



The Japan International Cooperation Agency celebrates seven decades of pivotal partnership with the Philippines. From visible infrastructure projects such as national highways and agricultural support to economic infrastructure, disaster risk reduction and fostering peace and development, Japan's collaboration has been vast and instrumental across The Philippines.

Key figures such as Ambassador Mylene J. Garcia-Albano and Department of Transportation Secretary Jaime Bautista spotlight this enduring alliance. This is supported by organizations including the Philippine Economic Zone Authority, Philippine Amusement and Gaming Corp., the Aboitiz Group, GT Capital, the Yuchengco Group of Companies, SM Investments Co., the Philippines-Japan Society Inc., the Philippine Chamber of Commerce and Industry in Japan and more. Explore the full report for insights into this dynamic relationship.



Read the full report at:
<https://bit.ly/BridgesPH>
or visit:
sms-bridges.com

Marking 70 years of Japan-Philippines partnership and cooperation

A message from the president of the Republic of The Philippines

The Japan Times holds a distinguished position as Japan's oldest and largest English-language newspaper with a niche that extends to leaders, policymakers and academicians across the globe. Initially written to champion compassion and understanding within and among local communities, the publication has sustained its growth and emerged as a window to the world by providing reliable insights on the newest trends and dynamics in our broader economy.

As we, along with the Bridges, embark on a new milestone in celebration of the 70 Years of Japan-Philippines Cooperation, I hope that the content of this newspaper will continue to shape the future of bilateral trade and investment between our states. Upholding objectivity and responsibility, I trust that its editorial staff will cultivate the minds of the readers by producing articles that highlight and nurture the enduring partnership between Japan and the Philippines.

May this report further attest to the multifaceted nature of the collaboration which transcends mere assistance and encompasses deeper dimensions of shared ideals and aspirations. I am also confident that it will not only illustrate the eminent history and legacy that paint the canvas of both nations, but also fortify the cultural bridges connecting Japan to the rest of the Philippines. With our two countries working together, let us build a more united, inclusive and progressive Asian region.

Congratulations! I wish that the alliance between Japan and the Philippines will persist for the years to come.

Ferdinand R. Marcos Jr.



PAGCOR chair: Now is the time to bet on the Philippines

In the dynamic realm of gaming and entertainment, the Philippine Amusement and Gaming Corp. stands at a pivotal juncture, poised for unprecedented growth and transformation. PAGCOR Chairman and CEO Alejandro Tengco shares insights into the corporation's ambitious objectives, strategic initiatives and the compelling investment landscape within the gaming sector.

Bridges: PAGCOR's 40th anniversary last year coincided with record gross gaming revenues. What are your objectives and milestones to sustain this growth in the years ahead?

Tengco: When I took on this role in August 2022, we were already on a positive trajectory, reaching revenues close to 67% of prepandemic levels. The real growth kicked in during 2023 as we gradually reopened the economy, surpassing even our prepandemic numbers ahead of schedule.

Looking ahead to sustain this momentum, we're focusing on two key drivers. One is the expansion of integrated resorts with private investments of over \$1 billion for one to qualify in Metro Manila, about \$200 million in the economic zone of Clark and about \$300 million elsewhere. IRs include a hotel, minimum retail space, dining options, 'staycation' facilities and event venues.

We have exciting developments in the pipeline, including the opening of Solaire North this year. By 2025, another IR will launch in Metro Manila, with potential projects in Cebu and tourist destinations like Boracay by 2026. Clark is also on our radar for an IR in 2027, followed by possibly Solaire Puerto Azul in 2028. These expansions are expected to greatly increase our gross gaming revenues.

Additionally, my plan is to privatize by 2025. This shift will involve transitioning the operation of 41 land-based casinos currently run by PAGCOR to the private sector. By doing so, these establishments will be managed more efficiently, and we will derive license fees amounting to 25% of their gross sales.

Why is the gaming sector experiencing such rapid growth, and how is PAGCOR planning to capitalize on this trend?

Several factors are driving the growth in the e-games sector. We significantly reduced license fees, dropping them



Philippine Amusement and Gaming Corporation Chairman and CEO Alejandro H. Tengco speaks during the opening of Solaire Resort North, the Philippines' newest integrated resort, on May 25. PAGCOR

from 52.5% to a competitive 35%, which encourages compliance and investment. Convenience is another key factor — players can enjoy games from anywhere, especially appealing after the pandemic. Innovations like mobile-compatible games enhance accessibility.

What strategic measures are being taken to facilitate a seamless transition with the privatization of land-based casinos?

The main challenge we are addressing is PAGCOR's dual role as regulator and casino operator. This setup conflicts with basic business ethics. Privatization will allow us to focus solely on regulation, collecting taxes and licensee fees without high overhead costs.

Will investors be interested in purchasing privatized assets?

Absolutely. We've received inquiries, particularly for key cities like Cebu, Davao, Tagaytay and Angeles City, indicating promising opportunities.

How is PAGCOR attracting international investors and gamers to the Philippines?

By 2030, Japan's first IR is set to open in Osaka. Visits from Japanese agencies demonstrate our respected position as a

mature gaming jurisdiction. Cambodia is also interested in collaborating, inspired by our regulatory improvements. This recognition attracts investors seeking growth opportunities.

Can you provide insights into current and projected employment figures in the gaming sector?

With privatization and continued growth, the gaming sector is expected to generate remarkable employment opportunities. Currently, there are about 150,000 direct employees and an additional 150,000 indirect roles. As the sector expands, these numbers will increase, contributing to the country's economic growth.

Why is the Philippines an attractive destination for gaming sector investment?

Now is the time to invest in the Philippines. We've restructured policies to align with current trends and continuously evolve. Investors recognize our mature regulatory authority, stability and reliability. Beyond gaming, visitors appreciate our beautiful beaches, attractions and warm hospitality. ■

For more information, visit: www.pagcor.ph

An enduring partnership: Japan-Philippines cooperation through JICA

"Japan International Cooperation Agency is the sole responsible Japanese government agency in charge of ODA (official development assistance) implementation, fostering our close partnership with the Philippines," said JICA Philippines Chief Representative Takema Sakamoto.

For more than half a century, JICA's role diversified and expanded, offering financial cooperation exceeding ¥4 trillion (about \$25 billion) and training over 42,000 Filipino officials in Japan.

"Through extensive cooperation in various areas, our partnership has flourished," Sakamoto said, highlighting collaborative efforts for quality growth, human security and the Mindanao peace process.

JICA's impact spans numerous sectors, such as disaster resilience and infrastructure.

"Across the Philippines, the achievements of our joint efforts are evident," Sakamoto noted, spotlighting projects like railway modernization around Manila. Trust underpins this close collaboration, with Japan esteemed as the Association of Southeast Asian Nations' most trusted country.



Takema Sakamoto, Chief Representative of JICA Philippines

JICA

Celebrating 70 years of cooperation in the Philippines, JICA's commitment continues to grow. Future endeavors align with the country's developmental agenda, including infrastructure and quality growth. "The Philippines' development is also pivotal for Japan's prosperity," Sakamoto said, emphasizing their intertwined destinies.

