



Special Feature

# Growing with Myanmar

## MC Group Takes up the Challenge with Collective Capabilities

Myanmar is a country that is changing rapidly in the midst of economic liberalization and democratization. Myanmar, also called the Last Frontier in Asia, is expected to maintain a high economic growth rate of around 7 to 8%. Currently operating 13 businesses in this growth market, to which many international companies are paying attention, MC Group is striving to create new businesses that will become next-generation growth drivers.



Top: Infrastructures in Yangon such as railways are still developing. By leveraging the knowhow of developing of infrastructures gained from projects in Japan and the connection with Japanese companies such as railways companies, MC Group will support the development of Yangon city.

Bottom: MC's employees checking operational status at the Thilawa Industrial Park. The industrial park is operated by a joint venture company between Myanmar (51%) and Japanese consortium of three *sogo shosha* including MC and three banks (49%).

### Capturing Opportunities in ASEAN's Most Vibrant Market by Leveraging MC Group's Collective Capabilities

Since Myanmar's transition from military to civilian rule took place in 2011, MC Group has undertaken many projects in cooperation with local major partners, such as the operation of the Mandalay International Airport, construction equipment rental business, food business and distribution business.

In March 2016, when the National League for Democracy led by Ms. Aung San Suu Kyi took control of the government, moves in the country for economic liberalization and democratization sharply accelerated. As a result, new legislation is being introduced with the aim to attract foreign investment.

Under these circumstances, MC Group is focusing on the creation of new businesses in order

to develop its next Growth Drivers. For example, MC launched a large-scale urban development project called the Yoma Central Project in the center of Yangon, Myanmar's largest city. MC also established a hospital management company with the aim to provide advanced medical services.

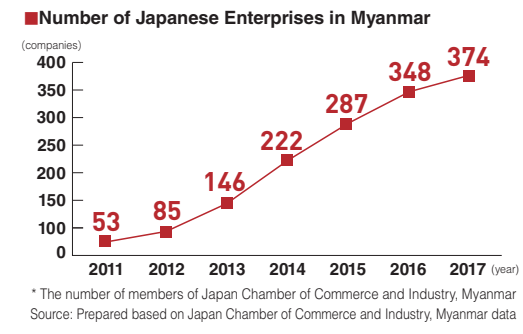
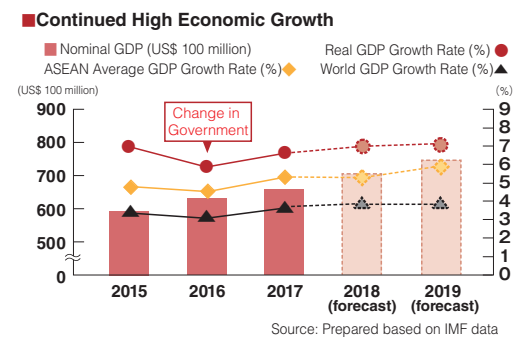
In addition, MC will continue to steadily develop new businesses that will become next-generation growth drivers in Myanmar, including food production and distribution businesses which contribute to the improvement of living standards of people in Myanmar, privatization of domestic airport operations, and infrastructure projects aimed to improve electric power supplying capability. Through these businesses and projects, MC Group will grow along with the economic development of Myanmar.

In January 2018, tariffs on all intra-ASEAN goods were abolished for in CLMV countries including

Myanmar, which allowed for business deployment not only in the domestic market but also in the huge market of the ASEAN Economic Community (AEC). MC Group is promoting various types of businesses, not only by collaborating with leading local business partners such as SPA Group and CDSG\*, major corporate groups in Myanmar, but also by leveraging its own collective capabilities such as cross-sectional cooperation across all MC business groups. While steadily capturing Myanmar's economic growth, MC Group will create new businesses from medium- and long-term perspectives, which will become next-generation growth drivers. MC Group not only contributes to the country's economic growth but also tackles social issues, such as impoverished farmers, through international contribution activities focused on agriculture and cultural formation.

\*Capital Diamond Star Group

### Growth of Myanmar at a Glance





# Introduction of MC Group Businesses

This article introduces how MC Group is contributing to the growth of Myanmar through businesses in cooperation with local partners.

