



August 12, 2022

Company name: TRE HOLDINGS CORPORATION  
Representative: Mitsuo Abe, President and COO  
(Code: 9247; Prime Market of Tokyo Stock Exchange)  
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## **Integration of Five Retail Electricity Companies and Change of Name to Takeei Denki Co., Ltd.**

TRE HOLDINGS CORPORATION announces that the Board of Directors of the Company approved a resolution today for the merger on September 1, 2022 of five consolidated subsidiaries: Yokosuka Urban-Wood Power Co., Ltd., Tsugaru Apple Power Co., Ltd., Hanamaki Ginga Power Co., Ltd., Daisen Komachi Power Co., Ltd., and Fukushima Mirai Power Co., Ltd. Yokosuka Urban-Wood Power will be the surviving company and will be renamed Takeei Denki Co., Ltd. Some information concerning this merger is not disclosed because this is an absorption merger of consolidated subsidiaries.

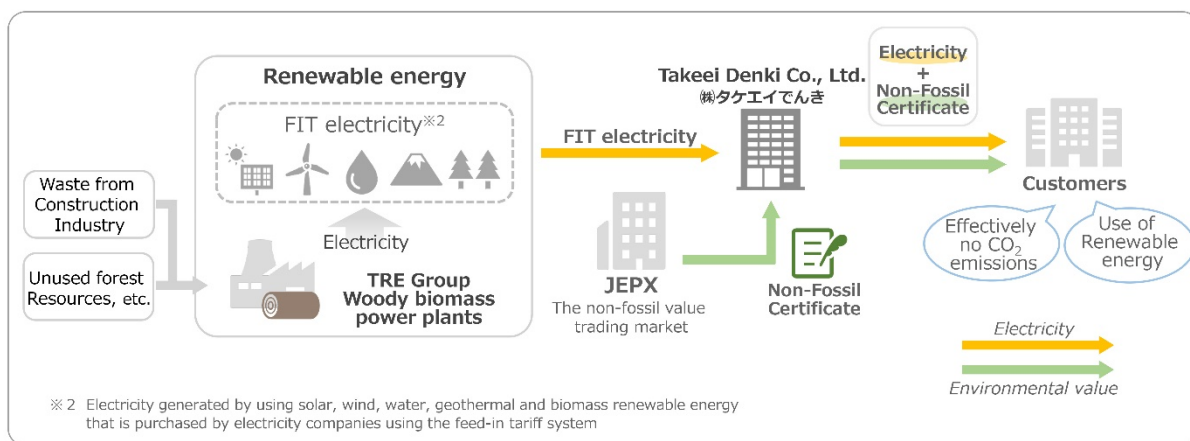
### 1. Purpose of the merger

One purpose of this merger is to utilize the knowledge concerning the retail sale of electricity that has been accumulated by the TRE Group in order to continue the growth of this business and increase the ability to meet customers' needs. In addition, the merger of these five companies is expected to lower expenses by improving business processes, raising efficiency and performing internally tasks that have been outsourced. When this merger takes place, Yokosuka Urban-Wood Power, which is the surviving company, will be renamed Takeei Denki Co., Ltd. Following this merger, the entire output of the six power stations operated by the TRE Group, which have a combined annual output of about 663.775 MWh (enough for approximately 180,000 households) will be sold by Takeei Denki.

Takeei Denki will conduct efficient sales activities in order to meet the expected increase in customers' requests to purchase electricity derived from renewable energy. For example, electricity is generated by burning wood scraps collected from construction sites. Electricity from this renewable source is then supplied as power source to construction site of construction and real estate development companies. The merger is expected to further strengthen and enlarge activities for establishing recycling schemes for resources and energy. From a longer perspective, the unification of the management of the retail sale of electricity is expected to result in the more precise management of profitability, more efficient oversight of electricity supply and demand, and an improvement in the ability to use expertise gained over many years to solve issues requiring highly specialized knowledge.

To reduce exposure to the volatility of market prices of electricity, TRE Group company Green Power Ichihara Co., Ltd. reduces the impact of rapid increases in the cost of electricity by directly selling the non-FIT portion of electricity it generates using RPF (refuse paper and plastic fuel) and other fuel to the Japan Electric Power Exchange. (JEPX). The TRE Group is increasing non-FIT power sources by increasing and stabilizing the internal supply of RPF. These activities increase the group's ability to respond to changes in market prices of electricity. Furthermore, to maintain the stability of its supply of electricity, the TRE Group has many activities for generating more electricity internally (including non-FIT electricity) by increasing power generated from renewable energy sources. There are also sales of Non-Fossil Certificates in compliance with international initiatives such as [SBT](#), [CDP](#) and [RE100](#). Activities involving these certifications that customers are using electricity from renewable sources are expected to increase the TRE Group's role in helping create a carbon-free society.

