

May 7, 2019

Marubeni Corporation

Portuguese Water Service Company to Become a Wholly-Owned Subsidiary of Marubeni Corporation

Marubeni Corporation (hereinafter, “Marubeni”) announces that it has agreed to acquire the remaining 50% of the shares in AGS - Administração e Gestão de Sistemas de Salubridade, S.A. (hereinafter, “AGS”) from INCJ, Ltd. (formerly Innovation Network Corporation of Japan, “INCJ”) making AGS a wholly-owned subsidiary of Marubeni. AGS is a water service company in Portugal which Marubeni jointly acquired with INCJ in 2014.

This is the second time that Marubeni has turned one of its water service businesses into a wholly-owned subsidiary, the first being Aguas Decima in Chile. AGS is Marubeni’s first European water service business subsidiary to become wholly-owned.

AGS is one of Portugal's largest water utilities, holding 19 subsidiaries in Portugal and 3 in Brazil, providing water supply and wastewater treatment services to approximately 1.5 million people. AGS also provides engineering support services to water utilities, such as water infrastructure asset management plans, non-revenue water ^(*) reduction programs, and develops/sells asset management systems for water and wastewater facilities, utilizing its’ abundant experience in O&M^(**) projects.

Since the acquiring AGS in June 2014, Marubeni has used its global network to connect the company with potential customers, and has promoted collaboration with other Marubeni-owned water service companies. In particular, AGS has been able to accumulate experience and knowledge by providing non-revenue water reduction programs to other affiliate companies, such as Aguas Nuevas in Chile and Maynilad in the Philippines, thus allowing those companies to enhance their operational efficiency.

On top of the satisfying business development of AGS, Marubeni has decided to make AGS a subsidiary in order to further strengthen its activities in the water utility business.

Marubeni has developed a wide range of water utility businesses in Asia, Europe, Central and South America, and the Middle East, ranging from water and sewage service provision to construction, operation and maintenance, and BOT^(***) of water wastewater treatment facilities. As water and wastewater issues, which include low service quality and high asset

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renewal costs due to aging infrastructure, are globally becoming more diverse, Marubeni, as an “integrated water solution provider”, will use its wide range of experience and asset know-how and collaborate with customers to solve to solve such issues.

- (*1) Non-revenue water: Amount of water that does not appear in revenue due to water leakage and water theft in the water distribution network. Usually water supply systems which are properly managed, have low figures
- (*2) O&M: Abbreviation for Operation & Maintenance. Mainly the operation, maintenance and inspection of water and wastewater related assets.
- (*3) BOT: Abbreviation for Build-Operate-Transfer. A form of a project where a private entity finances, designs, constructs, owns, and operates a facility, and transfers the asset to the public after a fixed period.

【Company Profile of AGS】

Name: AGS - Administração e Gestão de Sistemas de Salubridade
Address: Lagoas Park, Edifício 6 – Piso 0A 2740-244 Porto Salvo Portugal
Founded: May 6, 1988
Representative: João Faria Feliciano
Employees: Approximately 1,600 (Group Total)
Web: <https://www.ags.pt/>

【Company Profile of INCJ】

Name: INCJ, Ltd.(INCJ: Innovation Network Corporation of Japan)
Address: 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Founded: September 2018
Representative: Mikihide Katsumata, President and COO, Member of the Board
Web: <https://www.incj.co.jp/>

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【Sewage Treatment Plant in Portugal】

