

April 13, 2015

Sojitz Corporation

Sojitz Logistics Corporation

Sojitz Starts Cold Chain Logistics Business in Myanmar

Sojitz Corporation and Sojitz Logistics Corporation (HQ: Chiyoda-ku, Tokyo; President: Masaatsu Hirakawa; hereafter “Sojitz Logistics”) have established a joint venture with Premium Distribution Co., Ltd. (HQ: Yangon; hereafter “PDC”), a foodstuff and consumer goods wholesaler. Called ‘Premium Sojitz Logistics’ (HQ: Yangon; hereafter “PSL”), the joint venture will provide high-quality cold-chain logistics services from three-temperature logistics warehouses (room temperature, refrigerated, and frozen) to be built in Yangon City.



Concept image of the three-temperature warehouses

PDC handles food wholesale for City Mart Group (City Mart Holding Co., Ltd.; HQ: Yangon; hereafter “CMHL”), the largest retail group in the country, and boasts a supplier network of approximately 3,000 companies. The Group has launched 20 supermarkets, 7 hypermarkets, and 45 convenience stores in the country, as well as food and consumer goods wholesale businesses in major Myanmar cities including Yangon, Mandalay, and Naypyidaw.

Sojitz has positioned CMHL as an important business partner in Myanmar. In August 2013, Sojitz entered into a capital and business alliance with CMHL, and has since provided various assistance to CMHL's wholesale arm, PDC, including work to modernize their wholesale operations and bolster their product lineup for overseas imports.

Traditionally, most food products in Myanmar had been kept at room temperature due to lack of electrical infrastructure. Sojitz and CMHL have entered the industry, however, at a time where huge changes are occurring in Myanmar's logistics market due to increased consumption of refrigerated and frozen food products. Sojitz and CMHL believe that the key to unlocking the future growth of their logistics business in Myanmar is to meet the high-quality needs of clients operating in accordance with international standards, such as hotels, restaurants, and logistics and retail companies. Together, we are committed to investing in cold chain logistics facilities and equipment through PSL, expanding the foundation for cold chain business in this country. Furthermore, PSL will facilitate immediate response for CMHL's active expansion into Myanmar's less urban areas and start a regular long-distance cold logistics service through a major route connecting Yangon, Naypyidaw, and Mandalay.

Following the birth of the ASEAN economic cooperative, experts have predicted that Myanmar and its surrounding countries will come to unify logistics operations and develop them in concert. Taking into account both this forecast and Sojitz Logistics' track history in China and the ASEAN countries, PSL also plans to gradually develop two cross-border cold chains connected to Sojitz Logistics' distribution network within the greater Mekong region. PSL will start with the currently-under-development Thailand-Myanmar cold chain, and in the future, they hope to construct a cold chain linking Myanmar to China.

Demand for refrigerated and frozen food products in Myanmar is on the rise, fueled by the country's rapid growth to a consumer market of 52 million people. Utilizing CMHL's sales network and PSL's cold chain logistics business, Sojitz Group will construct a foods-based value chain in Myanmar which encompasses everything from food wholesale to retail to foodservice, further contributing to the country's development.

【Premium Distribution Co., Ltd. – Company Overview】

Representative Director	Mr. Soe Moe Thu
Head Office	No.1-3, Aungmye Stadium (North Wing), Gyo, Phyu, Street Mingalar Taung Nyunt Township, Yangon, Myanmar
Established	2003
Main Businesses	Wholesale of foods and consumer lifestyle goods

【Premium Sojitz Logistics Co., Ltd. – Company Overview】

Representative Director	Ichiro Uesawa
Head Office	39(B1), Shwe Pin Lon Housing North Dagon Township, Yangon, Myanmar
Established	April 2015
Ownership	PDC: 60%, Sojitz Group: 40%
Main Businesses	Three-temperature logistics business (room temperature, refrigerated, and frozen)

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