

December 27, 2016

Joint venture established in Pakistan

Mr. Michio Miyahara, president of Morinaga Milk Industry Co., Ltd. headquartered in Tokyo, Japan, announced the establishment with ICI Pakistan Limited *1) of Pakistan and Unibrands (Private) Limited *2) of a joint venture for producing and selling powdered infant formula in Pakistan .

1. Background and purpose of the joint venture

Since 1978, Morinaga Milk Industry Co., Ltd. has been steadily expanding its export business of powdered infant formula to Pakistan. As the growing population and expanding economic development of Pakistan offer great potential to increase the powdered infant formula business, Morinaga, ICI and Unibrands have established a joint venture for production and sales of the formula to serve the local market.

Currently, Morinaga is exporting its powdered infant formula to Pakistan through its local representative, NutriCo Pakistan (Private) Limited *3). With the establishment of a local joint venture, Morinaga aims to expand the market for its brand of powdered infant formula.

The new joint venture will become one more important part in the Morinaga Group's "Promotion of Globalization" policy aimed at strengthening the group's international operations.

- *1 ICI The company is a major producer and seller of chemical products, such as polyester, soda ash and so forth, in Pakistan.
- *2 Unibrands For nearly 40 years, the company imported and sold powder infant formula to Pakistan. In 2014, this business activity was transferred to NutriCo.
- *3 NutriCo Owned jointly by Unibrands, ICI and Morinaga Milk, the company imports and sells powdered infant formula.

2. Joint venture company profile

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| (1) Company name | NutriCo Morinaga (Private) Limited (tentative) |
| (2) Head office location | Near Lahore, Pakistan (planned) |
| (3) Establishment | January 2017 (planned) |
| (4) Start of commercial operation | April 2018 (planned) |
| (5) Business activities | Production and sales of powdered infant formula |
| (6) Sales territory | Pakistan |
| (7) Capital | 2,900 million Pakistan Rupee (approx.)
(3,300 million Japanese Yen - approx.)
Share ratio: ICI – 51%, Unibrands 24.5%, Morinaga – 24.5% |
| (8) Sales target | First year – 1,500 million Japanese Yen (approx.)
(1,300 million Pakistan Rupee – approx.)
*Pakistan Rupee = 1.13 Japanese Yen |

3. Inquiries

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