

December, 14, 2016

Sojitz Corporation

Kokubu Group Corporation

## Sojitz and Kokubu Enter Cold Chain Logistics Business in Vietnam

Sojitz Corporation (Head Office: Chiyoda-ku, Tokyo; President: Yoji Sato; “Sojitz”) and Kokubu Group Corporation (Head Office: Chuo-ku, Tokyo; Representative Director: Kanbei Kokubu; “Kokubu”) will begin a four-temperature cold chain logistics business in Vietnam by establishing New Land Vietnam Japan Joint Stock Company (“NLVJ”) in cooperation with major Vietnamese logistics company New Land Co. Ltd. (“NL”).



[Image of completed four-temperature warehouse]

NLVJ will provide modern cold chain logistics services by using its own four-temperature (room temperature, fixed temperature, refrigerated, and frozen) logistics centers and trucks to consistently manage temperatures across all food product operations, from storage to store shipment. NLVJ’s goal is to reach 1 billion yen in sales over the next decade. Establishing this cold chain logistics business will differentiate and strengthen the capabilities of major Vietnamese food wholesaler, Huong Thuy Manufacture Service Trading Corporation (“HT”)—a joint venture already in operation under Sojitz, Kokubu, and NL—as well as further expand their food value chain in Vietnam.

Following the war in Vietnam, Sojitz was the first company from Japan or any other Western

countries to establish a liaison office in Vietnam in 1986. Sojitz has extensive business experience across multiple fields in the country, and we are in the process of constructing a food value chain using synergy between food logistics businesses such as HT and Sojitz Group companies involved in Vietnam's various industrial sectors.

Kokubu possesses extensive know-how when it comes to the distribution and logistics of a full spectrum of food products from perishables to processed foods. Additionally, Kokubu began cold chain logistics operations in East Asia and Southeast Asia last year. Using this experience in the field, Kokubu aims to construct a cold chain logistics business in Vietnam.

NL has been a leader in the logistics industry with multiple years of experience in the warehouse operation and logistics business in Vietnam. As a company that has worked with Japanese companies over the years, NL has built a strong partnership with Sojitz and Kokubu through its involvement with HT's business operations.

In recent years, Vietnam's economic growth has increased the purchasing power of its consumers and the spread of modern retail business models (modern trade) such as supermarkets and convenience stores in the country. While the need for cold chain logistics services are rising, Vietnam does not yet have a sufficient infrastructure system in place to address these needs. Rapid preparations are underway to address these infrastructure-related deficiencies.

Through this business, Sojitz and Kokubu will contribute to the development of a modern logistics infrastructure while simultaneously working towards increased customer satisfaction in Vietnam.

<Each Company's Functions and Role>

**Sojitz**

- Build this business-oriented logistics project linking Group companies and develop an integrated business model utilizing the value chains held with Group companies
- Conduct modern trade using the functions of Group companies and manage sales to suppliers and importers

**Kokubu**

- Provide expertise on advanced value chain operations and handle the dispatch of professionals
- Conduct sales to Japanese food manufacturers, food service businesses, and retailers

**New Land Co. Ltd.**

- Provide business operator experience with an extensive background in Vietnam's domestic logistics business
- Conduct sales to local suppliers, retailers
- Access to business community network in Vietnam

**【New Land Vietnam Japan Joint Stock Company—Company Overview】**

Established	June 2016
Start of Operations	December 2016
Head Office	Lot A2, A3, Street No. 1, Street No. 6, Binh An Garment and Textile Industrial Zone, Binh Thang Ward, Di An Town, Binh Duong Province, Vietnam.
Representative Director	Hoang Thu Huong
Ownership	NL(51%), Sojitz(29%), Kokubu(20%)
Main Business	Four-temperature logistics business (room temperature, fixed temperature, refrigerated, and frozen)
Equipment	Plot area: 20,000 m <sup>2</sup> , floor area: 11,000 m <sup>2</sup>
	Storage capacity : maximum 13,000 pallettes
	Location : 1 hour drive from Cat Lai Port (Vietnam's largest container terminal) and Long Thanh International Airport (expected to begin operations in 2025)
	Temperature zones : Room temperature, fixed temperature(10 ~ 25 °C ), refrigerated(0~10°C), frozen (-25~0°C)
	# of trucks : About 50 trucks

[For questions regarding this release, contact:]

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