

November 1, 2022

Notice Regarding Commencement of Local Production and Sale of Morinaga Milk-branded Products in Vietnam

Morinaga Milk Industry Co., Ltd. (hereinafter, “the Company”) hereby announces the commencement of local production and sales of Morinaga Milk-branded products in Vietnam.

1. Background and Purpose of Business Commencement

In January 2021, the Company acquired shares in Elovi Vietnam Joint Stock Company (hereinafter, “Elovi”) as part of its expansion in the Vietnamese market and made it a wholly owned subsidiary in June 2021.

Vietnam is one of the countries with the highest growth potential leading up to 2050, with a population of about 98.5 million (2021) and a projected economic growth rate of around 6% from 2023 onward. In particular, the yogurt market is growing at an average annual rate of 8%*¹ and the nutritional supplement beverage market at an average annual rate of 14%*² due to the growing health awareness of the Vietnamese people, and the market for products with a high health and nutritional value is expected to continue expanding.

Using the development technology capabilities and know-how developed in the Japanese market, the Company will expand the product lineup that contributes to health and nutrition from the Morinaga Milk brand and develop new sales channels to strengthen business in the Vietnamese market, which is expected to grow in the future. Morinaga Milk-branded products sold in Vietnam will be produced and sold by Elovi.

In the Morinaga Milk Group 10-year Vision, the Company has set the goal of achieving a global sales ratio of at least 15% by the fiscal year ending March 31, 2029, and will strengthen sales in Vietnam.

In addition, in the Sustainability Medium- to Long-Term Plan 2030, the Company is pushing forward with the development of products that take health issues into account under the commitment of “by delivering high-quality value unique to the Morinaga Milk Group, we contribute to the health of 300 million people*³” in the Food and Wellness theme.

*1,2 Source: December 2021 survey by Mizuho Bank, Ltd.

*3 The planned number of total sales for health-conscious products from fiscal year 2021 to fiscal year 2030, and the number of people expected to participate in the health promotion and education activities provided by the Company are calculated as the number of people reached.

2. Overview of newly commenced business

(1) Overview: Production and sale of Morinaga Milk-branded products by Elovi

(2) Sales area: Sales will commence mainly in Hanoi and Ho Chi Minh City, and then gradually expanded to the rest of the country.

(3) Start of sales: November 2022

(4) Products for sale: Yogurt, nutritional supplement beverages, etc.

(5) Target sales: Approx. JPY 2.0 billion (approx. VND 333.0 billion) in 2024 *1 VND = 0.0060 JPY

3. Overview of Elovi

(1) Corporate Name	Elovi Vietnam Joint Stock Company
(2) Address	Thái Nguyên Province, Vietnam
(3) Representative	Chihaya Takashi
(4) Business	Production and sales of beverages and yogurt products
(5) Capital	VND 200.0 billion (approx. JPY 1.2 billion) *1 VND = 0.0060 JPY Wholly owned subsidiary of Morinaga Milk Industry
(6) Founded on	May 10, 2002
(7) Established on	June 11, 2007
(8) Number of employees	480 (as of December 31, 2021)

4. Overview of new products to be produced and sold in Vietnam

<Morinaga Climeal>

- (1) Product name: Morinaga Climeal Vanilla / Banana / Corn Soup
- (2) Product characteristics: Nutritional supplement beverages
- (3) Volume: 190 ml
- (4) Prices: Discretionary
- (5) Product features:

- 1) Ideal for replenishing energy and often deficient nutrients. Contains approximately 10 billion cells of the lactic acid bacteria called LAC-Shield, which was selected from thousands of those owned by Morinaga Milk.



Morinaga Climeal Vanilla



Morinaga Climeal Banana



Morinaga Climeal Corn Soup

- 2) As part of efforts to promote the use of environmentally friendly containers and packaging, the caps are made of 42% biomass plastic*4.

*4 Plastics obtained through chemical or biological synthesis of materials derived from renewable organic resources as raw materials. The carbon neutrality of biomass means that it does not increase the concentration of CO₂ in the atmosphere, and is expected to contribute to preventing global warming and reducing dependence on fossil resources.

<Morinaga Zero-Fat Yogurt>

- (1) Product name: Morinaga Zero-Fat Yogurt Less Sugar / Less Sugar Aloe
- (2) Product characteristics: Yogurt
- (3) Volume: 100 g × 4 packs
- (4) Prices: Discretionary
- (5) Product features: A mild yogurt with reduced sugar and zero fat. Each pack contains approximately 10 billion cells of the lactic acid bacteria called LAC-Shield, which was selected from thousands of those owned by Morinaga Milk.



Morinaga Zero-Fat Yogurt Less Sugar



Morinaga Zero-Fat Yogurt Less Sugar Aloe

Morinaga Milk Industry Corporate Website for Vietnam (English/Vietnamese): <https://www.morinagamilk.com.vn/english/>
Elovi Vietnam Joint Stock Company's website: <https://morinaga-elovi.com.vn/en>

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