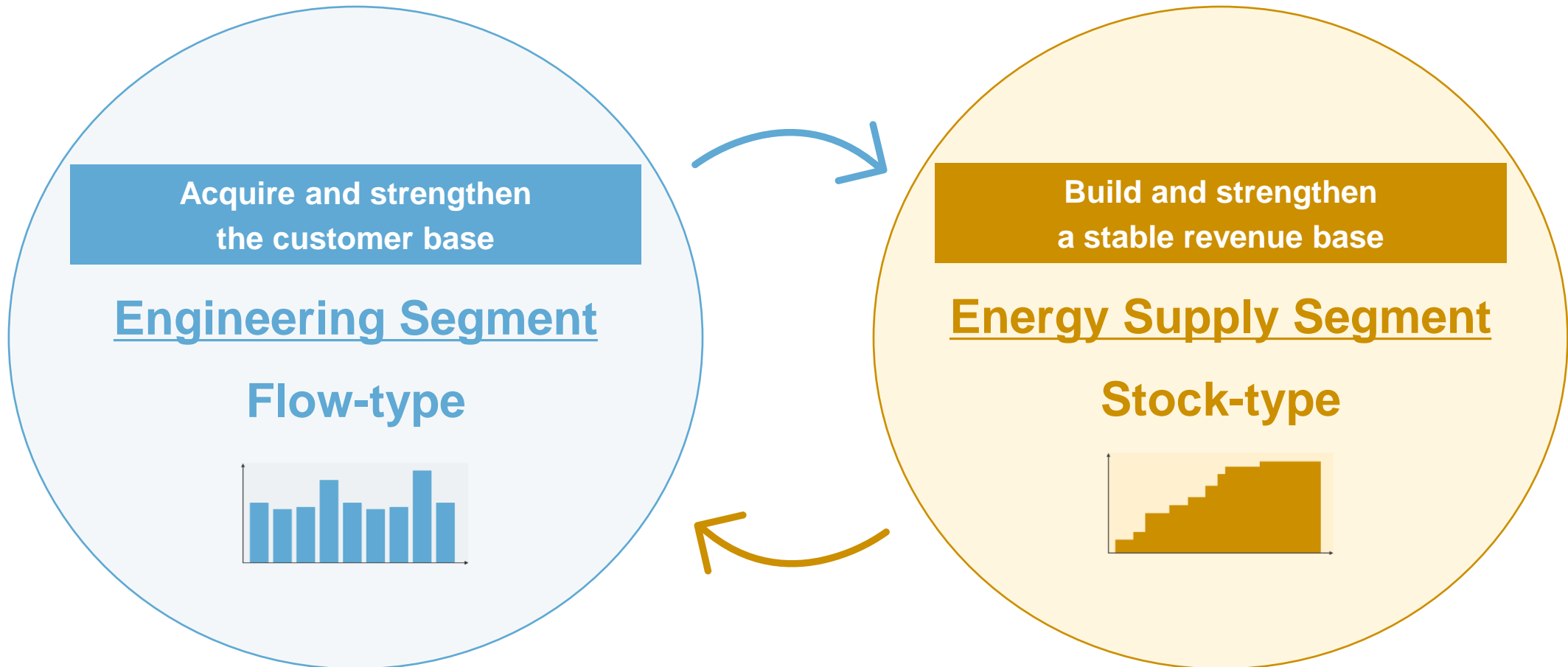


<Image of period recording sales>

- Renewable energy power generation: 15–20 years
- O&M: 15–20 years

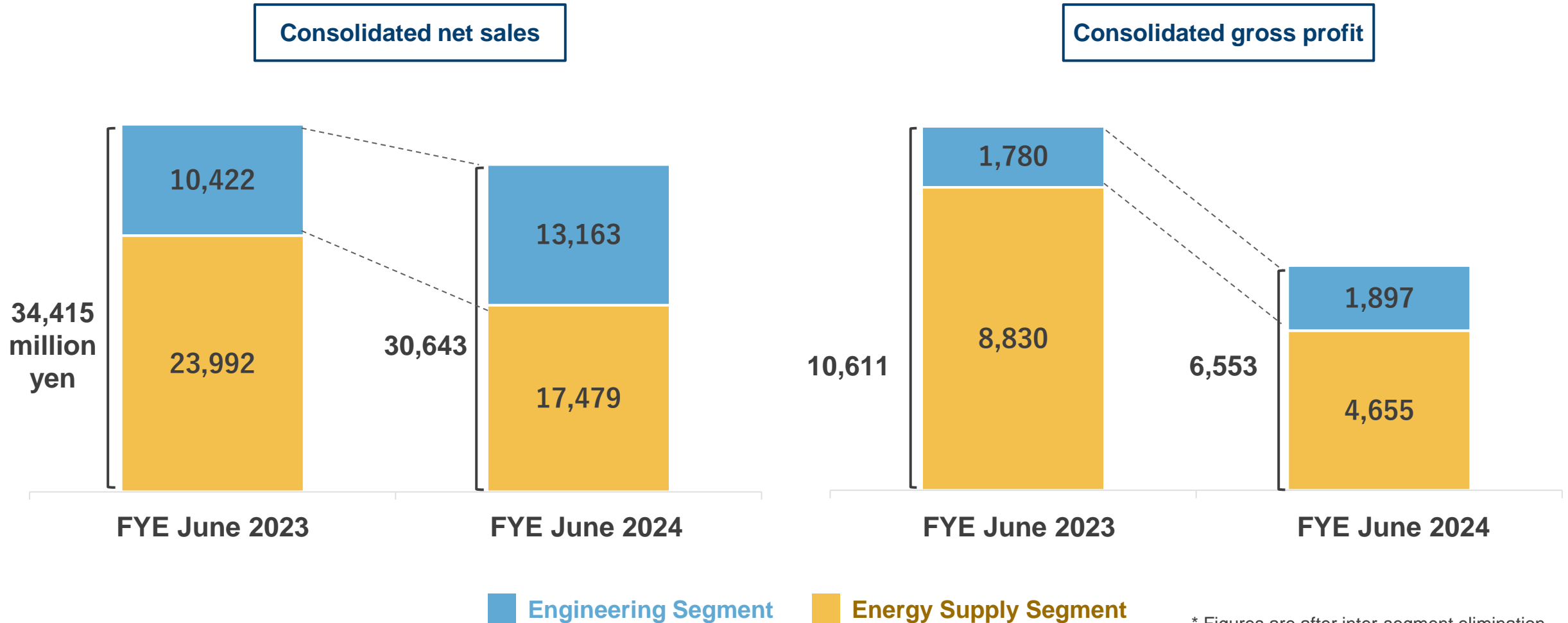
Business Model

- ▶ Recycling-oriented business model with flow-type and stock-type.
- ▶ Secure both flow and stock revenue opportunities.
(For example, after completing EPC in the Engineering Segment, it will lead to O&M orders for the Energy Supply Segment)



