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JFE Engineering Corporation

### **Expansion of Tomakomai Smart-Agriculture Plant – Use of Hot Spring Heat as Plant Heat Source –**

JFE Engineering Corporation (President and CEO: Hisanori Kanou; Head Office: Chiyoda-ku, Tokyo) has decided to expand its Smart-Agriculture Plant in Tomakomai City, Hokkaido.

The Company also announced that it has begun drilling of a hot spring to newly utilize hot spring heat as a heat source for the plant.

JFE Engineering constructed the original Smart-Agriculture Plant (No. 1 Greenhouse, No. 2 Greenhouse, total: 1.5ha) equipped with tri-generation systems utilizing gas engines in Tomakomai City, and a JFE affiliate, J Farm Tomakomai Co.,Ltd.(President: Koichi Kimura; Head Office: Tomakomai City Hokkaido), has been producing tomatoes and baby leaf since August 2014. The shipped farm products are sold in stores such as supermarkets in Hokkaido and enjoy wide patronage.

Building on this success, JFE Engineering plans to expand this operation by constructing a new No. 3 Greenhouse (1.0ha) in order to diversify the types of products being grown and demonstrate the use of diverse heat sources by the plant.

No. 3 Greenhouse will grow and ship high added-value products, beginning with a high sugar content tomato, “Smart Ruby,” which JFE is now developing in an experimental greenhouse at its Yokohama Head Office. The new greenhouse is scheduled to be completed and begin cultivation of “Smart Ruby” by the end of November of this year.

Regarding demonstrations of heat sources for use at the Tomakomai Smart-Agriculture Plant, waste heat of gas engines is already being used, and preparations are underway for use of biomass as a heat source by a biomass boiler beginning in mid-February.

In addition to those heat sources, in the new project, JFE will demonstrate utilization of hot spring heat as a heat source. The aim is to establish a plant model using the most easily-available and economical heat source in the regions where smart-agriculture plants are located. As the economic effect of utilizing hot spring heat, a cost reduction of approximately 50% compared to heat supplied by a conventional warm air heater is foreseen.

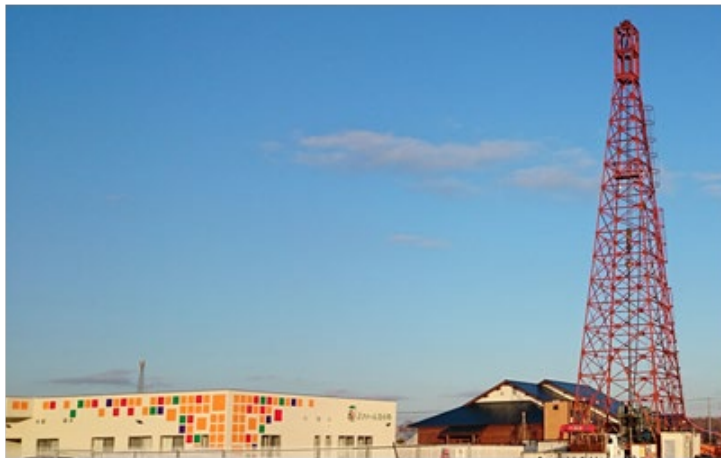
JFE Engineering is promoting the development of new agricultural businesses by smart-agriculture plants which are capable of utilizing the diverse energy resources that exist in various regions throughout in the world.

Drawing of greenhouse expansion plan

No. 3 Greenhouse



Derrick for drilling hot spring



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