

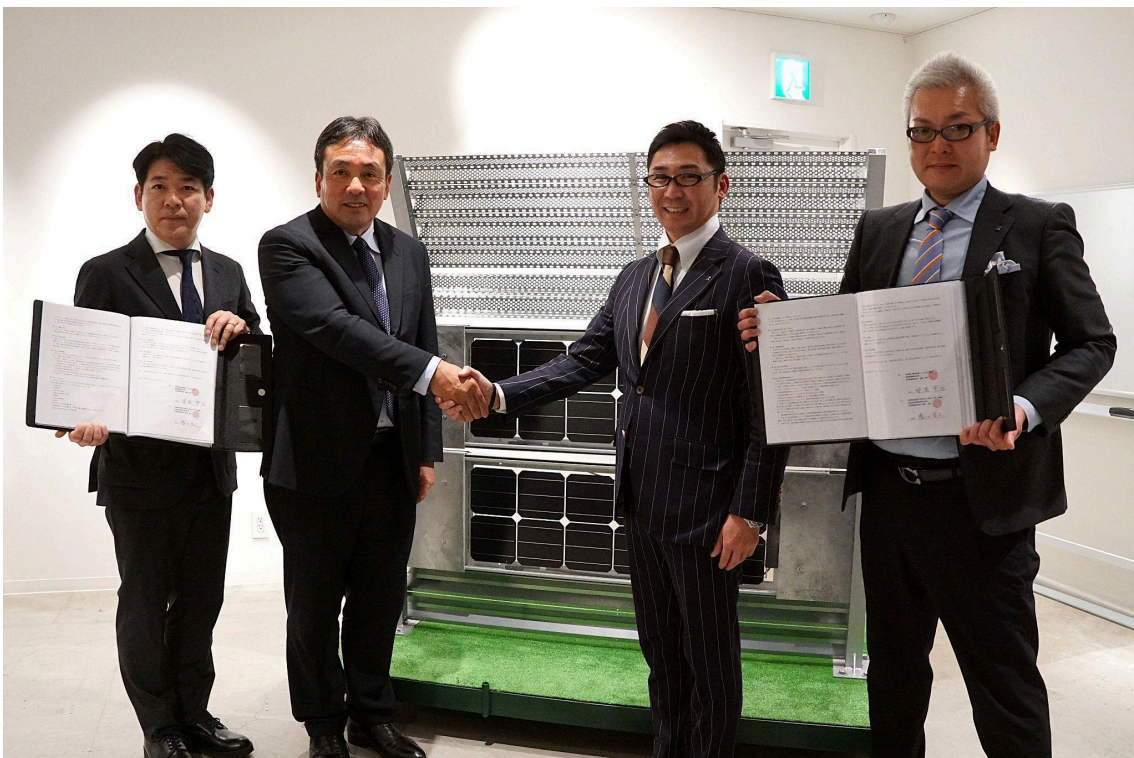


Press Release

November 11, 2024
Riken Kogyo Inc.
Hokkaido Shizen Energy Inc.

Riken Kogyo and Hokkaido Shizen Energy Form Partnership on Product Development and Implementation of Wind and Snow Resistant Solar Power Systems and Wildlife Repellent Measures

Riken Kogyo Inc. (Riken Kogyo) and Hokkaido Shizen Energy Inc. (Hokkaido Shizen Energy) have signed a business partnership agreement on November 11, 2024, with the aim of combining Riken Kogyo's wind and snow protection technology and wildlife repellent technology with Hokkaido Shizen Energy's strengths in planning, proposing, supporting and developing decarbonization solutions utilizing natural energy. The purpose of this agreement is to collaborate on the development and sale of new products and technologies that address issues faced by communities both domestically and internationally, including Hokkaido.



Background of the Business Partnership

In the future, as exemplified by the GX Financial and Asset Management Special Zone in Sapporo, Hokkaido, industries using renewable energy are expected to expand. On the other hand, damage to crops by wild animals such as deer and bears, as well as traffic accidents, have become social problems.

As both companies aim to expand their businesses in Hokkaido and internationally, Riken Kogyo is a wind and snow fence manufacturer with a 70% share of the domestic market. The total length of its snow fence installations in Japan has reached 1,700 km, with its wind and snow fences installed in heavy snowfall regions such as Hokkaido, Tohoku and Hokuriku. On the other hand, Hokkaido Shizen Energy, while following the track record of its Group company Shizen Energy Inc. in renewable energy generation related businesses, has advanced proof of concept (PoC) experiments to evaluate the feasibility of vertical solar installations and their coexistence with agriculture. This is being achieved through collaboration with academic institutions such as Rakuno Gakuen University and Obihiro University of Agriculture and Veterinary Medicine, and Shizen Energy Hokkaido has been promoting vertical solar installations and supporting decarbonization projects for local companies and municipalities in Hokkaido.

The background of this business partnership is the mutual agreement between both companies on the potential to create synergy by jointly developing products that leverage their respective technologies and expertise to address Hokkaido's strengths and challenges.

Future Goals Based on the Business Partnership

Moving forward, under this business partnership agreement, both companies aim to develop new wind and snow-resistant solar arrays, as well as wildlife-repellent solar arrays, that are unique in the market. These will be created by integrating Riken Kogyo's technology in wind and snow countermeasure products for roads and wildlife repellent products, with Hokkaido Shizen Energy's expertise in vertical solar power systems and renewable energy. Together, they will work on developing products that leverage Hokkaido's strengths and address its challenges, while advancing sales and installations in heavy snowfall regions within Hokkaido, as well as nationally and internationally.

In addition, since the cost of maintaining and managing future social infrastructure is a social issue, the companies will explore business models that can generate new revenue through solar power generation.

Company Overview

Riken Kogyo Inc.

Riken Kogyo Inc. was established in November 1955 and will celebrate its 70th anniversary next year. The company manufactures snow fences that allow drivers to drive safely on roads during snowstorms, holding a high market share with track records in Hokkaido, Tohoku, Hokuriku, and other regions. In recent years, the company has been aiming to commercialize the use of vertical solar panels and is developing snow fence-type solar modules that combine power generation with wind and snow resistance. Additionally, the

company is working on developing wildlife repellent fences by incorporating wildlife repellent products into this solar power system to prevent damage by deer, another issue in the region.

Location: 3-263-7 Zenibako, Otaru City, Hokkaido

Representative: Kozo Shibao, Representative Director

Capital: 12 million JPY

Business: Development, manufacture, sales and design research of snow fences and wind fences. Development and sales of wildlife repellent products

Website: <https://www.riken-kogyo.co.jp/english/>

Hokkaido Shizen Inc.

Established in March 2024. In Hokkaido, where diverse energy sources such as solar power, wind power, biomass, and geothermal energy are abundant and further introduction of renewable energy is expected, the company aims to promote local decarbonization as well as contribute to local economic development, including the agriculture and livestock industry.

Location: Kita 5-jo Nishi 5-chome 1-5, Chuo-ku, Sapporo, Hokkaido

Representative: Naoto Takiguchi (President, Representative Director)

Capital: 10 million JPY

Business: Planning, supporting and developing decarbonization solutions for local governments in Hokkaido

Website: <https://www.shizenenergy.net/en/service/hokkaido-shizen-energy/>

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