\*1 Non-Fossil Certificate: Although there is increasing demand for electricity derived from renewable (non-fossil) energy, determining if electricity has come from a renewable source is difficult. Non-Fossil Certificates are issued in proportion to the amount of electricity that a company generates by using renewable energy. The certificates are then sold to enable the holders of these certificates to be viewed as using this renewable energy and thereby helping to reduce greenhouse gas emissions. Non-Fossil Certificates with Tracking are issued by governments and include tracking of information concerning equipment used to generate electricity. These certificates can be used as a method for achieving the targets for RE100 member companies.



Flow chart for non-fossil certificates with tracking

## 2. Summary of the merger

### (1) Schedule

Approval by Board of Directors	August 12, 2022
Signing of merger contract	July 1, 2022
Planned merger date	September 1, 2022 (planned)

(Note) A shareholders meeting to approve the merger contract was not held because this is an absorption merger of consolidated subsidiaries.

### (2) Merger method

Yokosuka Urban-Wood Power will be the surviving company and Tsugaru Apple Power, Hanamaki Ginga Power, Daisen Komachi Power and Fukushima Mirai Power will be dissolved on the merger date.

(3) Allocation of stock or cash for the merger

There will be no allocation of stock or cash due to this merger because this is a merger of consolidated subsidiaries.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights

Not applicable

(5) Change of company name

Yokosuka Urban-Wood Power will be renamed Takeei Denki Co., Ltd. on the merger date.

a. New name

Takeei Denki Co., Ltd.

b. Date of name change

September 1, 2022

3. Profiles of merging companies (June 30, 2022)

	Surviving company	Companies to be dissolved			
(1) Name	Yokosuka Urban-Wood Power Co., Ltd.	Tsugaru Apple Power Co., Ltd.	Hanamaki Ginga Power Co., Ltd.	Daisen Komachi Power Co., Ltd.	Fukushima Mirai Power Co., Ltd.
(2) Head office	Yokosuka, Kanagawa Prefecture	Hirakawa, Aomori Prefecture	Hanamaki, Iwate Prefecture	Daisen, Akita Prefecture	Tamura, Fukushima Prefecture
(3) CEO	Masashi Furudate, President	Masashi Furudate, President			
(4) Activities	Retail sale of electricity	Retail sale of electricity			
(5) Capital	10 million yen	30 million yen	30 million yen	10 million yen	10 million yen
(6) Established	April 1, 2019	July 30, 2015	July 30, 2015	August 17, 2018	June 11, 2020
(7) Shares issued	200	1,000	1,000	200	200
(8) Fiscal year end	March 31	March 31			
(9) Shareholder	TAKEEI CORPORATION 100%	TAKEEI CORPORATION 100%			
(10) Financial Highlights (FY3/22)					
Net assets	-36 million yen	67 million yen	145 million yen	-47 million yen	23 million yen
Total assets	276 million yen	209 million yen	287 million yen	211 million yen	218 million yen
Sales	910 million yen	698 million yen	741 million yen	833 million yen	724 million yen
Operating profit	-38 million yen	-28 million yen	18 million yen	-55 million yen	21 million yen
Ordinary profit	-39 million yen	-28 million yen	18 million yen	-56 million yen	21 million yen
Net income	-45 million yen	-28 million yen	12 million yen	-68 million yen	15 million yen

\*3: Takeei Denki, which will change its trade name on September 1, plans to eliminate its excess liabilities.

4. Profile after the merger

(1) Name Takeei Denki Co., Ltd.

(2) Head office 2-4-1 Shibakoen, Minato-ku, Tokyo

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|---------------------|----------------------------|
| (3) CEO             | Masashi Furudate*3         |
| (4) Activities      | Retail sale of electricity |
| (5) Capital         | 10 million yen             |
| (6) Fiscal year end | March 31                   |
| (7) Shareholder     | TAKEEI CORPORATION (100%)  |

\*3 Masashi Furudate will concurrently serve as a director and managing executive officer and general manager of the Energy Business Division of TAKEEI CORPORATION.

#### 5. Outlook

TRE HOLDINGS believes that the synergies resulting from this merger will contribute to the medium to long-term growth of consolidated sales and earnings.