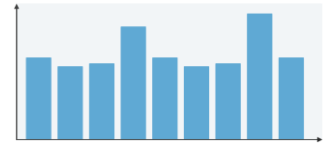
Breakdown of Net Sales and Gross Profit by Segment (YoY)

► Consolidated results for FYE June 2024, show declines in both sales and income.



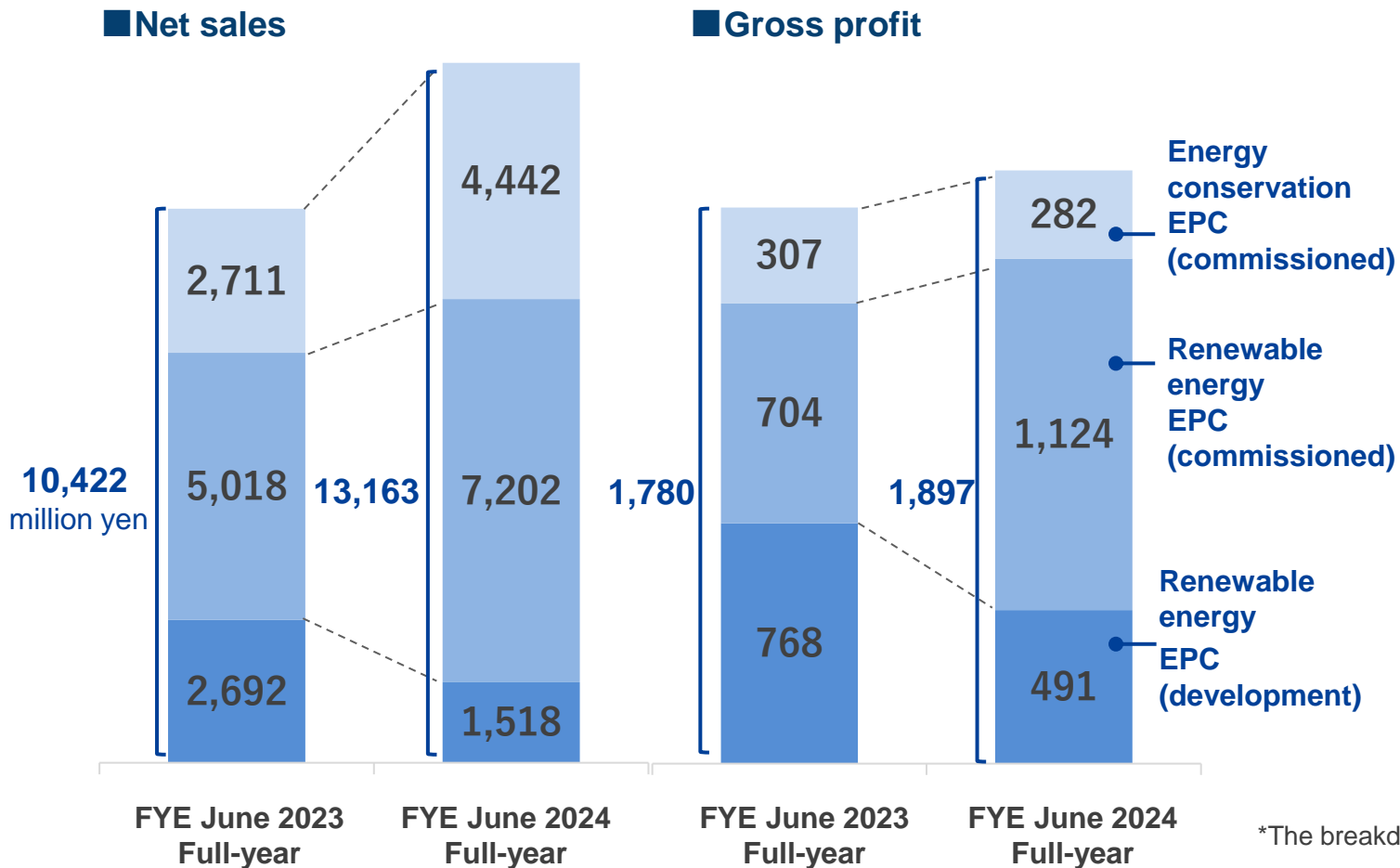
* Figures are after inter-segment elimination

Flow-type



Engineering Segment

- ▶ Engineering Segment increased both Net sales and Gross profit Year on Year.
- ▶ Mainly due to an increase in commissioned-type EPC in energy conservation and renewable energy because of growing needs for decarbonization, etc.



