

BelPak

+

Toyota Battery Manufacturing North Carolina

Supplier Qualification Project Brief

COMPANY-SPECIFIC
STRATEGIC ANALYSIS

Prepared by: Strategic Value Plus Solutions, LLC

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Executive Summary

BelPak represents the highest-priority opportunity within the Red Arts Capital portfolio for Toyota Battery Manufacturing North Carolina supplier qualification. With 25+ strategically located facilities, proven OEM embedded operations experience with Subaru, and a 99.6% on-time-in-full delivery rate, BelPak is uniquely positioned to become Toyota's primary contract packaging and logistics partner for EV battery operations.

The Opportunity

BelPak's embedded operations model—currently deployed successfully with Subaru—provides the exact blueprint for Toyota Battery operations. The company's ability to stand up a complete facility in 45 days (demonstrated during Pfizer's COVID vaccine distribution) combined with 30+ year relationships with major CPG companies demonstrates the operational excellence Toyota requires.

Key Metrics

\$31-70M

Annual Revenue Opportunity

99.6%

On-Time-In-Full Rate

45 Days

Facility Standup Time

25+

Facilities Nationwide

The Challenge

While BelPak possesses the operational capabilities Toyota requires, certification gaps must be addressed. ISO 9001 and IATF 16949 certifications are required for automotive packaging operations, along with DOT compliance for hazardous materials handling. Additionally, the integration of three legacy companies (Coregistics, Proven Partners, and Belvika) requires systems consolidation and culture alignment.

The Solution

A focused Tier-1 supplier strategy with phased certification, systems integration, and an embedded operations proposal. The investment required is estimated at \$620,000 to \$1.29 million, with projected payback within 3-6 months of Toyota operations. The Wellness Plan implementation provides an immediate offset of \$2.56 million annually, effectively reducing net investment to near zero.

Recommendation

Proceed immediately with Phase 0 discovery and scoping, targeting three priority facilities for initial certification. BelPak's unique combination of scale, proven OEM experience, and MBE certification creates a compelling value proposition that differentiates the company from competitors.

BelPak Company Profile

Corporate Overview

BelPak was formed in 2024 through the strategic combination of three established contract packaging companies, creating a \$400 million packaging powerhouse with comprehensive capabilities across primary and secondary packaging, logistics, and value-added services. The company operates under Red Arts Capital, a Chicago-based private equity firm focused exclusively on supply chain and logistics businesses.

Attribute	Details
Company Name	BelPak
Parent Company	Red Arts Capital (Chicago, IL)
Formation	2024 (merger of Coregistics, Proven Partners, Belvika)
Annual Revenue	Approximately \$400 million USD
Employees	Approximately 1,000 across US and Canada
Facilities	25+ locations
Certification	MBE-Certified (via Red Arts Capital)

Legacy Companies

BelPak brings together three companies with distinct strengths and complementary capabilities. This combination creates a full-service packaging provider capable of addressing the complete spectrum of Toyota's packaging and logistics needs.

Company	Location	Specialty	Experience
Coregistics	Atlanta, GA	Secondary packaging, pet care, Coca-Cola	20+ years
Proven Partners	Elgin, IL	Primary food manufacturing, baking, pasta	25+ years
Belvika	Toronto, Canada	Food products, candies, cereals	30+ years

Key Customer Relationships

BelPak maintains long-standing relationships with major consumer packaged goods companies and automotive OEMs, demonstrating the company's ability to meet the demanding requirements of large-scale operations.

Customer	Relationship	Service Type
Subaru	Current	Embedded operations (packaging, facilities management)
Nestlé	30+ years	Primary and secondary packaging
Mondelez	30+ years	Primary and secondary packaging
PepsiCo	30+ years	Primary and secondary packaging
Purina Pet Care	10+ years	Secondary packaging, displays
Coca-Cola	10+ years	Packaging

Operational Capabilities

BelPak offers comprehensive packaging and logistics services spanning primary packaging, secondary packaging, and value-added logistics. This breadth of capability positions the company to serve as a single-source solution for Toyota's battery packaging and logistics requirements.

