

Production of frozen vegetables and processed foods in Vietnam Supporting the world's food supply with a "Made by Japan" model

Holus Co., Ltd.

Based in Vietnam, Holus produces, imports, and sells frozen vegetables and processed foods with carefully selected ingredients.

The company aims to become a supporter of the world's food supply with a "Made by Japan" model that uses Japanese technology and expertise.

Insistence on safe, reliable produce Realizing "Japan-quality agriculture" through farm business coaching

Holus plays a role in Japan's food supply through the production, import, and sale of frozen vegetables and processed foods. Company President ABE Hideaki's aim is to establish sustainable agriculture through business. "Although food is an important foundation that supports our daily lives, many farmers and producers are not being adequately compensated for their role in its supply. We are progressing our business with a strong ambition to improve the status of farmers and producers," said Mr. ABE.

Holus handles many different vegetables, including eggplant, okra, paprika, sweet potato, and zucchini. It sells

foods that have been pre-processed, such as fried, grilled, and steamed, to Japanese business operators, including food processing companies, foodservice chains, and supermarkets. Production of these processed foods takes place in Vietnam. Holus procures agricultural produce from more than 2,000 partner farms and processes them at its factory in Vietnam.

After working at a Japanese company that handled food products, Mr. ABE relocated to Vietnam about 20 years ago. In the hope of producing food that he would feel confident feeding to children, Mr. ABE established a company jointly with a local company, and that joint venture engages in shrimp farming, frozen vegetables, and processed foods. Since becoming a listed company in Vietnam in 2008, it has grown to become one of Vietnam's largest companies dealing in agricultural products. However, wanting to put more effort into social contribution and improving the status of producers, Mr. ABE established Holus in 2013 to pursue his personal philosophy.

Holus focuses on vegetable production in the belief that ingredients are the decisive factor in how good food products taste. Operating company-owned farms in both Japan and Vietnam, Holus establishes farming methods and techniques for growing vegetables that are safe and reliable. Japanese farmers who endorse Mr. ABE's ambitions have moved to Vietnam to instruct local partner farmers on farming techniques and knowhow. The aim is the realization of "Japan-quality agriculture" in Vietnam.

A typical example of these efforts is the grafting of eggplant plants. In general, Japanese farmers use splice grafting to graft eggplant plants to prevent soil-borne diseases and produce delicious eggplants. Holus has introduced this method to its partner farms in Vietnam.

It has also implemented farming methods that use as few chemicals as possible. Farms in Vietnam have very acidic soil, making it difficult for the soil to retain fertilizers. To improve the soil, Holus experimented with manure from livestock such as cows and pigs and with biofertilizers made by using natural bacteria to ferment coconuts, shrimp scraps, etc. They also planted marigolds and spread chili peppers around the crops as natural insect repellents. These and other ingenious methods helped to reduce the use of agro-chemicals to about a third of previous levels.

Japanese-style farming methods and techniques have improved the quality of the produce grown by Holus's partner farms and helped them to achieve stable yields. Mr. ABE

pointed out, "In Vietnam, factory workers earn about JPY30,000 to 35,000 a month. Holus's partner farmers are achieving income of about twice that amount. Only about 20% of the children of farmers attended school 20 years ago, but that rate is now 100% for the children of our partner farmers." The improvement of the status of farmers and producers that is Holus's goal is steadily producing results.

Japan-quality produce is processed at a local partner factory, where Japanese staff are permanently stationed, under meticulously controlled time and temperature conditions. "At the beginning, due to difference in customs, some local staff were bewildered by the hygiene measures and other policies that we enforced, but through extensive worker education, they now share our awareness of the importance of such measures," said Mr. ABE proudly.

Innovative processing techniques to use produce without wastage Final products made at company-owned factory

The partner factory has honed its processing techniques to use up all of the ingredients without waste. In many cases, strict specifications, such as size, shape, and color, apply to products destined for the Japanese market. The aim is to eliminate waste by improving technical capabilities and implementing flexible approaches.

Mr. ABE explains, "For example, the specified standard for sweet potatoes used for baked potato is '160-200g in size, skin not too red, and a root depth of no more than 1 mm.' Only about 30% of the produce supplied to the factory meet these standards. We strive to use up all of the farm produce supplied through various measures, such as cutting any potatoes that are too large, peeling the skin of those that are the wrong color, and frying them in oil." These efforts have helped to improve farm productivity.

Demand in the foodservice industry has dropped dramatically since 2020 due to the pandemic. In addition, strict lockdowns in Vietnam restricted the operations of the partner factories. Holus was also affected in various ways, but, as Mr. ABE describes, "We transported unused farm produce and other products to towns that were in lockdown and donated them to the local people, as I believed that this was precisely the time when we needed to think of others." Throughout the pandemic, Mr. ABE maintained the intentions toward social contribution and the producer-oriented approach that he has held since Holus was first founded.

Mr. ABE established AGRIEX CO., LTD in Vietnam in 2021 and opened a company-owned factory near the production region in 2022. "This is our flagship factory that will demonstrate our resolve to continue to make good products in Vietnam even in the face of the adversity brought by the pandemic," Mr. ABE explained. Various initiatives have been taken in this new factory, such as emphasizing freshness more than ever, shortening the time from harvest to processing, and further improving processing technologies with the introduction of cutting-edge facilities. In addition to frozen vegetables made with carefully selected ingredients, AGRIEX has embarked on the production of finished products, such as pre-fried tempura, and sweet potato that can be eaten immediately after thawing.

When Mr. ABE decided to build the new factory, he was initially concerned about whether they would be able to recruit enough workers, given the labor shortage in Vietnam. Ultimately, however, because the name of AGRIEX was well known due to its volunteer activities, he received a flood of applicants. "We plan to provide healthy, delicious lunches at the factory's canteen under the guidance of a registered



Completion ceremony of AGRIEX factory



Established a local subsidiary, AGRIEX, in Vietnam in 2020



Sweet potato snack and grilled eggplant produced by AGRIEX

dietitian from Japan. In the future, I hope to make this a place where employees can come to enjoy lunch with their families even on their days off," says Mr. ABE. He aims to make it a factory with deep roots in the local community and that is loved by local residents.

JBIC, the Bank of Fukuoka, and the Shoko Chukin Bank extended a syndicated loan of JPY180 million in total for the construction of AGRIEX's factory. "We've been promoting business based in Vietnam. Bank of Fukuoka, our bank of account, introduced us to JBIC, saying that JBIC would support us in our overseas business development. I am very grateful for JBIC's support in backing our significant decision to build our own factory. I hope that JBIC will continue to provide us with speedy and timely support in the future."

From this new factory, Holus will strive to expand its business with the intention of supporting part of the food supply in Japan, Asia, and even the world. Holus currently sells its products to Japan and Vietnam, as well as some products to Taiwan. It has also received inquiries from Singapore, Malaysia, and Thailand and intends to pursue exports to those countries. Holus supports the supply of food to the world with a "Made by Japan" model.

Holus Co., Ltd.

Head Office	3-4-16 Ebisu Minami, Shibuya-ku, Tokyo
URL	https://holus.co.jp/
Established	April 2013
Capital	JPY11 million
Sales Volume	JPY1,600 million
President and CEO	ABE Hideaki
Employees	15
Business description	Production and sales of processed food, planning, manufacturing, import, and sales of food products, agribusiness in Japan and overseas



ABE Hideaki
President and CEO