For Valued Customers
Cimory Group & Kanematsu Group present
Central Kitchen Project
PT.Kanememory Food Service
Creating a Platform for the Food Services Sector in Indonesia

15th May, 2015
Located in the Modern Cikande Industrial Estate, approximately 60 kilometers west of Jakarta. April 16, 2015: The Grand Opening・Operations Commenced

Site area: 6,960㎡ Total floor area: 3,600㎡
Capital: 40 billion rupiah (approx. 400 million yen)
CIMORY: Kanematsu=40.1% : 59.9%
Indonesian and Japanese Companies undertake Joint Venture

Established in 1989. Launch of the business targeted at food service operators in Indonesia.

Operates four protein-related businesses:
Production of yoghurt, cheese and other dairy foods, ham and sausages, tofu and soy milk, and liquefied eggs.

Familiarity with business involving the Muslim halal certification of the Indonesian Council of Ulama (MUI).

Provides extensive trading services to major convenience stores, mass merchandise outlets, and restaurant chains in Japan, and has a good track record of supplying a variety of foodstuffs to the above business operators.

Offers test kitchens and research and development functions, takes advantage of process patents, and collaborates with leading food producers to make product proposals.

Operates certified joint venture factories in China for processing and cooking domestic fowl meat and cloven-hoofed animal meat for supply not only in Japan but also in China, and has a good track record of supplying such processed products to convenience stores and restaurants in China.
Background to Setting Up Operations in Indonesia by Japanese-Affiliated Food Service Operators

① Mature economy, store saturation, and decreasing young adult population in Japan.

② Food service areas that have already matured in Japan are yet to develop in Indonesia.

③ Although the market is targeted at Muslims, there are a large number of middle-income groups, high motivation to spend, and buoyant market conditions resembling the high-growth period of the Japanese economy.
Three Hurdles in the Business Environment in Indonesia

① Complicated food import system and the halal system

② Poor accumulation of technologies for processed meat products

③ Surges in labor costs and rents, to double the previous levels

Minimum wage in Special Capital City District of Jakarta
2011 1.29 million rupiah → 2015 2.70 million rupiah

Decision to establish a base for the production of processed food in Indonesia that does not rely on imports
Kanemory Food Service  4 strong points

① Differentiated production facilities
- Capacity to produce a wide range of products as well as to simultaneously produce various types of products in small lots (from approximately 300 kilograms).
- An expanded hotel kitchen equipped with freezer functions.

② Product development capabilities and guaranteed security and safety
- Japanese R&D personnel with considerable experience in Japan.
- A system in which quality checks of internally produced products are conducted in an in-house laboratory.

③ MUI halal certification
- The company’s business partners are familiar with MUI halal certification.
- MUI halal certified factory ⇒ Products produced in the factory are certified as halal food (example: raw bread crumbs).

④ Independent delivery means are ensured
- Kanemory’s own delivery service (based on the tie-up with PT. Dunia Express, a member of the Kanematsu Group).
- Delivery to major cities throughout Indonesia can be undertaken using Cimory’s trucks equipped with refrigerators. (*Shipment destinations are located mainly in peripheral towns of Jakarta.)
Security and Safety are the Special “Secret Recipe” !!

Monitor ATP System

Analyze 3M petrifilm system
Hygiene Workshops for Employees Are Held at Regular Intervals
Status of market entry in Indonesia by Japanese-Affiliated Food Service Operators

~2013: Major Japanese-affiliated convenience store chains have opened their first stores in Indonesia.

2013~: Increasing entries into the Indonesian market by Japanese-affiliated restaurant chains.

2015.May 30: AEON MALL with a mass merchandise outlet opened the first store in Indonesia.
* The opening of a third store has been confirmed. In addition, there are plans to open five more stores.
Economic standard in Indonesia

GDP per capita in 2014: USD 3,511
Same level as Japan in 1974: USD 3,795-
(Source: IMF)

Eat for FUN
Traditional Indonesian dietary habits are making significant changes toward “foods to enjoy.”
from NECESSITY to
The food service sector in Japan in 1974 was in the same situation as local stores in Indonesia at present.

**Supermarkets** → Only the appearances of the stores are different, and they have the same assortment of merchandise.

**Mini marts** → They mainly handle dry foods, and some don’t even carry refrigerated foods. There are almost no fast foods.

**Restaurants** → Foods are cooked by each restaurant, and their quality is variable. They do not always offer a good buy.
The food service sector in Japan achieve solid growth

Supermarket → Differentiating from each other by offering private label goods, rich delicatessen corners, etc.

Mini marts → Transferring themselves into modern convenience stores
Offering cold beverages, ready-to-eat food products, “eating corners,” etc.

Restaurants → Achieved labor savings attributable to central kitchens and expanding restaurant chains

In Indonesia, the Kanematsu Group utilizes its own production functions and experiences cultivated in Japan.
CIMORY Groups’ customers

<table>
<thead>
<tr>
<th>Business style</th>
<th>Number of stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>① Quick Service Restaurant</td>
<td>Pizza Hut, KFC, McDonald, Starbucks etc. approx. 1,100</td>
</tr>
<tr>
<td>② Restaurant chains</td>
<td>Pepperlunch, Sushi Tei etc. approx. 200</td>
</tr>
<tr>
<td>③ Bakeries</td>
<td>Holland bakery etc. approx. 400</td>
</tr>
<tr>
<td>④ Airline catering services</td>
<td>Approx. 10</td>
</tr>
<tr>
<td>⑤ Factories</td>
<td>Approx. 10</td>
</tr>
<tr>
<td>⑥ Hypermarts</td>
<td>Carrefour, Giant, IKEA etc. approx. 300</td>
</tr>
<tr>
<td>⑦ Food supermarkets</td>
<td>Giant Supermarket etc. approx. 300</td>
</tr>
<tr>
<td>⑧ Mini marts</td>
<td>Indomart, Alphamart etc. approx. 20,200</td>
</tr>
<tr>
<td>⑨ CVS</td>
<td>SevenEleven, Cercle K, Lawson etc. approx. 800</td>
</tr>
<tr>
<td></td>
<td>Total approx. 24,800</td>
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</tbody>
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Kanemory Food Service Three Growth Axis

① Use KFS as the platform for providing support to Japanese-affiliated food service operators who plan to enter the Indonesian market. Greater synergies in business relationships with the above enterprises may also be achieved in Japan.

② Enhance trade transactions with the CIMORY Group’s existing business partners.

③ Halal food production bases: Expand sale to other Muslim sectors.

Quickly establish ourselves as a leader by drawing on our three-year experience from the commencement of the initiatives and by maximizing the use of the first mover advantage.
Aim to transform ourselves into a comprehensive food producer.
Room for Expansion of Production at Kanemory
Food Service

2nd Floor: There is an extra 500 square meter space for the expansion of production (currently used as a warehouse).

There is space on the land held by the company to build a second factory the same size as the first one.

On the adjacent property, CIMORY owns a 4,000 square meter piece of land.

The total floor space can be extended four times the current space.
We are not only a “product supplier”, but also…

“Contents Provider”

“We provide ENTERTAINMENT through FOOD with Sales operation”

We promise …

(1) To support the expansion of your business through

FULL CUSTOM MADE PRODUCT

by our experiences with food services in Japan.

(2) To provide our products with “Anshin & Anzen (≒ Satisfaction and safety)” as well as “Operational Know-how in Your Outlets”.

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Thank you for listening!

We can accommodate requirements for the development of the food business in Indonesia!

Quality Central Kitchen