**Mandalay (second largest city)**  
 Airport Operation Business (Global Environmental & Infrastructure Business Group)  
 Isuzu Motors Brand Trucks Import and Sales Business (Machinery Group)

**Nay Pyi Taw (capital)**

**Yangon (largest city)**

Urban Development Business (Industrial Finance, Logistics & Development Group)  
 Hospital Operation Business (Living Essentials Group)  
 Construction Equipment Rental Service Business (Machinery Group)  
 Food Production and Distribution Business (Living Essentials Group)

Elevator & Escalator Business (Machinery Group)  
 Industrial Estates Development and Operation Business (Industrial Finance, Logistics & Development Group)  
 Tire Sales Support Business (Living Essentials Group)  
 Mitsubishi Motors Brand Vehicles Import and Sales Business (Machinery Group)



The conceptual drawing of the completed Yoma Central.

## Urban Development Business

“Yoma Central Project”  
– Aiming to Build “Yangon’s Marunouchi”

(Industrial Finance, Logistics & Development Group)

The “Yoma Central Project”, currently under construction in the center of Yangon, is a large-scale urban development project which total construction cost amounts to over US\$ 600 million. In this project, MC, jointly with Mitsubishi Estate, SPA Group, and other partners, will redevelop the site of approximately four hectares on which SPA Group had constructed and operated offices and other facilities, and newly construct and operate offices, condominiums, hotels, and commercial facilities.

In front of the Yangon Central Railway Station, located in the center of Yangon, you can see hotels, movie theaters, and office buildings being lined up. You may feel as if you were standing in the Marunouchi district of Tokyo. Myanmar expects a lot from this large-scale development taking place in Yangon as it will create many jobs, not only during the period of construction, but also after the completion of these facilities. MC Group, jointly with



MC Group members discuss future plans with SPA Group members in a joint meeting.



As Yangon experiences a long rainy season, work interruption due to downpours happens almost daily. Despite such bad conditions, the construction is progressing safely and on schedule based on the plans

its business partners, is going to move this urban development forward as a landmark project that will support the growth of Myanmar.

With this project positioned as the first step to the development of Myanmar, MC Group plans to promote “overall” urban development projects in emerging countries in ASEAN including Myanmar and other regions, by combining the development of social and transportation infrastructures such as railways and the development of real estate.



Operating the second largest international airport in Myanmar, with seven domestic and seven international airlines offering flight services.



## Airport Operation Business

Operating Mandalay International Airport

(Global Environmental & Infrastructure Business Group)

The Mandalay International Airport, the second largest international airport in Myanmar, is operated by MC-Jalux Airport Services, a company jointly established by MC, JALUX, and Yoma Development Group under SPA Group. This is the first project in which Japanese companies undertook the operation of an overseas airport with 100% private capital. Through the 30-year concession agreement on the operation, MC Group is supporting Myanmar’s growing demand for air travel boosted by the revitalization of industry and tourism. By leveraging the knowhow gained from this project on the operation and management of infrastructure projects, MC Group will respond to increasing demand for air travel, particularly in emerging countries.



By improving our skills and services, we will earn the trust of customers and become Myanmar’s No. 1 elevator service company.

## Elevator & Escalator Business

MC Elevator (Myanmar)

(Machinery Group)

In 2014, MC, jointly with SPA Group, established MC Elevator (Myanmar), a company that sells, installs, and maintains Mitsubishi Electric brand elevators and escalators. MC Elevator successfully established a high-quality brand image with thorough maintenance service, winning a top market share in the country. In Myanmar, many large-scale urban development projects are planned for 2020, including the Yoma Central Project, and this is why MC Elevator is expected to grow further. In the meantime, MC donated elevators to the Shwedagon Pagoda, Myanmar’s symbolic Buddhist temple, supporting the growth of the country not only in industry but also in cultural aspects.

Aiming to improve the living standards of impoverished farmers, the most serious social issue in Myanmar, MC is supporting international NGO, OISCA. This photo shows an OISCA team teaching farmers agricultural techniques.