Highlights for Engineering Segment

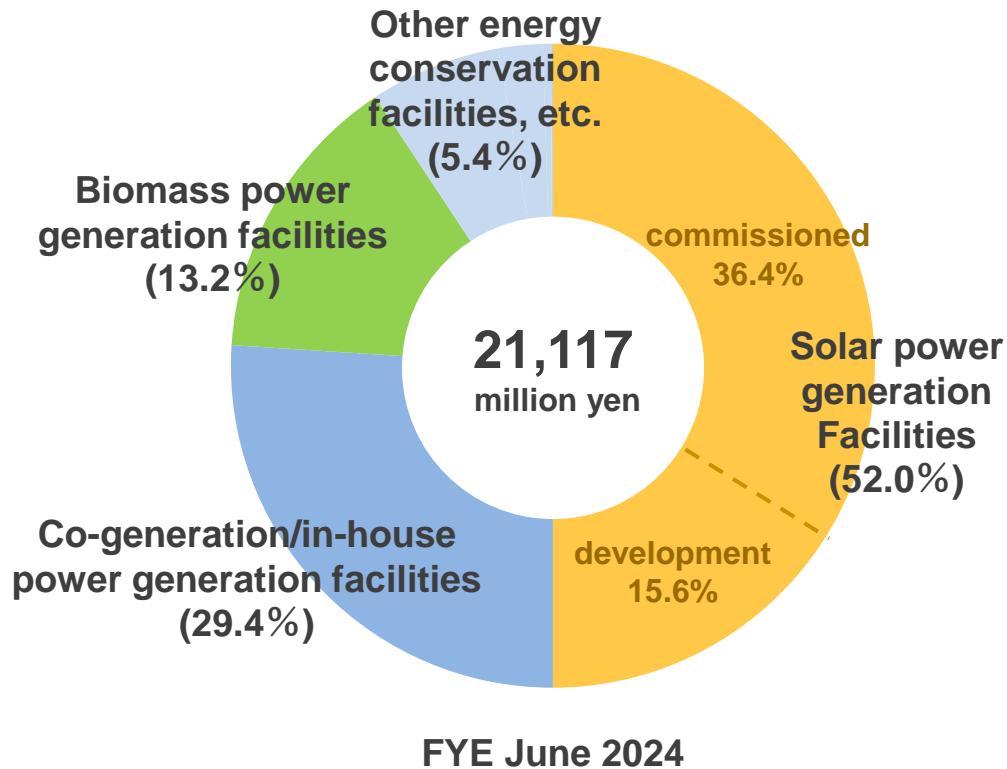
- Energy-saving EPC (contract-type): Revenue increased YoY due to an increase in cogeneration and utility projects, but income decreased YoY due to an increase in outsourcing costs and man-hours spent on labor, etc.
- In the renewable energy EPC (contract-based) business, both sales and income increased YoY due to an increase in rooftop solar projects for logistics warehouses and factories.
- In the renewable energy EPC (development type), sales and profits from EPC, etc. of a solar power plant (power generation capacity: approx. 8.0 MW, utilizing FIT system), which has been developed in Kagoshima Prefecture, were recorded.

*The breakdown of net sales and gross profit by reportable segment has not been audited

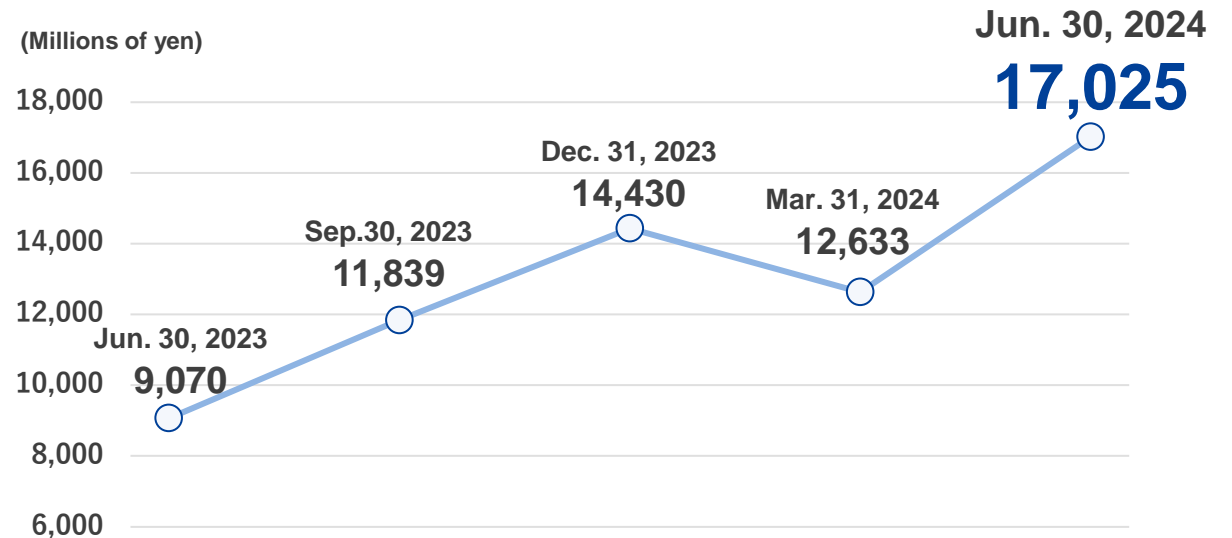
* Figures are after inter-segment elimination

- ▶ Orders received were ¥21,117 million (159.0% year on year), with the main driver being commissioned type EPC using solar power generation facilities, co-generation/in-house power generation facilities and biomass power generation facilities.
- ▶ The order backlog was ¥17,025 million yen (187.7% year on year), with around 70% of that accounted for by co-generation/in-house power generation facilities, and biomass power generation facilities.

Breakdown of orders received



Trends in order backlog over the most recent year



Breakdown of order backlog (major factors) (As of June 30, 2024)	Co-generation/in-house power generation facilities	50.1%
	Biomass power generation facilities	24.2%
	Solar power generation facilities (commissioned)	13.8%
	Solar power generation facilities (development)	10.8%
	Other energy conservation facilities, etc.	1.0%

- ▶ Completed a total of four major EPC projects in FYE June 2024.
Providing EPC for energy-saving facilities and utility facilities for energy-consuming factories, etc.



Location: Shizuoka Factory of HOUSE FOODS CORPORATION
Energy service company: JFE Engineering Corporation
gas cogeneration system

Cogeneration system

1 project
(5.5MW)



Konsen Factory, Yotsuba Milk Products Co., Ltd.
private power generation facility

Private power generation facility

1 project
(approx.0.5MW)

Utility equipment such as air conditioners

2 projects

Facilities completed in FYE June 2024 (operating basis)

Topics related to solar power generation systems for factories and business sites (excluding development-type EPC)

Engineering Segment

Energy Supply Segment

- Solar projects excluding development-type EPC in the fiscal year ending June 30, 2024 totaled 40 (approx. 58.7 MW), of which 27 commissioned EPC (approx. 42.0MW) and 13 were on-site PPA suppliers (approx. 16.7MW)