"Through extensive cooperation in various areas, our partnership has flourished."

In this ever-evolving global landscape, the enduring partnership between these two nations, guided by JICA, promises sustained resilience and prosperity, epitomizing interconnected futures. ■

For a deeper insight into this remarkable journey, read the full feature here:

<https://bit.ly/JPPH24-JICA>



Why Japanese investors remain *ichiban* in Philippine economic zones

The Philippine Economic Zone Authority, the premier investment promotion agency and leading home of Japanese manufacturing companies in the Philippines, fosters investments and facilitates business operations in export-oriented manufacturing and service facilities within all designated Special Economic Zones nationwide.

"Since its inception in 1969 as the Export Processing Zone Authority transitioning to the PEZA 'ecozone' program, (PEZA) has attracted investments, provided ideal locations and ecosystems and enhanced competitiveness in global markets," Director-General Tereso O. Pangga explained. "Plus, the ease of doing business — that's the secret to our success."

PEZA has developed 423 operating economic zones since 1995, spanning diverse sectors from manufacturing and industrial agriculture to medical, tourism and information technology services.

Japanese investors have consistently dominated PEZA's landscape since 1995, Pangga said.



Tereso O. Pangga, Director-General of the Philippine Economic Zone Authority

"The Japanese have always been *ichiban* (No. 1) in PEZA, holding a significant 27.93% share of investments," he said.

He also explained that investors PEZA enjoy numerous benefits.

"The competitive advantage for Japanese investors lies in the Philippines' skilled labor force and stable economic fundamentals,"

"The Japanese have always been *ichiban* (No. 1) in PEZA, holding a significant 27.93% share of investments."

Pangga said. "We have a large pool of quality-oriented, highly trainable and English-proficient individuals. Communication is seamless, and our economic zones offer a favorable ecosystem, with PEZA providing a 24/7 one-stop shop."

PEZA's digital innovations enhance the investment landscape, with initiatives like digital payment systems and the upcoming digital marketplace revolutionizing the ease of doing business.

Looking ahead, PEZA aims to attract more Japanese investment, especially in key industries like semiconductors, electronics, electric vehicles and pharmaceuticals, among others.

"The Philippines is a tried, proven and tested location for Japanese

corporations. We're keen to attract not only major corporations, but also Japanese SMEs (small and midsize enterprises) to become global players like we have done so repeatedly in the past," Pangga emphasized.

PEZA's robust investor interest since 2022 positions the Philippines as a promising regional business hub in the Asia-Pacific region, on track to become an advanced economy. Its economic zones and Japanese partnerships showcase facilities akin to Japan, emphasizing resilience, sustainability and innovation that appeal to international investors worldwide. ■

www.peza.gov.ph



SPCMB Law Offices empowers access to renewable energy via PPP efforts

The Philippines stands at a critical crossroads in its energy landscape, grappling with the pressing issue of inadequate supply amid escalating demand. As of 2022, the energy mix comprised coal, natural gas, renewable energy and oil-based solutions. However, the imbalance persists, leading to recurring red and yellow alerts issued by the National Grid Corp. from April onward, underscoring the urgency of finding sustainable solutions.

Renewable energy heralds a paradigm shift toward a greener future. The rapid evolution of this technology, combined with its plummeting costs, positions it as a formidable contender in the energy arena. With prices dropping significantly, renewable energy has become the most cost-effective option globally. Notably, in 2023, the costs associated with renewable energy were 13% lower than those of coal, with projections indicating a further 32% reduction by 2030.

Maneuvering the phases of government budget approvals, however, can be cumbersome, delaying renewable energy projects.



SPCMB Law Offices leverages its wealth of experience to facilitate seamless public-private partnerships.

Thus private-sector involvement is crucial in leveraging rapid advancements in technology. The government has demonstrated support by amending the Renewable Energy Act's Implementing Rules and Regulations and enacting the Public-Private Partnership Code, streamlining PPPs with investment recovery plans and green financing, while fostering an environment conducive to private investment in renewable energy ventures.

But, navigating the legal intricacies of PPPs remains a formidable

challenge for companies, and firms like Subido Pagente Certeza Mendoza & Binay Law Offices can provide invaluable assistance. SPCMB Law Offices leverages its wealth of experience to facilitate seamless PPP engagements. With a deep understanding of the legal landscape, SPCMB assists private entities in navigating the complexities of PPPs, ensuring compliance while maximizing efficiency.

"As the Philippines grapples with a significant energy supply challenge, our law office is

dedicated to being at the forefront of supporting renewable energy projects," SPCMB Partner Jennifer T. Ong in charge of corporate and special projects said.

"The advancements in renewable technology, coupled with substantial incentives and streamlined processes of the Philippine government, provide a fertile ground for private-sector participation. Our commitment is to help drive the nation towards a sustainable and resilient energy future," Ong emphasized.

As the Philippines charts its course toward energy security and sustainability, the role of PPPs in fostering affordable renewable energy cannot be overstated. SPCMB Law Offices bridges the gap between legal complexities and renewable energy aspirations, toward a greener future. ■

www.spcmblaw.com



THE FUTURE OF TECH GAMING IS AT YOUR FINGERTIPS

The Philippines' gross gaming revenue is projected to reach \$5.8 billion this year – which would be the highest in Philippine gaming history. A huge chunk of the revenues will come from electronic gaming which, in turn, is driven by technological integration, innovations and the immense popularity of mobile devices. Indeed, tech-based gaming has come and is here to stay for a long time.

Get into the game. Be the game.

To apply for a license in the Philippines, send an email to egaming_licensing@pagcor.ph for domestic operation of electronic games and ogld@pagcor.ph for internet gaming.

Philippine Amusement and Gaming Corporation

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YGC: Cultivating robust connections across borders

The Yuchengco Group of Companies has been a pillar of Philippine business for decades, with a diverse portfolio of ventures spanning banking, insurance, renewable energy, education and more. Throughout its history, YGC has recognized the importance of solidifying international connections, particularly with Japan, which has been a significant partner in the Philippines' economic growth.

"Our partnership with Japan is a cornerstone of our global strategy. My father, the late Ambassador to Japan Alfonso T. Yuchengco, saw the importance of Japan in the global economic landscape, which has been the guiding principle for YGC ever since," YGC Chairperson Helen Yuchengco Dee said.

