

March 2, 2017

## Morinaga Milk to start yogurt business in the U.S.A.

Morinaga Milk Industry Co., Ltd. (president: Michio Miyahara; head office: Tokyo, Japan) announces that the company plans to start selling its yogurt products to the retail market in the United States. Details follow.

### 1. Background and purpose

In 2015, the yogurt market in the U.S. amounted to about ¥950 billion. Since 2010, that market has increased in size at an annual rate of about 5% (source: Euromonitor). As the U.S. per capita consumption of yogurt is low compared with that of Europe and Japan, the U.S. market is expected to grow in the future.

Although yogurt with fruit occupies the largest share of yogurt sales in the U.S., aloe yogurt, which is popular in Japan, is not sold in that market. With its introduction of aloe yogurt in Japan in 1994, Morinaga Milk quickly became the pioneer for the development of a new category in the market for yogurt products. The company expects to utilize its technical know-how and product development skills in the U.S. yogurt market which is likely to offer considerable growth potential particularly for aloe yogurt. This market entry will be first move by the Morinaga group to introduce yogurt internationally.

In 1985, Morinaga established a U.S. subsidiary – Morinaga Nutritional Foods, Inc. (MNF) – primarily to sell long-life tofu, which was introduced in the U.S. in 1986. MNF will also be responsible for selling Morinaga’s aloe yogurt products in the U.S.

The promotion of globalization is a major focus in the business strategy of the Morinaga group, so the U.S. introduction of aloe yogurt is one step toward strengthening the group’s position in the international marketplace.

### 2. Basic facts for entry to U.S. market

(1) Business activity	Sale of yogurt
(2) Sales area	U.S.A.
(3) Start of sales	July-September 2017 (planned)
(4) Products	Yogurt containing aloe vera
(5) Production	Under contract with local U.S. manufacturer (planned)
(6) Sales target	2019 (in 3rd year) about ¥3.8 billion (about \$34 million)

\*US \$ = ¥113

### 3. Information about new product for U.S.A.

- |                  |   |                                 |
|------------------|---|---------------------------------|
| (1) Product name | alove   | Original, Strawberry, Blueberry |
| (2) Description  | Single serving - yogurt containing aloe vera      |                                 |
| (3) Net weight   | 170g (6oz.) (planned)                             |                                 |
| (4) List price   | about Y115~Y170 (\$1~\$1.50) (planned) *US\$=Y113 |                                 |

[alove Original]



[alove Strawberry]



[alove Blueberry]



Design image

### 4. MNF – Basic facts

- |                            |   |
|----------------------------|---|
| (1) Name                   | Morinaga Nutritional Foods, Inc.                              |
| (2) Representative         | Mr. Hiroyuki Imanishi   |
| (3) Head office location   | Torrance, California, U.S.A.                                  |
| (4) Established            | 1985  |
| (5) Main business activity | Sale of long-life tofu  |
| (6) Sales area             | North America, Europe, other locations                        |
| (7) Capital                | about Y2.4 billion (\$21.5 million; Morinaga 100% subsidiary) |
| (8) Sales                  | FY 2015 about Y2.1 billion (\$18,390,000) *US\$=Y113          |

### 5. Contact information

Morinaga Milk Industry Co., Ltd.

International Department (Attn: Ms. Chifumi Saito, Mr. Hirotohi Kishimoto)

Tel: 03-3798-0152 (+81-3-3798-0152)

Email: [interntl@morinagamilk.co.jp](mailto:interntl@morinagamilk.co.jp)

Website: <http://www.morinagamilk.co.jp/english>