

September 25, 2019

Earthside Group

Spread Co., Ltd.

**Spread Enters into Partnership Discussions for
World's Largest Automated Vertical Farm
with Production Capacity of 5 tons of Lettuce Per Day**

Spread Co., Ltd. (HQ: Kyoto, Japan; CEO: Shinji Inada, hereinafter "Spread"), a member of Earthside Group, together with Kyushu Electric Power Co., Inc. (HQ: Fukuoka, Japan; President and CEO: Kazuhiro Ikebe, hereinafter "Kyushu Electric"), Kyudenko Corporation (HQ: Fukuoka, Japan; President: Matsuji Nishimura, hereinafter "Kyudenko") and Tokyo Century Corporation (HQ: Tokyo, Japan; President & CEO, Representative Director: Shunichi Asada, hereinafter "Tokyo Century"), entered into discussions for the construction of a new automated vertical farm that would utilize a non-productive parcel of land located on the Kyushu Electric's Buzen Power Plant site.

Kyushu Electric has expressed a recognition of vertical farming's goals of "contributing to food safety and bringing peace of mind to customers", as well as interest in the potential for job creation in the area, and in the effective usage of land. Spread currently operates an automated vertical farm "Techno Farm Keihanna," which is the first farm to employ its next generation food production system *Techno Farm*TM, in Kizugawa, Kyoto, and which started shipping its produce in November 2018. While looking at the possibility of expanding its vertical farming business based on the same system, Spread decided to enter into these discussions with Kyushu Electric, Kyudenko and Tokyo Century, with which it shares common business goals and direction.

The new farm under consideration would be the one of the world's largest, with a production capability of 5 tons of lettuce per day. Furthermore, Spread, together with Kyushu Electric, would consider utilizing the farm as a virtual power plant (VPP) resource, as well as partly using renewable energy sources for its electric needs.

To achieve a sustainable model for agriculture, Spread will continue to pursue further technological innovation by deepening its cooperation and collaboration in various fields.

News Release



Concept image of the farm

◆ Kyushu Electric Power Co., Inc.

President and CEO : Kazuhiro Ikebe
 Established : May 1951
 Capital : 237.3 billion yen
 Location : 2-1-82 Watanabe-dori, Chuo-ku, Fukuoka, Japan
 Business Activities : Electric Utilities
 Role in the partnership : Construction and operation of the farm and energy management (under consideration)

◆ Kyudenko Corporation

President : Matsuji Nishimura
 Established : December 1944
 Capital : 12.5 billion yen
 Location : 1-23-35 Nanokawa, Minami-ku, Fukuoka, Japan
 Business Activities : Total equipment and facility solutions
 Role in the partnership : Installation and maintenance of electric and ventilation equipment (under consideration)

◆ Tokyo Century Corporation

President & CEO, Representative Director : Shunichi Asada
 Established : July 1969
 Capital : 34.2 billion yen
 Location : 3 Kanda-neribeicho, Chiyoda-ku, Tokyo, Japan
 Business Activities : Leasing, installment sales and other financial services
 Role in the partnership : Equipment lease (under consideration)

News Release

◆Spread Co., Ltd.

CEO	: Shinji Inada
Established	: January 2006
Capital	: 87.4 million yen
Location	: Kyoto Research Park#8, 90 Chudojiawata-cho, Shimogyo-ku, Kyoto, Japan
Business Activities	: Vertical farming operation, management and sales of the products
Role in the partnership	: Provision of technology and know-how for construction and operation of the farm (under consideration)

◆Techno Farm™

Techno Farm™

Techno Farm™ is a next generation food production system created by Spread based on over 10 years of operating experience and technological innovation in vertical farming. Joint development with Japanese technology companies for innovations such as automated cultivation, water recycling and environmental control technologies, specialized LED lighting and IoT will reduce environmental burden and operational costs.

URL: www.technofarm.com/en

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