

**Signed an MOU with Vinacomin Power Holdings of Vietnam
to Explore the Commercialization of Biomass Co-Firing
– Moving to the Commercialization Stage Based on the Results of Co-Firing Tests at
Two Power Plants toward Realizing a Decarbonized Society –**

erex Co., Ltd. (Head Office: Chuo-Ward, Tokyo; Representative Director & President: Hitoshi Honna; hereinafter "the Company") announces that it has signed a Memorandum of Understanding (hereinafter "the MOU") with Vinacomin Power Holdings (Head Office: Hanoi, Vietnam; General Director & CEO: Bùi Minh Tân; hereinafter "Vinacomin Power") on April 16th 2026 to jointly study the commercialization of biomass co-firing at Vinacomin Power's existing coal-fired power plants.

The MOU builds upon the results of co-firing tests conducted jointly by the Company and Vinacomin Power at the Na Duong and Cao Ngan power plants, moving the project into the commercialization study phase.

1. Initiatives to Date and Background

In Vietnam, where electric power demand is increasing at an annual rate of about 10%, approximately half of the country's power generation relies on coal-fired power. Furthermore, Vietnam has declared its goal of carbon neutrality by 2050, and its 8th National Power Development Plan includes a policy to start co-firing with biomass, ammonia, and other fuels at coal-fired power plants that have been in operation for 20 years or more. Co-firing with these fuels contributes to reducing CO2 emissions and improving energy self-sufficiency, and biomass fuel in particular can be sourced domestically.

The Company and Vinacomin Power conducted biomass co-firing tests (hereinafter "the Co-Firing Tests") at two existing coal-fired power plants owned by Vinacomin Power during 2025–2026, achieving favorable results in both cases. The Co-Firing Tests were conducted based on a memorandum of understanding regarding biomass co-firing with coal-fired power, etc., signed in September 2022 with Vinacomin Power, a subsidiary of the state-owned Vietnam National Coal and Mineral Industries Holding Corporation (Vinacomin) of Vietnam, and its addendum (signed on June 17, 2025). Furthermore, on March 11, 2025, the project was selected for the FY2025 Resource-Rich Country Decarbonization and Energy Conversion Technology Support Program by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry, and received the grant decision on April 15, 2025. This subsidy was utilized in the Co-Firing Tests.

■ Co-Firing Tests that Have Already been Conducted

Na Duong Power Plant	Conducted from September to November 2025, on the second unit with a capacity of 55MW Achieved 20% co-firing ratio using wood chips Knowledge was gained regarding fuel transport and co-firing operation as Vietnam's first co-firing test with coal-fired power
Cao Ngan Power Plant	Conducted from December 2025 to January 2026, on the second unit with a capacity of 57.5MW. Achieved 30% co-firing ratio using wood pellets Capable of reducing CO2 emissions by up to 30%

The Company believes that these results demonstrate that there is significant potential for the



commercialization of co-firing utilizing the abundant biomass resources available in Vietnam.

2. Purpose and Overview of the MOU

Following the results of the Co-Firing Tests, the two companies have entered into the MOU to move into the commercialization study phase.

The contents of the MOU are as follows:

Purpose	Mutual cooperation on joint study of biomass co-firing at existing coal-fired power plants owned or invested in by Vinacomin Power
Contents of Co-Operation	<ul style="list-style-type: none"> ① Promotion of discussions and studies toward the commercialization of biomass co-firing at existing coal-fired power plants in Viet Nam. ② Discuss the equity participation by erex in the existing coal-fired power plants in Viet Nam. ③ Collaborate on proposing to the Vietnamese Government, the Japanese Government, and the regulatory authorities of both countries regarding the establishment of laws, regulations, electric price mechanism and any related permission for commercialization of biomass co-firing at existing coal-fired power plants ④ Study on business cooperation schemes and financing for implementing biomass fuel co-firing at existing coal-fired power plants ⑤ Study on economic feasibility of implementing biomass fuel co-firing at existing coal-fired power plants.

3. Future Developments

The two companies will conduct research on the technical and economic aspects and propose mechanisms, continuing to cooperate closely to study the feasibility of commercialization. Furthermore, the Company aims to start biomass co-firing business (20-30% co-firing ratio) for coal-fired power plants in Vietnam from fiscal year 2026. In addition, through these activities, the Company aims to 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 decarbonization, such as the construction of biomass power plants in Vietnam and Cambodia. The Company believes that this will not only contribute to the decarbonization of both countries, but also to improving energy self-sufficiency rate and creating jobs.

Countries where the Company is developing overseas business



【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	Vietnam: Vinacomin Power's Cao Ngan Power Plant completed biomass co-firing test (5-30% co-firing ratio)
	April 16 th	Vietnam: Signed an MOU with Vinacomin Power Holdings of Vietnam to Explore the Commercialization of Biomass Co-Firing
	June	Cambodia: Construction of hydroelectric power plant is scheduled to be completed
FY2027		Cambodia: Biomass and solar power plants are scheduled to start operations
		Vietnam: Yen Bai Biomass Power Plant is scheduled to start operations
		Vietnam: Tuyen Quang Biomass Power Plant is scheduled to start operations

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