

Company Profile and Aim of Establishing the Kobe Rokko Distribution Center



Company name:	Kyokurei Corporation
Head office:	8-110 Honmoku Pier, Yokohama City, Kanagawa, 231-0811
Main businesses:	Temperature-controlled warehousing (capacity, 112,000 tons), customs clearance, and food transportation
Established:	May 13, 1964
Capitalization:	JPY 298 million (Wholly owned by Nichirei Logistics Group Inc.)
Representative:	Hirofumi Horiuchi, Representative Director and President
Employees:	129 (as of December 31, 2023)
Business sites:	Daikoku, Honmoku, Nakai, Kobe Rokko



A comprehensive logistics service provider able to solve customer problems

I. Storage service

High-precision logistics services, including receiving, inspecting, storing, and shipping customers' valuable products in an optimal temperature environment.

II. Customs clearance service

Kyokurei acts as the point of contact, conducting fast and efficient import and export customs procedures, applications and declarations.

III. International comprehensive service

Kyokurei makes full use of its exclusive network, responding to varied customer requests with "services to handle the entire process from start to finish that customers can trust with peace of mind."

IV. Information service

Kyokurei utilizes its warehouse management system (WMS), built on extensive logistics know-how, to meet customer needs for simplifying operations and reducing costs.

VII. Distribution processing service

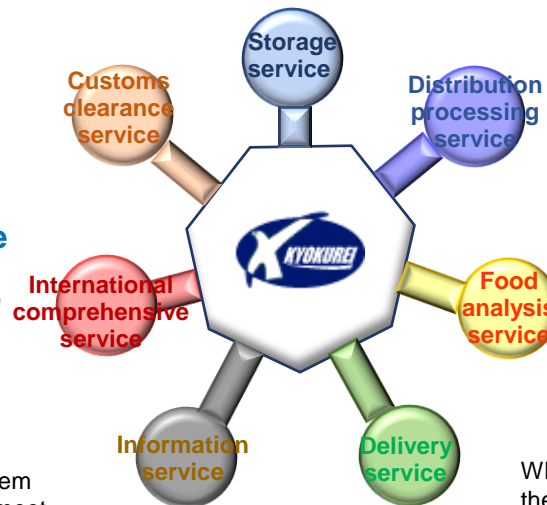
Kyokurei fully responds to customer requests as much as possible, including defrosting and freezing, product inspection, sample collection and management of food material, secondary sorting and packaging, and creation and attachment of various customer-designated labels.

VI. Food analysis service

Expert staff provide product analysis services according to customer needs in an analysis center equipped with the state-of-the-art equipment.

V. Delivery service

While aiming to provide delivery services that maintain the optimal unit price and quality for customers, Kyokurei makes full use of its unique delivery know-how to transport products safely and quickly for each customer.



We provide total support for logistics services from product receipt (start point) to delivery (end point).

Overview of the Three Facilities in the Kanto Region

Daikoku DC



Address: 15 Daikoku Futo, Tsurumi-ku, Yokohama-shi, Kanagawa, 230-0054
Bonded warehouse: Yes
Animal Quarantine: Certified
ISO9000: Acquired
Green Management: Acquired



- Fixed temperature defrosting service (Facility for defrosting at fixed temperature and time)



Temperature setting + 10 degrees
 Max capacity of 900 drums

- Small rooms with multiple temperature zones (10 rooms)



Temperature control in increments of 0.5 degrees
 Storage management according to the designated temperature

- Dedicated sample collection room (for fruit juice)



A new clean sampling room was established in January 2008.



- Sampling Control Room

★ Speedy handling of sample collection, management, packaging, and shipment



Clean room facilities

Sample extraction for analysis (e.g., microbiological testing)

Honmoku DC



Address: 8-110 Honmoku Futo, Yokohama-shi, Kanagawa, 231-0811
Bonded warehouse: Yes
Animal Quarantine: Certified
ISO9000: Acquired
Green Management: Acquired



Started operations on March 1, 2021.

