



March 28, 2023

Colowide MD Co., Ltd.

Yamato Transport Co., Ltd.

Colowide MD, Yamato Transport Sign LLP Agreement to Optimize Entire Supply Chain

Will launch operations to expand meal service business in summer 2023 as its first initiative

Colowide MD Co., Ltd. (Headquarters: Yokohama-shi, Kanagawa; Representative Director and President: Takeo Isono, hereinafter “Colowide MD”), which oversees merchandising for the Colowide Group, and Yamato Transport Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Representative Director and President: Yutaka Nagao, hereinafter “Yamato Transport”) have concluded a lead logistics partner^{*1} (LLP) agreement (hereinafter the “Agreement”) with the objective of constructing a sustainable supply chain that responds to the changing business environment surrounding the restaurant industry.

The two companies will promote the visualization and optimization of the entire supply chain of Colowide Group, which operates multiple brands such as Gyu-Kaku, Kappa Sushi, and OOTOYA. By leveraging Yamato Transport's transportation and delivery network, the companies aim to build a sustainable, efficient supply chain that contributes to the realization of a recycling-oriented society.

As the first initiative based on this agreement Colowide MD will begin working to expand its meal service business—its focus—by leveraging Yamato Transport's strengths in logistics schemes for frequent small-lot deliveries from the summer of 2023.

^{*1}: Lead Logistics Partner (LLP): A partner that supports not only logistics operations and management for corporate customers but also supply chain and business process reforms that contribute to customer management.

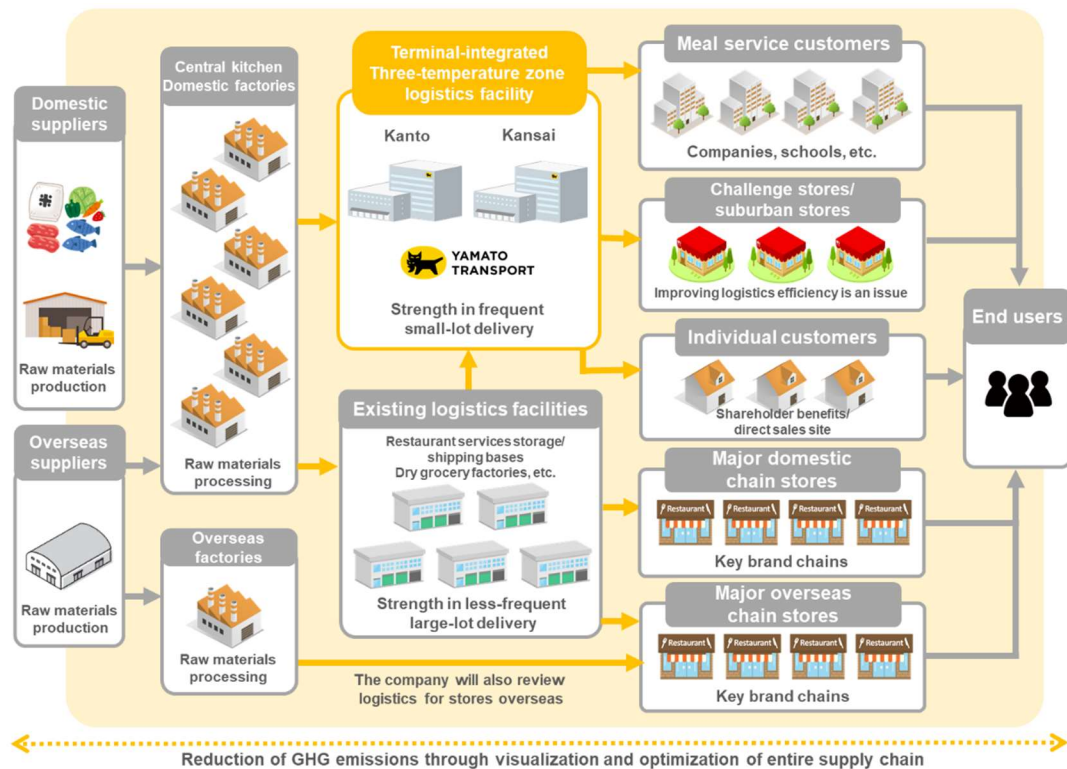
1. Background and Purpose of the Agreement

