



YAMATO

July 6, 2022

Kubara Honke Group Head Office Co., Ltd.

Yamato Transport Co., Ltd.

Kubara Honke Group, Yamato Transport Enter Into Co-Creation Logistics Partnership Agreement

Optimizing entire supply chain from raw materials procurement to sales

Kubara Honke Group (Headquarters: Hisayama-machi, Kasuya-gun, Fukuoka Prefecture; Representative Director and President: Tetsuji Kawabe, hereinafter “Kubara Honke”) and Yamato Transport Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Representative Director and President: Yutaka Nagao, hereinafter “Yamato Transport”) entered into a co-creation logistics partnership agreement on July 5, 2022. The purpose of the agreement is the end-to-end optimization of Kubara Honke’s supply chain—from raw materials procurement to sales—as it aims to achieve sustainable growth and a sustainable society in its two-hundredth year of business.

1. Background and Purpose of the Agreement

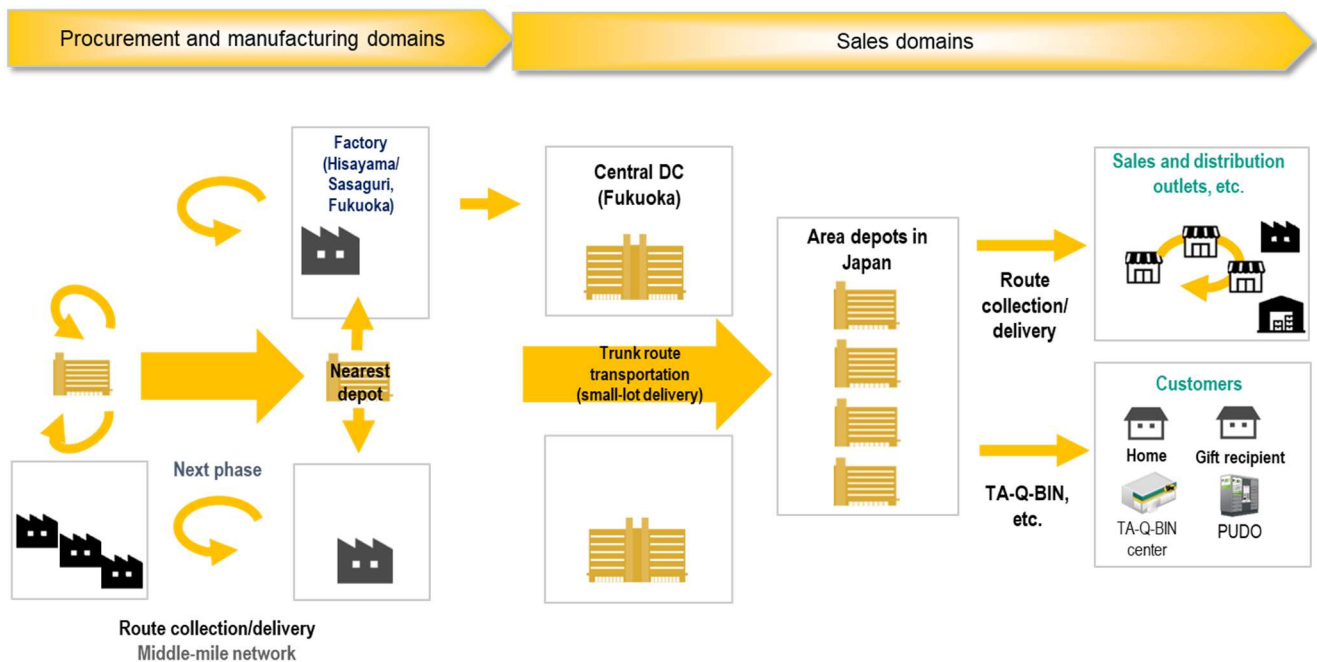
Kubara Honke is a general food manufacturer, originating from a soy sauce maker founded in 1893. Based in Fukuoka Prefecture, Kubara Honke sells its products through distribution outlets such as retail shops, food markets at department stores and supermarkets nationwide, and through its official mail-order website. In anticipation of the two-hundredth anniversary of its founding, the company will open a new factory in Hokkaido, the source of its procurement, on July 14, 2022. It has been investigating the integration and optimization of multiple supply chains with the aim of achieving both sustainable growth through business expansion and a sustainable society.