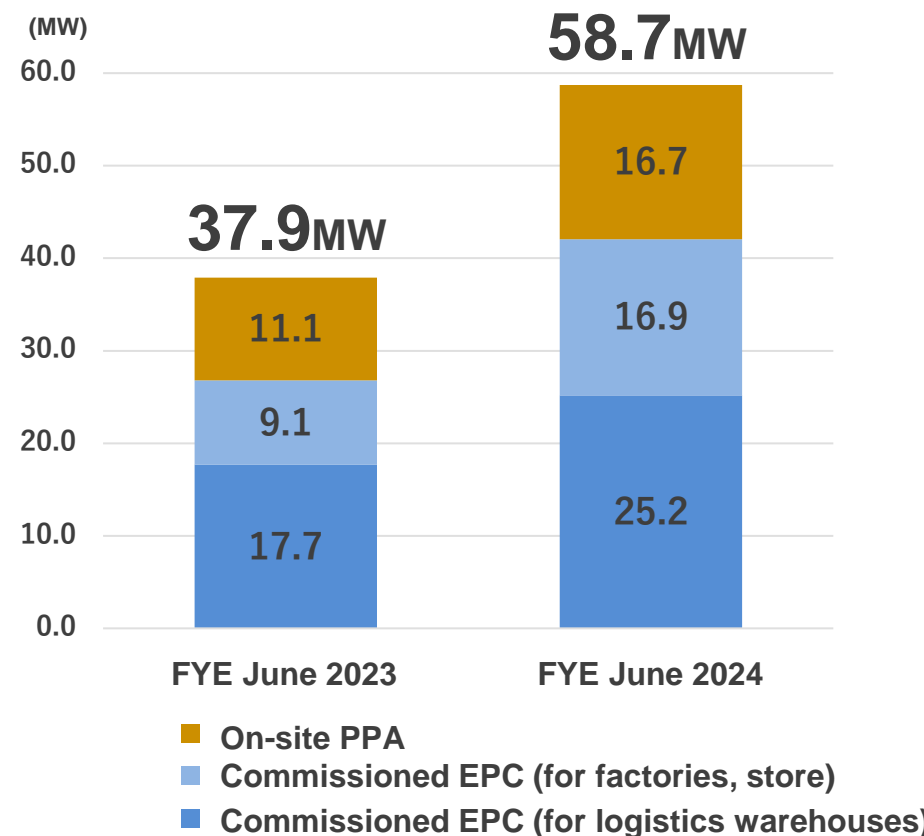
Commissioned EPC (Engineering Segment)



On-site PPA (Energy Supply Segment)



Breakdown of solar projects excluding development EPC (YoY)

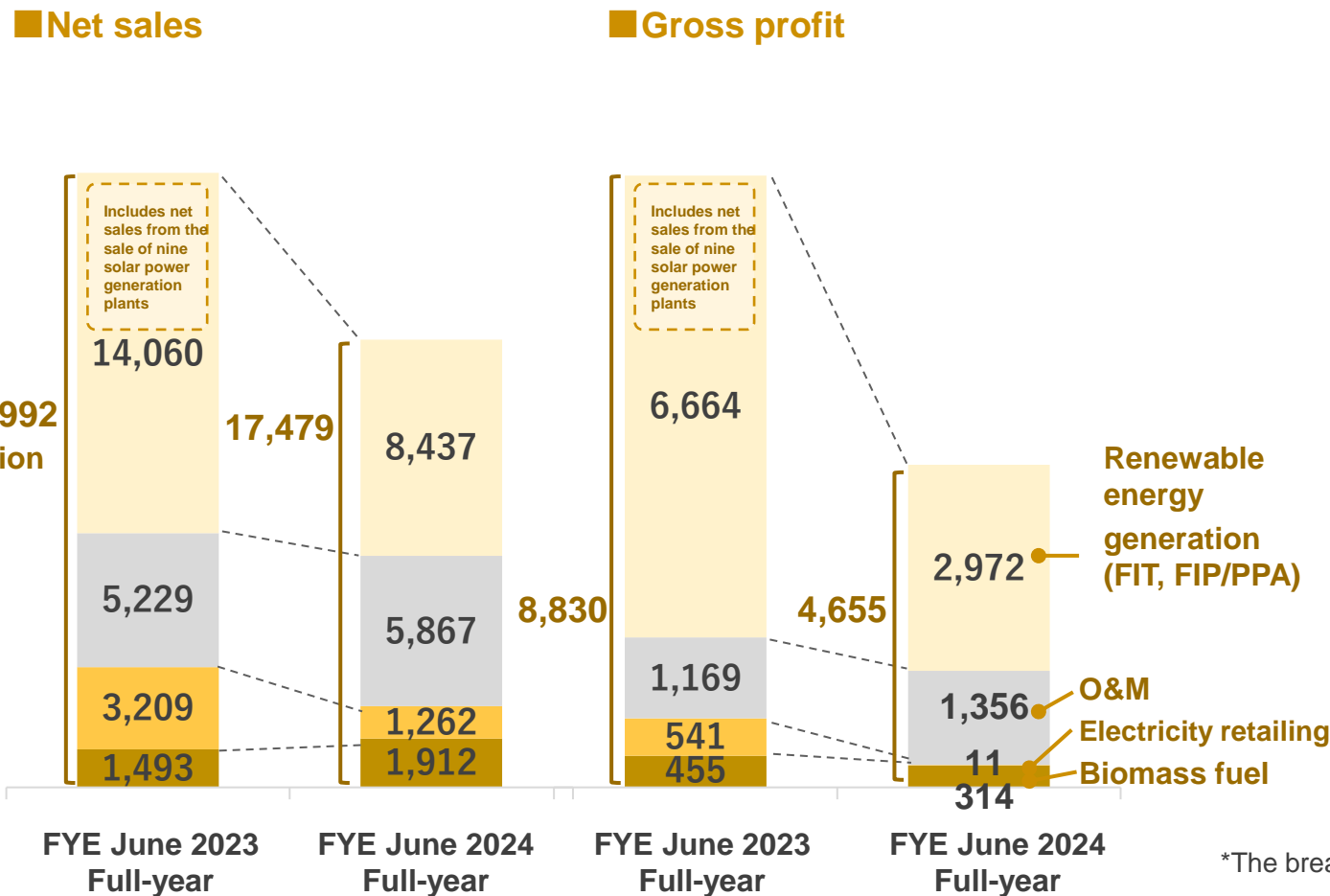


Stock-type



Energy Supply Segment

- ▶ Sales and profits in the energy supply segment declined from year on year.
- ▶ Mainly due to lower revenues and profits from renewable energy generation and electricity retailing.



