December 20, 2024

To Whom It May Concern

Company Name: HOKUSHIN CO., LTD.
Representative: Hideaki Takahashi
President
(Securities Code: 7897, TSE Standard Market)
Inquiries: Hideshi Matsukawa
General Manager, Corporate Planning Office
(TEL: 072-438-0141)

Notice of Signing of Basic Contract for Manufacturing "PANECO® board M"

Notice

On November 29, 2024, WORKSTUDIO Corp. (Head Office: Shinjuku-ku, Tokyo; President: Kazuhiro Hara) and Moririn Co., Ltd. (Head Office: Ichinomiya-shi, Aichi; President: Shunsuke Mori) and HOKUSHIN CO., LTD. (Head Office: Kishiwada-shi, Osaka; President: Hideaki Takahashi) signed a basic agreement for the production of PANECO® board M, a mass-produced textile recycle board made from waste clothing fiber. Through the conclusion of the basic agreement, we confirmed the cooperative system with each company's roles (WORKSTUDIO: Development, Moririn: Sales and Equipment Investment, HOKUSHIN: Manufacturing). We also began ordering facilities for thoroughly considered mass production, and commenced full-scale operations toward the social implementation of PANECO® board M.

The facility is scheduled to be fully operational in 2027. We plan to produce two types of products: 100% waste garment fiberboard and mixed ratio 49% wood 51% waste garment fiberboard.

Currently, approximately 92 million tons of clothing is disposed of annually worldwide, about 82% of which is directly disposed of. This is also a major social problem in Japan. With the ideas of our three companies and MDF manufacturing techniques we have cultivated over the years, we aim to contribute to the establishment of resource recycling in textiles and to the construction of a recycling-oriented society.

END

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.