As a lead logistics partner that resolves corporate management issues and achieves sustainable growth through logistics, Yamato Transport supports supply chain transformation that contributes to sustainable management. This includes initiatives such as the visualization and optimization of inventory to strengthen omni-channel competitiveness, mitigating environmental impact and the centralized management of over 100 warehouses nationwide, transportation and delivery networks including TA-Q-BIN and middle-mile route collection and delivery, and inventory management systems.

With the conclusion of this agreement, the two companies will leverage Yamato Transport's middle-mile network in Hokkaido to establish logistics related to raw materials procurement for the new Hokkaido factory. Moreover, the sales and distribution outlet and mail-order supply chains will be integrated to optimize the supply of products from Kubara Honke’s two manufacturing bases in

Fukuoka and Hokkaido to customers across Japan. The new system will enhance the employee experience by reducing delivery lead time for mail-order purchases and improving delivery methods to stores to create more customer service time for staff members, and making the customer experience even better for the 1.3 million members of the Kubara Honke loyalty point service.

Aim of Yamato Transport and Kubara Honke Under the Agreement



2. Details of the Co-Creation Logistics Partnership Agreement

Based on the notion of constructing a supply chain that works together with residents and all partners to achieve sustainable growth and a society that respects sustainability and diversity, the two companies have agreed to implement the following:

1) Formulate optimal supply chain

Supply chains that have been individually optimized for each channel and product will be merged to create an optimal, integrated supply chain from the Fukuoka and Hokkaido manufacturing bases to the rest of Japan.

2) Formulate logistics system that ensures timely supply

The inventory of more than 10,000 items of raw materials and supplies used at factories, as well as products sold at 34 sales and distribution outlets nationwide and at official mail-order sites will be centrally managed. With respect to sales logistics in particular, the companies will formulate a logistics system that enhances the fluidity of inventory across channels, utilizes a transport management system enabling comprehensive management of information related to transportation and delivery to control the optimal transportation method according to demand

and conditions, and ensures the timely supply of only the necessary amount to each base and outlet.

3) Establish an efficient scheme for raw materials procurement

The two companies will leverage Yamato Transport's middle-mile network to establish an efficient scheme for procuring raw materials for factories in Hokkaido and Fukuoka.

4) Implement sustainable operations, mitigate CO₂ emissions

Kubara Honke and Yamato Transport will implement environmentally friendly and sustainable operations and reduce CO₂ emissions generated during product delivery.

3. Future Development

The two companies will introduce the raw materials procurement scheme in phases in line with the launch of operation of Kubara Honke's Hokkaido factory in July 2022. Starting in fiscal year 2022, they will proceed with the gradual integration of the supply chains for all products from Kubara Honke's two manufacturing bases in Fukuoka and Hokkaido to the rest of Japan. The aim by the end of fiscal year 2024 is to establish an optimal supply chain for all products across all channels—including procurement—as stipulated in this agreement.



From left: Yutaka Nagao, Representative Director and President, Yamato Transport;
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Kubara Honke Group is a general food manufacturer, originating from soy sauce maker founded in 1893. The company's brands include Shobo-an, a brand that emphasizes the creation of flavors reminiscent of Hakata; Kayanoya, a seasoning and food brand with no chemical seasonings or preservatives; Kayanoya Kojigura, which offers flavor and health through the power of *koji* (rice malt); the Kubara series of *umatare* and *agodashi*, which utilizes the umami of flying fish stock, and HOKKAIDO i which promotes the ingredients and food culture of Hokkaido. In 2011, the company also launched the Kubara Dandan Art Project, the purpose of which is to create opportunities for people with disabilities to participate in society through painting. Winning entries appear on packaging materials for the delivery of the company's products and as bus wrap designs for buses operating in Fukuoka City, in an effort to realize a society rich in diversity.