



December 15, 2022 Zen-Noh Foods Co., Ltd. Yamato Transport Co., Ltd.

ZEN-NOH Foods, Yamato Transport Establish D2C Distribution Scheme for Frozen Products Sold Online

Selling set products that combine popular items, reducing shipping lead time

ZEN-NOH Foods Co., Ltd. (Headquarters: Shibuya-ku, Tokyo; Representative Director and President, Koichi Abe, hereinafter "ZEN-NOH Foods") and Yamato Transport Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Representative Director and President: Yutaka Nagao, hereinafter "Yamato Transport") have established a direct-to-consumer (D2C) distribution scheme for frozen products sold through the ZEN-NOH Foods online shop, which will open on Rakuten Ichiba from Thursday, December 15, 2022, utilizing Yamato Transport's distribution network including cold storage bases.

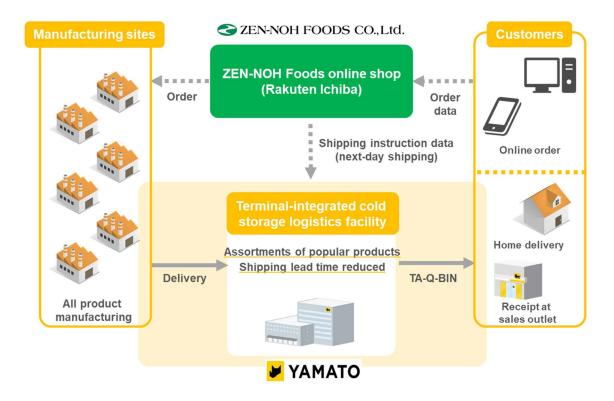
1. Background and Purpose of the Scheme

ZEN-NOH Foods is a food sales company of the JA ZEN-NOH Group, which functions as a bridge connecting Japanese producers and consumers with peace of mind. Based on the company's philosophy of contributing to agriculture and local communities in Japan, it is engaged in mail-order and food service sales, linking customers and manufacturing sites to deliver safe, secure foods and the excitement of the seasons through the bounty of nature, such as rice, fruit, and agricultural and livestock products. Unlike the conventional cold chain where transportation is done in units of cases—such as in deliveries to stores— food D2C demands detailed shipping operations for each individual customer, so a major challenge the company faced was to improve the efficiency of the D2C distribution scheme to satisfy the growing demand for home meal replacements.

As a lead logistics partner that resolves corporate management issues and achieves sustainable growth through logistics, Yamato Transport aims to provide comprehensive value on an "End-To-End" basis from upstream to downstream business processes of the supply chain, offering total logistics support for corporate clients. Moreover, the company is actively promoting initiatives to contribute to the reduction of Scope 3 greenhouse gas (GHG) emissions, including the introduction of electric vehicles and installation of solar panels, with the aim of achieving virtually zero GHG emissions from the company by 2050 and a 48% reduction by 2030 (compared with fiscal 2020). In establishing the ZEN-NOH Foods online shop on Rakuten Ichiba, the two companies formulated a D2C distribution scheme in a short period of time and with minimum possible investment by leveraging Yamato Transport's base that integrates a sorting terminal and cold storage function. It

makes possible the sale of sets of products that combine popular items or sale in small quantities while also shortening the lead time for shipping.

2. Outline of D2C Distribution Scheme



Key Points

- Leveraging Yamato Transport's terminal-integrated cold storage logistics facility enables the formulation of a D2C distribution scheme for frozen products in a short period of time and with minimal investment required.
- Utilizing the facility's digital assort system and other systems enables the rapid preparation of multiple items and shipping as early as the next day after ordering.

3. Future Development

ZEN-NOH Foods and Yamato Transport will utilize the newly established D2C distribution scheme to expand the former's product and set product lineups and sales channels to satisfy diverse customer needs. The companies will further consider supply chain reform in the B2B domain, including delivery logistics from the procurement and manufacturing areas to sales and distribution outlets.

Reference:

ZEN-NOH Foods Online Shop (Rakuten Ichiba) URL: https://www.rakuten.co.jp/zfc-shop/ (Japanese)

国産米使用! Made with domestically produced rice レンジで簡単! Easy to prepare using microwave 自社製造のこだわりピラフとライスバーガー Special pilaf and rice burger produced by ZEN-NOH Foods 国産素材使用! Made with domestically produced ingredients 美味しさそのままに冷凍しました Frozen to protect original flavor 素材にこだわった、便利な冷凍野菜 Convenient frozen vegetables made from the finest ingredients



Product example ①: Frozen rice set



Product example 2: Frozen vegetable set

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