Primary Packaging Services

BelPak provides turnkey primary packaging solutions for food, beverage, personal care, and industrial products. Services are executed with precision, safety, and speed, with full production line capabilities including filling, sealing, labeling, and quality inspection. The company's primary packaging expertise translates directly to battery component packaging requirements.

Secondary Packaging and Assembly

Secondary packaging services include efficient, scalable, and quality-controlled operations that help products reach market faster. Capabilities include display building, retail-ready packaging, custom kitting, bundling, and promotional packaging. For Toyota, these capabilities translate to battery pack packaging, module kitting, and production line support.

Logistics and Value-Added Services

Beyond packaging, BelPak provides comprehensive logistics support including custom kitting and bundling, distribution solutions, embedded facility operations, and facilities maintenance. The company's ability to operate within customer facilities—as demonstrated with Subaru—provides a unique value proposition for Toyota's integrated operations model.

Proven Performance Metrics

Metric	Performance	Significance
On-Time-In-Full (OTIF)	99.6%	Exceeds automotive industry standard of 98%
Facility Standup Time	45 days	Demonstrated during Pfizer COVID vaccine distribution
Customer Retention	30+ year relationships	Demonstrates reliability and partnership approach
Staffing Flexibility	Flex to volume	No minimum hour requirements; scales with demand

The Subaru Model: Blueprint for Toyota

BelPak's current relationship with Subaru provides the exact blueprint for Toyota Battery operations. Understanding this model is critical to appreciating the value proposition BelPak brings to the Toyota opportunity.

Current Subaru Operations

BelPak operates embedded within Subaru facilities in Portland, Oregon and Indianapolis, Indiana. In this model, BelPak occupies square footage within Subaru's facilities, receiving parts from Asia, packaging them according to Subaru specifications, and moving finished packages to Subaru's distribution network. This integrated approach eliminates handoffs and reduces logistics complexity.

Services Provided to Subaru

Parts Packaging: BelPak packages a comprehensive range of Subaru aftermarket parts including windshields, wiper blades, brake pads, headrests, and all other aftermarket components. Each part type requires specific packaging specifications, materials, and quality controls—expertise directly transferable to battery component packaging.

Facilities Maintenance: Beyond packaging, BelPak provides comprehensive facilities maintenance across all 29 Subaru facilities. Services include fork truck operations, building open and close procedures, janitorial supervision, conveyor maintenance, door maintenance, and general facility operations. This demonstrates BelPak's ability to serve as a comprehensive operations partner, not merely a packaging vendor.

Value Proposition to Subaru

Benefit	Description	Toyota Application
Flexibility	Staff scales with volume—no minimum hour requirements	Adapt to battery production ramp-up and seasonal variation
Cost Savings	Non-union labor at competitive per-hour rates	Reduce total cost of ownership for packaging operations
Speed	Rapid response to volume changes	Support Toyota's just-in-time production philosophy
Risk Reduction	Outsourced operations reduce direct liability	Transfer operational risk while maintaining quality control

Application to Toyota Battery

The Subaru model translates directly to Toyota Battery operations. Where Subaru requires windshield packaging, Toyota requires battery pack packaging. Where Subaru needs parts kitting, Toyota needs battery module kitting. The facilities maintenance model applies identically, and the embedded operations approach aligns perfectly with Toyota's integrated manufacturing philosophy.

Subaru Service	Toyota Battery Equivalent
Windshield packaging	Battery pack packaging
Parts kitting	Battery module kitting
Aftermarket distribution	Battery distribution to dealers
Facilities maintenance	Battery facility operations
Embedded operations	On-site Toyota presence

Toyota Battery Opportunity Analysis

Battery Types and Packaging Requirements

Toyota Battery Manufacturing North Carolina produces three distinct battery types, each with unique packaging requirements. Understanding these differences is essential for developing appropriate packaging solutions and pricing models.

