Fuel Conversion to Natural Gas through Collaboration between Multiple Businesses in Higashine Omori Industrial Park, Yamagata Prefecture

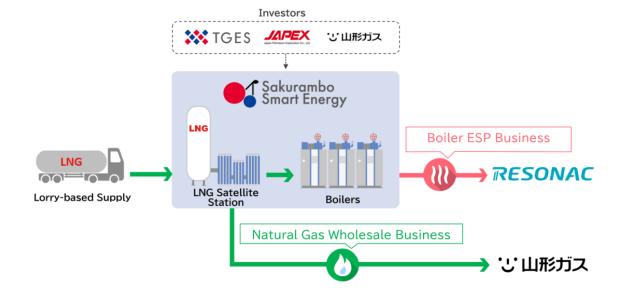
~Fuel conversion reduces CO₂ emissions from relevant equipment by approximately 30%*1~

Sakurambo Smart Energy LLC
Tokyo Gas Engineering Solutions Corporation
Japan Petroleum Exploration Co., Ltd.
YAMAGATA GAS Co., Ltd.
Resonac Hard Disk Corporation
Yamagata Prefectural Government
Higashine City

Sakurambo Smart Energy LLC (Sakurambo SE), Tokyo Gas Engineering Solutions Corporation (TGES), Japan Petroleum Exploration Co., Ltd. (JAPEX), YAMAGATA GAS Co., Ltd. (Yamagata Gas), Resonac Hard Disk Corporation (Resonac Hard Disk) have commenced a joint initiative to convert fuel to natural gas at the Higashine Oomori Industrial Park (hereinafter the "Industrial Park") in Yamagata Prefecture.

This initiative has been commercialized based on a survey*2 conducted by Yamagata Prefecture to promote low carbonization and decarbonization of energy in the industrial sector toward the realization of a carbon-neutral society, and with the support of Yamagata Prefecture and Higashine City*3.

This initiative is expected to reduce CO₂ emissions from relevant equipment by approximately 30%.



Sakurambo SE was jointly established by TGES, JAPEX, and Yamagata Gas in May 2025. Sakurambo SE will install LNG satellite facilities and boilers within the Resonac Hard Disk Yamagata Factory, which is currently in operation within the Industrial Park, and will provide energy services*4. Construction of the LNG satellite facilities will commence in September 2025*5, with the aim of commencing supply in May 2026. Additionally, Sakurambo SE plans to conduct natural gas wholesale business to Yamagata Gas from the same LNG satellite facilities*6.

Furthermore, this initiative has been approved for a subsidy *7 from "the Ministry of the Environment's SHIFT Project (Support for High-efficiency Installations for Facilities with Targets)".

Sakurambo SE, TGES, JAPEX, Yamagata Gas, and Resonac Hard Disk will reduce CO₂ emissions and contribute to the creation of a sustainable Industrial Park through this initiative with the support of Yamagata Prefecture and Higashine City.

- *1 : Reduction effects by fuel conversion for each facility
- *2 : The Survey on Heat Demand and Other Related Matters for the Introduction of Regional Heat Supply Projects in Fiscal Year 2022
- *3 : Study session on the commercialization of district heating and other projects in the Higashine Omori Industrial Park in Fiscal Year 2024
- *4 : A service provided by an energy service provider that designs, installs, owns, and maintains energy systems, with users paying energy service fees in lieu of initial investment.
- *5 : Groundbreaking ceremony scheduled for September 2.
- *6: Gas supply equipment consisting of an LNG storage tank and vaporizers. LNG is supplied by tanker trucks.
- *7 : The subsidy for the "Fiscal Year 2024 Supplementary Budget Subsidy for Measures to Reduce Carbon Dioxide Emissions (Support for the Conversion to CO₂-Reducing Systems)" has been approved.

[Sakurambo SE Overview]

| Company | Sakurambo Smart Energy LLC |
|----------------------|---|
| Head Office Location | 3-1-31 Hakusan, Yamagata City, Yamagata Prefecture |
| Date Established | May 2, 2025 |
| Representative | Naoki Inoue (TGES) |
| Capital | 10 million yen |
| Equity Ratio | TGES 39.99% |
| | JAPEX 39.99% |
| | Yamagata Gas 20.02% |
| Business | Boiler ESP business for Resonac Hard Disk and natural |
| | gas wholesale business for Yamagata Gas |
| Start of operations | Scheduled to begin sequentially from May 2026 |
| | onwards |