

JFE Engineering Enters LED Lighting Sales Business

14 May 2010

JFE Engineering Corporation

JFE Engineering Corporation will launch an LED lighting sales business through a tie-up with the Taiwan-based manufacturer Genesis Photonics Inc. (GPI; Tainan County, Taiwan R.O.C.; President: David Chung).

1. Target Market

The main target of this new business is the corporate/local government market, which includes manufacturing plants and office buildings, railway stations, roadway and street lighting, and similar applications. The estimated scale of the Japanese domestic market for these applications is approximately 80 million 40W fluorescent lights per annum.

2. Objectives of Tie-up

The tie-up with GPI has the following three main objectives:

JFE Engineering has developed and supplies various energy saving and CO₂ reduction products, particularly in the fields of power generation systems and air-conditioning systems.

- (1) The tie-up will enable further progress in energy saving/CO₂ reduction in the total systems of plants and other facilities by combining these JFE technologies with LED lighting.

- The JFE Group is already one of Japan's leading business groups of recycling fluorescent tubes. In addition to
- (2) marketing LED lighting, JFE will also encourage recycling of scrapped conventional

- GPI is an integrated maker with manufacturing operations covering the processes from LED wafers to finished lighting equipment, and is particularly strong in cost
- (3) competitiveness. Taking advantage of these features, JFE is confident that it can compete successfully with established major lighting makers in the rapidly-growing Japanese

market. In particular, strong sales are expected in the plant and office building markets.

3. Merits of LED Lighting

- (1) Energy saving: Power consumption is approximately half that of conventional lighting.

Long life: The life of LED lighting is approximately 40,000

- (2) hours, or roughly 4 times that of conventional fluorescent tubes.

Low replacement cost: The long life of LED lighting greatly reduces the frequency of replacement work in locations that

- (3) require the use of special vehicles or restrictions on traffic, such as replacement at the high locations, above roadways, and the like. As a result, the cost of replacement will be less than 1/4 that of conventional lighting equipment.

4. Business System

JFE Engineering has established a wholly-owned subsidiary, JFE Advanced Light Co., Ltd. (JFE Advanced Light), to handle marketing and installation work. Advanced Light Sales Company will be employed as a sales agent. Although Advanced Light Sales Co. does not have a capital relationship with JFE Engineering, it will also be responsible for some sales and installation work under JFE Advanced Light. Lease-type sales will be handled by Century Tokyo Leasing Corporation.

5. Products and Prices

JFE will enter this business with the following two products, and expects to expand its product line progressively over time.

"JFE Advanced Tube"("JFE Ad-Tube")

- (1) (40W fluorescent tube-shaped LED lighting, ADLT-120-Atype)

Price: ¥8,000 (includes consumption tax); cost of

installation work is not included.

“JFE Advanced Ball” (“JFE Ad-Ball”)

(60W bulb-shaped LED lighting, ADLB-Atype)

- (2) Price: ¥2,000 or less (includes consumption tax); final decision of price scheduled by end of May.

Note: Various subsidies for the introduction of these energy saving lights are available from the Ministry of Economy, Trade and Industry (METI), Tokyo Municipal Government, etc. JFE Advanced Light will provide information on these subsidies as part of proposals for reducing introduction costs.

6. Other

JFE Engineering and GPI will jointly conduct market research and product development for entry into markets other than Japan.

[Reference]

JFE Advanced Light Co., Ltd.

Address : 2-1 Suehiro-cho, Tsurumi-ku, Yokohama

Capitalization : ¥25 million

Representative : Yoshihiro Okuno, President and
Representative Director

Date
established : April 2010

Telephone : +81-45-505-7467

Advanced Light Sales Company

Address : 2-11-7 Hacchobori, Chuo-ku, Tokyo

Capitalization : ¥10 million

Representative : Seisuke Iino, Representative Director

Date
established : April 2010

Telephone : +81-3-6280-3981

Genesis Photonic Inc.

Address : No. 5 Dali 3rd Rd., Tainan Science-Based
Industrial Park, 741, Taiwan R.O.C.

Capitalization : 1.4 billion NT dollars

Representative : David Chung, President

Date
established : January 2002

Telephone : +886-6- 500-3500

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