Battery Type	Application	Size	Packaging Complexity
Hybrid	Standard hybrid vehicles	Smallest	Medium
Plug-in Hybrid	PHEV vehicles	Medium	Medium-High
Full EV	Battery electric vehicles	Largest	High

Service Opportunity Categories

Battery Pack Packaging (\$10-25 Million Annually)

Custom packaging solutions for EV battery packs represent the largest single opportunity. Services include design and production of custom hard plastic containers (reusable and environmentally friendly), protective packaging for storage and shipping, temperature-controlled packaging solutions, and shock-absorbing materials for transport. BelPak's experience with precision packaging for automotive components provides direct transferable expertise.

Kitting Services (\$5-10 Million Annually)

Assembly kits for the production line require precise component organization, just-in-time delivery, and parts consolidation. BelPak's kitting expertise, demonstrated across CPG and automotive applications, positions the company to deliver production-ready kits that support Toyota's lean manufacturing approach.

Embedded Logistics Operations (\$8-15 Million Annually)

On-site facility management represents a significant opportunity, mirroring the successful Subaru model. Services include receiving and inventory management, internal logistics coordination, shipping and distribution, and comprehensive facilities maintenance. This embedded approach aligns with Toyota's preference for integrated operations partners.

Hazmat Packaging and Shipping (\$3-8 Million Annually)

DOT-compliant battery packaging requires specialized expertise in hazardous materials handling, labeling, RFID tracking integration, and regulatory documentation. As EV battery logistics demand grows, this capability becomes increasingly valuable and differentiating.

Distribution and Aftermarket (\$5-12 Million Annually)

As Toyota expands battery distribution beyond Kentucky in 2026, dealer distribution network support, aftermarket battery packaging, returns processing, and warranty fulfillment create additional revenue opportunities.

Total Estimated Annual Opportunity: \$31-70 Million

Certification Requirements and Gap Analysis

Required Certifications for BelPak

ISO 9001:2015 – Quality Management System

Current Status: GAP — Likely has quality systems but needs formal certification

ISO 9001 certification is required for all Toyota suppliers regardless of service category. The standard covers documented quality management systems, customer focus processes, risk-based thinking, performance evaluation, and continuous improvement. BelPak likely has many of the required systems in place given their long-standing relationships with major CPG companies, but formal certification is required.

Timeline to Certification: 3-6 months

Estimated Cost: \$15,000-30,000 per facility

IATF 16949:2016 – Automotive Quality Management System

Current Status: GAP — Critical requirement for automotive packaging

IATF 16949 builds upon ISO 9001 with automotive-specific requirements including product safety, PPAP (Production Part Approval Process), APQP (Advanced Product Quality Planning), FMEA (Failure Mode and Effects Analysis), MSA (Measurement System Analysis), and SPC (Statistical Process Control). This certification is mandatory for BelPak's battery packaging operations and represents the most significant certification gap.

Timeline to Certification: 6-12 months

Estimated Cost: \$50,000-100,000 per facility

Additional Compliance Requirements

Hazardous Materials Compliance

Current Status: GAP — Needs assessment

Battery logistics requires comprehensive DOT compliance including hazmat training for all handlers, proper packaging certifications, labeling compliance, shipping documentation, and emergency response procedures. This compliance is critical for any supplier handling battery products.

Timeline: 2-3 months

Estimated Cost: \$50,000-100,000 (company-wide)

ESG Documentation

Current Status: GAP — Needs formal documentation

Toyota requires suppliers to demonstrate environmental and social responsibility through formal documentation including environmental policy, safety program documentation, OSHA compliance records, and sustainability initiatives.

Timeline: 1-2 months

Estimated Cost: \$25,000-50,000

Gap Analysis Summary

Requirement	Current Status	Gap Level	Priority
ISO 9001	Systems exist, no certification	MEDIUM	HIGH
IATF 16949	Not certified	HIGH	CRITICAL
Hazmat Training	Unknown	HIGH	CRITICAL
DOT Compliance	Unknown	HIGH	CRITICAL
ESG Documentation	Partial	MEDIUM	HIGH
Quality Manual	Likely exists	LOW	MEDIUM
PPAP Capability	Unknown	HIGH	HIGH

Certification Scope Recommendation

Given the scale of BelPak's operations (25+ facilities), a phased certification approach is recommended. Initial certification should focus on facilities with the strongest geographic and operational alignment to Toyota Battery operations.

