

News Release

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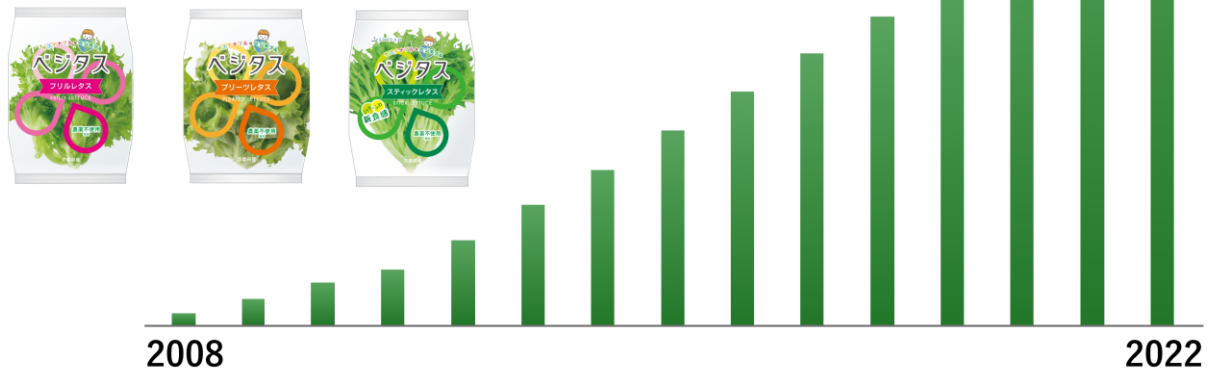
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Spread's Vertically Farmed Lettuce Sales Exceed 100 Million Servings in Japan

The cumulative sales of vertically farmed lettuce *Vegetus*, produced and sold by Spread Co., Ltd. (HQ: Kyoto, Japan; CEO: Shinji Inada), exceeded 100 million servings in November 2022.



Over 100 Million Lettuce Packs Sold



Vegetus is an indoor leaf lettuce brand produced by Spread. Under the concept of "Sustainable Vegetable", Spread aims to grow vegetables that are healthy for both people and the Earth just by eating them. The product is recognized and loved by customers for its added value benefits, which include:

- ease of use,
- ideal size,
- rich nutrient content,
- pesticide-free cultivation.

The lineup consists of three different types of lettuce with different shapes and textures, and they are sold in approximately 5,000 retail stores, as well as food service and ready-made meal operators across Japan.



Crispy
Frilly Lettuce

A crisp and crunchy lettuce. As its signature frilly leaves do not get mushy easily when cooked, its uses expand beyond salads to cooked dishes such as soups.



Soft
Pleated Lettuce

Gently sweet and aromatic, this lettuce with its large leaves can be used in a variety of ways, from sandwiches to lettuce wraps.



Crispy & Soft
Stick Lettuce

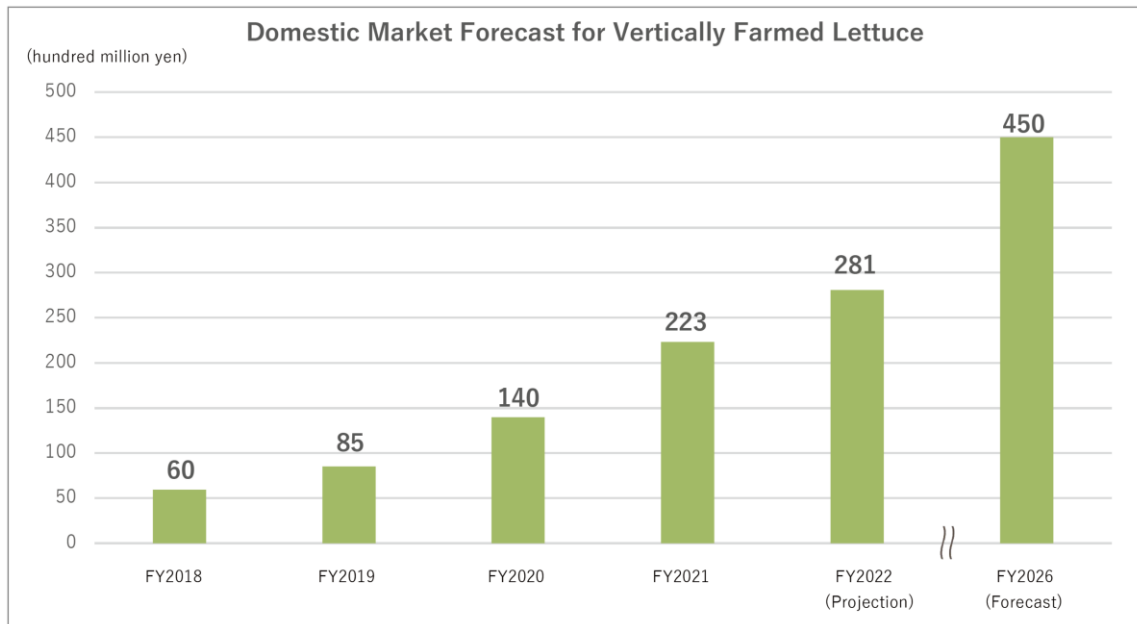
Crispy stem and soft leaves together create a new sensation! Elongated leaves mix well with dressing, and will no doubt enrich the everyday cooking with a range of new uses.

