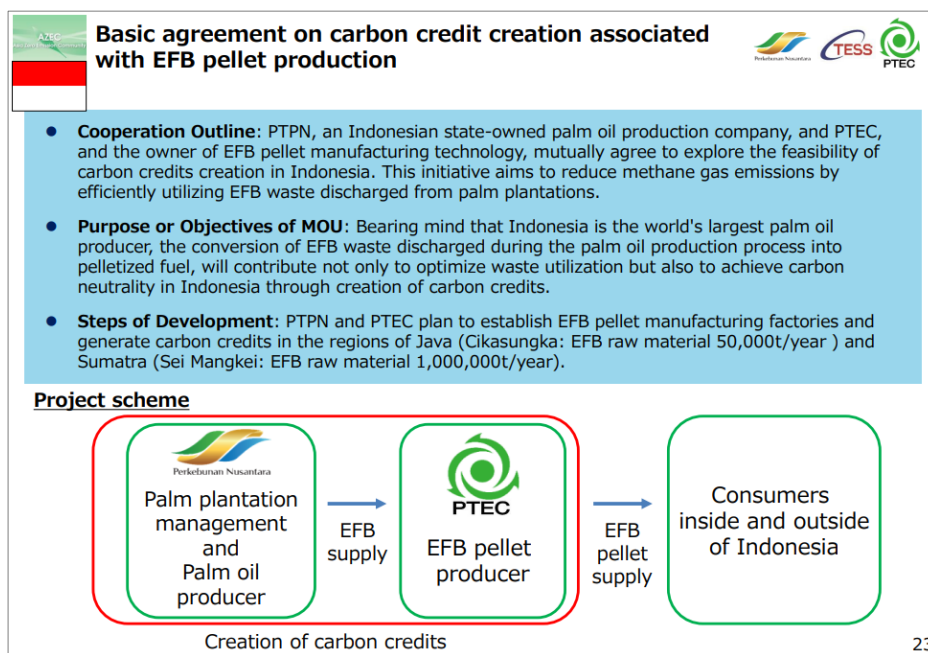


Dear reporters

December 19, 2023
TESS Holdings Co., Ltd.

“The basic agreement on carbon credit creation associated with EFB pellet production business” with Indonesia's state-run palm plantation company PTPN was compiled in the documents furnished at the "Asia Zero Emission Community (AZEC) Leaders Meeting"

We, TESS Holdings Co., Ltd. (registered in Yodogawa-ku, Osaka, Japan and represented by Kazuki Yamamoto, Representative Director and President) are pleased to announce that “The basic agreement on carbon credit creation associated with EFB (*1 – see note below) pellet production business” which is signed between PT PTEC RESEARCH AND DEVELOPMENT (registered in Riau Islands Province, Indonesia and represented by Tomoya Ishida, Representative Director and President), our consolidated subsidiary, and PT Perkubunan Nusantara III (registered in Jakarta Capital Region, Indonesia and represented by Mohammad Abdul Ghani, President) on Wednesday, the 13th of December 2023 (*2 – see note below) was compiled as case example of MOU for tackling decarbonization in Asia, at the "Asia Zero Emission Community (AZEC) Leaders Meeting" held by the government on Monday, the 18th of December 2023.



(Contents of our MOU)

The Asian Zero Emissions Community (AZEC) is a community concept announced by Prime Minister Mr. Kishida in January 2022 to encourage Asian countries to share the idea of decarbonization and collaborate together to accelerate energy transition. The first Leaders Meeting among partnership countries was held on Monday, the 18th of December 2023.

At the "Asia Zero Emission Community (AZEC) Leaders Meeting", Prime Minister Mr. Kishida expressed Japan's willingness to share its technologies and experience through the AZEC concept, and a joint statement was adopted formulating the principles of AZEC and the direction of cooperation, among other initiatives aimed at decarbonizing Asia. Our MOU was also compiled in the document as a case study on AZEC's goal to decarbonize Asia.

Ministry of Economy, Trade and Industry Website :

News Release (Press release, December 18, 2022)

<https://www.meti.go.jp/press/2023/12/20231218004/20231218004.html>

List of MOU Proposals for the AZEC Leaders' Meeting (original text) (posted as No. 23)

<https://www.meti.go.jp/press/2023/12/20231218004/20231218004-7.pdf>

Summary of MOU deals for the AZEC Summit (original text) (on page 23)

<https://www.meti.go.jp/press/2023/12/20231218004/20231218004-9.pdf>

*¹ EFB (Empty Fruit Bunch) :

Palm empty fruit bunches are a by-product (residue) left after extracting oil from Palm fresh fruit bunches.

※² Signed a basic agreement with Indonesia's state-run palm plantation company PTPN on "carbon credit generation associated with EFB pellet manufacturing business" (Press release, December 13, 2023)

<https://ssl4.eir-parts.net/doc/5074/tdnet/2372184/00.pdf>

■ Contact information regarding this matter

Public Relations & Investor Relations Team, TESS Holdings Co., Ltd.

<https://www.tess-hd.co.jp/english/contact/>

※Our group has adopted telework and staggered working hours.

For this reason, we may not be able to respond over the phone, so please contact us via our homepage.

We apologize for any inconvenience this may cause and appreciate your understanding.