Phase 1 Recommended Facilities:

- Atlanta, GA (Coregistics HQ) — Closest major facility to North Carolina
- 1-2 additional Southeast facilities to be determined based on capability assessment

Total Phase 1 Scope: 3 facilities

This phased approach manages investment risk while establishing the foundation for expanded certification as the Toyota relationship grows.

Addressing Key Business Concerns

Concern 1: "BelPak is a service provider, not a manufacturer"

Context: There is a critical distinction that BelPak's certification needs differ from component manufacturers. As a service provider focused on co-packing and logistics, the path to automotive certification may be less clear.

Response: Service providers can and do achieve IATF 16949 certification. The certification scope focuses on packaging and logistics processes rather than manufacturing processes. BelPak's existing Subaru relationship proves automotive OEM acceptance of this service model. Toyota specifically needs packaging and logistics partners, not additional component manufacturers. The certification approach should frame BelPak's processes around packaging quality, not manufacturing quality.

Concern 2: Customer Concentration Risk

Context: BelPak currently has approximately 30% revenue concentration in a single customer, creating business risk that the board and investors are monitoring.

Response: Toyota represents strategic diversification, not concentration increase. The automotive sector demonstrates less volatility than food and beverage innovation cycles. Multi-year automotive contracts with renewal cycles provide stability and predictability. Success with Toyota opens doors to other Japanese OEMs that use Toyota as their quality standard. The Toyota relationship should be positioned as risk mitigation through sector diversification.

Concern 3: Facility Scope for Certification

Context: With 25+ facilities, determining which facilities should be in scope for certification requires careful analysis.

Response: A phased approach is recommended, beginning with 2-3 facilities closest to North Carolina. Phase 1 should certify facilities with the strongest geographic alignment and operational capabilities. Phase 2 expands to regional hubs as the Toyota relationship grows. Phase 3 provides full network certification as needed. Key questions to answer include current quality certifications at individual facilities, geographic proximity to Toyota operations, and existing automotive experience.

Concern 4: Systems Integration

Context: The merger of three companies has created multiple versions of truth across 29 facilities, with different ERP systems, processes, and reporting structures.

Response: ERP/MES consolidation, currently being led by Brett Griffiths, will create a single source of truth across all locations. This integration is required for OEM compliance and reporting—Toyota will require consistent reporting across all facilities serving their supply chain. The investment enables scalability to other OEMs and creates operational efficiency that benefits all customers. Systems integration should be included in Phase 1 scope.

Concern 5: Culture Integration Post-Merger

Context: Three family businesses merged into BelPak require culture alignment and unified employee experience.

Response: Implementation of the Wellness Plan delivers immediate ROI of \$640 per employee per year in tax savings. Insurance savings typically run 3-4 times the tax savings through improved experience ratings. The program addresses Toyota's ESG requirements while creating a unified culture across facilities. This positions BelPak as an employer of choice in competitive labor markets and supports retention during the integration period.

Competitive Advantages

Why BelPak Wins

BelPak possesses a unique combination of capabilities that differentiate the company from competitors in the Toyota Battery supplier qualification process.

Advantage	Description	Toyota Value
Scale	25+ facilities, approximately 1,000 employees	Capacity to handle Toyota volume requirements
Proven OEM Model	Subaru embedded operations	Exact model Toyota needs, proven successful
Speed	45-day facility standup capability	Rapid response to changing needs
Reliability	99.6% OTIF rate	Consistent, predictable performance
Flexibility	Flex staffing model	Cost optimization, demand responsiveness
MBE Certification	Minority Business Enterprise	Supports Toyota supplier diversity goals
Financial Backing	Red Arts Capital (\$400M fund)	Investment capacity for growth
Geographic Reach	US and Canada coverage	National distribution capability

Differentiation from Competitors

Factor	BelPak	Typical Competitor
Embedded operations experience	Yes (Subaru)	Rare
Facility standup speed	45 days	6-12 months
MBE certification	Yes	Usually no
Primary + Secondary packaging	Both	Usually one
PE backing for investment	Yes	Limited
30+ year customer relationships	Yes	Rare

Implementation Roadmap

Phase 0: Discovery and Scoping (Weeks 1-2)

The initial phase focuses on detailed assessment and planning to ensure subsequent phases proceed efficiently.

