

September 19, 2023

Colowide Co., Ltd.

Yamato Transport Co., Ltd.

Operation of Sustainable Logistics Scheme Launched to Expand Colowide Group's Meal Service Business

Also contributing to reducing greenhouse gas emissions and enhancing productivity of meal service providers by leveraging Yamato Transport's TA-Q-BIN Delivery Network

Colowide Co, Ltd. (Headquarters: Yokohama-shi, Kanagawa; President and Representative Director: Kohei Nojiri, hereinafter "Colowide"), which operates restaurant chains in various categories, including Gyu-Kaku, Kappa Sushi, and OOTOYA Gohan Dokoro, and Yamato Transport Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Representative Director and President: Yukata Nagao, hereinafter "Yamato Transport") launched operation of a new logistics scheme on Friday, September 15, 2023. It will expand the Colowide Group's meal service business by using Yamato Transport's logistics network that covers three temperature zones (regular, chilled and frozen).

Colowide will gradually transfer shipping operations for food ingredients in its meal service business to Yamato Transport's terminal-integrated logistics facilities, which are able to handle three temperature zones. It aims to further expand the meal service business by realizing a shipping and delivery system that can flexibly accommodate the future expansion of shipping capacity and ensuring stable transportation capacity.

By optimizing the entire supply chain, the two companies will pursue reduction of greenhouse gas (GHG) emissions and enhanced productivity for meal service providers through a change in delivery times.



1. Background

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 expand not only its mainstay restaurant business but also its meal service business. In particular, it is striving to transform its business portfolio with a view to expanding its meal service business for the elderly, for which demand is expected to remain firm going forward in Japan, where there is concern over anticipated market contraction due to the decline in the working-age population.

Through optimization addressing the diverse logistics needs of its corporate customers, Yamato Transport is expanding the value it offers on an “End-to-End” basis from upstream to downstream business processes of the supply chain.

Colowide MD Co., Ltd. (Headquarters: Yokohama-shi, Kanagawa; Representative Director and President: Takeo Isono), which oversees merchandising for the Colowide Group, and Yamato Transport concluded a lead logistics partner*¹ (LLP) agreement in March 2023, with the objective of constructing a sustainable supply chain that responds to the changing business environment surrounding the food service industry. The new initiative is the first one based on this agreement.

To date, logistics for the Colowide Group’s meal service business have been carried out within a supply chain focused on its restaurant business. However, delivery times, frequency, locations for meal service customers and other factors differ in the meal service business and restaurant business. Accordingly, addressing diverse transportation and delivery needs was therefore an issue in expanding the meal service business. Furthermore, there were other concerns such as the need for small-load charter transportation, depending on the delivery recipient, and with the truck driver shortage expected to grow more severe in the future, ensuring stable transportation capacity was an issue.

*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.

2. Summary of New Logistics Scheme

1) Expansion of shipping capacity

By leveraging Yamato Transport’s terminal-integrated logistics facilities that cover three temperature zones (regular, chilled and frozen) and TA-Q-BIN network, the scheme will accommodate diverse transportation and delivery needs based on frequent small-lot deliveries in the expanding meal service business and enable stable shipping and delivery. Furthermore, it will make expansion of meal service providers possible without being dependent on bases.

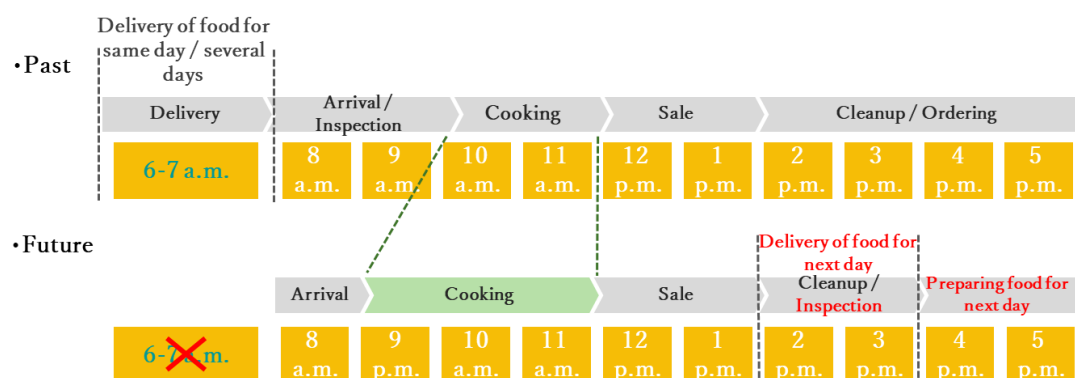
2) Construction of sustainable supply chain

Switching from small-load charter transportation to transportation using the TA-Q-BIN network will achieve improved transportation efficiency and help reduce transportation-related GHG emissions, as well as ensuring stable transportation capacity.

3) Improved productivity for meal service providers due to change in delivery times

Changing the delivery times for food ingredients from early morning on the day they will be used (6 to 7 a.m.) to the afternoon of the day before they will be used (2 to 4 p.m.) enables delivery and inspection of food ingredients in a time window that provides comparatively more leeway for carrying out work. It allows more time for cooking that day's food and preparing the following day's food. This will achieve enhanced productivity for meal service providers.

Outline of Productivity Enhancement for Meal Service Provider Staff



3. Future Development

By March 2024, switching of all meal service providers in the Colowide Group to the newly established logistics scheme will be complete. Going forward, the Colowide Group and Yamato Transport will leverage their knowledge and expertise to achieve increased logistics efficiency in deliveries to challenge stores*² and suburban stores in the restaurant business, develop e-commerce for individuals and external sales business, and consider expanding into a broad range of areas beyond the meal service business, including overseas business, where further expansion is expected.

Furthermore, by continuing to promote the visualization and optimization of the Colowide Group's entire supply chain and leveraging Yamato Transport's logistics network, the companies aim to build a sustainable supply chain.

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

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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Related release (reference):

“Colowide MD, Yamato Transport Sign LLP Agreement to Optimize Entire Supply Chain” (March 28, 2023)

https://www.yamato-hd.co.jp/news/2022/newsrelease_20230328_1.html

Reference: Overview of Supply Chain Structure Colowide MD and Yamato Transport Seek Under the Agreement