- Seismic isolation structure



Earthquake-resistant structure for disaster preparedness

- In-house generator



Power supply for office equipment during a power outage

- Automated pallet storage (1-4 floor of refrigerated building)



Storage capacity: 4,200 pallets
 Storage and retrieval: 136 pallets/hour

- Introduction of two (AI equipped) autonomous forklifts



Picking lift

Transport lift

- Movable racks



Racks to handle a wide variety of products and lots

- Pallet changer



Labor saving and safe transshipment

- Driving rack



Handling of large lots

- Pallet stretch wrapping machine



Labor saving and uniformity of strength

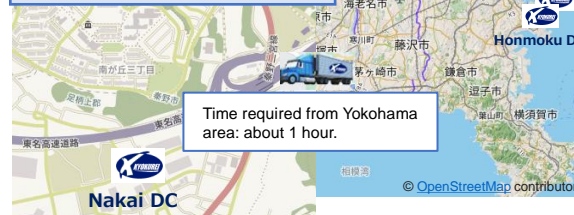
Nakai DC



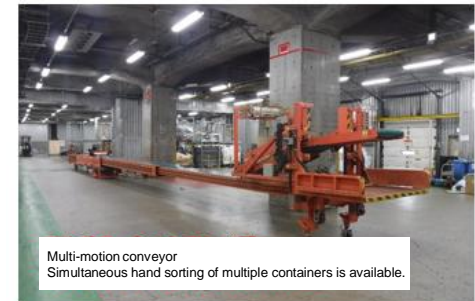
Address: 2481 Inokuchi, Nakai-machi, Ashigarakami-gun, Kanagawa, 259-0151
Bonded warehouse: Yes
Animal Quarantine: Certified
ISO9000: Acquired
Green Management: Acquired



Proceed towards Ninomiya from the Tomei Expressway Hadano-Nakai IC, and turn right at the second traffic light Green Tech Nakai intersection, and follow the road.



Time required from Yokohama area: about 1 hour.



Multi-motion conveyor
 Simultaneous hand sorting of multiple containers is available.

Capacity by Business Site

(Unit: tonne)

	Daikoku DC	Honmoku DC	Nakai DC	Kobe Rokko DC Started operations on January 15, 2024.	Total
Class F*	36,340	8,812	17,655	10,429	73,236
Class F/C*	9,077	7,756	4,045	6,361	27,239
Class C	10,702	14,205	3,000	10,901	38,808
Total	56,119	30,773	24,700	27,691	139,283
The number of truck berths	28	24	17	12	81
Site area	14,116 m ²	17,689 m ²	10,851 m ²	14,615 m ²	57,271 m ²

* Class F (freezer) refrigerated warehouse; Class C (cooler) refrigerated warehouse

Kyokurei's four facilities have a total capacity of 139,283 tonnes, providing safe and reliable support for customers' products.

