

## **Joint Test with Vietnam's Vinacomin Power Holdings Announcement Regarding the Start of the 2nd Unit's Biomass Co-firing Test with Coal-Fired Power to Achieve De-Carbonization**

erex Co., Ltd. (Headquarters: Chuo-Ward, Tokyo; Representative Director and President: Hitoshi Honna; hereinafter referred to as the "Company") is pleased to announce that the Company started biomass co-firing test (hereinafter referred to as the "Co-Firing Test") by introducing biomass fuel (wood pellets) at the Cao Ngan Power Plant (57.5MW x 2 units) owned by Vinacomin Power Holdings (Headquarters: Hanoi, Vietnam; General Director & CEO: Bùi Minh Tân; hereinafter referred to as "Vinacomin Power"), a joint test with Vinacomin Power on December 20, 2025.

Wood Pellets for the Co-Firing Test



Coal and Wood Pellets Mixing



### **1. Background**

Vietnam's electricity demand is growing at an annual rate of approximately 10%, and the country relies on coal-fired power plants for approximately half of its power supply. Vietnam has also declared its goal of becoming carbon neutral by 2050, and its 8<sup>th</sup> National Power Development Plan calls for the country to start co-firing biomass and other fuels at coal-fired power plants that have been in operation for 20 years or more. Co-firing biomass fuels that can be procured domestically will contribute to reducing CO<sub>2</sub> emissions and improving energy self-sufficiency rate.

The Co-Firing Test is being conducted based on the MOU on biomass co-firing with coal-fired power signed in September 2022 and the addendum to the MOU (signed on June 17, 2025), both signed with Vinacomin Power, a subsidiary of Vietnam's state-owned Vietnam Coal Mining Group (Vinacomin)

From September to November 2025, the Company conducted Vietnam's first biomass co-firing test at the Na Duong Power Plant, where biomass co-firing with wood chips at a co-firing ratio of up to 20% was implemented. The co-firing test at the Na Duong Power Plant provided the Company with insights into efficient biomass fuel transportation and other things.



## 2. Overview of the Co-Firing Test

The Co-Firing Test is conducted for one of the two 57.5MW units, and involves co-firing of up to 20% biomass. Wood pellets are used as fuel.

|                         |   |
|-------------------------|---|
| The Subject Power Plant | Cao Ngan Power Plant (coal-fired) of Vinacomin Power, Vietnam |
| Output                  | 57.5MW x 2 Units (Test is conducted on one of the two units)  |
| Co-Firing Ratio         | Gradually implemented from 5% to 20%                          |
| Co-Firing Fuel          | Wood Pellets  |

The Co-Firing Test was selected as subsidy recipient for the FY2025 Resource-Rich Country De-Carbonization and Energy Conversion Technology Support Program by the Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry on March 11, 2025, and the subsidy was approved on April 15, 2025. The Co-Firing Test uses this subsidy.

## 3. Future Developments

With the result of the Co-Firing Test, the Company aims to start biomass co-firing business at coal-fired power plants in Vietnam from fiscal year 2026. Furthermore, through these activities, the Company will contribute to Vietnam's goal of achieving carbon neutrality by 2050 and improving its energy self-sufficiency rate.

### ■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 rate and creating jobs.

#### 【Major Initiatives of the Company's Overseas Business】

|        |           |   |
|--------|-----------|---|
| 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                  |
|        |           | <b>Vietnam: Vinacomin Power's Cao Ngan Power Plant started biomass co-firing test</b> |
| 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                        |

Countries where the Company is  
developing overseas business



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