



September 21, 2022 Kewpie Corporation Yamato Transport Co., Ltd.

Kewpie's First Direct Food Sales Website Qummy® Delivers Original Products, Packaged Salads "Fresh" to the Dining Table

Joint establishment with Yamato Transport of new D2C distribution scheme in three temperature ranges

Kewpie Corporation (Headquarters: Shibuya-ku, Tokyo; Representative Director and President, Mitsuru Takamiya, hereinafter "Kewpie") and Yamato Transport Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Representative Director and President: Yutaka Nagao, hereinafter "Yamato Transport") have established a distribution scheme for Qummy, Kewpie's first direct food sales website, to be launched on Wednesday, September 28, 2022, utilizing Yamato Transport's distribution network in three temperature zones—room temperature, refrigerated, and frozen.

In addition to room temperature, refrigerated, and frozen products, items such as packaged salads, which are difficult to handle due to their small windows for consumption, are shipped directly to customers' tables with their quality intact.

* Sales to be conducted primarily in the Kanto region upon launch (Tokyo and six surrounding prefectures, excluding the Izu Islands and Ogasawara Islands).

1. Background and Purpose of the Scheme

Kewpie is Japan's first producer and seller of mayonnaise. Its founder sought to "help improve the physiques and health of Japanese people," and by popularizing a new food culture of eating vegetables with salad, "encourage people to follow a healthy diet." Moreover, the Kewpie Group's products are widely deployed in home-cooked, home meal replacement, and restaurant foods, and are deeply ingrained in various scenarios at different stages of life, from childcare to nursing care food. The 2030 Vision calls for Kewpie to be "a food partner for every person." The company aims to improve happiness at the dining table by delivering personalized products and services that satisfy the needs of its customers while at the same time addressing their food concerns. As food and lifestyle diversity grows, more people are

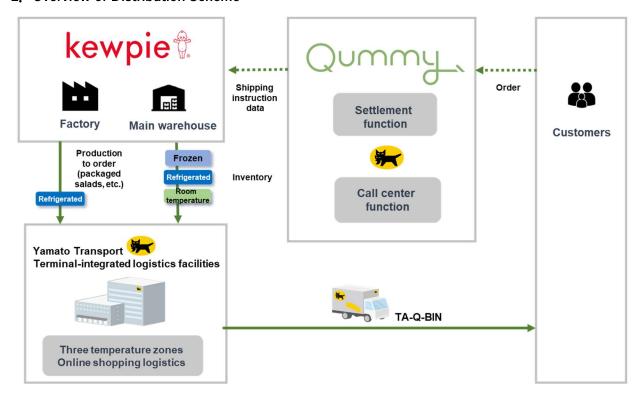
becoming health-conscious and want to incorporate vegetables into their diets, while many other people are busy every day and find it challenging to add vegetables to their regular meals. Kewpie has been considering launching a direct-to-consumer (D2C) business with the aim of delivering a vast array of vegetable dishes, recipe and menu ideas, and products that can be prepared in "under a minute" straight to customers' dining tables. The challenge for the company in launching the business was to create a distribution scheme that differed from the traditional one, in which products are shipped straight to customers while pursuing its commitment to quality as a food manufacturer.

Yamato Transport leverages its bases with three temperature zones—room temperature, refrigerated, and frozen—and its delivery and transport network in support of the logistics of corporate clients, from upstream to downstream business processes of the supply chain. Moreover, in an aim to achieve carbon neutrality the company seeks a 48% reduction in greenhouse gas (GHG) emissions by 2030 (compared with fiscal 2020) through the introduction of electric vehicles (EVs), installation of solar panels, establishment of dry ice-free operation and by switching 70% of electricity used to that derived from renewable energy sources, and is actively promoting initiatives to contribute to the reduction of Scope 3 GHG emissions.

In launching the Qummy direct food sales website, the two companies integrated Kewpie's management resources with Yamato Transport's bases, transportation and delivery network, and settlement and call center functions to formulate the optimal distribution scheme as quickly as possible following the launch of the study.

This has made it possible to handle products that were previously considered challenging, including items such as packaged salads that are made to order due to their small window for consumption, while also facilitating the distribution of products that contribute to the enhancement of happiness at the dining table for customers.

2. Overview of Distribution Scheme



Key Points

- 1) When launching the direct sales site, the companies introduced only the necessary functions possessed by Yamato Group—transport, cold storage warehousing, settlement, and call center—and formulated a distribution scheme rapidly with minimal investment.
- 2) At a facility integrating a TA-Q-BIN sorting terminal and three-temperature-zone cold storage functions, Yamato Transport performs storage and shipping operations. This results in shortening the lead time from production to delivery and enables the handling of a broad range of products. It further minimizes the occurrence of food loss from products with small windows for consumption.
- 3) Packaged salads made to order at the factory are bundled with other ordered products at the Yamato Transport logistics facility and shipped together to customers.

3. Overview of Qummy

Kewpie is committed to providing a table rich in vegetables to satisfy the dietary requirements of its customers. Qummy is a new service that contributes to the enhancement of happiness at the dining table by providing a rich variety of vegetable dishes, recipes, menu ideas, and products that can be prepared in "under a minute."

1- Website name: Qummy

2- URL: https://qummy.kewpie.co.jp/

3- Launch of sales: Wednesday, September 28, 2022

4- Sales area: Initially the Kanto region (excluding Izu Islands and Ogasawara Islands)

5- Products for sale: In addition to customized salads that customers can select and prepare themselves, it sells original Qummy dressings (refrigerated), soups (room temperature), prepared salads (refrigerated) made using proprietary technology, and plant-based egg alternative HOBOTAMA (frozen). The company is schedule to expand the lineup sequentially.



Salads that customers can select and prepare (Example of a customized salad)



Original Qummy products (Rear: Soup; front center: dressing; right: prepared salad)

4. Future Development

Leveraging the newly established distribution scheme, Kewpie intends to sequentially expand its product lineup, including meal kits. It also plans to further expand the sales area.

Contact

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Related press release:

Kewpie Corporation news release

URL: https://www.kewpie.com/newsrelease/2022/2712