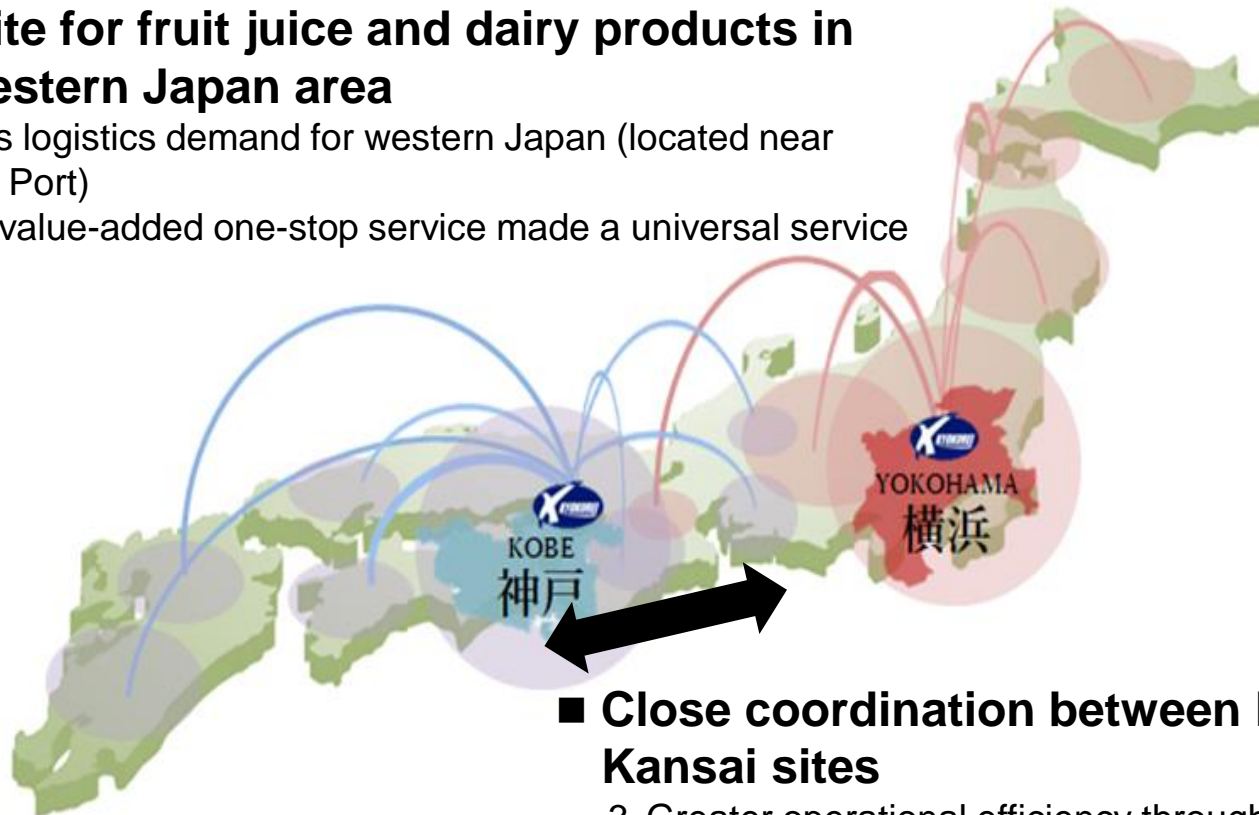


Aim of Establishing the Kobe Rokko DC

Improve the value of the user experience by making the Kyokurei-type integrated model a universal service.

■ Key site for fruit juice and dairy products in the western Japan area

1. Meets logistics demand for western Japan (located near Kobe Port)
2. High value-added one-stop service made a universal service



