

erex Completed the Third Biomass Co-Firing Test at a Coal-Fired Power Plant in Vietnam / Joint Test with Vinacomin Power Holdings Aimed at Decarbonization

erex Co., Ltd. (Headquarters: Chuo-Ward, Tokyo; Representative Director and President: Hitoshi Honna; hereinafter referred to as “the Company”) announces that the Company conducted its third biomass co-firing test (hereinafter referred to as “the Co-Firing Test”) in Vietnam.

At the Nong Son Power Plant (1 unit of 30 MW), a coal-fired power plant owned by Vinacomin Power Holdings (Headquarters: Hanoi, Vietnam; General Director & CEO: Bùi Minh Tân; hereinafter referred to as “Vinacomin Power”), biomass fuel feeding started on September 15, 2026, and the co-firing test was conducted on October 7.

In the Co-Firing Test, the co-firing ratio for wood pellets exceeded the target of 20% and reached 30%. On the other hand, the co-firing ratio for wood chips was 5%.



Feeding of the Wood Pellet-Coal Mixture



Feeding of the Wood Chips

1. Background of the Co-firing Test

In Vietnam, where electric power demand is growing at an annual rate of approximately 10%, about half of the country's power supply relies on coal-fired power plants. Furthermore, Vietnam has declared its goal of achieving carbon neutrality by 2050, and under the 8th Power Development Plan, the country intends 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 with biomass fuels that can be sourced domestically contributes to reducing CO2 emissions and improving energy self-sufficiency.

The Co-Firing Test is being conducted in accordance with the MOU regarding biomass co-firing at coal-fired power plants and others, signed in September 2022 with Vinacomin Power, a subsidiary of Vietnam's state-owned Vietnam National Coal Mineral Industries Group (Vinacomin) and the addendum to the MOU (signed on June 17, 2025).

From September to November 2025, the Company conducted Vietnam's first biomass co-firing test at the Na Duong Power Plant, achieving a co-firing ratio of up to 20% using wood chips. Additionally, from December 2025 to January 2026, the Company conducted the second co-firing test at the Cao Ngan Power Plant, achieving a co-firing ratio of 30% using wood pellets.

2. Test Results

In the Co-Firing Test, the wood pellet co-firing achieved a co-firing ratio of 30%, exceeding the target ratio

of 20%. On the other hand, for wood chips, the test was completed with a co-firing ratio of 5% against the target of 20%.

The co-firing ratio for wood chips was limited to 5% this time because wood chip accumulation was observed in the supply equipment, and priority was placed on maintaining stable equipment operation. The test also aims to determine the co-firing ratio achievable without modifying existing equipment. Furthermore, since the supply equipment at a small-scale power plant like this one is compact, the Company was able to identify the specific areas requiring modification to increase the co-firing ratio.

<Test Overview>

Target Power Plant	Vinacomin Power's Nong Son Power Plant (coal-fired), Vietnam
Capacity	30 MW
Co-Firing Ratio	Wood pellets: 5 - 30% Wood chips: 5%
Fuels for Co-firing	Conducted co-firing tests with wood pellets and wood chips, respectively

Furthermore, following units 1 and 2, the Co-Firing Test was selected in July 2026 for the FY2025 "Subsidy for the Decarbonization of Resource-Rich Countries and Energy Transition Technologies" administered by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry. The Co-Firing Test utilizes this subsidy.

Reference: Overseas Business of erex

The Company is promoting business initiatives aimed at decarbonization, such as the construction of biomass power plants in Vietnam and Cambodia. The Company believes these efforts will not only contribute to the decarbonization of both countries but also help improve their energy self-sufficiency and create jobs.



【Major Initiatives in 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	Vietnam: MOU was signed with Vinacomin Power toward commercialization of co-firing business
	June	Cambodia: Cambodia: Hydroelectric power plant started reservoir filling



	September	Vietnam: Vinacomin Power's Nong Son Power Plant started biomass co-firing test
	October	Vietnam: Vinacomin Power's Nong Son Power Plant completed biomass co-firing test
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

■ Contact

erex Co., Ltd. / IR&PR Department

TEL : +81-3-3243-1167

E-mail : ir.info@erex.co.jp

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