Highlights for Energy Supply Segment

- Revenues and income from renewable energy power generation progressed as planned at the beginning of the period, however, revenues and income decreased YoY due to a decrease in revenues from electricity sales as a result of the above-mentioned sales, in addition to the recording of revenues from development fees for Fukuoka Miyako Mega Solar and the sale of nine in-house solar power plants in the previous fiscal year.
- O&M increased sales and income with steady growth.
- Revenues in electricity retailing were lower YoY due to reduction of the volume of electricity supply as part of measures to improve profitability.
- Biomass fuel recorded higher revenues YoY due to increasing the shipment volume, higher unit prices and the impact of foreign exchange rates. However, the income decreased YoY due to higher purchase costs.

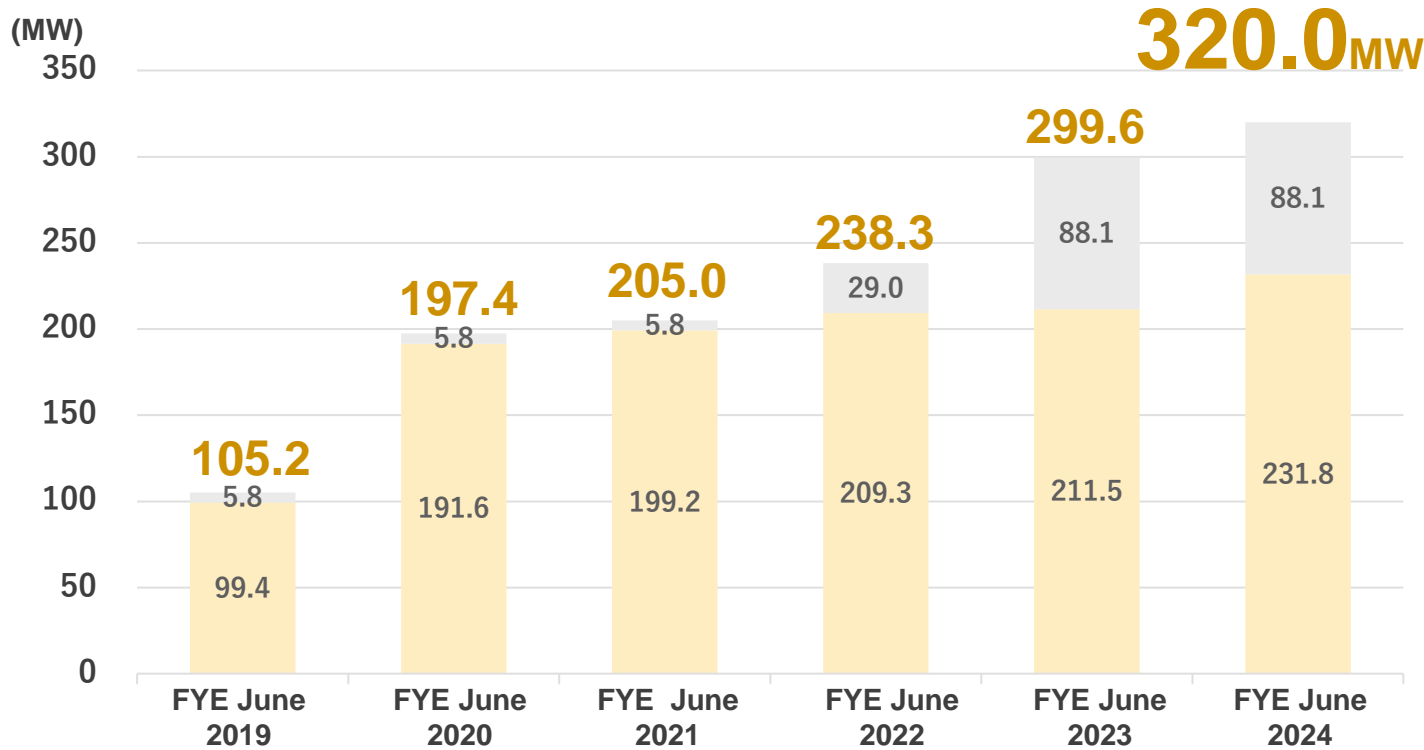
*The breakdown of net sales and gross profit by reportable segment has not been audited

* Figures are after inter-segment elimination

- ▶ We seek to obtain stable long-term income from FIT and FIP system and on-site PPA model for in-house consumption.

Trends in total capacity of renewable energy power generation facilities *

* Solar power plants (including on-site PPA for in-house consumption), biomass power plants and small-scale wind power plants in operation



Portion owned by consolidated subsidiaries

Portion owned by companies in which the Group has invested

(companies accounted for by the equity method and silent partnerships where a limited liability company investing in the silent partnership is the operator)

Topics for FYE June 2024

- Increase in portion owned by consolidated subsidiaries
 Nishiki-machi 2MW Woody Biomass Power Plant: approx.2.0MW
 On-site PPA projects: approx.16.7MW
 Solar power plants utilizing the FIP system: approx.1.8MW
- Resolution to acquire all of the silent partnership interests in Fukuoka Miyako Mega Solar (April 2024) (Due to the acquisition in August 2024, the equity interest will be included in the holdings of consolidated subsidiaries from FYE June 2025).

*Note: there is no change in the total capacity of renewable energy power generation facilities as the approximately 67.0 MW from the solar power plant of the silent partnership is already included in the portion owned by companies in which the Group has invested

Solar

103 projects, approx. 312.2MW including 29 on-site PPA projects, approx. 35.2MW

Biomass

2 projects, approx. 7.8MW

* as of June 30, 2024

*Sold 6 small wind farms in FYE06/2024.

- ▶ In FYE June 2024, newly launched supplies of electricity generated by renewable energy using solar power generation systems for self-consumption, employing an on-site PPA model are listed below.