■ Close coordination between Kanto and Kansai sites

3. Greater operational efficiency through integrated operation with the Daikoku DC

Overview and Features of the Kobe Rokko Distribution Center



January 10, 2024

Nichirei Corporation
Nichirei Logistics Group Inc.
Kyokurei Corporation

Overview of the Kobe Rokko DC

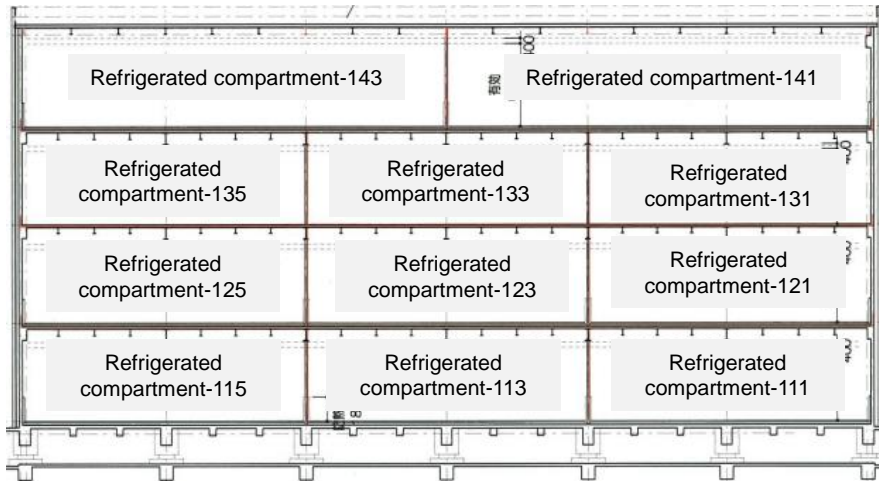
Overview



- Address
6-13-4 Koyochonishi, Higashinada-ku, Kobe-shi, Hyogo, 658-0031
- Access
Car: Hanshin Expressway Route 5 Bayshore Route, about 2.7km from the Rokko Island Kita exit
Nearest train station: Rokko Liner Marine Park Station Approx. 0.9km, 13-minute walk
- Structure and scale
4-story refrigerated warehouse building with a seismic isolation structure
3-story steel frame office building
- State-of-the-art security systems
Face recognition system, card-based entry and exit system, truck reservation system
- Lift facilities (refrigerated warehouse): 1 elevator, 5 vertical conveyors
- Solar panels: 843
- Truck berths: 12

Capacity

Warehouse Elevation



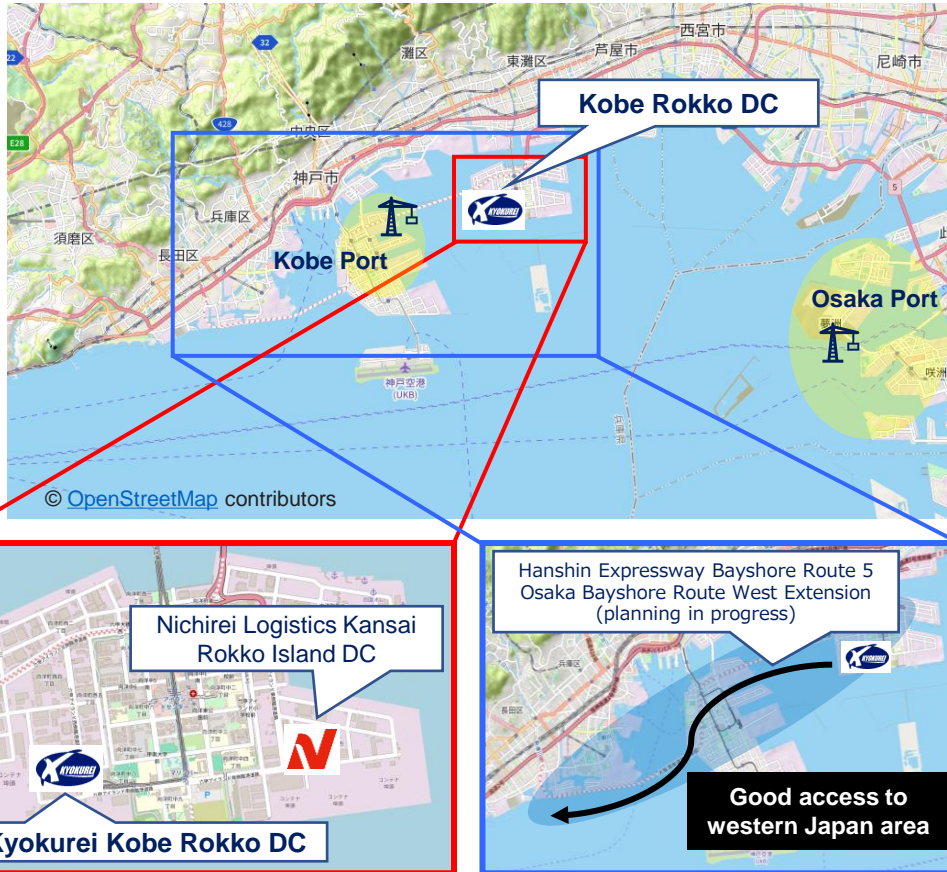
(Tonne)