Deliverables:

- Detailed gap analysis of target facilities
- Current hazmat capabilities assessment
- Existing quality documentation review
- Facility selection for Phase 1 certification
- Costed scope of work

Key Questions to Answer:

- Which of your 28 facilities will be in scope for certification?
- What is your current hazardous materials training program?
- What quality certifications do individual facilities currently hold?
- What is your current ERP/MES landscape?

Phase 1: Foundation (Months 1-6)

Workstream 1A — ISO 9001 Certification: Document existing quality processes, remediate gaps, conduct internal audits, and achieve certification audit. Target: 3 facilities certified.

Workstream 1B — Hazmat Compliance: Develop DOT training program, certify handlers, obtain packaging certifications, and implement documentation systems.

Workstream 1C — ESG Documentation: Develop environmental policy, document safety programs, verify OSHA compliance, and implement wellness program.

Phase 2: Automotive Qualification (Months 4-12)

Workstream 2A — IATF 16949 Certification: Develop automotive-specific processes, build PPAP capability, implement APQP training and FMEA, and achieve certification audit. Target: 3 facilities certified.

Workstream 2B — Systems Integration: Plan ERP/MES consolidation, implement pilot facility, roll out to certified facilities, and standardize reporting.

Phase 3: Toyota Qualification (Months 6-12)

Workstream 3A — Supplier Registration: Complete TBMNC registration, submit documentation package, complete capability assessment, and undergo quality system review.

Workstream 3B — Audit Preparation: Conduct pre-audit readiness assessment, perform mock audits, prepare corrective actions, and provide on-site audit support.

Workstream 3C — Approval and Onboarding: Complete final approval process, negotiate contract, plan operations, and prepare facilities.

Phase 4: Operations and Expansion (Year 2+)

Following qualification, focus shifts to embedded operations standup, performance monitoring, continuous improvement, additional facility certification, and expansion to other OEMs.

Investment and ROI Analysis

Investment Requirements

Category	Low Estimate	High Estimate	Timeline
ISO 9001 (3 facilities)	\$45,000	\$90,000	3-6 months
IATF 16949 (3 facilities)	\$150,000	\$300,000	6-12 months
Hazmat Compliance	\$50,000	\$100,000	2-3 months
ESG Documentation	\$25,000	\$50,000	1-2 months
Consulting and Support	\$150,000	\$250,000	12 months
Systems Integration (Phase 1)	\$200,000	\$500,000	6-12 months
Total Phase 1 Investment	\$620,000	\$1,290,000	12 months

Revenue Projections

Service Category	Year 1	Year 2	Year 3
Battery Packaging	\$5M	\$15M	\$25M
Kitting Services	\$2M	\$6M	\$10M
Embedded Operations	\$3M	\$10M	\$15M
Hazmat Services	\$1M	\$4M	\$8M
Distribution	\$2M	\$6M	\$12M
Total Revenue	\$13M	\$41M	\$70M

ROI Analysis

Metric	Value
Total Investment	\$620K - \$1.29M
Year 1 Revenue	\$13M
Gross Margin (estimated 20%)	\$2.6M
Payback Period	3-6 months
3-Year Revenue	\$124M
3-Year Gross Profit	\$24.8M
3-Year ROI	1,900-4,000%

Wellness Plan Investment Offset

The Wellness Plan provides immediate cash flow benefits that can offset a significant portion—or all—of the certification investment in the first year.

Metric	Calculation
Employees	1,000
Tax Savings	\$640 per employee per year
Annual Tax Savings	\$640,000
Insurance Savings (3x tax savings)	\$1,920,000
Total Annual Benefit	\$2,560,000

Net Investment After Wellness Plan

With the Wellness Plan implemented, the net investment for Toyota qualification ranges from **\$0 to \$730,000** in Year 1, as the wellness benefits offset most or all of the certification investment. This effectively makes the Toyota qualification initiative self-funding.

