

Morinaga Milk Opens New Subsidiary in Singapore

New Subsidiary Accelerates Morinaga's Functional Ingredient Sales in the Growing
Asia Pacific Market

TOKYO (January 20th, 2016) - Morinaga Milk Industry Co., Ltd. (TOKYO:2264), the leading dairy product company in Japan, today announced the establishment of its new subsidiary, Morinaga Nutritional Foods (Asia Pacific) Pte. Ltd. located in Singapore. The new subsidiary company represents another step by Morinaga Milk to strengthen its ingredient sales operation in the fast-growing Asia Pacific market and to accelerate its globalization.

A vigorous demand for dairy products has been developing in Southeast Asian countries recently. Particularly in the emerging economies of Asia, the need for better infant nutrition is driving a strong demand for ingredients with higher quality.

Morinaga Milk began to expand globally over 40 years ago with the establishment in 1972 of its German subsidiary, Milei GmbH, and has been actively expanding exports of its functional and food ingredients, such as probiotics, lactoferrin and whey protein to leading infant formula manufacturers for long years.

Morinaga Nutritional Foods (Asia Pacific) handles Morinaga Milk's safe and innovative functional and food ingredients - *Bifidobacterium longum* BB536 and other probiotics, whey proteins, lactose, lactoferrin and hydrolysates that are used in high-value nutritional products such as infant formulas by global and local customers. With the unique product values and innovative technology, Morinaga Nutritional Foods (Asia Pacific) is expected to establish a strong presence in the area.

"Singapore is now becoming a focal point for major global infant formula manufacturers and raw material suppliers as a location to strengthen their sales activities in Southeast Asia and Pacific Rim countries, thus we selected Singapore for the base of our ingredient sales activity in the region," said Ko Shiino, General Manager of International Department in Morinaga Milk. "The location will enable the new subsidiary to better and faster serve its Asia Pacific customers and meet the growing market demand."

"Our ingredients, such as probiotics, whey proteins and hydrolysates have been used in our own various food products with great success in Japan for many years, and have been also sold as raw materials overseas," Shiino added. "We are well prepared to take this step to expand our ingredient business in the area and contribute to human health and nutrition throughout the world."

About Morinaga Milk

Morinaga Milk is the one of the largest dairy product companies in Japan, employing over 3,000 people. Morinaga Milk achieved net sales of 5 billion USD at the end of fiscal 2015 year and is a market leader with many top brands in yogurt, milk, infant formula, beverage, cheese, butter, ice cream, pudding, dietary supplements and clinical foods. Founded in 1917, Morinaga Milk exhibits excellence in the field of technology and sells not only dairy products but also beneficial functional ingredients manufactured in several manufacturing facilities in Japan and Germany. Morinaga Milk also has joint ventures and subsidiaries in China, the Netherlands, Indonesia and the U.S.A. for the sales and production of dairy products, infant formulas, food ingredients and long shelf-life tofu.

About Milei

<u>Milei</u> manufactures and globally sells dairy ingredients derived from whey and skim milk, such as whey protein, lactoferrin and lactose. Milei has been expanding its production capacity since 2014, and will complete its expansion by 2019.

If you would like more information about Morinaga Milk and Morinaga Nutritional Foods (Asia Pacific), please send an e-mail to: interntl@morinagamilk.co.jp.

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