	Class F	Class C	Class F/C
Floor 4		8,211	
Floor 3	5,213	1,345	700
Floor 2	5,216	1,345	350
Floor 1			5,311
Subtotal	10,429	10,901	6,361

Total: 27,691 tonnes

Features 1. Location

Location



Position of Kobe Port

■ Nationwide Trade Amount by Port (2022)

Rank	Port	Import/export amount (¥ bn)	Percentage of total
1	Tokyo	22,863.4	10.6%
2	Nagoya	21,210.5	9.8%
3	Yokohama	14,973.9	6.9%
4	Kobe	12,061.2	5.6%
5	Osaka	11,315.2	5.2%
6	Chiba	6,962.8	3.2%
7	Hakata	5,294.2	2.4%
8	Kawasaki	5,174.4	2.4%
9	Mizushima	3,732.7	1.7%
10	Shimizu	3,697.2	1.7%
	Others	109,030.4	50.4%
	Total	216,315.9	100.0%

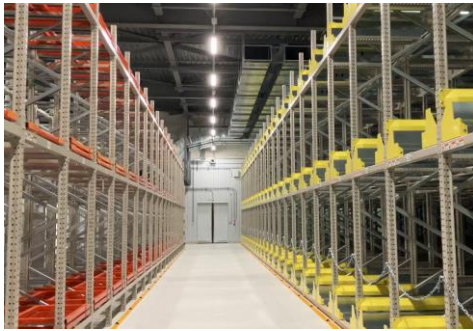
Source: Compiled by Kyokurei based on Ministry of Finance Trade Statistics and Kobe Customs Documents

Note: Airports are counted as "Other"

- In addition to the convenient location 15 km from Kobe Port, Nichirei Logistics Group has a facility in the same area
- There are plans to extend the Osaka Bayshore Route westward from Rokko Island to Komae, making the site a good location as a delivery base to western Japan

- By total trade value, Kobe Port ranks 4th in Japan, with Osaka Port ranked 5th
- Kobe Port handles a large volume of fruit juices, dairy products, and imported food material, making it a gateway port to the Kinki region

Features 2. High Value-added One-stop Service (Overview of Facilities)



■ Horizontal transfer rack

The fourth floor of the warehouse utilizes horizontal transfer racks and push-back racks. The use of horizontal transfer racks makes it possible to store goods in the back or bring them out in the front simply by placing the shuttle trolley in front of the lane, improving work efficiency by shortening the flow line for workers, and enhancing storage efficiency by eliminating the need for aisles. In addition, coordinated operation with push-back racks on the opposite side further improves storage efficiency.

Functionality



◆ Capacity of 12 pallets per lane

Each lane can store 12 pallets deep. When a pallet is placed in the front, the shuttle automatically carries the products to the back. This equipment is well suited for storing products in large lots.



◆ Storage capacity for 2,500 pallets

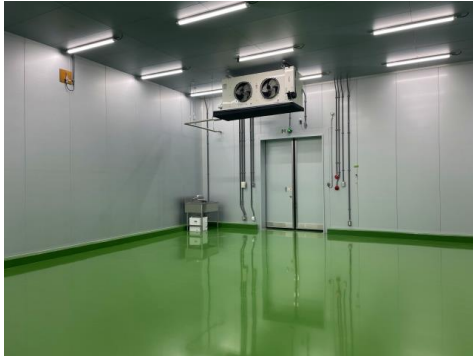
The DC has 180 lanes (3 tiers x 30 rows x 2 rooms). Together with the push-back racks, there is storage for approximately 2,500 pallets.



◆ Combined use with push-back racks

Large-lot products are stored on horizontal transport racks, and transferred to push-back racks according to the number of remaining products, providing for efficient operation. Storage capacity is approximately 400 pallets.