MITSUBISHI ESTATE CO., LTD./ Nippon Life Insurance Company
Logicross Sagamihara



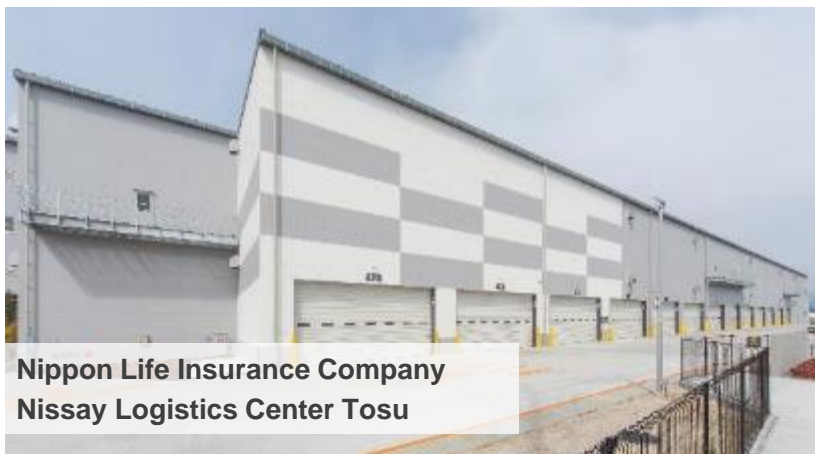
KOIKE-YA Inc., Kyushu Aso Plant

Supplied to	Power generation capacity	Date of supply
DMG MORI CO., LTD., Nara Campus (Phase 1)	Approx.354kW	Jan. 2024
THK CO., LTD., YAMAGATA Plant (Phase 2)	Approx.1,788kW	Feb. 2024
Not disclosed	Approx.562kW	Feb. 2024
DMG MORI CO., LTD., Iga Campus (Phase 2)	Approx.5,197kW	Mar. 2024
MITSUBISHI ESTATE CO., LTD./ Nippon Life Insurance Company Logicross Sagamihara	Approx.2,284kW	Mar. 2024
NANCHIKU CO., LTD., head office factory	Approx.750kW	Mar. 2024
THK RHYTHM CO., LTD., Kyushu Plant (Phase 2)	Approx.610kW	Apr. 2024
Maniwa City, Okayama Prefecture, Hokubo Cultural Center and other two locations	Total approx. 168kW	Apr. 2024
Co-op Minami Kasuga, Japanese Consumers' Co-operative Union Co-op Oita	Approx.286kW	May. 2024
Not disclosed	Approx.552kW	Jun. 2024
Not disclosed	Approx.608kW	Jun. 2024
KOIKE-YA Inc., Kyushu Aso Plant (*1)	Approx.885kW	Jun. 2024
Not disclosed	Approx.1,116kW	Jun. 2024
LIFEDRINK COMPANY, INC., Gotemba Plant	Approx.1,531kW	Not disclosed

※1 If the electricity generated by the installed solar power generation system exceeds the electricity demand of the supplier, the surplus electricity is sold to the wholesale electricity trading market, etc., using the FIP system.

※2 Projects that began supplying in July 2024 or after (as of August 14, 2024) : Miyazakiken Nokyo Kajyu Co., LTD., head office factory approx. 501kW

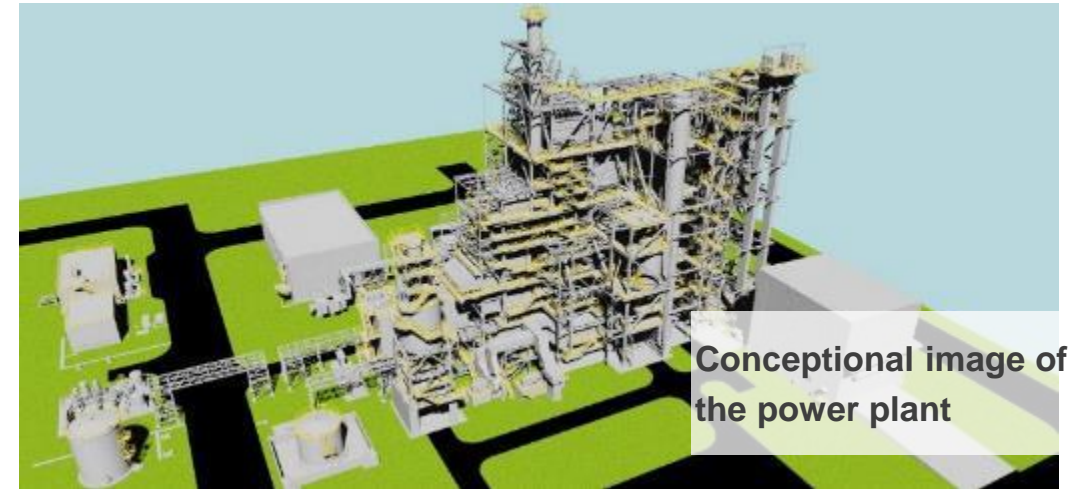
- ▶ The following on-site PPA projects that are scheduled to begin to supply going forward, have already been announced in press releases (as of August 14, 2024)



Nippon Life Insurance Company
Nissay Logistics Center Tosu

Supplied to	Power generation capacity	Scheduled date of supply
SOSiLA Logistics REIT, Inc., SOSiLA Kasukabe	Approx.1,532kW	Sep. 2024
Maniwa City, Okayama Prefecture, Maniwa City Hokubo Elementary School and other four locations	Total approx. 345kW	Autumn 2024
MANEKIYA GLASS Co., LTD., Iga factory	Approx.740kW	Feb. 2025
Nippon Life Insurance Company Nissay Logistics Center Tosu	Approx.350kW	Feb. 2025
York-Benimaru Co., Ltd. Koriyama Plant	Approx.1,014kW	May. 2025

- ▶ Construction work for the installation of the various power plant facilities is progressing smoothly at Saga Imari Biomass Power Plant.
- ▶ Construction will continue with the goal of commencing operations in May 2025.



Location	Imari-shi, Saga
Business operator	Imari Green Power Co., Ltd.
Power generation capacity	Approx. 46.0MW
Feed-in tariff	24yen/kWh
Assumed annual electricity sales amount	Approx. 312,000,000kWh/year (Assumption for the first year)

Left: Overall view of the power plant (viewed from the south side looking north)
 Right: Fuel yard

The website for Imari Green Power Co., Ltd. has been opened.

