

Notice regarding the mass production of Perovskite Solar Cells

SEKISUI CHEMICAL CO., LTD. (President: Keita Kato; hereinafter “SEKISUI CHEMICAL”) announces that it has decided at the meeting of its board of directors held on December 26, 2024, to begin mass production of Perovskite Solar Cells as described below.

1. Purpose of mass production

SEKISUI CHEMICAL has been working to develop and establish mass production technology for lightweight and flexible perovskite solar cells utilizing the Green Innovation Fund, aiming to commercialize the technology in 2025. Although the company has established a certain level of technology and plans to commercialize the product in 2025 by manufacturing at its existing facilities, expanding production capacity and reducing manufacturing costs were the issue. On December 25, 2024, SEKISUI CHEMICAL was selected for the GX Supply Chain Construction Support Project by the Ministry of Economy, Trade and Industry. The company would like to play a central role in realizing the government's goal of establishing a gigawatt (GW) level supply system by 2030, and has therefore decided to make a capital investment with the aim of starting operation of a 100 MW manufacturing line in 2027. SEKISUI CHEMICAL will continue to invest in the construction of a GW-level production line by 2030, with an eye toward overseas expansion, as it continues to capture demand and gradually increase its investment.

2. Overview of mass production

(1) Content of mass production

SEKISUI CHEMICAL will take over the buildings as well as power supply, cooling, and other facilities of the main factory of SHARP CORPORATION in Sakai City, Osaka Prefecture, and install perovskite solar cell manufacturing facilities to carry out manufacture and sales.

To begin mass production, a new company (SEKISUI SOLAR FILM CO., LTD.) will be established and operated for the purpose of designing, manufacturing, and selling perovskite solar cells.

SEKISUI SOLAR FILM CO., LTD. will initially focus on introducing the product on low load-bearing roofs and in the public sector (such as gymnasiums that serve as evacuation centers during disasters) by taking advantage of the product's lightweight and flexible characteristics. It will then aim to expand the business by reducing costs through mass production and creating demand by targeting roofs and exterior walls of private-sector buildings such as factories and warehouses.

Today, SEKISUI CHEMICAL and SHARP CORPORATION entered into a basic agreement regarding a building purchase agreement. SEKISUI CHEMICAL and the Development Bank of Japan Inc. have also entered into a shareholders agreement regarding the joint operation of the company to be established.

(2) Department in charge of the business

- | | |
|--------------------------|---|
| 1) Name | SEKISUI SOLAR FILM CO., LTD. |
| 2) Location | 2-4-4 Nishitemma, Kita-ku, Osaka, Japan |
| 3) Representative | Futoshi Kamiwaki (as of Jan. 6, Director and Senior Managing Executive Officer of SEKISUI CHEMICAL) |
| 4) Main businesses | Product design, manufacture, and sales of perovskite solar cells |
| 5) Capital | 100 million yen |
| 6) Shareholders | SEKISUI CHEMICAL 86%, Development Bank of Japan 14% |
| 7) Date of establishment | January 6, 2025 (planned) |

(3) Overview of shareholders

SEKISUI CHEMICAL

- 1) Name SEKISUI CHEMICAL CO., LTD.
- 2) Location of head office 2-4-4 Nishitemma, Kita-ku, Osaka, Japan
- 3) Representative Keita Kato
- 4) Main businesses Production, construction and sales of housing, production and sales of plastic products, etc.
- 5) Date of establishment March 3, 1947
- 6) Number of employees 2,992 (as of the end of March 2024)
- 7) Capital 100 billion yen

Joint Investor

- 1) Name Development Bank of Japan Inc.
- 2) Location of head office Otemachi Financial City South Tower, 9-6, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan
- 3) Representative Seiji Jige
- 4) Main businesses In addition to operations such as investments, loans, and debt guarantees, and fundraising through corporate bonds and long-term borrowings, the company procures long-term and stable funds through fiscal loan funds and government-guaranteed bonds
- 5) Date of establishment based on the government's Fiscal Investment and Loan Program October 1, 2008
- 6) Number of employees 1,261 (as of the end of March 2024)
- 7) Capital 1,000.4 billion yen (fully government funded)
- 8) Total assets 21,353.3 billion yen (as of the end of March 2024)

(4) Amount and details of special expenditure for the mass production

Total amount of investment: 90 billion yen

*including subsidy (building purchase costs, facility costs for 100 MW manufacturing facility)

3. Schedule

- 1) Date of decision by board of directors December 26, 2024
- 2) Date of new company establishment January 6, 2025 (planned)
- 3) Start date of sales FY2025 (planned) *Manufacturing and sales at existing facilities
- 4) Operation start date of facility funded through investment April 1, 2027 (planned)

4. Content of adopted GX Supply Chain Construction Support Project

- | | |
|------------------------|---|
| 1) Products | Film-type perovskite solar cell finished products |
| 2) Subsidies | Building, etc. acquisition costs, facilities costs, system purchase costs |
| 3) Subsidy rate | 1/2 |
| 4) Subsidized expenses | 314.5 billion yen (total amount of subsidies: 157.25 billion yen) |
| 5) Production capacity | 1 GW-level |
| 6) Subsidy period | November 2024 to the end of February 2029 |
- *we submitted a prior commencement notification and made adjustments to start the project during the open call period.

5. Future outlook

The impact on consolidated business results for the current fiscal year is judged to be negligible; however, we will promptly disclose any matters that should be announced going forward. SEKISUI CHEMICAL Group will lead this business to form the market, contributing to solving social issues while also enhancing the Group's profitability