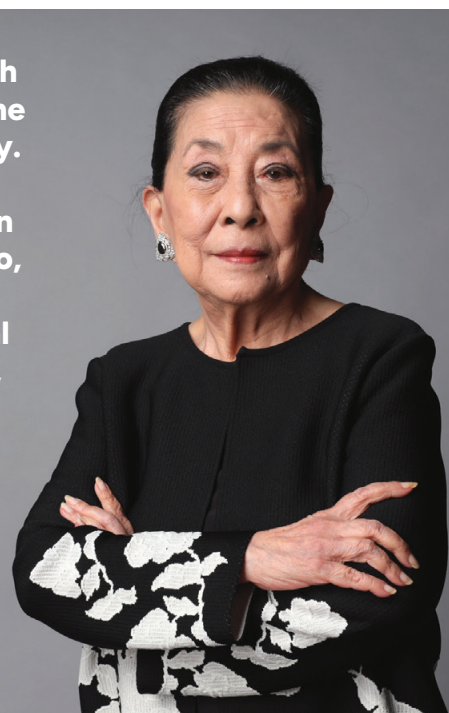
Today, YGC continues to build on these partnerships, driving innovation, collaboration and shared prosperity across borders.

Connecting people and markets

Rizal Commercial Banking Corp., the Philippines' fifth-largest privately owned bank, is the flagship financial services institution of YGC and a stalwart in the Philippine banking sector. The 64-year-old bank has been fostering strong economic ties with Japan, a legacy deeply rooted in the vision of the bank's founder Yuchengco. Recognizing the immense potential of this partnership as evidenced by several decades of successful collaborations with Japanese companies, the bank continues to strengthen its ties with Japan to drive innovation and continue providing top-tier financial services that meet the evolving needs of the global market.

"Our partnership with Japan is a cornerstone of our global strategy. My father, the late Ambassador to Japan Alfonso T. Yuchengco, saw the importance of Japan in the global economic landscape, which has been the guiding principle for YGC ever since."

Helen Yuchengco Dee
Chairperson,
Yuchengco Group of
Companies



YGC

A recent and notable collaboration is with Sumitomo Mitsui Banking Corp., one of Japan's premier financial institutions. This strategic alliance saw SMBC acquire a 20% stake in RCBC, signaling strong confidence in the bank's strategic vision and operational prowess. RCBC further solidifies Sumitomo Mitsui's position as the preferred banking partner for Japanese companies in the Philippines. The alliance has played a pivotal role in the expansion of its core business in the

corporate, small and midsize enterprise, consumer and retail market segments. Additionally, it creates opportunities for business-matching relationships between RCBC's Philippine-based clients and SMBC's global market network, establishing a bridge for local players to connect to the international market and vice versa.

Building on this, RCBC, SMBC and the Philippine Economic Zone Authority have joined forces to bolster investment opportunities between Japan and the

Philippines. This strategic partnership facilitates seamless entry for Japanese investors into the Philippine market, catalyzing economic growth and nurturing cross-border collaborations. RCBC President and CEO Eugene S. Acevedo noted that, "With this tripartite partnership, we hope to bring more Japanese investors into the Philippines that will contribute to the country's economic development."

Securing resilience

Another cornerstone of YGC's diverse portfolio is Malayan Insurance Co. (MICO), one of the leaders in the nonlife insurance industry in the Philippines, which has maintained a long-standing alliance with Tokio Marine, a leading nonlife insurance provider and Japan's oldest general insurer. Founded in 1879, Tokio Marine first entered the Philippine market in 1964 through a joint venture with Malayan Insurance, and the companies are marking the 60th year of this well-established relationship this year.

This alliance with Tokio Marine leverages the Japanese firm's expertise, enhancing MICO's capabilities and expertise. One of Tokio Marine's policies is "To Be a Good Company," and the same spirit of supporting customers and society in times of need has been shared by both for many years because they are dedicated to providing clients with the top-notch service they deserve. The synergy the Tokio Marine-MICO alliance brings is important for the growth and expansion of MICO as it utilizes a global network and resources that enable Tokio Marine to provide services to the Philippine market.

By offering comprehensive risk management solutions and unwavering support through this partnership, Malayan Insurance has established itself as the preferred insurer for Japanese businesses and multinationals operating in the Philippines.

Incubating innovation

Established in 1959 as the pioneer investment bank in the Philippines, House of Investments Inc. has since transformed into a diversified investment holding and management firm that plays a key role within YGC. Within HI, strategic synergies with Japanese partners have propelled transformative initiatives across various sectors, from energy and pharmaceuticals to infrastructure development.

In the realm of real estate, HI's partnership with Sojitz in San Lorenzo Ruiz Investment Holdings and Services Inc. has resulted in the construction of The Yuchengco Centre, an architectural landmark revitalizing Makati, a key city and business district in the Philippines. This project exemplifies YGC's dedication to driving progress and development in the nation.

In health care, HI-Eisai Pharmaceutical Inc. — an international joint venture incorporated in July 1974 by Yuchengco of YGC and Yuji Naito, the former chairman of Eisai Co. — testifies to the enduring bond between the two entities. By collaborating on the development and distribution of life-saving treatments, both companies are working together to improve health and well-being in the Philippines.

In the energy sector, HI's partnership with Kyuden International Corp. in PetroGreen Resources Corp. has driven the development of sustainable energy solutions, aligning with global efforts toward a greener future and reinforcing YGC's commitment to environmental stewardship.

Driving sustainable growth

PetroEnergy Resources Corp. continues to showcase YGC's commitment to sustainable development through clean energy generation and strategic partnerships with Japanese firms. Taisei Corp.'s 2024 investment in Rizal Green Energy Corp., a subsidiary of PERC's renewable energy unit PetroGreen Energy Corp., highlights the demand for renewable energy to power the nation's progress.

"We are very pleased to be able to contribute to renewable energy in the Philippines, which is experiencing remarkable



Standing left to right: General Manager, Head of Asia and Middle East Division, Tokio Marine Holdings and Director, Malayan Insurance **Yasuhiro Miyoshi**; Strategic Japanese Officer, Malayan Insurance **Kazunori Okamoto**; General Manager, Construction Industry Production Dept., Tokio Marine & Nichido Fire Insurance Co. **Kazunori Tsuji**; Senior Managing Director, Tokio Marine Holdings **Kichihiro Yamamoto**; President and CEO, Tokio Marine Holdings **Satoru Komiya**; CEO, Tokio Marine & Nichido Outsourcing Management Co. **Yasunobu Fukuda**; Audit and Supervisory Board Member, Tokio Marine Holdings **Akira Harashima**; CEO, Tokio Marine Asia Pte. and Director, Malayan Insurance **Masahito Hirai**. Seated: Chairman of the Board, Tokio Marine Holdings **Tsuyoshi Nagano** (left); and Chairperson YGC **Helen Yuchengco Dee**.

development, and more importantly, to participate in this project as a business partner with PGEC. We are looking forward to the synergies that this project will generate in the business of Taisei and PGEC led by the Yuchengco Group," Taisei Executive Vice President Jiro Taniyama said.

energy projects in the country aimed at contributing to the Philippines' transition to a net-zero future.

YGC's diverse portfolio of companies continues to thrive through its dynamic Japanese partnerships, demonstrating the transformative power of international



Left to right: RCBC President and CEO **Eugene S. Acevedo**; RCBC Advisory Board Member and former PEZA Director General **Lilia B. de Lima**; PEZA Director General **Terese O. Panga**; former SMBC Managing Executive Officer and Co-Head of APAC **Yuichi Nishimura**; and SMBC Manila Managing Director and Country Head **Yasushi Iwata**.

