

Virtual PPA Concluded with a Single Customer, One of Japan's Largest Agreements of This Kind *Utilizing the Wakayama Gobo Biomass Power Plant under the FIP scheme*

October 28, 2025
 East Japan Railway Company
 Osaka Gas Co., Ltd.
 Daigas Energy Co., Ltd.
 Enewill Inc.
 SMFL MIRAI Partners Co., Ltd.

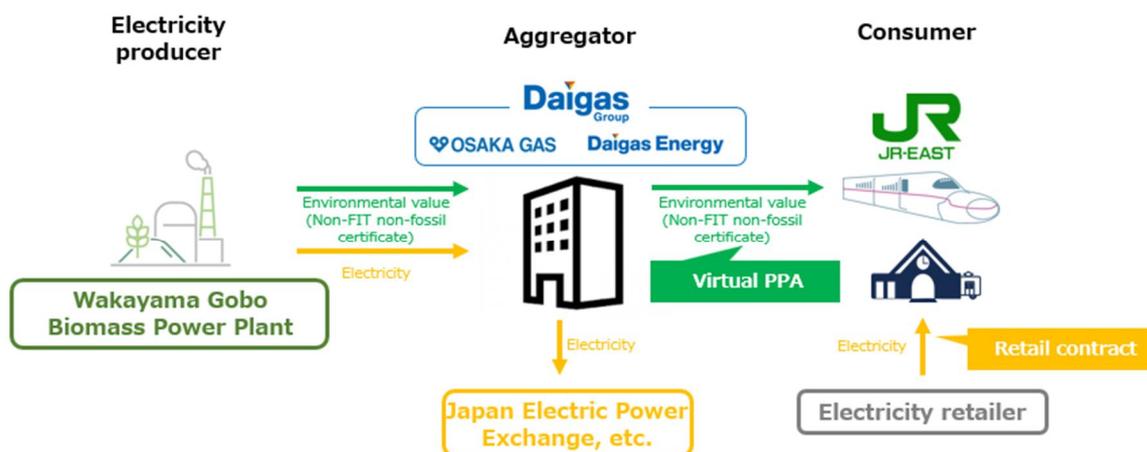
East Japan Railway Company (President and CEO: Yoichi Kise, hereinafter "JR East") and Osaka Gas Co., Ltd. (Representative Director and President: Masataka Fujiwara, hereinafter "Osaka Gas") concluded JR East's first virtual PPA¹ on October 28 through Daigas Energy Co., Ltd. (Representative Director and President: Hiroyoshi Fukutani, hereinafter "Daigas Energy"), an agency of Osaka Gas.

Under this agreement, the Wakayama Gobo Biomass Power Plant, operated under the FIT scheme by Enewill Inc. (President and CEO: Takahiro Sakane, hereinafter "Enewill"), Osaka Gas, and SMFL MIRAI Partners Co., Ltd. (President: Akira Ueda, hereinafter "SMFL MIRAI Partners"), will move to the FIP scheme,² and the environmental value³ arising from approximately 350 GWh generated annually by the power plant will be provided to JR East by Osaka Gas in the form of a non-FIT non-fossil certificate.⁴

The virtual PPA of this size marks the largest procurement volume by a single consumer in the country, equivalent to a CO₂ emissions reduction of approximately 150,000 tons per year. This accounts for approximately 8% of JR East's CO₂ emissions.

1. Overview of the Virtual PPA

JR East will directly purchase only the environmental value commensurate with the amount of electricity generated by the Wakayama Gobo Biomass Power Plant. The electricity JR East actually uses will be supplied by a retail electricity supplier under its existing retail contract.



Schematic diagram of this virtual PPA

2. About the Wakayama Gobo Biomass Power Plant

The Wakayama Gobo Biomass Power Plant, invested in by Enewill, Osaka Gas, and SMFL MIRAI Partners, began operation in August 2025 and sells the electricity it generates to general electricity transmission and distribution companies under the FIT scheme.

To promote the integration of renewable energy into the electricity market and renewable energy as a major power source, the Ministry of Economy, Trade and Industry is encouraging the transition of renewable energy power plants having been introduced under the FIT scheme to the FIP scheme. In preparation for the start of this virtual PPA, the Wakayama Gobo Biomass Power Plant's application to move to the FIP scheme has been accepted, and it plans to begin operating its business under the FIP scheme and supplying environmental value to JR East in April 2026.

Item	Description
Power plant name	Wakayama Gobo Biomass Power Plant
Location of the power plant	Hidaka Port Industrial Site, Gobo City, Wakayama Prefecture
Generation capacity	50 MW
Expected amount of electric power	Approx. 350 GWh/year
Fuel	Wood pellets, PKS
Operator	Wakayama Gobo Biomass Power Plant G.K.
Investors	Enewill Inc. (35%), Osaka Gas Co., Ltd. (35%), SMFL MIRAI Partners Co., Ltd. (30%)
Start of commercial operation	August 21, 2025



3. Initiatives by the Respective Companies

(1) JR East

To continue improving its environmental strengths into the future and remain a corporate group that creates new value for society, JR East has set a long-term goal of reducing CO₂ emissions by 50% by fiscal 2030 compared to fiscal 2013 levels and achieving "net zero" by fiscal 2050, as part of its Zero Carbon Challenge 2050. The railway company has been promoting initiatives such as the development of solar and wind power and other renewable energy sources, energy conservation through the introduction of new vehicles, and efficiency improvements at its own thermal power plants. JR East will continue to make further efforts to achieve "net zero" CO₂ emissions in all

phases of energy flow, from "production and transmission/storage to use."

(2) Daigas Group (Osaka Gas/Daigas Energy)

To achieve carbon neutrality by 2050, the Daigas Group aims to contribute to the spread of renewable energy power generation worth 5,000 MW⁴ both within Japan and abroad, including in-house development, ownership, and procurement, by March 2031. By leveraging its experience in developing and operating renewable energy sources and promoting initiatives such as the transition to the FIP scheme and the use of virtual PPAs, the Group will help make renewable energy sources self-sustainable and work to address the social challenge of creating a carbon-neutral society.

(3) Enewill

Enewill is working to realize the value, and promote the use, of local environmental and energy resources by leveraging the technology and know-how it has cultivated through the development of renewable energy sources such as solar and biomass. The company will continue to deliver environmental value to society through its renewable energy power generation business and promote decarbonization in local communities by further promoting the spread of clean energy.

(4) SMFL MIRAI Partners

SMFL MIRAI Partners is involved in a variety of renewable energy generation businesses, including solar, wind, biomass, and hydroelectric power, as well as the supply of CO₂-free electricity through on-site and off-site power generation businesses and support services for energy saving. It also provides leasing and other financing services for renewable energy and energy-saving equipment and is committed to contributing to the creation of a decarbonized society by providing solutions that support companies' decarbonization efforts.

1: Virtual power purchase agreement (PPA) refers to a type of off-site corporate PPA, a contract for acquiring only the environmental value of a renewable energy power plant.

2: FIP scheme is an abbreviation for feed-in premium scheme. Under the FIP scheme, the Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO) grants a feed-in premium (the difference between the FIP strike price and the reference price), which power producers receive in addition to the profits they earn by buying and selling electricity and environmental value on the wholesale electricity market. The reference price is linked to the market price and is reviewed on a monthly basis.

3: Environmental value is added value arising from zero CO₂ emissions.

4: A non-FIT non-fossil certificate is a certificate that represents the environmental value of renewable energy power plants that have power generation facilities that do not operate under the feed-in tariff (FIT) scheme.