JOIN’s Support for Urban Development Projects

Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development
What is JOIN?

JOIN, established in October 2014, is the “first” and “only” government-private sponsored “equity provider” in Japan specialized in overseas infrastructure investments, and;

- Supports host countries in building safe and reliable infrastructure through its equity participation
- Works in collaboration with Japanese companies, financial institutions, governmental institutions (JICA, JBIC, NEXI, etc.) and ministries
- Provides funding and bring Japanese expertise and high-end technology solutions to infrastructure projects (“HANDS-ON“)
**JOIN’s Focused Sectors**

**Sector Variety**
1. Transport
2. Urban development
3. Related areas supporting to Transport and Urban development

**Geographical Diversity**
- NO country criteria for investment
- NOT only for emerging country BUT also Developed

**Green field / Brown field**
- Both New Projects (Green field) and Existing Projects (Brown field)

- High-speed railways
- Toll Roads
- Urban railways / transport system
- Ships / Offshore units
- Port
- Aviation/Airport
- Logistics
- Urban development
Role and Function

Infrastructure Project Company (SPC)

Equity Provider
- JOIN
- Japanese Company

Debt Provider
- JICA / JBIC / NEXI / Banks

Approval and License Support

Equity

Loan / Cover

Host Government

Local Company

EPC Contractor

O&M Operator

Equity
JOIN’s Decision Making Process

- Review and appraise each candidate project based on “JOIN Investment Guideline”
- Importance on discussion with the local partners and government as well as field research
- Close collaboration with JICA/JBIC/NEXI in every stage

Internal Assessment Stage
- Project Reception
- Internal Assessment

Due Diligence Stage
- Application for Investment
- Communication and involvement of the Ministry where required
- Initiating Due Diligence Process (Committee Approval)
- Due Diligence

Committee Decision

Work jointly with invested entity to
- a) Execute due diligence by outside specialist(s)
- b) Carry out local field research
- c) Conduct review on local partners
JOIN’s Investment Policy

JOIN’s “Investment Guideline” stipulates:

**Political significance**
- to utilize Japanese technology, experience and knowledge in infrastructure
- to support Japanese companies to participate in overseas markets
- to contribute economic growth of host countries through the project
- to secure environmental accountability

**Private initiative**
- For private partners to have commitment and capabilities of completing the project

**Sustainability**
- to assure reasonable profit in the long-run through proper risk management
### Investment Portfolio

13 Investments in 6 countries, Total Budget 427.4 USD mn as of October 2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Sector</th>
<th>Project</th>
<th>JOIN’s Investment (USD mn)</th>
<th>Japanese Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>Port</td>
<td><em>Thi Vai International Port’s Terminal Project</em></td>
<td>$10.0</td>
<td>Kyoei Steel Ltd Tatsumi Shokai Co., Ltd</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Urban Development</td>
<td><em>Waterpoint Urban Development Project</em></td>
<td>$17.5</td>
<td>Nishi-Nippon Railroad Co., Ltd</td>
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<tr>
<td>Indonesia</td>
<td>Urban Development</td>
<td><em>Mixed-use Urban Development Project in the Suburb of Jakarta</em></td>
<td>$32.5</td>
<td>Mitsubishi Corporation Nishi-Nippon Railroad Co., Ltd Hanshin Electric Railway Co., Ltd Keikyu Corporation</td>
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<tr>
<td>Indonesia</td>
<td>Logistics</td>
<td><em>Cold Storage Warehouse Project</em></td>
<td>$7.9</td>
<td>Kawanishi Warehouse Co., Ltd</td>
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<td>Indonesia</td>
<td>Urban Development</td>
<td><em>Jakarta Garden City Urban Development Project</em></td>
<td>$44.5</td>
<td>AEON Mall Co., Ltd</td>
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<tr>
<td>Indonesia</td>
<td>Urban Development</td>
<td><em>Jakarta Southeast Capital Urban Development Project</em></td>
<td>$26.5</td>
<td>Daiwa House Industry Co., Ltd</td>
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<td>Indonesia</td>
<td>Urban Development</td>
<td><em>Jakarta Mega Kuningan Urban Development Project</em></td>
<td>$57.3</td>
<td>Tokyu Land Indonesia</td>
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<tr>
<td>Myanmar</td>
<td>Urban Development</td>
<td><em>Landmark Project in Central Yangon</em></td>
<td>$20.0 (up to $40)</td>
<td>Mitsubishi Corporation Mitsubishi Estate Co., Ltd</td>
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<tr>
<td>Myanmar</td>
<td>Urban Development</td>
<td><em>Redevelopment of the Defence Services Museum Project</em></td>
<td>$50.0</td>
<td>Fujita Corporation Tokyo Tatemono</td>
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<tr>
<td>India</td>
<td>Road</td>
<td><em>Brown-field Toll Road Project</em></td>
<td>$84.7</td>
<td>Mitsubishi Corporation East Nippon Expressway Company Limited</td>
</tr>
<tr>
<td>USA</td>
<td>Railway</td>
<td><em>Texas High-Speed Railway Project</em></td>
<td>$40.0</td>
<td>Texas Central Partners, LLC</td>
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<tr>
<td>USA</td>
<td>Others</td>
<td><em>Sustainable Aviation Fuel Project</em></td>
<td>$8.0</td>
<td>Japan Airlines Co., Ltd Marubeni Corporation</td>
</tr>
<tr>
<td>Brazil</td>
<td>Railway</td>
<td><em>Urban Passenger Railway Project</em></td>
<td>$46.0</td>
<td>Mitsui &amp; Co., Ltd West Japan Railway Company</td>
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</tbody>
</table>
Case Study  Landmark Project in Central Yangon [Myanmar]