- ▶ The Company has won the highest level of 3 stars from the city of Osaka as a “Leading Company for Women's Empowerment”.
- ▶ Strengthen engagement both internally and externally through tours for external visitors and briefings, employee engagement surveys, etc.

■ Initiatives to Promote Diversity



Received 3 stars from the city of Osaka as a “Leading Company for Women's Empowerment”

■ Strengthening internal and external engagement



Site visit for analysts
EFB Pellet R&D Site PTEC, Inc.
(Indonesia)



Individual Investor Briefing
Marunouchi Investment Seminar
(Sponsored by Mitsubishi UFJ Morgan
Stanley Securities Co., Ltd.)



“Employee Engagement Survey” conducted to build a better work environment that leads to greater employee job satisfaction.

3 . Forecast of Consolidated Financial Results Fiscal Year Ending June 30, 2025 *

* Announced August 14, 2024

Forecast of Consolidated Financial Results for the Fiscal Year Ending June 30, 2025 (Announced August 14, 2024)

- ▶ The consolidated forecast for FYE June 2025 is as follows.
- ▶ The valuation gains/losses on derivatives related to forward exchange contracts are not included in the forecast.

(Millions of yen)

	FYE June 2024	FYE June 2025	Change YoY result	<Reference> If there had been no gain on valuation of derivatives*	
	Full-year result	Full-year forecast announced August 14, 2024		FYE June 2024 Full-year result	Change YoY result
Net sales	30,643	38,000	24.0%	30,643	24.0%
Gross profit (Profit margin)	6,553 (21.4%)	8,000 (21.1%)	22.1%	6,553 (21.4%)	22.1%
Operating profit (Profit margin)	2,370 (7.7%)	2,700 (7.1%)	13.9%	2,370 (7.7%)	13.9%
Ordinary profit (Profit margin)	7,660 (25.0%)	2,000 (5.3%)	-73.9%	2,024 (6.6%)	-1.2%
Profit attributable to owners of parent (Profit margin)	1,185 (3.9%)	1,200 (3.2%)	1.2%	-2,519 (-8.2%)	—

* Figures for the scenario in which there had been no gain on valuation of derivatives have not been audited

Key Points of the Consolidated Financial Results Forecast for the Fiscal Year Ending June 2025

<p>Commissioned EPC (energy conservation and re-energy)</p>	<ul style="list-style-type: none"> Both energy conservation and renewable energy are expected to grow steadily due to customer companies' needs for energy decarbonization efforts.
<p>Development EPC (Renewable Energy)</p>	<ul style="list-style-type: none"> Expect sales from EPC of a solar power plant in Kagoshima Prefecture (approx. 8.0MW capacity, utilizing FIT system) following the fiscal year ending June 2024. Development projects for business sites related to renewable energy power generation in Kyoto Prefecture are not included in the forecast for the fiscal year ending June 2025, as it is expected to take time to acquire the rights, etc.
<p>Renewable energy generation</p>	<ul style="list-style-type: none"> Renewable energy generation is expected to generate electricity sales revenues from approximately 231.8MW of installed power plants (FIT, FIP, and PPA). In addition to the above, we expect to receive revenues from "Fukuoka Miyako Mega Solar" and "Saga Imari Biomass Power Plant (trial operation)". (Additional acquisition of secondary projects and new on-site PPAs during the period are not included in the forecast)
<p>O&M</p>	<ul style="list-style-type: none"> Expect to generate sales from irregular maintenance work in addition to regular maintenance work and 24-hour remote monitoring services under regular contracts with client companies.
<p>Retail electricity supply</p>	<ul style="list-style-type: none"> In addition to the conventional electricity supply menu, sales are expected to come from an increase in the supply of a market-linked menu, in which electricity prices for customers are linked to the Japan Electric Power Exchange (JEPX) spot price.
<p>Biomass fuel</p>	<ul style="list-style-type: none"> Expect sales from the sale of PKS fuel to biomass power plants in Japan. R&D expenses related to technological development of EFB pellet production are expected to be included in sales, general and administrative expenses.
<p>Other</p>	<ul style="list-style-type: none"> Sales, general and administrative expenses are expected to increase in relation to personnel cost, recruitment-related expenses, travel and transportation expenses, and other expenses associated with the increase in headcount for the purpose of business expansion. The valuation gains/losses on derivatives related to forward exchange contracts are not included in the forecast.

Operating Results by Segment

	Result		Forecast
	FYE June 2023	FYE June 2024	FYE June 2025
Consolidated net sales	34,415	30,643	38,000
Engineering Segment	10,422	13,163	15,000
Commissioned-type EPC (energy conservation)	2,711	4,442	8,100
Commissioned-type EPC (renewable energy)	5,018	7,202	5,100
Development-type EPC (renewable energy)	2,692	1,518	1,800
Energy Supply Segment	23,992	17,479	23,000
Renewable energy generation	14,060	8,437	10,500
O&M	5,229	5,867	5,600
Electricity retailing	3,209	1,262	3,900
Other (biomass fuel)	1,493	1,912	3,000
Gross profit	10,611	6,553	8,000
Engineering Segment	1,780	1,897	1,900
Commissioned-type EPC (energy conservation)	307	282	850
Commissioned-type EPC (renewable energy)	704	1,124	650
Development-type EPC (renewable energy)	768	491	400
Energy Supply Segment	8,830	4,655	6,100
Renewable energy generation	6,664	2,972	3,800
O&M	1,169	1,356	1,300
Electricity retailing	541	11	150
Other (biomass fuel)	455	314	850

*The breakdown of net sales and gross profit by reportable segment has not been audited

* Figures are after inter-segment elimination

Year-end dividend forecast for FYE June 2025

- ▶ Our shareholder return policy is based on stable and continuous profit returns, with a target payout ratio of 30%
- ▶ Plan for a year-end dividend of 5.11 yen per share for FYE June 2025

	FYE June 2025 (Forecast)
Dividend per share	5.11 yen
Profit per share	17.02 yen
Dividend payout ratio (consolidated)	30.0%
Average number of shares during the period	70 million shares

4 . Appendix

Consolidated Statement of Income (5 fiscal years)

(Millions of yen)