In 2022, when PGEC entered a partnership with Kyuden International, the overseas investment arm of Japan's Kyushu Electric, it laid the groundwork for new opportunities in clean and efficient energy solutions. KIC's 25% stake in PGEC has already paved the way for new renewable

cooperation, and in turn, driving economic growth and social progress across borders. As YGC looks to the future, it remains grounded in its rich connections with Japan and other global partners. ■

www.ygc.com



The 70-megawatt Tarlac Solar Power Facility in Tarlac is owned and operated by YGC's PetroSolar Corp.



YUCHENGCO GROUP OF COMPANIES



Plus over 40 subsidiaries and affiliates

The Power of Teamwork: Paving the way for collective success

As the Yuchengco Group of Companies (YGC) has evolved, expanded and grown into the conglomerate it is today, it has always maintained its singular focus on becoming a catalyst for the country's growth and development. Through its strong presence in industries such as banking and investment, insurance, energy, construction, education, health care, automotive, advertising, travel and tours and afterlife services, YGC continually provides Filipinos with quality services and products that address their needs and positively contributes to the country's welfare.



The next 100 years: Aboitiz's journey toward becoming a sustainable 'techglomerate'

The Aboitiz Group, a venerable name in Philippine business, is undergoing a remarkable transformation. Now poised to become the Philippines' first "techglomerate," it leverages technology, innovation and a startup culture to redefine its operations and impact.

Sabin Aboitiz, lead convener of the Private Sector Advisory Council and president and CEO of the Aboitiz Group, shares his insights on the conglomerate's transformation over the past decade. From its roots as a hemp-trading business, the Aboitiz Group has evolved into a diversified entity, forging significant partnerships with Japanese firms along the way.

Bridges: Can you provide an overview of the group's journey, highlighting key milestones and factors driving its evolution into a diversified conglomerate?

Aboitiz: From its origin in the late 1800s, the group has evolved into a diversified conglomerate spanning power, banking, food, infrastructure and more. Despite facing challenges like near bankruptcy during economic downturns, our focus has been on shedding legacy thinking and embracing agility and innovation.

The launch of the "great transformation" in 2021 marked a pivotal shift toward a techglomerate model, prioritizing diversification to reduce reliance on any single industry. For instance, the sale to Jera Co. was instrumental in diversifying funds and bringing strategic value. As we transition from a conglomerate holding company to a federalized structure, our aim is to have less than 50% reliance on power and expand into the consumer space, evidenced by investments in airports and consumer products like Coca-Cola. This shift is crucial for maintaining agility and innovation in today's dynamic business landscape, ensuring continued relevance and growth.

Can you tell us about the company's links and collaborations with Japan?

Our relationship with Japan goes back a long way. Initially, we were involved in the shipping business, purchasing ships from Japan annually — this tradition spanned from my grandfather to my father and my brother. Many of the ships in the Philippines, especially the RORO (roll-on/roll-off) type and passenger ferries, came from Japan. This relationship strengthened every year. Later, when we ventured into Aboitiz Air Transport, we bought YS-11 aircraft from Japan and pioneered air cargo



"Our strategy centers on integrating technology into all facets of our existing and emerging businesses. This means optimizing operations, enhancing customer experiences and exploring new ventures."

Sabin Aboitiz
 President and CEO, Aboitiz Group
 Lead Convener, Private Sector
 Advisory Council

ABOITIZ GROUP

in the Philippines. Our transport company expanded strategically to cover air, land and sea, and our fleet was predominantly Japanese-made.

In Cagayan de Oro, we partnered with Kao Corp. to manufacture chemical products and shampoos for export, marking another successful collaboration.

We also formed a significant partnership in shipbuilding with Tsuneishi Shipbuilding Co., one of the largest shipbuilders in the world, based in the West Cebu Ecozone. Japan has been a crucial part of our growth, and our collaborations with them remain strong. We continue to have discussions and welcome ongoing cooperation with Japanese firms.

Could you elaborate on the Aboitiz Group's leadership in the Philippines-Japan consortium for renewable energy innovation?

Energy, whether renewable or not, is a crucial aspect of the Philippines' development. At Aboitiz, we approach it pragmatically, focusing on what makes sense for our country. When Jera inquired about our commitment to achieving net zero by

2050, we refrained from adhering to preset industry norms. We don't believe in making promises that far into the future, as circumstances can change drastically.

Instead, we advocate for a balanced energy portfolio, incorporating various sources such as coal, gas, wind, solar and geothermal. This approach ensures reliability and stability in our energy supply, crucial for sustained economic growth. While renewable energy holds immense potential in the Philippines, particularly with abundant sources like geothermal and hydro, it cannot entirely replace traditional sources. Our energy landscape requires a diverse mix to meet demand consistently, especially during times when renewable sources may be less reliable, such as cloudy days or during typhoon season.

Can you share insights into your role as the lead convener of the Private Sector Advisory Council?

Our most significant gain lies in fostering a favorable environment where everyone benefits when the country prospers. Therefore, I dedicate much of my time to

this project. In April 2022, the president entrusted me with the task of formulating a plan that bridges the private sector and government — a belief he genuinely holds. He outlined six key industries during his campaign: tourism, agriculture, digital infrastructure, hard infrastructure, health care and job creation. In response, I proposed organizing six working groups, each comprising top CEOs from various sectors, regardless of political affiliation.

These groups convene regularly to provide on-the-ground insights and advice. Importantly, we value the CEOs' time, scheduling meetings well in advance. Each sector meets every quarter, with one group meeting every two weeks. The president's engagement has been exemplary; he devotes two focused hours biweekly, offering directives and encouragement.

What are the key technologies and innovations driving the Aboitiz Group's vision to become the Philippines' first techglomerate?

Our strategy centers on integrating technology into all facets of our existing and emerging businesses. This means optimizing operations, enhancing customer experiences and exploring new ventures. For example, in our power plants, we're using sensors and automation to

"Japan has been a crucial part of our growth, and our collaborations with them remain strong. We continue to have discussions and welcome ongoing cooperation with Japanese firms."

boost efficiency and cut costs. At Mactan Airport, we're employing data analytics to personalize services, and our digital bank offers streamlined processes like quick loan approvals. These efforts highlight our commitment to using data strategically to drive innovation and improve customer experiences. We've also learned from past digital transformation efforts, focusing on fostering a culture open to innovation across our business units. Our goal is to create a more efficient work environment where technology enables progress rather than impedes it.

As the group expands into sectors like consumer markets and infrastructure, what are the key priorities or strategies guiding these diversification efforts?

The consumer sector's remarkable

growth underscores our economy's robustness, with assets like Citibank Philippines and Coca-Cola performing exceptionally well.

Despite temporary operational challenges in the airport sector, we anticipate significant growth with impending resolutions. Our focus on renewable energy expansion, highlighted by plans to add 3,000 megawatts, aligns with our commitment to sustainable growth. Collaborations in the gas sector with Meralco and San Miguel Corp further demonstrate our dedication to this goal.