The Story of *Vegetus*

Research and the development of vertical farms (also called plant factories) in Japan has been ongoing since the 1980s, but has not reached the stage of large-scale business production until recently. In this regard, *Vegetus* is a pioneering product that was launched in 2008, at the dawn of the industry. Spread's founder and CEO, Shinji Inada had originally been engaged in the fresh produce distribution business, and came across vertical farming based on his strong concern about Japanese agriculture due to the volatility of fruit and vegetable prices arising climate change, the decrease in agricultural producers, and the lack of successors. At the time, neither the quality nor price of vertically farmed vegetables had been on par with those of outdoor produce, so Inada independently developed *Vegetus* to be high-quality and delicious while at the same time being an affordable product by utilizing his discerning skills as a fresh produce professional.

Market Creation

Believing that vertically farmed vegetables should not be limited to premium products, Spread tirelessly worked on innovating cultivation technology and improved its operations to make the products more affordable for a wider audience. With the need for convenience and awareness of health on the rise, *Vegetus*'s cumulative sales exceeded 100 million servings, and continue to grow. Overall, vertically farmed lettuce is now being sold in numerous supermarkets across Japan, and the market is expected to expand further, reaching 45 billion yen by 2026*¹.



Source : Yano Research Institute "Plant Factory Market in Japan: Key Research Findings" 2022

Commitment to Deliciousness and Safety



1. Indoor Cultivation

Spread is pursuing the deliciousness and texture of vegetables through a unique hydroponic cultivation method that has acquired multiple patents. Due to the cultivation space being a closed area, there is no need to worry about insects or weeds, and this makes it possible to produce vegetables in a pesticide-free manner. Creating an environment where plants can thrive makes for a better product, as the lettuce retains its original taste without the typical bitterness of outdoor lettuce, in addition to being rich in beta-carotene*2.

2. Safety and Quality Control

We grow vegetables in a hygienic environment that has acquired international certification standard under the GLOBALG.A.P. standard and JAS0012 certification for vertical farms, established by the Japanese Ministry of Agriculture, Forestry and Fisheries. In addition to hygiene measures such as zoning, wearing special sanitary clothing, thoroughly washing one's hands, and removing dust and foreign matter

using adhesive tape and air showers before entering the cultivation area, Spread also conducts sensory tests of the produce to ensure only high quality vegetables are delivered to the customers.

3. Product Development to Increase Added Value

In 2021, amidst growing awareness of sustainability, Spread launched a sustainable product “Chigiri” using leaves that are removed during the production process. This spring Spread started selling a new European lettuce variety, the first to be introduced in Japan, under the name of “Stick Lettuce”. We continue to develop products that meet the ever-changing lifestyles and needs of consumers.



Chigiri

Stick Lettuce

*1 Yano Research Institute “Plant Factory Market in Japan: Key Research Findings” 2022

*2 Vegetus clears Japanese Ministry of Health, Labor and Welfare standards for “beta-carotene rich” vegetables (equal or more than 600µg/100g)

■ Overview of Spread

Company Name	: Spread Co., Ltd.
Chief Executive Officer	: Shinji Inada
Location	: Kyoto Research Park #6, 93 Chudojiawata-cho, Shimogyo-ku, Kyoto, Japan
Established	: January, 2006
Company Website	: https://spread.co.jp/en
Product Website	: https://www.vege-tus.com (Available in Japanese only)