

Toyo Engineering Corporation 8-1 Akanahama 2-chome Narashino

8-1, Akanehama 2-chome, Narashino-shi, Chiba 275-0024, Japan Tel: +81-47-454-1113 Fax: +81-47-454-1160 News Release

TOYO Participates in Wide-Area Non-Revenue Water Reduction Project in Yangon, Myanmar

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Toyo Engineering Corporation

Japan Consortium Limited Liability Company (JC) established between Toyo Engineering Corporation (TOYO, President and CEO Kiyoshi Nakao) and TSS Tokyo Water Co., Ltd. (TSS) (Administrative Agency of Bureau of Waterworks Tokyo Metropolitan Government) has concluded a contract for a Non-Revenue Water Reduction Project in Yangon, the Republic of the Union of Myanmar, with Japan International Cooperation System (JICS) which is a procurement agent for Yangon City.

Prior to this Project from October 2014 to March 2015, JC implemented a pilot project in Mayangone Township in Yangon City utilizing a grassroots grant aid scheme, reducing the non-revenue water rate^{*1} from approximately 77% to approximately 32%, and realizing a continuous supply of water for 24 hours. Capitalizing on these results, this Project will implement non-revenue water reduction works in a wider area.

Based on the Business & Management Rights Adaptive Grant Aid*2 of the Ministry of Foreign Affairs aimed at facilitating development of developing countries using Japan's advanced technologies and know-how, this project is intended to reduce water leakage and improve water distribution through investigation of existing situation, and replacement, repair or installation of water pipes and meters. JC may separately contract with the Yangon City Development Committee (YCDC) and implement its maintenance business centered on provision of technical guidance for YCDC sequentially in areas where non-revenue water reduction works are completed.

Cooperation between Bureau of Waterworks Tokyo Metropolitan Government / TSS, with its high level know-how regarding water projects, and TOYO, with its rich overseas project experiences and use of high quality Japanese equipment will help improve the water situation in Yangon where upgrading and expanding of water infrastructure is necessary due to rapid economic development and population growth.

*1 Non-revenue water rate

Ratio of water volume producing no revenue due to leakage or theft

*2 Business & Management Rights Adaptive Grant Aid

A new form of Official Development Assistance (ODA) created to help Japanese companies acquire business and management rights and utilize Japan's advanced technologies and know-how to facilitate development of developing countries through grant aid for public works in order to comprehensively implement construction, operation and maintenance of facilities with private participation.



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Outline of Business

■ Client: Yangon City Development Committee (Contract Party: Japan International

Cooperation System)

■ Contractor: Japan Consortium Limited Liability

(Special purpose company established between Toyo Engineering

Corporation and TSS Tokyo Water Co., Ltd.)

Implementation place: Mayangone, Yangon, Myanmar

■ Description of project: Investigation of water leaks, replacement and repair of water pipes, and

replacement and installment of meters

■ Project period: 2016 to 2022 (scheduled)

■ Project expense: Approximately 1,800 million yen (ODA budget)

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