

March 31, 2025

Dear Investors and Analysts;

Company Name: erex Co., Ltd  
Representative: Hitoshi Honna, Representative Director and President  
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Vietnam: Notice Regarding the Start of Certified Wood Production at the Tuyen Quang Pellet Factory  
and the Status of the Hau Giang Biomass Power Plant

erex Co., Ltd. (Headquarters: Chuo-Ward, Tokyo; Representative Director and President: Hitoshi Honna; hereinafter referred to as “the Company”) has been constructing the Tuyen Quang Pellet Factory in Vietnam since March 2024, and in March 2025, started manufacturing FSC-certified wood pellets. This factory will manufacture pellets for export to countries outside Vietnam, centering on Japan. With the operation of this factory, the Company will contribute to de-carbonization and the creation of employment in Tuyen Quang Province.

|                       |                                              |
|-----------------------|----------------------------------------------|
| Business Company Name | EREX SAKURA BIOMASS TUYEN QUANG CO., LTD     |
| Factory Name          | EREX SAKURA TUYEN QUANG BIOMASS FUEL FACTORY |
| Location              | Tuyen Quang Province, Vietnam                |
| Investing Companies   | erex Co., Ltd. 97%,<br>Other 3%              |
| Production Capacity   | 150,000 tons per year                        |
| Investment Amount     | 20,400,000USD                                |
| Materials             | Wood, Wood Residues, etc.                    |

The Hau Giang Biomass Power Plant, which is under construction in Vietnam since December 2022, has already completed a 72-hour continuous operation test, a process just prior to the completion of construction. Currently, the Company is awaiting approval from the authorities to start selling electric power.

|                       |                                                                                                                                                                                                                                        |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Company Name | Hau Giang Bioenergy Joint Stock Company                                                                                                                                                                                                |
| Power Plant Name      | Hau Giang Biomass Power Plant                                                                                                                                                                                                          |
| Location              | Hau Giang Province, Vietnam                                                                                                                                                                                                            |
| Investors             | erex Co., Ltd. 51%<br>Power Engineering Consulting Joint Stock Company 2 10%<br>Son My Renewable Energy Joint Stock Company 19%<br>Ninh Thuan Agriculture & Renewable Energy Joint Stock Company 9%<br>Other Fuel Supply Companies 11% |
| Power Selling Price   | 8.47US cent/kWh (based on the local FIT system)                                                                                                                                                                                        |

|              |                                                                           |
|--------------|---------------------------------------------------------------------------|
| Power Output | 20MW (Annual power generation is equivalent to 93,000 general households) |
| Fuel         | Rice Husks (about 130,000 tons per year)                                  |

The project was selected for Financing Programme for Joint Crediting Mechanism (JCM) Model Projects \*<sub>1</sub> in FY2022 \*<sub>2</sub>

Based on its 2030 vision “to become a pioneer in the new era of electric power with renewable energy at its core,” erex aims to realize a de-carbonized society in Japan and abroad. The Company will approach from various directions, making full use of the know-how it has cultivated in the biomass power generation and fuel businesses.

Hau Giang Biomass Power Plant



EREX SAKURA TUYEN QUANG BIOMASS FUEL FACTORY



\*<sub>1</sub>: 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

\*<sub>2</sub>: The announcement was made on July 1, 2022

Note:

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