



May 10, 2024

Dear Investors and Analysts;

Company Name: erex Co., Ltd  
Representative: Hitoshi Honna, Representative Director and President  
(Code No.: 9517 TSE Prime Market)  
Contact: Takanobu Yasunaga, Managing Director  
(TEL. +81-3-3243-1167)

### **Notice Concerning the Conclusion of Capital and Business Alliance Agreement**

erex Co., Ltd. (hereinafter referred to as the "Company") is pleased to announce that the Company has decided to enter into a capital and business alliance agreement with JFE Engineering Corporation (hereinafter referred to as "JFE Engineering") at the board of directors meeting held on May 10, 2024, as follows.

#### Note

##### 1. Purpose of the Capital and Business Alliance

Under the vision for 2030, "～For the realization of a sustainable society～ To become a pioneer in the new era of electric power with renewable energy at its core", the Company Group has continued to grow by integrating and promoting four businesses: fuel business, power generation business, trading business, and power retail business, with renewable energy at the core, in order to secure stable earnings and diversify risks.

JFE Engineering is one of Japan's leading engineering companies that has made "contributing to the resolution of climate change issues" a priority management issue, and has played an important role in the construction of biomass power plants of the Company's subsidiaries and affiliates, including EPC (Engineering, Procurement, Construction) services.

The Company and JFE Engineering (hereinafter collectively referred to as "Both Companies") both advocate "carbon neutrality" and "de-carbonization" as key business initiatives. As a result of repeated discussions regarding future business developments related to renewable energy, it has been decided that Both Companies will continue to cooperate in various activities, including the development of the Company's biomass power plants in Japan and overseas, which will contribute to the sustainable growth of Both Companies and the enhancement of their mutual corporate value. In line with this, Both Companies have decided to enter into a capital and business alliance agreement with the aim of building a stronger and long-term partnership.

This capital and business alliance is aimed at building a stronger, long-term partnership in the businesses of Both Companies through JFE Engineering's ownership of the Company's shares, and

promoting sustainable growth and mutual improvement in corporate value for Both Companies.

## 2. Details of the Capital and Business Alliance

### (1) Details of the Business Alliance

The business alliance covers collaboration in the domestic and overseas power generation and fuel development businesses conducted by the Company Group, as well as collaboration in other business fields that Both Companies agree on. The specific scope and conditions of the business alliance will be discussed in the future.

### (2) Details of the Capital Alliance

The Company, as announced today, will issue new shares to its business partners through third-party allotment, and JFE Engineering will subscribe for a portion of them as follows. For details on the issuance of new shares through third-party allotment, please see the "Notice Concerning Issuance of New Shares through Third-Party Allotment" dated May 10, 2024.

(Details of Subscription by JFE Engineering)

- ① Type and number of shares to be subscribed: 4,391,400 common shares (7.38% of the total number of issued shares of the Company)
- ② Subscription amount: Total amount: 3,504,337,200 yen (798 yen per share)
- ③ Payment date (Scheduled): May 30, 2024
- ④ Allotment method: through third-party allocation method

## 3. Overview of the Capital and Business Alliance Partner

(1) Name	JFE Engineering Corporation	
(2) Location	2-2-3 Uchisaiwai-Cho, Chiyoda-Ward, Tokyo	
(3) Title and Name of Representative	Kazuyoshi Fukuda, Representative Director and President	
(4) Business	Engineering Business	
(5) Capital	10,000 million yen	
(6) Date of Establishment	April 1, 2003	
(7) Number of Issued and Outstanding Shares	55,730,000 shares (as of March 31, 2023)	
(8) Fiscal Year End	March	
(9) Number of Employees	Approx. 11,000 (including group companies)	
(10) Major Partners	-	
(11) Main Banks	Mizuho Bank, Ltd., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation	
(12) Major Shareholders and Shareholding Ratio	JFE Holdings, Inc. 100%	
(13) Relationship between the	Capital Relationship	N/A

Company and the Allottee	Personal Relationship	N/A		
	Business Relationship	There is a track record in engineering, procurement, and construction (EPC) contracts at the Company's subsidiaries and affiliated companies		
	Related Party Status	N/A		
(14) Operating Results and Financial Position for the Last Three Years				
Accounting Period	FY March 2021	FY March 2022	FY March 2023	
Net Assets	129,012	130,504	127,138	
Total Assets	334,066	336,641	328,148	
Net Assets Per Share (yen)	2,314.96	2,314.72	2,281.32	
Net Sales	304,240	310,366	300,564	
Operating Income	11,061	12,323	7,006	
Ordinary Income	18,151	19,659	2,903	
Net Income Attributable to Owners of the Parent	32,464	12,089	627	
Net Income Per Share (yen)	582.54	216.93	11.26	
Dividend Per Share (yen)	81.82	177.48	83.45	

#### 4. Schedule

- May 10, 2024: Board of directors meeting to conclude capital and business alliance agreement
- May 10, 2024: Signing of capital and business alliance agreement
- May 30, 2024 (scheduled): Payment date

#### 5. Future outlook

The impact of the conclusion of this capital and business alliance agreement on the Company's operating results is currently minor.

The Company will promptly announce any matters that should be disclosed in the future.