

## Press Release

September 16, 2022

erex Co., Ltd.

### Progress Toward Development of Biomass Business in Vietnam

~Strong Positive Statements from Mr. Phạm Minh Chính, Prime Minister,  
and Mr. Nguyen Hong Dien, Minister of Industry and Trade~

erex Co., Ltd. (headquartered in Chuo-Ward, Tokyo; Hitoshi Honna, Representative Director and President, hereinafter referred to as the "Company") is promoting business growth based on renewable energy in Japan, in line with its 2030 vision "To become a pioneer in the new era of electric power with renewable energy at its core". In addition, as one of the priority initiatives of the mid-term business plan to "Create new innovations for de-carbonization" based on the balance between de-carbonization and stable energy supply, the Company is promoting (1) large-scale fuel developments in Vietnam, (2) transition of coal-fired power generation, and (3) power generation businesses in Vietnam, Cambodia, and other Asian countries.

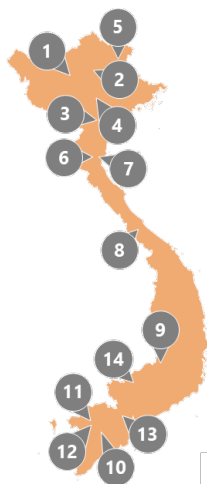
The Company would like to announce the progress of biomass business developments based on the 8th National Power Development Plan (14 newly constructed biomass power plants in 12 provinces totaling 1.2 GW and the transition of existing coal-fired power plants to biomass co-firing and single-fuel firing totaling 1.0 GW by 2030, hereinafter referred to as "PDP8") in Vietnam, as follows.

#### Note

(1) On August 23 this year, the Company held discussions with Mr. Nguyen Hong Dien, Minister of Industry and Trade, who was visiting Japan, regarding Vietnam's energy policy and toward de-carbonization, including (1) biomass fuel development business (including construction of pellet factories), (2) construction of biomass power plants, and (3) biomass co-firing and single-fuel firing at coal-fired power plants, using Vietnamese agriculture and forestry as raw materials

The Company explained the roadmap for each of its businesses in detail, such as “the current power generation plan based on PDP8 in Vietnam is progressing smoothly, with construction of three units scheduled to start in May 2023”, “the entire power generation plan is expected to be approved soon”, “the construction of a biomass power plant in Hau Giang Province, which is planned under PDP7 (7<sup>th</sup> National Power Development Plan), will start in September this year”, and the project to promote biomass co-firing and single-fuel-firing at existing coal-fired power plants. At the same time, in discussions with Mr. Nishimura, Japanese Minister of Economy, Trade and Industry, both countries promised to cooperate in supporting the transition of coal-fired power plants to biomass.

Mr. Nguyen Hong Dien, Minister of Industry and Trade, gave a powerful statement, saying, "I understand that erex is very positive about the business in Vietnam. I hope that erex will strongly promote the business and make it a reality. I hope that the project will be solidly carried out in cooperation with Vietnamese companies. In addition, I hope that training and education will be provided in Japan, as it will be important to develop human resources who can work at biomass power plants.



		Project Name	Capacity
North	1	Yen Bai	75MW
	2	Tuyen Quang	100MW
	3	Hoa Binh	100MW
	4	Phu Tho	50MW
	5	Bac Kan	50MW
Central	6	Thanh Hoa 2	60MW
	7	Thanh Hoa 1	50MW
	8	Quang Binh	109MW
	9	Dak Lak	125MW
South	10	Can Tho	100MW
	11	An Giang 1	75MW
	12	An Giang 2	100MW
	13	Long An	75MW
	14	Binh Phuoc	50MW
<b>14 Projects in 12 Provinces</b>			<b>1,119MW</b>

Candidate Sites for Newly-Constructed Biomass Power Plants



(Mr. Hitoshi Honna, Representative Director and President of the Company,  
and Mr. Nguyen Hong Dien, Minister of Industry and Trade)

(2) On August 27, in Lao Cai Province, Vietnam, at a conference under the theme of "Potential - Opportunity - Cooperation for Development" in the presence of Mr. Phạm Minh Chính, Prime Minister, a memorandum of understanding was signed to study development projects using agriculture and forestry as raw materials and the construction of biomass power plants in five provinces of Vietnam (Yang Bai, Tinh Quang, Bac Kan, Lai Chau, and Ha Giang)

At the same time, while approximately 700 people attended the conference, including leaders from ministries and local governments, Asian Development Bank, Japan External Trade Organization, and private-sector companies from Japan and abroad, Mr. Hitoshi Honna, the Representative Director & President of the Company was the only one speaker from the private sector to make a presentation in front of the Prime Minister, based on the aforementioned discussion with Mr. Nguyen Hong Dien, Minister of Industry and Trade, about the Company's fuel developments, power plant plans, and biomass co-firing at coal-fired power plants in Vietnam under PDP8.

