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Dear Investors and Analysts;

Company Name: erex Co., Ltd

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Vietnam: Ground-Breaking Ceremony for Construction of Biomass Power Plants
～Start of Construction of Two Units in Yen Bai and Tuyen Quang Provinces～

erex Co., Ltd. (Head Office: Chuo-Ward, Tokyo; Representative Director and President: Hitoshi Honna; hereinafter referred to as "the Company") is pleased to announce that it held a ground-breaking ceremony on October 4, 2024 for the biomass power plants in Yen Bai and Tuyen Quang provinces (hereinafter referred to as "the Project"), which had been planned in Vietnam, as follows.

Note

The Project is the power plants that were positioned as priority projects in the 8th National Power Development Plan ("PDP8"), whose implementation plan was approved in April this year, of the 18 newly-constructed biomass power plants that the Company plans to develop in Vietnam. PDP8 states that it will respond to the expansion of electric power demands and strengthen renewable energy with the aim of achieving zero CO2 emissions by 2050, and the Project will contribute to these efforts.

The Project will contribute to the development of the local economy, such as improving energy self-sufficiency and creating jobs through low-cost and stable power generation using unused woody residues and other resources in Vietnam.

Mr. Kakuta, Representative Director and President of erex international, gave the following message and expressed his determination on the day of the event; "This power plant is the first biomass power plant for PDP8. We would like to contribute to the local community through this power plant. We will make a sincere effort and push forward toward the completion of the plant".

As mentioned in the release dated March 27th (<https://www.erex.co.jp/news/information/2722/>), the power generation projects in the two provinces were also selected for Financing Programme for Joint Crediting Mechanism (JCM *1) Model Projects in FY2023 (*2)

*1: Ministry of the Environment, Japan has been implementing the “JCM Model Projects,” which provides financial supports covering up to half of the initial investment costs. The purpose of this model projects is to financially support the implementation of projects which reduce GHG emissions by utilizing leading decarbonizing technologies in developing countries, and in return, to acquire JCM credits for achievement of Japan’s GHG emission reduction and the partner countries’ emission reduction target. This project is being implemented with the cooperation of the Vietnamese and Japanese governments

*2: The announcement was made on March 22, 2024

Ground-Breaking Ceremony



Details of the biomass power plants in Yen Bai and Tuyen Quang provinces are below.

Business Company Name	erex Yen Bai Biomass Power Co., Ltd.
Power Plant Name	Yen Bai-1 Biomass Power Plant
Planned Construction Site	Yen Bai Province, Socialist Republic of Vietnam
Investing Company (Planned)	erex Co., Ltd. 100%
Power Selling Price	8.47US cent/kWh (based on local FIT system)
Generation Output	50MW
Fuel	Woody residue (approx. 500,000 t/year)
Construction Period	Approx. 2.5 years

Business Company Name	erex Tuyen Quang Biomass Power Co., Ltd.
Power Plant Name	Tuyen Quang Biomass Power Plant
Planned Construction Site	Tuyen Quang Province, Socialist Republic of Vietnam
Investing Company (Planned)	erex Co., Ltd. 100%
Power Selling Price	8.47US cent/kWh (based on local FIT system)
Generation Output	50MW
Fuel	Woody residue (approx. 500,000 t/year)
Construction Period	Approx. 2.5 years