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Company name	TAKEEI CORPORATION
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## **Notice of Acquisition of Forest by TAKEEI Forestry Co., Ltd.**

TAKEEI Forestry Co., Ltd. (Minato-ku, Tokyo, hereinafter "TAKEEI Forestry") announces that it has acquired forests in Hanamaki City, Iwate Prefecture.

### **1. Background and Purpose**

Our Group continues to focus on the renewable energy business, and currently 4 wooden biomass power plants in the Tohoku region and 2 in the Tokyo metropolitan area are in operation. The forests acquired by TAKEEI Forestry this time are about 240 hectares in Ohasama, Hanamaki City, Iwate Prefecture, where cedars and red pines grow thickly. In the future, we will develop a forest plan in consultation with Hanamaki City, Iwate Prefecture, and forestry companies, and process the cut trees into lumber, plywood, and fuel chips to make full use of each tree, as well as to grow seedlings, plant trees after logging, and reforest. In addition, we will work to grow seedlings and plant trees and reforestation after logging. We will further strengthen our ties with local forestry and the economy by outsourcing operations such as logging, transport, and afforestation to local forest unions.

### **2. About TAKEEI Forestry**

In our group's woody biomass power generation business, stable procurement of woodchips for fuel over the medium to long term is an important issue. We have built a collection system with the cooperation of local governments and foresters, and have been considering holding and managing forests in the group.

In the domestic forestry industry, issues in the management of private forests are becoming particularly serious due to a shortage of leaders and inadequate care for owners. On the other hand, well-managed forests provide a solid ground for trees to firmly establish roots in the ground, and do not spill sand even in heavy rains. They also have high water-preserving

power and prevent flooding.

In May 2020, the TAKEEI Group established TAKEEI Forestry Co., Ltd. in recognition of the need to address forestry issues in the process of fuel procurement, and believes that its involvement in processes such as the transportation of materials, seedlings, afforestation and reforestation will not only enable the stable procurement of fuel in the Group, but also contribute to the regeneration and revitalization of forestry.

### 3. Regional Overview acquired

(1)	Address	Ohasama , Hanamaki City, Iwate Prefecture
(2)	Area	Approx. 240 hectares (Equivalent to about 51 Tokyo Domes)
(3)	Types of trees	Japanese cedar, Japanese red pine, Larch, etc.

### 4. Future outlook

The impact of this matter on the forecast of consolidated financial results for the current fiscal year is expected to be minimal. From the next fiscal year onward, we believe that we will contribute to improving our long-term consolidated results, including the spillover effects of these efforts.



Photo from the top of the acquired forest