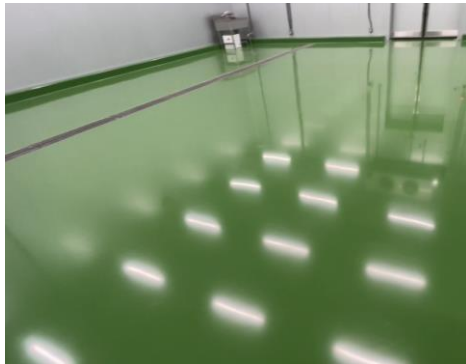
Features 2. High Value-added One-stop Service (Overview of Facilities)



■ Inspection rooms

There are three inspection rooms, two on the second floor and one on the fourth floor. The rooms are designed for inspection of beverage materials and dairy products, which are our main products. One room is equipped for wastewater treatment and can be washed with water. The facility has also been certified as a designated inspection site for animal quarantine, and can handle sampling work from drums with rigorous hygiene management.

Functionality



◆ Wastewater treatment equipment

For the inspection of beverage materials, because products are packaged in drums, washing with water is necessary in some cases. As such, the facility has wastewater treatment equipment.



◆ Support for temperature regulation

Inspection rooms are equipped with refrigerators. The ability to finely adjust the temperature allows inspection work to be conducted in an optimal environment.



◆ Support for sampling

Sterile equipment is used to sample beverage materials.

Features 2. High Value-added One-stop Service (Overview of Facilities)

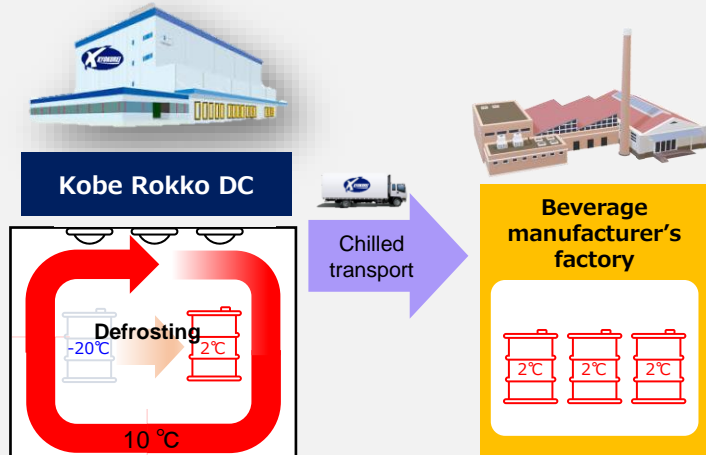


■ Defrosting room

A defrosting room is located on the third floor. Defrosting is conducted in a room with a temperature of 10 degrees, with air circulated by numerous fans, allowing Kyokurei to provide stable quality service throughout the year. Products can then be delivered to the customer in a defrosted state for immediate use at the factory.

In addition, the use of waste heat utilization equipment, which reuses the heat discharged from the cooling equipment to maintain the temperature in the defrosting room, helps promote sustainability.

Defrosting operation workflow



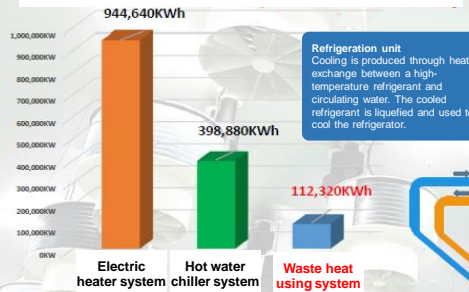
Uniform quality service is provided throughout the year.