Risk Mitigation

Risk	Probability	Impact	Mitigation
Certification delays	Medium	High	Start immediately; use experienced registrar
Toyota timeline changes	Low	Medium	Maintain flexibility; build relationships
Systems integration complexity	Medium	Medium	Phased approach; proven ERP partner
Hazmat compliance gaps	Medium	High	Early assessment; expert consultants
Culture resistance	Low	Medium	Wellness program; change management
Competitor entry	Medium	Medium	First-mover advantage; relationship building

Recommendations and Next Steps

Strategic Recommendations

Recommendation 1: Proceed with Phase 0 Discovery Immediately

Begin the detailed gap analysis and facility assessment this week. Understanding the current state of quality systems, hazmat capabilities, and ERP landscape is essential for accurate scoping and pricing. This phase requires minimal investment and provides the foundation for all subsequent decisions.

Recommendation 2: Target Three Priority Facilities for Phase 1

Focus initial certification efforts on facilities with the strongest geographic alignment to North Carolina and existing automotive experience. The Atlanta facility (Coregistics HQ) should be the primary candidate given its proximity and operational maturity. This phased approach manages investment risk while establishing Toyota relationship foundation.

Recommendation 3: Implement Wellness Plan Immediately

The Wellness Plan should be implemented across BelPak independent of the Toyota qualification timeline. The \$2.56 million annual benefit provides immediate ROI, supports culture integration, addresses ESG requirements, and effectively self-funds the certification investment.

Recommendation 4: Position Embedded Operations as Primary Value Proposition

The Subaru model should be the centerpiece of BelPak's Toyota proposal. This proven approach differentiates BelPak from competitors and aligns with Toyota's integrated operations philosophy. Lead with the embedded operations capability, supported by packaging and logistics services.

Immediate Next Steps

Action	Owner	Timeline
Schedule meeting with BelPak leadership to review this brief	Strategic Value+	This week
Confirm facility scope for Phase 1 certification	BelPak	Week 1
Assess current quality systems and certifications	BelPak / Strategic Value+	Weeks 1-2
Evaluate hazmat capabilities and training programs	BelPak / Strategic Value+	Weeks 1-2
Develop costed scope of work for certification	Strategic Value+	Week 2
Begin Wellness Plan implementation planning	BelPak HR / Strategic Value+	Week 1

Decision Points for BelPak Leadership

The following decisions are required to proceed with the implementation plan:

- **Scope:** Which facilities should be certified first?
- **Timeline:** Aggressive (6 months) or standard (12 months) certification timeline?
- **Investment:** Full scope or phased approach?
- **Wellness:** Implement immediately or defer?
- **Systems:** Include ERP integration in Phase 1?

Strategic Value Plus Solutions, LLC is prepared to support BelPak and Red Arts Capital through every phase of this initiative. We look forward to discussing this opportunity in detail.

Appendix A: TBMNC Supplier Registration Checklist

Company Information

- Company Profile and Overview
- Organizational Chart
- Financial Statements (3 years)
- Business Continuity Plan

Quality Management

- ISO 9001 Certificate
- IATF 16949 Certificate
- Quality Manual
- Control Plan Template
- PPAP Documentation
- Measurement System Analysis (MSA)

Manufacturing/Service Capability

- Process Flow Diagrams
- Equipment List and Capacity
- Facility Layout
- Production/Service Capacity Analysis

Environmental and Safety

- ISO 14001 Certificate (optional)
- Environmental Policy
- Safety Program Documentation
- OSHA Compliance Records

Supply Chain

- Sub-Supplier List

- Raw Material Specifications
- Logistics and Shipping Capabilities

Appendix B: Key Contacts

BelPak Leadership

Henry Hicks III	Revenue Growth
Anthony	Operating Partner (Red Arts)
Dawn Statsney	Chief HR Officer

Strategic Value Plus Solutions Team

Nelinia Varenas	CEO
Roy Dickan	North Carolina Lead
Nate Hallums	Wellness Program
Icy Williams	Client Liaison
Brian Stitz	CTO / Technical Lead
Brett Griffiths	ERP/MES Integration

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