Amid these ventures, our current-year emphasis is on integration and optimization for maximal returns. Looking forward, our strategic priorities remain centered on people, nurturing talent, fostering growth and ensuring our workforce is empowered to drive our company's success, echoing our pandemic-era commitment to employee well-being.

What are the key priorities for the Aboitiz Group moving forward, and how do they align with the company's strategic vision and growth objectives?

Our core principle revolves around people. Ensuring our employees' well-being remains paramount, not just during challenging times like the pandemic but as an ongoing commitment. We're dedicated to fostering their growth and transformation, challenging them to excel and contribute meaningfully. This people-centric approach will remain my primary focus until 2027, leaving behind a legacy of an empowered workforce. Additionally, we prioritize supporting governmental efforts for societal progress, advocating for active participation in positive initiatives. ■

www.aboitiz.com



GT2025
 THE GREAT TRANSFORMATION BEGINS WITH YOU AND ME



Members of the Philippine government, including (seated from left) Sen. Mark Villar, House Speaker Martin Romualdez, former President Gloria Macapagal-Arroyo, President Ferdinand R. Marcos Jr., Department of Trade and Industry Secretary Alfredo Pascual, and Special Assistant to the President Antonio Lagdameo Jr., are working closely with members of the private sector such as Aboitiz Power Chairman Sabin Aboitiz (standing left) and Jera President Satoshi Onoda on a joint study on ammonia co-firing for greener fuels. ABOITIZ GROUP



Aboitiz InfraCapital leads the development and operation of smart and sustainable industrial-anchored estates in the Philippines and Asia, such as their flagship economic estate in Batangas, the Lima Estate. ABOITIZ GROUP

Aboitiz InfraCapital: Advancing the nation with economic estates

Aboitiz InfraCapital, the infrastructure arm of the Aboitiz Group, stands as a key player in the Philippine infrastructure landscape, committed to driving sustainable development that meets the evolving needs of Filipinos. AIC's diverse portfolio focuses on critical sectors, including transportation and mobility, digital infrastructure, water and economic estates.

With a proven 30-year track record, AIC has emerged as a leading developer and operator of smart and sustainable industrial estates in Asia. Their flagship projects — the Lima Estate in Batangas, the Tari Estate in Tarlac, the Mactan Economic Zone 2 and West Cebu estates in Cebu — exemplify their dedication to innovation and sustainability in industrial development.

Aligned with the Aboitiz Group's "Great Transformation" initiative, AIC's economic estates spearhead the creation of a smarter, more sustainable future for the Philippines. By developing dynamic industrial ecosystems that foster business growth and the elevation of communities, these estates will make a lasting impact on the nation's economy and social development.

Rafael Fernandez de Mesa, senior vice president and head of economic estates at Aboitiz InfraCapital, sheds light on their journey, partnerships and plans.

"Our economic estates are industrial-anchored townships that combine industrial use with commercial districts, shopping malls, hotels, office buildings and housing. This integrated approach differs from single-use industrial parks or residential-anchored townships with an industrial component. We also leverage the strengths of our affiliates within the Aboitiz Group, managing all utilities like power, water and sewage treatment internally. This makes it easier for companies to deal with one group for all their needs," Fernandez de Mesa explained.

The strategic locations of AIC's economic estates in Cebu, Batangas and Tarlac cover nearly 2,000 hectares of prime industrial land. These estates are home to 235 companies across various sectors, employing over 100,000 Filipinos. The flagship development, the Lima Estate, hosts nearly 180 companies and 71,000 employees, showcasing its pivotal role in the Batangas economy. In Cebu, the Mactan Economic Zone 2 Estate and

West Cebu Estate bolster the province's position as a gateway to the Philippines, attracting global players in the maritime, manufacturing and logistics industries.

International alliances, innovations

AIC has forged key partnerships with Japanese companies, enhancing its industrial capabilities and global reach. For instance, the West Cebu Estate is a joint venture with Japan's Tsuneishi Holdings Corp., a renowned shipbuilder. Additionally, Lima Estate, acquired by Aboitiz InfraCapital in 2014, was a project initially developed by Japanese trading house Marubeni. AIC also maintains a marketing agreement with Marubeni, facilitating the entry of locators to the Philippines. Approximately half of their locators are Japanese, with Epson being the largest employer, supporting around 20,000 jobs.

Moreover, AIC collaborated with the Philippine Green Building Council to develop and pioneer green certifications for large horizontal developments. They achieved the first 5-star green certification for an entire industrial estate in the Philippines, emphasizing sustainability in

AIC has forged key partnerships with Japanese companies, enhancing its industrial capabilities and global reach.

their developments. Initiatives to decarbonize transportation networks, enhance walkability and provide on-site housing within estates reduce commuting and improve workers' quality of life. Recently, a 612-bed dormitory was opened at the Lima Estate, aimed at reducing traffic and supporting sustainable living.

Driving economic growth and investment, Aboitiz InfraCapital takes a proactive stance in promoting its developments and the Philippines as a prime investment destination. They engage in frequent visits to key markets like Japan, collaborating with government agencies to organize investment forums. These efforts raise awareness and facilitate business-to-business meetings with potential investors, addressing their



West Cebu Estate, hailed as the "Shipbuilding Capital of the Philippines" and recognized by PropertyGuru as Asia's leading industrial development, has been a driving force behind Balamban's economic transformation. The estate's influence has propelled the city from its fourth-class municipality status in 1992 to its current standing as a thriving first-class municipality. ABOITIZ GROUP



In pursuit of its net-zero carbon objectives, Aboitiz InfraCapital's economic estates have implemented a groundbreaking transition to electric vehicles for its intra-estate transportation system. This bold move not only significantly reduces carbon emissions, but also sets a new standard for sustainable transportation within industrial estates. ABOITIZ GROUP

concerns and fostering partnerships crucial for economic growth.

A notable success story is the transformation of Balamban in Cebu. Once a small fishing village, Balamban has evolved into a hub for advanced shipbuilding, attracting global companies like Tsuneishi Heavy Industries from Japan, Austal from Australia and Cebu Marine Industries, a renowned builder of luxury yachts under the esteemed Hudson Yacht Group. This development has elevated Balamban to a first-class municipality, showcasing the transformative impact of AIC's investments.

The Philippines has long been seen as having great potential, and now we are in a position to take a big leap forward. It's

time to take advantage of our strengths and realize that potential. Aboitiz InfraCapital is committed to playing a significant role in this growth by continuing to develop world-class economic estates, creating jobs, and supporting local communities," Fernandez de Mesa asserted.

Competing on the global stage

AIC acknowledges that their competitors extend beyond the Philippines' borders, encompassing other industrial parks across the region. By continuously enhancing their estates' attractiveness and capabilities, they aim to position the Philippines as a premier investment destination in Asia. The integration of industrial, commercial and residential

By developing dynamic industrial ecosystems that foster business growth and the elevation of communities, AIC's economic estates will make a lasting impact on the nation's economy and social development.

components within their estates not only supports business operations, but also fosters a conducive environment for sustainable growth.