Environmentally Friendly

Defrosting equipment using waste heat from refrigerators

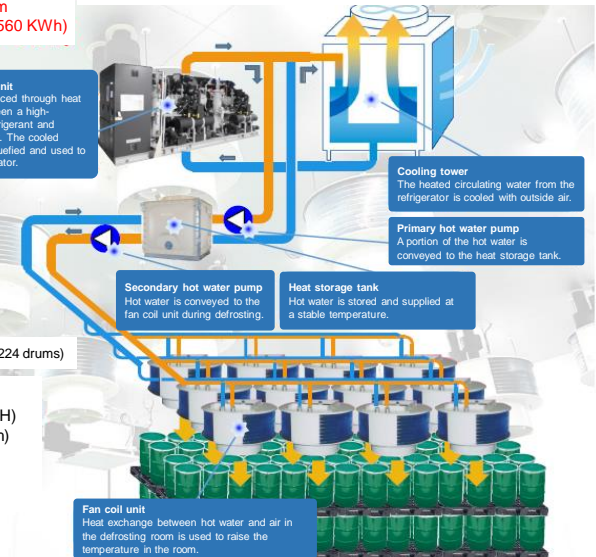
Running cost compared with conventional methods

88% reduction compared to electric heater system (down 832,320 KWh)
72% reduction compared to hot water chiller system (down 286,560 KWh)



Defrosting method

Exhaust heat energy from the refrigeration units in the cooling tower is used as a heat source for defrosting drums of frozen fruit juice.



* Running cost when defrosting 150 batches per year (1 batch/224 drums)

Overview of defrosting equipment

Defrosting room size: 10m (L) × 10m (W) × 5m (H)
Defrosting amount: 1 batch/224 drums (200L/drum)
: 1 batch/5,9584kg
Defrosting time: 24 hours
Defrosting temperature: +10°C



Features 2 — High Value-added One-stop Service (Overview of Facilities)



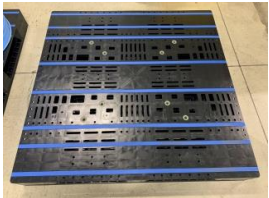
■ Drive-in rack

There are two rooms on the second floor with drive-in racks. The fixed racks are highly earthquake-resistant, and designed to allow forklifts to enter, allowing goods to be placed from the back. Each room has capacity of 1,000 P/L, for a total of 2,000 P/L.



■ Rack storage space

To make effective use of the empty space above the berths, racks have been installed that can be used to store pallets. This shortens the workflow line during product receipt, and improves work efficiency. Up to 240 pallets can be stored in this space.



■ Resin pallets

Resin pallets are used for drums, reducing the risk of product damage even when goods are frozen. This prevents the adhesion of sawdust unavoidable with standard wooden pallets, providing improved hygiene.



■ Berths for wing-body trucks

Dedicated berths are provided for products and materials. The loading dock maintains positive pressure to prevent dust from entering the area. Rain shields over the berths prevent goods from getting wet on rainy days.



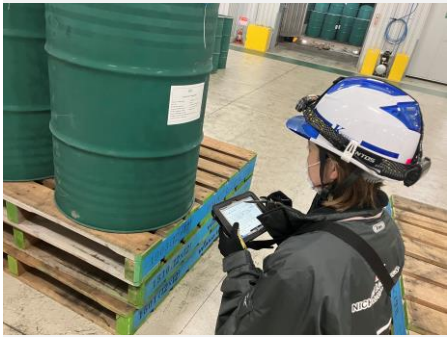
■ Rooftop

The rooftop has a refrigeration equipment machine room and an in-house generator for use in the office building in the event of an emergency, as well as a forklift training course for employee training. In addition, solar panels will be installed on the roofs of the refrigerated warehouse and the office building in the near future.

Features 3. Integrated Operation with the Daikoku DC through Digitization

(1) Tablets for foreign cargo

Using tablets for foreign cargo, which has been difficult to handle until now, enhances the efficiency of administrative work and on-site operations, and improves the speed of information sharing. In addition, greater visibility of information makes it possible to confirm work progress in real time.



(2) Remote management of operations

Online access to the inspection room allows customs clearance at the Kobe Rokko DC to be carried out remotely from the Daikoku DC office. Wearable cameras are used to create a virtual environment in which inspectors and customs clearance officers can respond in real time. The system can also be used for inspection by customers. Kyokurei is also pursuing measures to enhance operational efficiency using RPA, and to establish a communal office space through full-time video conferencing connections between the two sites.

