

April 23, 2012

INCJ to Invest in Venture Aiming to Commercialize New See-through Solar Cell Module

Supporting Global Expansion of the Seeds at Small and Medium-Sized Manufacturing Companies

The Innovation Network Corporation of Japan (hereinafter INCJ; Chiyoda-ku, Tokyo; CEO Kimikazu Noumi) has decided to invest ¥500 million in a new company to be split off from Kyosemi Corporation (Kyoto City, CEO Josuke Nakata) for the purpose of commercializing a new type of see-through solar cell module (registered trade name “Sphelar[®]”).

Sphelar[®] generates power from a spherical, ultra-compact photovoltaic cell with a diameter of 1.2mm, whose major distinguishing feature is an unprecedented light transmission ratio (translucency), making it fundamentally different from conventional solar cell modules. Additional features include its three-dimensional spherical design, allowing light to be absorbed from any direction, while its pliability permits its shape to be freely chosen, and its distinctive structure gives it good shock-absorbing capability.

The new company aims to exploit the translucency advantage to cultivate a new market that avoids the fierce cost competitive pressures prevailing in the market for conventional solar cell modules. Specific targets are the fashion/interior market where superior design quality is demanded, and construction materials and parts such as window and wall materials. There is already much interest in such markets, including Sphelar[®] being considered for use in wall materials at an art museum in Europe.

As the first stage of the investment process, the INCJ will provide funds for the development of Sphelar[®] and for equipment investment at the new company, as well as assist in finding strategic partners. In addition and with a view to developing international markets where aesthetic considerations are important, the INCJ will assist in formulating an intellectual property strategy for overseas that takes full advantage of Sphelar’s superior design characteristics. With regard to the business development, Hitachi High-Technologies (Minato-ku, Tokyo; CEO Masao Hisada) will jointly invest ¥100 million as well as providing personnel, marketing and cooperative product development support as a business partner.

About the Innovation Network Corporation of Japan (INCJ)

The Innovation Network Corporation of Japan (INCJ) was established by law in 2009. It aims to foster the next generation of businesses through a process known as “open innovation”, meaning encouraging technology and expertise to flow beyond the boundaries imposed by existing organizational structures. It has the capacity to invest a total of ¥2 trillion and its mission is to support industrial renewal in Japan by investing in highly innovative businesses.

The INCJ is run by staff with a diverse range of experience in investment, technology and management. Investments are thoroughly vetted by the INCJ’s Innovation Network Committee to ensure they meet the standards laid out by law and established by the government

The INCJ has to date invested ¥400bn in a total of 23 projects. It conducts “hands-on” investment, developing businesses with advanced underlying technologies through its intellectual property fund, expanding the business activities of venture companies, reorganizing and consolidating businesses with core technology strengths, and encouraging overseas expansion through international acquisitions in such areas as environmental and energy-related electronics and IT, biotechnology and life sciences, and in infrastructure, for example water supply.

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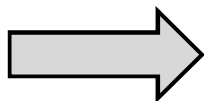
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<Appendix1>

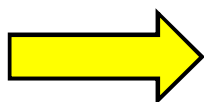
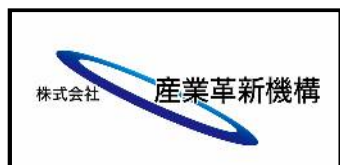
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Investment Target: Spherical Solar Cell Module (Sphelar®) - New Company to be Established as a Spin-Off from Kyosemi
Business Activity: Development, Manufacture and Marketing of Sphelar
Investment Amount: ¥500 million



Spin Off Company (Intellectual Property)



Invest ¥500 Million
Seek strategic Partners
Support Intellectual Property Strategy for Overseas

Hitachi High-tech



Invest ¥100 Million
Send Personnel
Support Marketing and Joint Product Development

Special Properties of Sphelar®

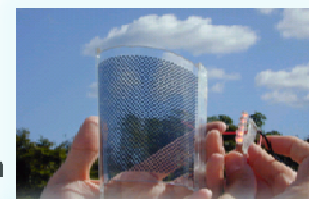
- Spherical, ultra-compact photovoltaic module (1.2mm diameter)
- Translucency with unprecedented light transmission ratio
- Three-dimensional spherical design absorbs light from any direction; design allows free choice of shape; superior shock-absorbing capability

Target Markets

- Fashion/interior market where superior design quality is demanded, and construction materials and parts such as window and wall materials

Investment Rationale

- Supporting global expansion of the seeds at small and medium-sized manufacturing companies



See-through solar cell module "Sphelar®"
(glass, 180cm x 20cm)