AIC's comprehensive approach to developing these estates sets new standards in the Philippine infrastructure sector. By integrating industrial, commercial and residential elements, focusing on sustainability and fostering international partnerships, the company facilitates business growth, uplifts communities and contributes to the nation's economic advancement.

As they continue to expand and innovate, Aboitiz InfraCapital is not just tapping into the potential of the Philippines, but actively shaping its future. Their commitment to creating sustainable, thriving communities underscores their role as a catalyst for economic progress in the country. ■

www.aboitizeconomicestates.com



A legacy of trust and collaboration: GT Capital's strategic Japanese partnerships

The Philippines and Japan share fundamental values rooted in industriousness, respect, community, family and a commitment to progress. Thus, the Philippines fosters an environment that welcomes global investment, notably from Japanese companies.

Leveraging these shared core values, GT Capital Holdings Inc., the publicly listed holding company of the Ty family, has firmly established itself as the partner of choice for Japanese investors and enterprises, cultivating a legacy of trust and collaboration. The group initiated partnerships with Japan nearly 36 years ago through Toyota Motor Philippines Corp. (TMP), driven by a shared vision between George S.K. Ty, the late founding chairman of Metropolitan Bank & Trust Company (Metrobank), and Shoichiro Toyoda, then president of Toyota Motor Corp. Their common goal was to contribute to the sustainable development of the Philippines through the vehicle industry.

Today, the automotive sector is a significant part of the Philippine economy, contributing up to 4% of gross domestic product at its peak in 2017. Collaborations with Japanese parts manufacturers, such as Aisin, Tokai Rika, Hikari Seto and Aichi Steel, based in TMP's assembly plant within an export processing zone in Santa Rosa, Laguna province, have bolstered Philippine exports.

The synergy generated by the Japanese and Filipino cultures, emphasizing group harmony and collective decision-making, resonates deeply in GT Capital's Japanese partnerships, reflecting a mutual commitment to consensus-building and collaborative growth. This cultural alignment is evident in GT Capital's diverse portfolio of partnerships. For instance, Toyota Financial Services Philippines collaborates closely with Toyota Financial Services of Japan to provide auto loans to retail buyers, enabling access to vehicles that enhance mobility and livelihood.

Rightfully, George S.K. Ty's contributions to Philippine-Japanese economic relations were recognized with the bestowing of Japan's highly prestigious Order of the Rising Sun, Gold and Silver Star decoration, emphasizing his enduring legacy in cultivating meaningful international partnerships and supporting philanthropic initiatives through the Metrobank Foundation. He was awarded this honor by no less than His Majesty then-Emperor Akihito on Nov. 7, 2017. He was also awarded an honorary Doctorate in Humanities from the University of Santo Tomas.

Beyond Toyota, the GT Capital group has forged alliances with leading Japanese leasing and financing firms to establish joint ventures, such as Orix Metro Leasing and Finance Corp. and Sumisho Motor Finance Corp. Sumisho, co-owned by GT Capital, Philippine Savings Bank (a member of the Metrobank Group) and Sumitomo Corp., offers comprehensive financing solutions tailored for motorcycle ownership, reinforcing GT Capital's commitment to accessible and convenient financial services in the Philippines.

These partnerships exemplify GT Capital's mission to elevate the quality of life for Filipinos through ventures that promote economic resilience and prosperity, supported by a society united in progress and development.

In addition to automotive partnerships, Japanese companies have expanded into property development. In 2011, they demonstrated their project development expertise through a joint venture between GT Capital's wholly owned subsidiary Federal Land Inc. and Japanese financing conglomerate Orix Corp., resulting in The Grand Midori, a Japan-inspired condominium. This collaboration continued with the Grand Hyatt Metrobank Center and the Grand Hyatt Residences, offering residential units with access to world-class amenities.

In November 2022, Mitsukoshi BGC, the first Japan-inspired mall, was opened, showcasing Japanese culture through its product offerings, tenant mix and architectural style, offering a bridge between Filipino and Japanese culture.

GT Capital's long-term, strategic partnerships with leading Japanese corporations over four decades have contributed significantly to foreign direct investment in the Philippines. For instance, Nomura Real Estate Development Co. infused ¥44.4 billion (\$275 million) to form a ¥133 billion property development joint venture with Federal Land known as Federal Land NRE Global Inc. NRE's investment in FNG is its biggest thus far outside Japan. Another contribution came from TMP's



George S.K. Ty, the late founding chairman of Metropolitan Bank & Trust Company, poses with Shoichiro Toyoda, then-president of Toyota Motor Corp., during the groundbreaking ceremony for Toyota Motor Philippines School of Technology in 2012.

¥13 billion investment in a vehicle pre-delivery inspection and logistics facility in Batangas province, further enhancing the capabilities of the country's automotive and mobility sector.

TMP is one of two vehicle assemblers in the Philippines that qualified for the national government's initiative to increase local auto parts production through fiscal incentives provided by the Comprehensive Automotive Resurgence Strategy Program.

TMP invested more than ¥13.9 billion in the CARS program and has already sold 189,966 units of the Vios, the country's bestselling car, since the program was launched in July 2018. Moreover, TMP's ongoing ¥15.2 billion investment in the IMV 0 or 'Next Generation Tamaraw' (an international, multipurpose customizable utility vehicle), as well as its support for parts localization and vehicle



The Metrobank Center in Bonifacio Global City, the financial center of Taguig.

versatility for specialized applications, further underscore TMP's pivotal role in strengthening bilateral relations and serving as a testament to Ty's lasting legacy.

Strategic partnerships

GT Capital forms strategic partnerships with leading global brands across various sectors under a unified holding company with a shared strategy, mission and vision. This collaboration enables GT Capital to create added value for stakeholders and contribute significantly to the development of the Philippine economy.

Solidifying its position as a prominent conglomerate, GT Capital differentiates itself with global brand leaders through joint ventures in banking, mobility, property development, insurance and infrastructure. These alliances drive sustainable growth and are pivotal to



Left to right: Taguig Mayor Lani Cayetano, Philippine Sen. Alan Peter Cayetano, Federal Land Chairman Alfred Ty, Philippine Vice President Sara Duterte, Japanese Ambassador Kazuhiko Koshikawa, Isetan Mitsukoshi Holdings President and CEO Toshiyuki Hosoya, and Nomura Real Estate Holdings Chair Eiji Kutsukake attend the grand opening of the shopping mall Mitsukoshi BGC in July 2023.

mobility for all, TMP recognizes the evolving needs of the Philippine market and is offering the widest range of electrified vehicle models in the country. TMP and Lexus have 15 hybrid electric vehicle models (HEV) and Lexus is offering its first battery-powered electric vehicle, the RZ450e, in the Philippines.