**Project Overview**
- Construction and operation of the mixed-use urban complex development project in central Yangon
- JOIN invested with Mitsubishi Corporation (“MC”), Mitsubishi Estate Co., Ltd. (“ME”), and Serge Pun & Associates Ltd. Construction (“SPA Group”)
- JOIN’s maximum Investment: 4.5 billion JPY (US$540 million)

**Investment Scheme**

<table>
<thead>
<tr>
<th>JOIN</th>
<th>MC</th>
<th>ME</th>
<th>SPA Group</th>
<th>ADB+IFC</th>
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<tr>
<td>equity contribution</td>
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</tbody>
</table>

SPC set up by Japanese project participants

Local Project Company

**Project Site Location**
- Facility /scale: 2 Office buildings, 1 building for Hotel & Serviced Apartments, 1 Condominium, and Commercial facilities in the base structure.
- Land size: approx. 4 ha (partially including land size of the separate project)
- Total floor area: over 200,000 sqm.
- Schedule: Construction estimated to start during FY 2016 and end in FY 2020.

**Conceptional drawing**
※the lower building in the foreground is for a separate project

**Highlights**
- Development of the first mixed-use urban complex project by Japanese companies in Myanmar.
- Encourage Japanese companies to participate in the urban development project with overseas companies in Southeast Asia.
**Case Study  Waterpoint Urban Development Project [Vietnam]**

**Project Overview**
- Investment to participate into the development of a housing complex comprised of townhouses, villas, land plots, and public facilities in Ben Luc, a district in Long An Province 30km away from Ho Chi Minh City, jointly with Nishitetsu, Nam Long Investment, Thai Binh group, and Tan Hiep Investment.
- JOIN’s investment: approx. 1.9 billion JPY

**Investment Scheme**

**Project Site Location**
- Usage: Townhouses, Villas, Land plots, public facilities
- Total Land Area: approx. 165ha
- JOIN’s Investment: approx. 1.9 billion JPY
- Commence Sales: 2019 (planned)

**Highlights**
- Encourage the participation of Japanese company into large-scale housing complex development in Vietnam.
- Provide convenient means of transportation through service such as free shuttle-bus and facility such as Park-and-Ride, promoting transit-oriented development (TOD) outside of Japan.
- The project will provide excellent townscape in the region by utilizing Japan’s expertise in large-scale housing complex development and bus-operation business.
Projects in the Pipeline – 102 projects

- A total of **102 projects** are currently in the pipeline (as of the end of Sep 2018)

* Including East Asia such as Korea and Taiwan