As a summary of the conference, Mr. Phạm Minh Chính, Prime Minister, made a positive and strong statement on the Company's presentation, saying, "erex's plan to convert unused agricultural and forestry residues in the northern region of Vietnam into electric energy is very useful as Vietnam's energy policy. We would also like to develop land to revitalize impoverished areas and collaborate with local communities to jointly develop fuels for effective use as locally produced energy for local consumption. Furthermore, I am convinced that co-firing biomass fuels at existing coal-fired power plants is an important measure to achieve de-carbonization and will greatly contribute to Vietnam's green growth."

The Company has confirmed that it will continue to strengthen the relationship of trust between Vietnam and the Company with a view to realizing future energy businesses in the Vietnam.



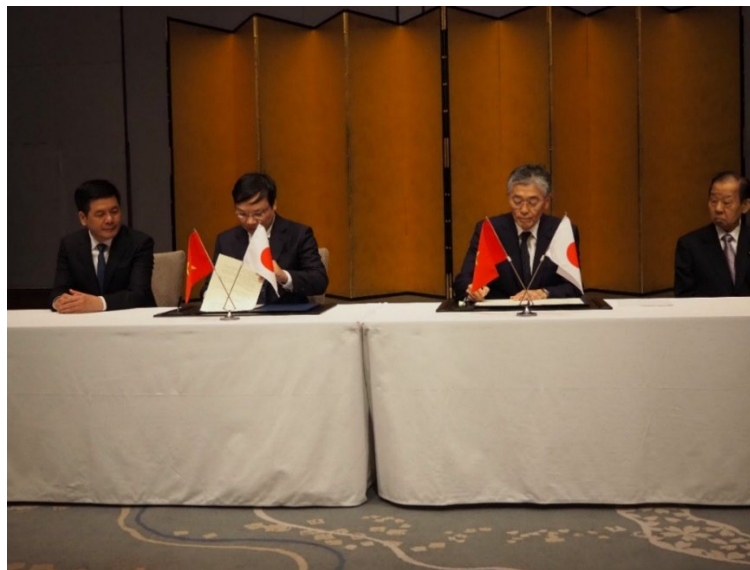
(Mr. Hitoshi Honna, President of the Company, speaking in front of Mr. Phạm Minh Chính, Prime Minister of Vietnam)

(3) As part of social contribution activities in the fast-growing economy of Vietnam, the Company has decided to offer "Scholarship for Human Resource Development Program" and held the signing ceremony of the MOU between Mr. Trương Hải Long, Deputy Minister of the Interior, and Mr. Hitoshi Honna, the Representative Director and President of the Company, in the presence of Mr. Nguyễn Hồng Diên, Minister of Industry and Trade, and Mr. Toshihiro Nikai, Chairman of the Japan-Vietnam Friendship Parliamentary Association.

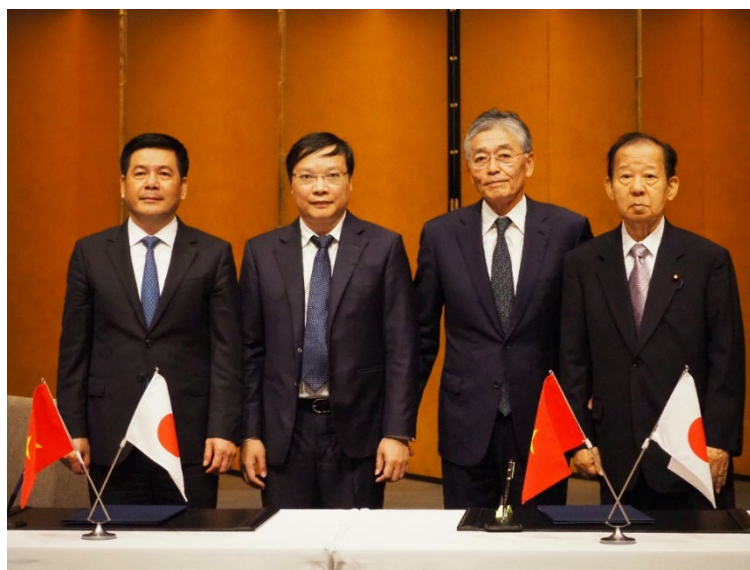
Under this program, young administrative officials who are expected to become future leaders in Vietnam will study abroad at Japanese educational institutions. It is expected that

the human resources developed through this program will contribute to the future growth of Vietnam in various fields, as well as promote mutual understanding and friendly relations between Japan and Vietnam, and contribute to the building of human networks.

Through its renewable energy business, the Company will engage in various social contribution activities, such as educational support, in addition to its business of developing together with local communities in Vietnam.



(Scholarship signing ceremony for the Human Resource Development Program)



(Left: Mr. Nguyen Hong Dien, Minister of Industry and Trade; Center Left: Mr. Truong Hai Long, Deputy Minister of the Interior; Right: Mr. Toshihiro Nikai, Chairman of Japan-Vietnam Friendship Parliamentary



Association; Center Right: Mr. Hitoshi Honna, Representative Director and President of the Company)

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