"With the resumption of motorization, the continued under-penetration of passenger cars in the country, and an improved supply situation, we are confident that Toyota will continue to lead the way this year," TMP President Masando Hashimoto said. "I believe we are in an ideal position to help outline and form the future of mobility in the Philippines."

Recognized for its substantial tax contributions at the national and provincial levels, TMP reflects its robust economic impact and corporate responsibility.

To support the country's societal goals, the TMP School of Technology was established in 2013. This world-class training school is geared toward transforming the Philippines into a human resource development hub to meet the automotive technician requirements of TMP. There have been over 2,172 graduates from the TMP School of Technology and more than 1,035 scholarship recipients as of the end of 2023.

Celebrating its 35th anniversary and the opening of its 74th dealership in 2023, TMP expanded its network, reinforcing its commitment to superior service and accessibility for Toyota enthusiasts nationwide. Notwithstanding that the Philippines is still a developing economy, TMP was already ranked 10th globally in terms of Toyota unit sales as of last year.

Advancing mobility

TMP continues to innovate with the launch of the HEV Zenix in addition to improved and new models, such as the Wigo and Yaris Cross, setting benchmarks in performance and sustainability. Partnering with PLDT Enterprise (formerly known as the Philippine Long Distance Telephone Company), TMP integrates smart Internet of Things embedded SIM card solutions into myToyota Connect, enhancing digital services and connectivity for customers nationwide. This platform enhances the customer experience with real-time connectivity via smartphone, offering features like vehicle status updates, stolen vehicle tracking, trip summaries, geofencing alerts and maintenance notifications.

Toyota Mobility Solutions Philippines introduced Toyota RentCar, providing flexible and affordable rental options for short-term and long-term needs, enhancing mobility solutions across the Philippines.

GT Capital Auto and Mobility Holdings Inc., another wholly owned subsidiary, has significantly grown its presence in the Philippine automotive sector through strategic ventures. Among them are JBA Philippines Inc. — a joint venture with Japan Bike Auction Co., a member of the publicly listed USS group and the largest auctioneer of used cars in Japan — and GT Mobility Ventures. JBA Philippines operates an innovative auction house for used cars that makes use of the advanced App-based Inspection System, ensuring transparency and reliability.

In addition, Premium Warranty Services Philippines Inc., a joint venture between GTM and Japan's largest warranty provider Premium Group Co., offers high-quality vehicle inspection and warranty services, bolstering confidence in the market for pre-owned cars.

Furthermore, GT Capital invested ¥22 billion in Toyota in 2018 to further solidify their successful and long-standing partnership. On the local front, GT Capital and TMP own seven and five, respectively, of the 74 dealerships in the Philippines. Toyota Manila Bay Group, a joint venture between GT Capital and Mitsui & Co., operates the aforementioned five dealerships, which are in Metro Manila and nearby Cavite province.

Toyota Corolla Sapporo Corp., one of Japan's largest Toyota dealers with over 110 outlets, is a key strategic partner of GT Capital. The conglomerate partnered with Toyota Corolla Sapporo in 2020 and acquired the Toyota Santa Rosa dealership in Laguna. With over 50 years of experience and robust sales figures, this dealership enhances both operational efficiency and used car sales at TSR. This collaboration underscores GT Capital's commitment to enhancing the automotive value chain in the Philippines.

GT Capital's network of 12 dealerships across the Philippines accounted for 20.7% of TMP's total unit sales as of the first quarter of 2024.



The Seasons Residences is a mixed-use development by Federal Land in collaboration with partners Nomura Real Estate Development Co. and Isetan Mitsukoshi Holdings Ltd. in Bonifacio Global City, the prime business district in Taguig. Its four residential towers, anchored by shopping mall Mitsukoshi BGC, integrate the Japanese traditions of innovation and excellence with Filipino hospitality and sense of community.

Elevating Philippine real estate

Federal Land is a leading Philippine property developer known for its distinct design, superior customer service and comprehensive market knowledge. With over 50 years of experience, Federal Land develops innovative residential projects, commercial developments and master-planned, mixed-use communities, primarily targeting the luxury and upper middle-income market segments. Its extensive land bank in key Metro Manila locations ensures continued growth and development.

Federal Land has forged significant partnerships with Japan's NRE and Isetan Mitsukoshi Holdings Ltd., marking a new

to set new standards in quality. The partnership combines over a century of local and international property development, offering a wider range of products and services in the Philippines.

Isetan Mitsukoshi, the parent of the renowned Isetan and Mitsukoshi department stores, aims to be the world's foremost retail services group. With over 19,000 employees globally, it operates 26 stores in Japan and 10 overseas, embodying a blend of Asian hospitality and Western innovation.

Federal Land continues to expand its portfolio with notable projects, such as The Grand Midori Tower Ortigas Tower 2 and The Seasons Residences. Recent

Since expanding the leasing joint venture in 2000, now known as Orix Metro, the partnership has grown to include 98 branches nationwide. Orix Metro supports a wide range of businesses from rural micro, small and midsize enterprises to urban enterprises, financing assets such as cars, office equipment and medical devices.

This relationship has evolved into a strategic alliance, enabling Orix Corp. to diversify into new sectors such as infrastructure and property development. Projects like the Grand Hyatt and Grand Midori condominiums, in partnership with Federal Land, highlight Orix's role in shaping the modern Philippine property development sector. This partnership underscores Orix and GT Capital's shared commitment to advancing the Philippines' economic landscape through innovation and sustainable development.

International collaborations

GT Capital expands its global reach through strategic collaborations with other prestigious brands such as the United States' Grand Hyatt Hotels and Hong Kong's Marco Polo Hotels, enriching its presence in the upscale hospitality sector. These partnerships complement GT Capital's diverse portfolio, which includes alliances with France's AXA S.A. in life insurance and general insurance, and the Philippines' Metro Pacific Investments Corp. in infrastructure development.

In 2023, First Pacific Co., alongside GT Capital and a consortium including Mitsui, successfully privatized Metro Pacific Investments Corp. MPIC is a leading infrastructure conglomerate in the Philippines with investments in water utilities, toll roads, electricity distribution, hospital operations, light rail and agriculture.

Strategic growth

In 2023, GT Capital achieved a record-breaking financial performance. The conglomerate attained robust growth in its core net income during the year, reaching ¥79 billion, marking an 82% increase from ¥43 billion in 2022. Consolidated revenues also grew significantly to ¥857 billion from ¥670 billion the previous year, up 25%. Earnings per share rose to ¥360 from ¥225, and book value per share increased to ¥2,844 from ¥2,414 in 2022, demonstrating 18% growth.

The stellar performance of GT Capital in 2023 can be attributed to a combination of factors, including the substantial growth in income of Metrobank, robust auto sales from TMP, the successful launch of new projects and joint ventures by Federal Land and the significant contributions from AXA Philippines and Metro Pacific Investments Corp., GT Capital Chairman Francisco C. Sebastian said.