	FYE June 2020 Full-year	FYE June 2021 Full-year	FYE June 2022 Full-year	FYE June 2023 Full-year	FYE June 2024 Full-year
Net sales	28,415	34,249	34,945	34,415	30,643
Cost of sales	22,111	26,707	26,489	23,803	24,089
Gross profit	6,303	7,542	8,455	10,611	6,553
Selling, general and administrative expenses	2,792	3,143	3,309	3,746	4,183
Operating profit	3,511	4,399	5,146	6,864	2,370
Non-operating income	364	858	718	810	6,496
Non-operating expenses	1,340	1,420	1,210	2,157	1,205
Ordinary profit	2,534	3,836	4,654	5,518	7,660
Extraordinary losses	-	408	343	166	3,939
Profit before income taxes	2,534	3,428	4,310	5,351	3,721
Profit	1,810	2,058	2,759	3,794	1,326
Profit attributable to owners of parent	1,625	1,990	2,695	3,592	1,185

Quarterly Consolidated Statements of Income Reporting Segment Details (2 periods)

	FYE 06/2023	FYE 06/2023	FYE 06/2023	FYE 06/2023	FYE 06/2024	FYE 06/2024	FYE 06/2024	FYE 06/2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consolidated net sales	8,323	8,286	7,437	10,367	6,221	8,847	7,789	7,784
Engineering Segment	3,092	3,334	2,541	1,454	1,535	4,096	3,705	3,825
Commission type EPC (energy conservation)	1,339	634	521	216	563	1,723	1,362	793
Contract EPC (renewable energy)	730	1,782	1,273	1,232	972	2,330	2,332	1,568
Development-type EPC (renewable energy)	1,022	917	746	5	0	43	10	1,464
Energy Supply Segment	5,230	4,952	4,896	8,913	4,685	4,751	4,084	3,958
Renewable energy generation	2,516	2,345	2,308	6,889	2,202	2,399	1,840	1,994
O&M	1,239	1,321	1,386	1,282	1,445	1,596	1,401	1,423
Electricity retailing	1,148	895	799	366	426	350	301	182
Other (biomass fuel)	327	389	401	374	610	403	539	358
Gross profit	2,466	2,250	2,225	3,668	1,733	2,034	1,282	1,502
Engineering Segment	721	630	329	99	203	496	464	733
Commission type EPC (energy conservation)	112	136	74	-17	31	120	38	92
Contract EPC (renewable energy)	98	235	188	182	163	388	442	130
Development-type EPC (renewable energy)	510	257	66	-65	9	-12	-15	510
Energy Supply Segment	1,745	1,619	1,896	3,569	1,529	1,538	818	768
Renewable energy generation	1,244	1,054	1,044	3,320	889	1,159	309	615
O&M	395	372	282	119	497	369	323	166
Electricity retailing	-8	94	451	4	27	-10	32	-37
Other (biomass fuel)	114	98	118	124	116	20	153	24

*The breakdown of net sales and gross profit by reportable segment has not been audited

* Figures are after inter-segment elimination

Explanations of Terms

Term	Explanation
Energy conservation	Reducing the amount of energy consumed through the efficient use of resources and energy.
Co-generation system	A type of distributed energy resource, consisting of a combined heat and electricity supply system that uses the heat emitted during power generation for air conditioning and heating, or in production processes. It may also be referred to as CHP (Combined Heat & Power).
Utility	Electricity, steam, water, compressed air, fuel, etc. required for the operation of a factory's production facilities.
Renewable energy	Energy such as solar power, wind, and geothermal, that can be used repeatedly without depleting resources, unlike fossil fuels derived from finite resources.
Solar power generation system	A power generation system that uses a photovoltaic panel to absorb light energy from the sun and convert it to electricity for use.
Biomass power system	A power generation system that obtains energy through the rotation of a turbine using steam or gas generated by the combustion or gasification of biomass resources (resources derived from biological matter).
On-site PPA (Power Purchase Agreement)	A form of contract in which the Group acts as a power generation company, owning, maintaining, and managing solar power generation plants for in-house consumption, and providing the electricity generated by these plants to customers.
EPC	An abbreviation for Engineering, Procurement, and Construction.
FIT (Feed-in Tariff)	A system, based on the Act on Special Measures Concerning Promotion of Utilization of Electricity from Renewable Energy Sources, under which the state promises that electricity utilities will purchase electricity generated from renewable energy, such as solar, wind, or biomass, at a set price and for a set period of time.
FIP(Feed-in Premium)	A system where the amount equivalent to difference between the standard price (FIP price) and market price shall be paid as a premium in the case that electricity produced by renewable energy electricity utilities is sold on the wholesale electricity market or in direct dealings.
PKS (Palm Kernel Shell)	The shell remaining after palm oil has been extracted from palm kernels.
EFB (Empty Fruit Bunch)	Empty fruit bunches that are the by-product (residual substance) generated when extracting palm oil from oil palms.

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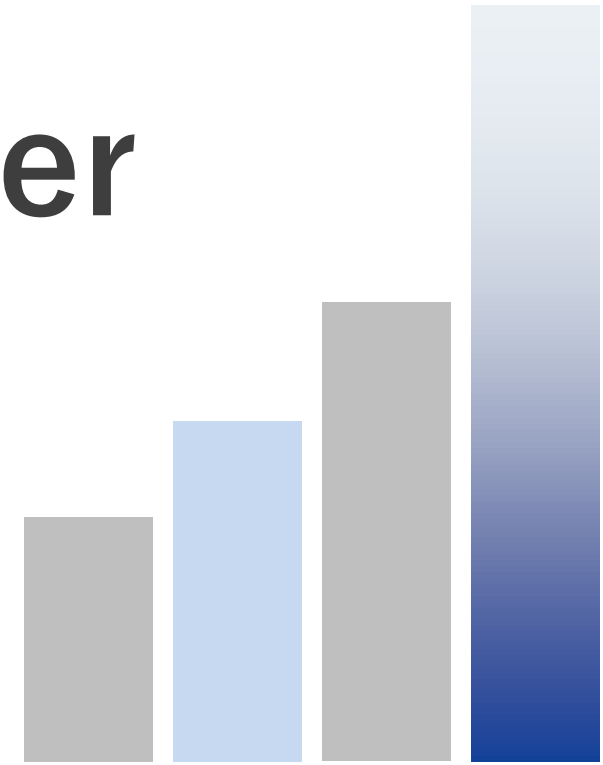
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