With the aim of responding to changes in the business environment enveloping the food service industry and further enhancing corporate value, the Colowide Group is endeavoring to transform its business portfolio with a view to expanding not only its mainstay restaurant business but also the meal service business for the elderly. Demand is expected to remain firm going forward for this service in Japan, where there is concern over anticipated market contraction due to the decline in the working-age population. Moreover, based on the basic sustainability policy shared groupwide, the company is reinforcing various initiatives such as the reduction of CO₂ emissions across the entire supply chain, the procurement of sustainable raw materials, and the mitigation of food loss, with an eye toward assuaging the impact of climate change and creating a recycling-oriented society. This is the intent behind the conclusion of this agreement.

Aiming to become an LLP that resolves corporate management issues and achieves sustainable growth through logistics, Yamato Transport provides 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 the introduction of electric vehicles (EVs), installation of solar panels and other initiatives, with the aim of achieving virtually zero GHG emissions by 2050 and a 48% reduction by 2030 (compared with fiscal 2020), and reducing Scope 3 greenhouse gas (GHG) emissions.

As for Colowide MD, while having built a supply chain centering on its restaurant business, one of the challenges for its future business expansion was to respond to a diverse range of transportation delivery needs, including frequent small-lot deliveries. With the conclusion of the Agreement with Yamato Transport, Colowide MD will first work on restructuring the entire meal service business supply chain, from raw materials procurement, manufacturing, and logistics through to sales.

2. Overview of Supply Chain Structure Colowide MD and Yamato Transport Seek Under the Agreement



Summary of Initiatives

1) Expand meal service business

Using Yamato Transport's terminal-integrated facilities to consolidate storage and shipping bases for merchandise to restructure the logistics network for Colowide MD's meal service business will make possible efficient, speedy shipping in accordance with customers' transportation and delivery needs. This will also support nationwide delivery of frequent small-lot shipments and shorten delivery lead time.

2) Improve logistics efficiency for challenge and suburban stores in the restaurant business

Achieving efficiency in deliveries to "challenge stores"*² and suburban stores in the restaurant business has been difficult owing to differences in the types of products, distance from distribution bases, and order volumes compared with the key brand chains of the Colowide Group and stores in major cities. With the Agreement, an efficient, stable logistics scheme will be established by leveraging Yamato Transport's transportation and delivery network for frequent small-lot deliveries.

*2: Challenge stores: Small-scale stores for the purpose of future business expansion and marketing

3) Develop external sales business oriented toward individual customers

In its external sales business for individuals which includes shareholder benefits and the Steak MIYA and OOTOYA direct sales e-commerce sites, Colowide MD will study and promote the use of Yamato Transport's transportation and delivery network—including its terminal-integrated facilities—toward further expanding shipment volume and product offerings.



OOTOYA official online shop (image)



Steak MIYA sauce online shopping site (image)

4) Reduce environmental impact through visualization and optimization of the entire supply chain

By visualizing and optimizing the whole of the supply chain—which until now has been divided by business segment, making it difficult to see the entire picture—waste, irregularities, and overburdening will be eliminated and a sustainable supply chain with a lower environmental impact will be realized.

3. Future Development

Colowide MD and Yamato Transport will leverage their mutual knowledge and expertise to consider expanding into a broad range of areas beyond the meal service business. Potential new areas include procurement and manufacturing, delivery to stores, and overseas business, where further expansion is expected. Moreover, the companies will work together to reduce not only Scope 1 emissions, which constitute their own direct GHG emissions and Scope 2 indirect emissions from the use of electricity, heat, and steam supplied by other companies, but also Scope 3 emissions, which encompass the entire supply chain, including emissions from other companies related to their activities.

Note:

This is an independent translation of the original Japanese release prepared by Yamato Transport Co., Ltd. With regard to interpretation, the Japanese release shall prevail.

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