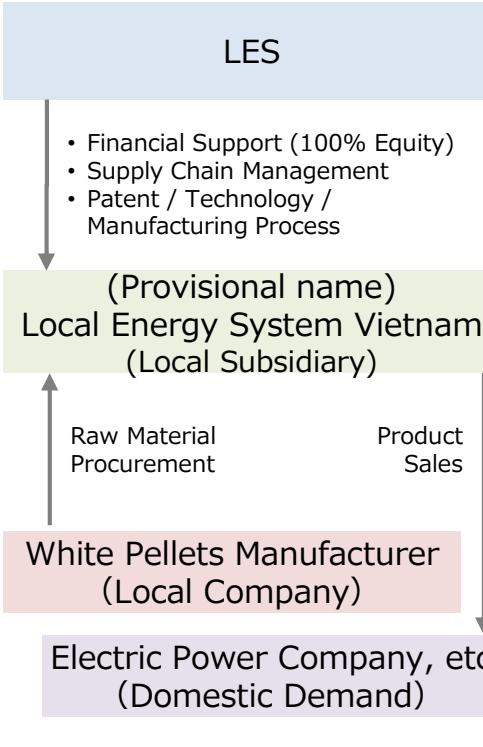


## The Global South Future-Oriented Co-Creation Project: Selected Companies (1st Application)

<b>Project Name</b>	Socialist Republic of Viet Nam / Demonstration Project for Stable Production of Black Pellets, Market Formation, and Supply Chain Building (Black Pellets = BP)		
<b>Company Name</b>	Local Energy System CO., LTD. (LES)	<b>Company Size</b>	SME · Other than SME
<b>Category</b>	Category 1 · Category 2 · Category 3		<b>Project Field</b> GX · DX · Economic Security
<b>Total Project Expenses/Total Subsidy Expenses/Subsidy Application Amount</b>	10.2 billion yen / 8.0 billion yen / 4.0 billion yen		
<b>Project Outline</b> [Project Scheme]	<p><b>LES</b></p> <ul style="list-style-type: none"> <li>• Financial Support (100% Equity)</li> <li>• Supply Chain Management</li> <li>• Patent / Technology / Manufacturing Process</li> </ul> <p>(Provisional name) Local Energy System Vietnam (Local Subsidiary)</p> <p>White Pellets Manufacturer (Local Company)</p> <p>Electric Power Company, etc (Domestic Demand)</p> <p>Raw Material Procurement      Product Sales</p> 		
<p><b>【Outline】</b></p> <ul style="list-style-type: none"> <li>• Establish a BP manufacturing plant in Gia Lai Province, Vietnam, equipped with a small, modular, high-efficiency torrefaction furnace</li> <li>• Procure raw materials (FSC-certified materials, etc.) from a major local WP manufacturer and establish a BP production system</li> <li>• Regarding BP quality, logistics and long-term stable feasibility for power generation applications, and verify the establishment of a sustainable supply chain model in both Japan and Vietnam</li> </ul> <p><b>【Key Technologies and Demonstrations】</b></p> <ul style="list-style-type: none"> <li>• Verify the full commercialization (stable supply and utilization) of BP produced in a small, modular, highly efficient torrefaction furnace manufactured and improved by a Japanese SME as a co-firing material for domestic coal-fired power plants</li> </ul> <p><b>【Schedule】</b></p> <ul style="list-style-type: none"> <li>• April 2026 : Demonstration project</li> <li>• April 2027 – March 2028 : Project phases 1-3 operation sequentially</li> <li>• March 2029 : Project completes</li> <li>• After April 2029 : Coordination for the second and subsequent factories in Vietnam</li> </ul>			<p>【BP Production / Small Modular High-Efficiency Torrefaction Furnace】</p> 

### Resulting benefits to Japan

#### 【Points that this project contributes to innovation creation in Japan】

- Reduce CO2 emissions by utilizing co-combustion materials at coal-fired power plants without large-scale renovations
- Build a BP supply chain (acquire know-how on international rules and standards in line with new IMSBC code requirements, including long-distance ocean transport, dust control measures during loading and unloading, and quality maintenance during storage)
- Establish a domestic R&D center for BP production using a variety of raw materials, serving as a mother factory for future expansion into other ASEAN countries

#### 【Resulting domestic employment and investment benefits】

- Invest in R&D and create direct employment at R&D bases