

January 15, 2026  
erex Co., Ltd.

**Completed Joint Test with Vietnam's Vinacomin Power Holdings  
Biomass Co-Firing Test at Coal-Fired Power Plants to Realize a De-Carbonized Society;  
Achieved a Co-Firing Ratio of 30% at the 2<sup>nd</sup> Unit (Cao Ngan Power Plant Unit 2)**

As announced on December 24, 2025, erex Co., Ltd. (Head Office: Chuo-Ward, Tokyo; Representative Director and President: Hitoshi Honna; hereinafter referred to as "the Company"), in collaboration with Vinacomin Power Holdings (Head Office: Hanoi, Vietnam; General Director & CEO: Bùi Minh Tân; hereinafter referred to as "Vinacomin Power"), conducted a biomass co-firing test at the coal-fired Cao Ngan Power Plant (57.5MW x 2 units) owned by Vinacomin Power (hereinafter referred to as "the Co-Firing Test").

Initially, the co-firing ratio in the Co-Firing Test was planned to be up to 20%, but the Company is pleased to announce that a co-firing ratio of 30% was achieved in the test conducted on January 5, 2026, and the Co-Firing Test was completed on January 13.

By increasing the co-firing ratio to 30%, CO<sub>2</sub> emissions will be reduced by 30% compared to coal-fired (coal only) combustion, and more effective use of Vietnam's domestic biomass resources will be made possible.

Fuel Storage Area



A Mixture of Coal and Wood Pellet



### 1. Background of the Co-Firing Test (Re-Iterated)

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 these fuels contributes to reducing CO<sub>2</sub> emissions and improving energy self-sufficiency, and biomass fuels in particular can be procured domestically.

The Co-Firing Test was 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 at the Cao Ngan Power Plant

The Co-Firing Test was conducted for one of the two 57.5MW units, and involved co-firing of up to 30% biomass. Wood pellets were used as fuel.

The main factors that enabled the increase in the co-firing ratio this time include the fact that the boiler is a CFB (Circulating Fluidized Bed) type, which does not require fuel pulverizing, and that wood pellets, used as fuel for co-firing, have a low moisture content and are almost free of harmful components that affect exhaust gas properties, making it possible to maintain combustion conditions and efficiency equivalent to those achieved when firing coal alone.

The Subject Power Plant	Cao Ngan Power Plant (coal-fired) of Vinacomin Power, Vietnam
Output	57.5MW x 2 Units (Test was conducted on one of the two units)
Co-Firing Ratio	Gradually implemented from 5% to 30%
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. Achievements of the Co-Firing Tests at Na Duong and Cao Ngan Power Plants and Future Issues

Achievements	<ul style="list-style-type: none"> <li>● Vietnam's first biomass co-firing test was conducted at a coal-fired power plant at Na Duong Power Plant</li> <li>● 20% co-firing with wood chips was achieved at Na Duong Power Plant</li> <li>● 30% co-firing with wood pellets was achieved at Cao Ngan Power Plant</li> </ul>
Future Issues	<ul style="list-style-type: none"> <li>● The results of both tests are to be reported and proposed to the Vietnamese government to quickly legislate the purchase of electricity from co-firing power generation</li> <li>● Specific consideration of participation in co-firing power generation projects is to be made</li> <li>● Consideration and discussion are to be made with both governments regarding the creation and distribution of carbon credits</li> </ul>

## 4. Future Developments

The Company aims to start biomass co-firing business (co-firing ratio of 20-30%) at coal-fired power plants in Vietnam from FY2026. 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: Vinacomin Power's Na Duong Power Plant completed biomass co-firing test (5-20% co-firing ratio)
		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 Power Plant started biomass co-firing test
2026	January	<b>Vietnam: Vinacomin Power's Cao Ngan Power Plant completed biomass co-firing test (5-30% co-firing ratio)</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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