

## **Expanding Our Renewable Energy Business Overseas: Regarding the Acceptance of New Shares Through a Third-Party Allotment by erex Co., Ltd.**

Toda Corporation (Head Office: Chuo-ku, Tokyo; President: Otani Seisuke) hereby announces that it has accepted new shares of erex Co., Ltd. (Head Office: Chuo-ku, Tokyo; Representative Director and President: Honna Hitoshi) through a third-party allotment on May 10, 2024.

erex integrates and promotes four lines of business: fuel, power generation, trading, and electric power retail, all of which have renewable energy at their core. Since 2019, it has also been promoting overseas business centered on Southeast Asian countries as a new endeavor. Among these businesses, it has focused particularly on biomass power generation and fuel development projects in Vietnam.

This acceptance of new shares is intended to strengthen the collaboration between Toda Corporation and erex and build a long-term partnership between the two companies. By collaborating with erex in the development of their overseas business, we will promote the expansion of our own overseas renewable energy business.

### **1. The Significance of this Initiative**

#### **(1) The expansion of the renewable energy business in Vietnam**

Within its overseas renewable energy business, erex places particular emphasis on biomass power generation and fuel development, and is currently pursuing development plans for three sites in Vietnam. We will work together with erex to expand and promote renewable energy projects in Vietnam.

#### **(2) Contributing to the fulfillment of the SDGs in Southeast Asian countries**

As the Southeast Asian economy continues to show remarkable growth, power shortages are becoming acute. By expanding our biomass power generation business into new areas, we aim to simultaneously deliver electricity and economic growth, while also capturing opportunities to enter countries where we do not currently have a presence (such as Cambodia).

Biomass power generation does not depend on the weather or other natural conditions, making it possible to secure a stable output compared to other renewable energies. In addition, since waste materials and wood from thinning are often used as fuel, it is possible to lower the environmental impact, contributing to a recycling-oriented society and helping to move us closer toward carbon neutrality.

### **2. Future Developments**

erex is currently building a total of 18 biomass power plants (with a total capacity of 1,100 MW) in Vietnam, including the aforementioned sites, as well as biomass fuel plants for the purpose of exporting to Japan and other countries.

Through our collaboration on this project, we will contribute not only to increased profits, but also to the stable supply of electricity, the transition to a decarbonized society, and economic development in Vietnam.

In the future, we will build on our collaboration with erex to further expand our business in Indonesia and other Southeast Asian countries, where we have a strong presence.