

December 19, 2025

erex Co., Ltd.

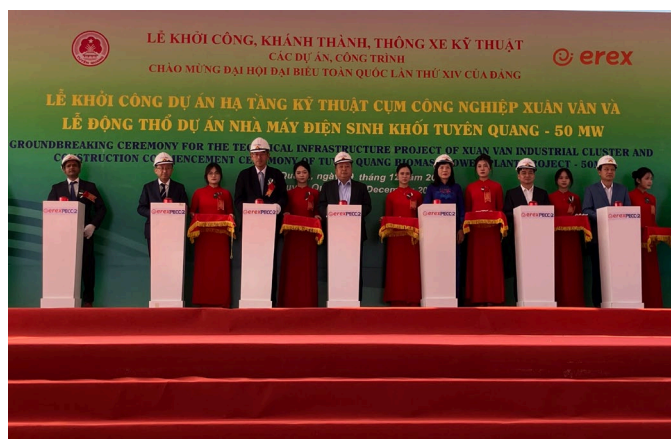
## Construction Commencement Ceremonies Held for Units 2 and 3 of Commercial Biomass Power Plants in Vietnam: Yen Bai Biomass Power Plant and Tuyen Quang Biomass Power Plant

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 construction commencement ceremonies were held on December 19, 2025, at the planned construction sites of Yen Bai Biomass Power Plant and Tuyen Quang Biomass Power Plant (hereinafter referred to as "the Two Power Plants"), which are currently under development in Vietnam.

### Scenes from the Construction Commencement Ceremonies



Yen Bai Biomass Power Plant



Tuyen Quang Biomass Power Plant

### 1. The Two Power Plants

The Two Power Plants are biomass power plants that generate electricity using unused biomass resources (such as wood residues) in Vietnam. The Two Power Plants were also selected for Subsidy Programme for Joint Crediting Mechanism (JCM) Facility Introduction <sup>\*1</sup> in FY2023<sup>\*2</sup>.

Vietnam has declared its goal of achieving carbon neutrality by 2050 and is required to de-carbonize. However, the country is facing the challenges of increasing electricity demands due to rapid economic growth and the resulting decline in energy self-sufficiency. As one solution to these challenges, the Company is working on developing biomass power plants in Vietnam. In April 2025, the first commercial biomass power plant developed by the Company, Hau Giang Biomass Power Plant, started operations.

Opening and construction commencement ceremonies for large-scale projects commemorating the 14<sup>th</sup>



National Congress of the Communist Party of Vietnam were held in various provinces in Vietnam on December 19, 2025, and the Company also held construction commencement ceremonies for the Two Power Plants together with PECC2, the EPC contractor.

The construction commencement ceremony for the Yen Bai Biomass Power Plant was attended by Vice Chairman Ngô Hạnh Phúc of the Lao Cai Provincial People's Committee and Ambassador Extraordinary and Plenipotentiary of Japan to the Socialist Republic of Vietnam, Naoki Ito. The construction commencement ceremony for the Tuyen Quang Biomass Power Plant was attended by Chairman of the Provincial People's Committee Phan Huy Ngoc and Vice Chairman Pham Thi Minh Xuan.

#### ■ History of the Two Power Plants

|      |          |  |
|------|----------|--|
| 2024 | March    | The Two Power Plants were selected for Subsidy Programme for Joint Crediting Mechanism (JCM) Facility Introduction* <sup>1</sup> in FY2023* <sup>2</sup> .                           |
|      | April    | The Two Power Plants were positioned as high-priority projects in the Vietnamese government's approved "8 <sup>th</sup> National Power Development Plan (PDP8) Implementation Plan". |
|      | October  | The Two Power Plants' Shinto ground purification ceremonies were held  |
| 2025 | March    | Tuyen Quang Biomass Power Plant obtained Investment Registration Certificate (IRC) from the Vietnamese government  |
|      | May      | Yen Bai Biomass Power Plant obtained Investment Registration Certificate (IRC) from the Vietnamese government  |
|      | November | EPC contract for Yen Bai Biomass Power Plant was signed with PECC2   |
|      | December | EPC contract for Tuyen Quang Biomass Power was signed with PECC2<br>The Construction Commencement ceremonies for the Two Power Plants were held                                      |

## 2. Future Outlook

The Two Power Plants are scheduled to start operations at the end of fiscal year 2027. As the Two Power Plants will utilize Vietnam's unused biomass resources, the Company believes that they will not only contribute to Vietnam's de-carbonization, but also to improving its energy self-sufficiency rate and creating jobs.

In addition, with reducing CO2 emissions currently an issue in many countries, the Company will sell the carbon credits created from the Two Power Plants both domestically and internationally, and in Japan in particular, by utilizing the GX-ETS market for sale, thereby contributing to de-carbonization in each country.

#### ■ Overview of the Two Power Plants

|                                     |   |
|-------------------------------------|---|
| Investing Company                   | erex Co., Ltd. 100%   |
| Power Generation Output             | 50MW/unit   |
| Fuel                                | Wood Residue (approximately 500,000 tons/unit per year)   |
| Planned Start of Operations         | End of Fiscal Year 2027   |
| (1) Yen Bai Biomass Power Plant     | Power Plant Name: Yen Bai 1 Biomass Power Plant<br>Construction Site: Lao Cai Province (formerly Yen Bai Province), Socialist Republic of Vietnam |
| (2) Tuyen Quang Biomass Power Plant | Power Plant Name: Tuyen Quang Biomass Power Plant<br>Construction Site: Tuyen Quang Province, Socialist Republic of Vietnam                       |

\*1 Ministry of the Environment, Japan has been implementing the Subsidy Programme for the JCM Facility Introduction, which provides financial support of up to a 1/2 of the initial investment cost for projects. Representative participants in the Projects shall conduct measurement, reporting, and verification (MRV) of GHG emission reductions. In addition, this financing support programme is expected to contribute to global decarbonization by disseminating and deploying advanced decarbonizing technologies while ascertaining in detail the needs of partner countries.. This project is being implemented with the cooperation of the Vietnamese and Japanese governments

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

## The Company's Overseas Business

The Company is promoting business developments toward de-carbonization, such as the construction of biomass power plants in Vietnam and Cambodia. The Company believes that this will not only contribute to the de-carbonization of both countries, but also to improving energy self-sufficiency and creating jobs.





|        |           |  |
|--------|-----------|--|
| 2025   | March     | Vietnam: Tuyen Quang Pellet Factory started productions                        |
|        | April     | Vietnam: Hau Giang Biomass Power Plant started operations                      |
|        | September | Vietnam: Vinacomin Power's Na Duong Power Plant started biomass co-firing test |
|        | November  | Vietnam: EPC contract for Yen Bai Biomass Power Plant was signed               |
|        | December  | Vietnam: EPC contract for Tuyen Quang Biomass Power Plant was signed           |
|        |           | Vietnam: Vinacomin Power's Cao Ngan started biomass co-firing test             |
| 2026   | June      | Cambodia: Construction of hydroelectric power plant will be completed          |
| FY2027 |           | Cambodia: Biomass and solar power plants will start operations                 |
|        |           | Vietnam: Yen Bai Biomass Power Plant will start operations                     |
|        |           | Vietnam: Tuyen Quang Biomass Power Plant will start operations                 |

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