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Sojitz Corporation

## **Sojitz Forms Capital and Business Tie-Up with City Mart Group Company, Myanmar's Largest Retail and Distribution Group**

### **Sojitz to Develop Consumer Goods and Foodstuffs Distribution and Logistics Business with City Mart Group's Premium Distribution Co., Ltd. in Myanmar**

Sojitz Corporation and City Mart Group Company "Premium Distribution Co., Ltd. reached agreement on joint development of the consumer goods and foodstuffs distribution and logistics business in Myanmar and executed a capital and business tie-up agreement.

City Mart Group is Myanmar's largest retail and distribution group and operates retail business including 15 supermarkets, 5 hypermarketers, and 20 convenience stores as well as a consumer goods and foodstuffs distribution business in various major cities including Yangon, Mandalay, Naypyidaw, Lashio and Mawlamyaing.

Premium Distribution Co., Ltd., a Yangon-based member company of City Mart Group, engages in distribution business, primarily of foodstuffs, and has a network of approximately 500 clients centered in the Yangon area.

To meet rapidly-growing market needs, City Mart Group is increasing importing products from overseas exports, modernizing and increasing the efficiency of its distribution and logistics operations, and reinforcing its cold supply chain.



Marketplace by City Mart

Sojitz and City Mart Group plan to establish a joint venture in Singapore named CM Sojitz Pte Ltd to procure consumer goods and foodstuffs for supply to the City Mart Group and retail market in Myanmar. Sojitz will use its networks in Japan and the ASEAN region to procure imported products for City Mart Group to sell in Myanmar. Sojitz will lease distribution and logistics related systems to Sun Ray Co., Ltd, a City Mart group member to support the modernization and higher efficiency of City Mart Group's distribution and logistics operations and reinforcement of its cold supply chain business.

Myanmar adopted a new foreign investment law in November of last year, and all tariffs in Myanmar are to be eliminated in preparation for integration with the ASEAN market in accordance with the ASEAN Free Trade Area. Many foreign companies are expected to establish or expand operations in various fields to target this 60 million people market, providing substantial stimulus to trade within the ASEAN region. The distribution and logistics industries in Myanmar are expected to develop rapidly.



The frozen and chilled products corner of City Mart

Sojitz acquired a majority stake in Huong Thuy Manufacture Service Trading Corporation, Vietnam's major food distributor, in April of last year and is expanding its food distribution business in Vietnam. Sojitz will continue to develop business from a variety of perspectives in the consumer goods distribution field in ASEAN in anticipation of growing internal demand and intra-region trade within ASEAN.

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