

Hirohata Biomass Power Plant Starts Providing Environmental Value to JR East Through a Virtual PPA

—Reducing JR East's CO₂ Emissions by Approximately 220,000 Metric Tons—

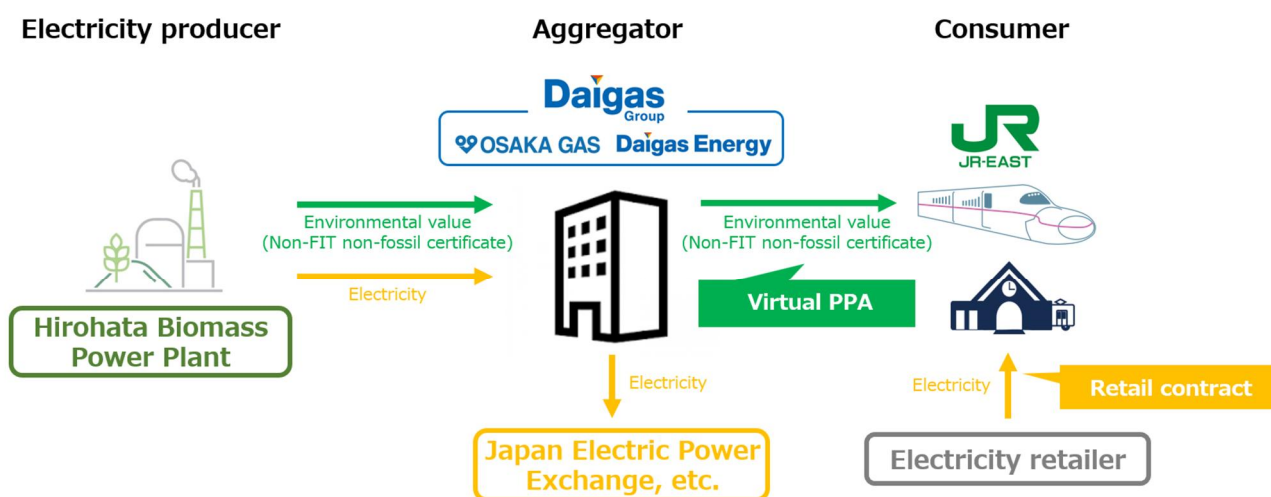
August 5, 2026
 East Japan Railway Company
 Osaka Gas Co., Ltd.
 Daigas Energy Co., Ltd.
 Hirohata Biomass Power Co., Ltd.

East Japan Railway Company (President and CEO: Yoichi Kise; hereinafter "JR East") and Osaka Gas Co., Ltd. (Representative Director, President, and CEO: Masataka Fujiwara; hereinafter "Osaka Gas") have entered into a virtual PPA^{*1} through Daigas Energy Co., Ltd. (Representative Director and President: Hiroyoshi Fukutani; hereinafter "Daigas Energy"), an agency of Osaka Gas, and began providing environmental value starting in August.

Under this initiative, the Hirohata Biomass Power Plant, which is operated under the FIT scheme by Hirohata Biomass Power Co., Ltd. (Representative Director and President: Keiichi Tanaka), has transitioned to the FIP scheme,^{*2} and the environmental value^{*3} arising from approximately 530 GWh generated annually by the power plant is provided to JR East by Osaka Gas in the form of a non-FIT non-fossil certificate.^{*4} This is equivalent to an annual reduction of approximately 220,000 metric tons of CO₂, which accounts for about 12% of JR East's CO₂ emissions.

1. Overview of the Virtual PPA

Osaka Gas purchases the entire volume of electricity and environmental value generated by the Hirohata Biomass Power Plant (Himeji City, Hyogo Prefecture) and sells the electricity to the Japan Electric Power Exchange. JR East purchases the environmental value from Osaka Gas. The electricity JR East actually uses is supplied by a retail electricity supplier under its existing retail contract.



Schematic diagram of the virtual PPA

2. About the Hirohata Biomass Power Plant

The Hirohata Biomass Power Plant has been selling the electricity that it generates to general electricity transmission and distribution companies under the FIT scheme since it began operations in December 2023.

In recent years, the Ministry of Economy, Trade and Industry has been encouraging the transition of renewable energy power plants introduced under the FIT scheme to the FIP scheme in order to promote the integration of renewable energy into the electricity market and establish it as a baseload power source. The Hirohata Biomass Power Plant has transitioned to the FIP scheme in preparation for the launch of this virtual PPA, and as of August 2026, it began operating under the FIP scheme and supplying the environmental value to JR East.

Item	Description
Power plant name	Hirohata Biomass Power Plant
Location of the power plant	1-79 Fujicho, Hirohata-ku, Himeji City, Hyogo Prefecture
Generation capacity	Approximately 75 MW
Projected amount of power generation	Approximately 530 GWh/year
Fuel used	Domestically produced wood chips, imported wood chips, palm kernel shell (PKS)
Operator	Hirohata Biomass Power Co., Ltd.
Start of commercial operation	December 14, 2023



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 2031 compared to fiscal 2014 levels and achieving "net zero" by fiscal 2051, 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 the energy flow, from "generation,transmission and storage,and consumption."

(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 MW 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) Hirohata Biomass Power Co., Ltd.

The Hirohata Biomass Power Plant boasts one of the largest generating capacities among dedicated biomass combustion power plants in Japan (approximately 75 MW) and excellent power generation efficiency. In addition to imported wood chips and palm kernel shells (PKS), the plant also uses domestically produced wood chips, such as forest residue and unused thinned timber, enabling this highly efficient power plant to generate more electricity from domestically produced biomass fuels, which are available in limited quantities.

Through its contribution to reducing CO₂ emissions, this power plant aims to accelerate the transition to a low-carbon economy, take on the challenge of achieving carbon neutrality by 2050, and work toward the realization of a low-carbon and carbon-free society.

*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, in addition to the revenue obtained from selling electricity and environmental value in wholesale power markets, a FIP premium (the difference between the FIP strike price and the reference price) is granted by the Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO). 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 with power generation facilities that do not operate under the feed-in tariff (FIT) scheme.