

- News Release -

November 29, 2011

**Bolstering Water Supply Solutions:**  
Kokusai Kogyo Group expands into  
water supply facility asset management and operation

Kokusai Kogyo Co., Ltd., part of the Kokusai Kogyo Group (Kokusai Kogyo Holdings Co., Ltd., securities code: 9234; Head Office: Chiyoda-ku, Tokyo, Japan, President and Chief Executive Officer: Sandra Wu, Wen-Hsiu) (hereinafter Kokusai Kogyo) which aims to bring about *green communities*, is to conclude an advisory contract with Yokohama Water Corporation (hereinafter Yokohama Water), combining the strengths of both companies in the water supply business in order to strengthen and expand its field of business to water supply facility asset management and operation.

Japan's water supply penetration rate is in excess of 97%. Various types of system such as the third-party contract system, the designated administrator system, revision of the Private Finance Initiative (PFI) Law are being put in place to provide a safe and stable water supply; and now a major turning point has been reached with calls for the strengthening of the operating infrastructure through public private partnership (PPP) in order to aim for more stable management in the future.

There is also an urgent need for stable water supplies overseas, particularly in emerging and developing countries, where there are active moves to outsource the management of the water supply business by means of PPP schemes.

Until now Kokusai Kogyo has been involved mainly in water supply planning in public administration and ledger management, business support and so on using geographic information systems (GIS). The water supply facility data management system *Seseragi*, a proprietary service it has offered since 1996, maximizes efficiency of water supply facility maintenance using GIS, and is being used by 239 clients in Japan, most notably Yokohama City. In addition to this the Group also has a good record as a designated administrator of water supply projects.

Through cooperation with Yokohama Water, Kokusai Kogyo will take on board the knowledge and know-how of Yokohama Water spanning all aspects of the water supply business, and by combining this with the company's own track record in the water supply business will construct a system capable of answering the growing needs of, and providing full support for, the water supply business both in Japan and overseas.

The Kokusai Kogyo Group will actively develop its water supply maintenance and management support business using GIS both in Japan and overseas, based on the geospatial information technologies it has cultivated since its inception and its know-how in the construction of social infrastructure. In addition, the Group will work on water supply business solutions using PPP schemes and PFI, water supply business asset management for local authorities in Japan and the

expansion of its water supply-related projects outside Japan.

For further details, please contact: Hideto Suzuki or Tsutomu Kawahata

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#### Reference

##### **About Yokohama Water Corporation**

(<http://yokohamawater.co.jp/> (Japanese only))

Yokohama Water Corporation was established to promote business development using the technical strength and know-how cultivated over its long history by the Yokohama Waterworks Bureau, in order to strengthen the management base of the waterworks projects of Yokohama City with an eye to the future. In addition to contributing to the resolution of problems in waterworks projects both in Japan and overseas, the corporation works to secure new revenues, and while returning these to the customer, to strengthen the management base of the Yokohama Waterworks Bureau.

##### **About the Kokusai Kogyo Group**

(<http://www.kk-grp.jp/english/>)

Ever since its establishment, the Kokusai Kogyo Group has contributed to the construction of social infrastructure. The Group implements the practical application of GIS, which makes possible the advanced analysis of a wide range of geospatial information obtained through the maximal use of state-of-the-art measurement technologies, to implement projects in administrative support, national land conservation, urban and regional design, disaster prevention, post-disaster reconstruction, etc. At the same time, the Group is adapting for the private sector, at home and abroad, the geospatial information consulting technologies that in the past it has provided mainly to government agencies. In addition to expanding and promoting its business to include services that meet these new needs, the group is also actively developing global services aimed at the overseas market.

The Kokusai Kogyo Group's definition of *green infrastructure* is environmentally-friendly social infrastructure and social capital that makes practical use of renewable energies. Backed up by its track record and social infrastructure technologies cultivated over many years both at home and abroad, and by its expertise in renewable energies, the Group is helping, through the development of safe, secure and low-carbon communities, to make the *green communities* demanded by the times into a reality.

✍ Company: Kokusai Kogyo Holdings Co., Ltd.

✍ Stock exchange listing: First Section of the Tokyo Stock Exchange (Securities code: 9234)

✍ Head Office: 2 Rokubancho, Chiyoda-ku, Tokyo 102-0085, Japan

✍ Capital: 16.939 billion yen

✍ President & CEO: Sandra Wu, Wen-Hsiu

✍ Number of employees: 2,115 (consolidated)

✍ Number of subsidiaries: 24 domestic companies, 41 foreign companies

**About Kokusai Kogyo Co., Ltd.**

(<http://www.kk-grp.jp/english/>)

Kokusai Kogyo Co., Ltd. is a subsidiary of the Kokusai Kogyo Group and is a leading company in geospatial information consulting. In the more than 60 years since its establishment, the company has constantly developed state-of-the-art geospatial information technologies, and its core business has been geospatial information consulting that offers high-value-added geospatial information, adding various kinds of statistical information to highly-accurate measurement data and high-definition image data. It is currently aiming for the creation of a society in which all kinds of information are available to be used anywhere, anytime, by anyone, focusing on the themes of 3D, real time and ubiquity.