

## Press Release

September 30, 2022

erex Co., Ltd.

### Conclusion of MOU with Vinacomin Power Holdings for Transition Project of Coal-Fired Power Plants and Construction of New Biomass Power Plants, etc.

erex Co., Ltd. (Head Office: Chuo-Ward, Tokyo; Representative Director & President: Hitoshi Honna, hereinafter referred to as "the Company") is pleased to announce that the Company has signed a Memorandum of Understanding (MOU) with Vinacomin Power Holdings (Head Office: Hanoi, Vietnam, President & CEO: NGO TRI THINH, hereinafter referred to as "Vinacomin Power") to consider the transition of coal-fired power plants owned or invested in by Vinacomin Power in Vietnam to biomass fuel co-firing and single fuel firing, and the construction of new biomass power plants, etc.

This MOU was signed at "the 2<sup>nd</sup> Asia Green Growth Partnership Ministerial Meeting" held on September 26, 2022, in the presence of Japanese government officials, by Tomoki Kakuta, Director of the Company, and BUI MINH TAN, Vice President & EO of Vinacomin Power.

#### Note

In line with its 2030 vision "To become a pioneer in the new era of electric power with renewable energy at its core", the Company is pursuing business growth based on renewable energy in Japan. In addition, as one of the priority initiatives of its mid-term business plan, which is "To create new innovations for de-carbonization" based on both de-carbonization and stable energy supply, the Company is promoting (1) large-scale biomass fuel development in Vietnam, (2) transition of coal-fired power plants, and (3) power generation business in Vietnam, Cambodia, and other Asian countries.

Vinacomin Power is a group company of VIETNAM NATIONAL COAL - MINERAL INDUSTRIES HOLDING CORPORATION LIMITED (VINACOMIN), a major state-owned enterprise in Vietnam. Vinacomin Power operates thermal and hydroelectric power plants, and manages and operates other investment projects related to power plant construction,

power supply systems, power generation, power transmission and distribution, power trading, and power construction.

In order to contribute to the stabilization of electric power supply and the achievement of CO2 reduction targets in Vietnam, the Company has concluded an MOU with Vinacomin Power regarding the consideration of transition of existing coal-fired power plants owned or invested in by Vinacomin Power to biomass fuel co-firing or single-fuel firing, and construction of new biomass power plants and other facilities.

In Vietnam, where coal and other fossil fuels account for a large proportion of power generation in the country's power supply mix and unutilized biomass resources are abundant, the Company believes that there is much room for the introduction of renewable energy and that the Company can make use of its accumulated experience. In addition, the Company believes that power generation using locally grown and harvested biomass fuels will contribute to the creation of employment as well as increase the ratio of renewable energy in Vietnam.

The Company will contribute to the realization of low-cost and speedy de-carbonization while ensuring a stable energy supply, taking into full consideration the unique circumstances of the country of Vietnam.



Through this MOU, Vinacomin Power and the Company intend to realize biomass co-firing technology for existing coal-fired power plants and contribute to institutional proposals for biomass co-firing in Vietnam, stabilization of electric power supply in Vietnam, and achievement of the country's CO2 reduction targets. The Company is convinced that these activities will surely create values such as the promotion of carbon neutrality, stable supply of electric power, improvement of energy self-sufficiency, and creation of employment in Vietnam.

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