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**Notice on Establishment of TSUNAGU Community Farm LLC to Construct and Operate Vertical Farms and Construction of Techno Farm Fukuroi, World’s Largest Vertical Farms Producing 10 Tons Daily**

Chubu Electric Power Co., Inc. (President & Director: Kingo Hayashi; Head Office: Higashi-ku, Nagoya; "Chubu Electric Power"), ES-CON JAPAN Ltd. (President & Representative Director: Takatoshi Ito; Head Office: Minato-ku, Tokyo; " ES-CON JAPAN"), and Spread Co., Ltd. (Chief Executive Officer: Shinji Inada; Head Office: Shimogyo-ku, Kyoto; "Spread") announced today that they have entered into an investor agreement regarding the establishment of TSUNAGU Community Farm LLC ("new company") which will construct and operate vertical farms.

Expectations are high for vertical farms capable of stably producing agricultural products by managing and controlling cultivation environment. It is hoped that such facilities will help resolving issues that society faces, such as the growing consumer need for food 'safety and security,' decrease in the number of farmers owing to the declining birthrate and aging population, and food supply instability due to frequent abnormal weather events.

Based on this investor agreement, ES-CON JAPAN, Chubu Electric Power and Spread will establish the new company in July 2021 and promote initiatives for constructing and operating vertical farms.

More specifically, the aim is to start construction of Techno Farm Fukuroi in Fukuroi city, Shizuoka Prefecture, which will be the world's largest automated vertical farm, utilizing fully artificial light and capable of producing 10 tons of lettuce per day in October 2021. The farm will be set to launch production in January 2024.

The integration of Chubu Electric Power's energy management know-how, ES-CON JAPAN's real estate development capabilities, and Spread's cultivation technology to construct and operate vertical farms will allow for the efficient and stable production of 'pesticide-free, safe and clean' lettuce.

Through the operation of vertical farms, ES-CON JAPAN, Chubu Electric Power and Spread will offer a solution to issues affecting our food and agricultural sector. ES-CON JAPAN, Chubu Electric Power and Spread will also contribute to realizing a sustainable and comfortable society as well as achievement of SDGs through the promotion of decarbonization efforts, including proactively utilizing clean energies and effectively using CO<sub>2</sub> in the cultivation process.



**【Overview of new company】**

Name	TSUNAGU Community Farm LLC
Established	July 2021(scheduled)
Location	1,Higashi-shincho, Higashi-ku, Nagoya-shi, Aichi Prefecture
Managing partners	Chubu Electric Power (representative member), ES-CON JAPAN, and Spread
Investment	Chubu Electric Power: 51%, ES-CON JAPAN: 48%, and Spread: 1%
Business	Production and sale of agricultural products through the operation of vertical farms, utilizing fully artificial light.

**【Conceptual drawing of the Farm (exterior)】**



**【Image of the inside of the Farm】**

• Seedling nursery



• Cultivation room



\* These photos show "Techno Farm Keihanna" of Spread.