



March 11, 2024

Dear Investors and Analysts;

Company Name	erex Co., Ltd.
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Groundbreaking Ceremony for Wood Pellet Plant in Tuyen Quang Province, Vietnam
- erex Group's 2nd Pellet Manufacturing Plant Using Wood Residues -

erex Co., Ltd. (Head Office: Chuo-Ward, Tokyo; Representative Director and President: Hitoshi Honna; hereinafter referred to as "the Company") is pleased to announce that the groundbreaking ceremony was held on March 6, 2024 in Vietnam for the wood pellet plant "erex Sakura Biomass Tuyen Quang Plant" (hereinafter referred to as "the Project"), which the Company had been planning in the country of Vietnam.

Note

The main objective of the Project is to collect unused wood residues in Vietnam, process them into pellets, and sell them outside of Vietnam, mainly to Japan. The Company believes that the implementation of the Project will contribute to de-carbonization, job creation for local residents in Tuyen Quang Province, and improvement of energy self-sufficiency.

The ceremony was attended by about 90 people, including Mr. CHAU VAN LAM, General Secretary of the Communist Party, and other related parties.

Mr. NGUYEN VAN SON, Chairman of the People's Committee, said, "We expect the investment of approximately US\$20 million (including working capital) for the construction of this plant to contribute to the economic growth of the region. We will make sure that each department of the province cooperates so that the process goes smoothly in the future, while also giving due consideration to environmental protection in the region".

Mr. Hitoshi Honna, Representative Director and President, reiterated his commitment to the project, saying, "We decided to build the pellet plant in Tuyen Quang Province because the

provincial executives are very positive about attracting biomass power generation, and it is relatively easy to secure biomass fuel and is close to Hanoi, which has a large demand for electric power. We hope to cooperate with the local people for a long time to make Vietnam to be a role model for de-carbonization from here.



Mr.Hitoshi Honna,
Representative Director and President of erex



Mr.Nguyen Van Son,
Chairman of the People's Committee



Groundbreaking Ceremony for the Fuel Plant Project

In addition, the Company donated the cost of constructing the charity house to Tuyen Kwan Province, where the project is being built.



Charity House Donation Ceremony

Based on the 2030 vision of "To become a pioneer in the new era of electric power with renewable energy at its core", the Company aims to realize de-carbonized societies in Japan and abroad. The Company will approach the reduction of energy costs from various angles, making full use of the know-how it has cultivated in the biomass power generation business, fuel business, etc.

【Outline of the Wood Pellet Plant】

- (1) Business Operation: erex Sakura Biomass Tuyen Quang Plant
- (2) Location: Tuyen Quang Province, Vietnam
- (3) Total Investment Amount: US\$20,400,000
- (4) Production Capacity: 150,000 tons/year
- (5) Start of Operation: December 2024 (scheduled)