April 11, 2019

TEPCO Energy Partner, Inc.
Fuyo General Lease Co., Ltd.
Farmship, Inc.

Establishment of a Joint Venture to Operate the Largest Plant Factory in Japan

TEPCO Energy Partner, Inc. (Chuo-ku, Tokyo; President: Toshihiro Kawasaki; hereafter “TEPCO EP”), Fuyo General Lease Co. Ltd. (Chiyoda-ku, Tokyo; President: Yasunori Tsujita; hereafter, “Fuyo Lease”), and Farmship, Inc. (Chuo-ku, Tokyo; Representative Directors: Masahiro Kitajima and Mizuki Yasuda; hereafter, “Farmship”) concluded a basic agreement on March 25,2019 on the establishment of a joint venture for production and sales of factory-grown vegetables, mainly leafy greens.

The joint venture established in April of this year, with the goal of beginning operation around the spring of 2020.

The joint venture will operate a plant factory in the city of Fujieda, Shizuoka Prefecture. The plant factory will be a fully-closed type equipped with artificial lighting and environment controlling facilities for optimal growth of vegetables. The factory is to produce leafy green vegetables mainly including lettuce with capacity of 4 tons per day, which will be the largest in Japan at present. The vegetables will be distributed to food processing factories (e.g., boxed lunches, ready-to-eat dishes) and retail stores, mainly in the Kanto, Chubu, and Kansai areas.

Plant factories, which is not affected by outdoor weather, gains broad attention as a new solution for challenge of Japanese agriculture: stabilization of quality, quantity and price of vegetables, food safety with pesticide free cultivation.

TEPCO EP has been focusing on plant factory business as a new solution for their customers utilizing their existing energy solution service. Fuyo Lease sees it as a business where capital investment in energy and growth can be expected to strengthen its energy and environmental segment, which is a strategic area for the company.

These two companies, which already have been collaborating with each other in ESCO business* and energy supply services, decided to incorporate with Farmship which has wide track records in business development of plant factories. The three companies hereby reached an agreement on establishing the joint venture after determining that each party’s advantage could be utilized for the optimal plant factory.

Each companies bring strengths to the joint venture: TEPCO EP will provide energy-saving technology and expertise in operating equipment to reduce energy costs, as well as a sales network to various entities including food processing plants. Fuyo Lease has competitive advantage in financial solutions and management accumulated through its financing business, and Farmship possesses overall expertise in plant factories in terms of production, distribution, human resource development, and other aspects.

TEPCO EP, Fuyo Lease, and Farmship will contribute to solving social problems, meeting community needs, and stable, sustainable development of agriculture in Japan by stable supply of secured and safe vegetables through joint venture business.

* ESCO business: Energy Service Company business, outsource business which guarantees cost reduction by providing services related to improvement of energy cost and efficiency at customers' site.

<Factory Profile >

- Location: Fujieda, Shizuoka Prefecture
- Floor area: Approx. 9,000m^2
- Completion date: March 2020 (plan)
- Vegetables produced: Lettuce and other leafy greens
- Production capacity: 4 tons per day (at full production)





For reference: Plant factory images

<Joint Venture Profile (Plan) >

Trade name:	Saisai Seikatsu LLC
Date of establishment:	April 2019
Address:	1-1-3 Uchisaiwaicho, Chiyoda-ku, Tokyo
Managing Partners:	TEPCO Energy Partner, Inc. (Representative partner) Fuyo General Lease Co., Ltd.
Capital:	500 million yen
Investment interest:	TEPCO Energy Partner, Inc.: 50% Fuyo General Lease Co., Ltd.: 49% Farmship Inc.: 1%
Business description:	Vegetable production and sale

Direct inquiries to:

Business Management Office., TEPCO Energy Partner, Inc.
Phone +81 (50) 3116 3147

Saito / Watanabe Corporate Communications Div.,
Fuyo General Lease Co., Ltd.
Phone +81 (3) 5275 8891

Fujita／Farmship, Inc.
Phone +81 (3) 5829 9601