President Carmelo Maria Luza Bautista outlined GT Capital's strategic focus for 2024, emphasizing: "GT Capital is setting the stage for a strategic 2024, with a keen focus on expanding and enhancing its core sectors, namely property, automotive and banking, while also exploring opportunities in new business segments such as health care and renewable energy. These include the pursuit of synergistic opportunities, the expansion of our value chain in established sectors and investments in new growth sectors."

Regarding environmental, social and governance initiatives, Bautista stated: "In 2023, GT Capital made significant strides in its ESG initiatives, demonstrating a strong commitment to sustainable practices and governance throughout the year. The company's ESG ratings have seen notable improvement over the past five years, with 2023 marking a year of substantial achievements."

GT Capital was recognized for exemplary corporate governance practices, receiving four Golden Arrows from the Institute of Corporate Directors from the 2023 Golden Arrow Awards. Additionally, GT Capital received an upgrade in its ESG risk rating from MSCI, moving from BBB to A.

Summarizing the strategic plans, Bautista said, "This strategic allocation of resources, coupled with our exploratory initiatives in new areas with new partnerships, reflects GT Capital's unwavering dedication to achieving its strategic objectives."

"As we move forward into 2024 and beyond, rest assured that our dedication to serving as a premier conglomerate, devoted to nation-building and delivering superior products and services to the Filipino people, will remain at the core of our endeavors," Sebastian concluded.



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An artist's portrayal of Federal Land's Riverpark township in Cavite. The project was master-planned by award-winning design firm Aecom. FNG

Federal Land NRE Global: Fostering next-generation urban living through collaboration

Federal Land NRE Global Inc. (FNG), a joint venture between Federal Land Inc. and Nomura Real Estate Development Co. (NRE), represents a powerful collaboration between real estate leaders in the Philippines and Japan. FNG exemplifies how strategic partnerships between industry leaders can yield transformative outcomes. Leveraging the combined expertise of these companies, FNG is well-positioned to bring innovative urban living solutions to the market through this partnership.

Building futures together

FNG merges the strengths of Federal Land, a major player in Philippine real estate, and NRE, a renowned Japanese firm. Federal Land, a subsidiary of GT Capital Holdings, boasts over five decades of experience developing residential properties, commercial spaces, office buildings, hotels and integrated communities. Partnering with global leaders, Federal Land has launched numerous landmark projects to create dynamic, self-sustaining communities that integrate residential and commercial properties, enhancing quality of life.

In parallel, Nomura Real Estate Holdings, established in the 1950s, excels in residential development, leasing, investment management and property brokerage. With a proven track record of addressing societal challenges through its offerings, subsidiary NRE has expanded overseas while upholding a steadfast commitment to excellence.

FNG stands as the premier real estate developer showcasing Japanese innovations, designed to harmonize Filipino and Japanese ingenuity in every project. This partnership between Federal Land and Nomura Real Estate underscores a commitment to collaborative excellence in redefining urban living experiences.

Pillars that elevate urban living

FNG's mission is guided by three core brand pillars — Japanese tradition, innovation and collaboration — that shape its projects to deliver modern, sustainable and customer-focused urban spaces. These pillars reflect a harmonious blend of Japanese innovation and Filipino sensibility, underpinned by principles of sustainability and forward-thinking design, guiding the development of each project.

Japanese tradition: Drawing inspiration from NRE's Japanese heritage and expertise in residential development, FNG aims to elevate the local real estate market's living experience. From project conception and design to seamless integration of nature and prioritizing



Federal Land NRE Global Chairman Alfred V. Ty (left) poses with Nomura Real Estate Holdings Chair Eiji Kutsukake. FNG

client-centric values rooted in Japanese culture, FNG creates spaces tailored to meet the diverse needs of modern urban dwellers.

Innovation: FNG incorporates Japanese innovation into its projects through meticulous design, architecture and features. This infusion of innovation results in developments that are visually appealing and conducive to residents' comfort and lifestyle.

Collaboration: As a company built on collaboration, FNG will continue to seek partnerships with local and global brands, companies and individuals to further enhance the lives of its future communities.

New lifestyles, noteworthy projects

Situated in Federal Land's 600-hectare township development in the province of Cavite, Yume at Riverpark is a Japan-inspired community designed for young families. With lot sizes ranging from around 300 to 527 square meters, the development combines Japanese aesthetics with modern family needs. A survey by Colliers Philippines highlights the growing interest in residential properties beyond Metro Manila, particularly in horizontal developments like Riverpark. In addition, Riverpark's proximity to major infrastructure projects provides excellent accessibility and connectivity to major cities, making Yume at Riverpark an

attractive and valuable investment choice.

The Observatory Mandaluyong is a 4.5-hectare mixed-use development strategically placed within 5 kilometers from the three major central business districts of Makati, Bonifacio Global City and Ortigas Center. Offering a spectrum of residential units ranging from studios to expansive penthouses, The Observatory aims to provide a contemporary retreat with a focus on convenience and comfort. Historical data from Leeche Property Consultants reveals a consistent price increase in vertical developments in Mandaluyong, underscoring the area's investment potential.

In the dynamic landscape of Philippine real estate, FNG emerges as a pioneering force with a shared mission of creating vibrant, sustainable and innovative communities. The collaboration between Federal Land and NRE promises a new era of urban living marked by quality and excellence.

As FNG rolls out its plans and introduces key developments, it aims to shape the urban fabric of the Philippines, reflecting the values of innovation, sustainability and customer-centricity. The fusion of Japanese and Filipino sensibilities will result in spaces that inspire, nurture and elevate lives.

This collaborative journey between Federal Land and Nomura Real Estate

FNG stands as the premier real estate developer showcasing Japanese innovations, designed to harmonize Filipino and Japanese ingenuity in every project.

Development is a testament to the power of strategic partnerships in reimagining urban landscapes and setting new standards of excellence in the real estate industry. With every project, FNG reinforces its commitment to enriching the lives of Filipinos and creating communities that thrive on the principles of innovation and inclusivity. ■

www.fng.ph



An artist's image of The Observatory in the city of Mandaluyong. FNG



A digital portrayal of the Clubhouse in Yume at Riverpark. FNG



A digital portrayal of the outdoor amenities and open area at The Observatory. FNG

In their shoes: SM Investments' role in shaping the economic landscape of the Philippines

SM Investments Corp. plays a pivotal role in shaping the economic landscape of the Philippines through its expansive growth across various sectors. Many areas in the country still lack access to modern retailing, formal financial services and integrated property developments. By expanding nationwide, SM Investments creates new markets and improves access to these essential sectors, serving more communities.

"The Philippines' young, dynamic, higher-earning population holds immense potential," said Frederic DyBuncio, president and CEO of SM Investments. "Our strategy aims to foster economic growth by expanding into underserved areas, enhancing access to essential services like retail, finance and property development."

The financial services company's approach focuses on accelerating growth in provincial areas, which are developing faster than the national average. This expansion is bolstered by government infrastructure initiatives aimed at upgrading highways, expressways and interisland linkages through bridges. Plans to expand airports nationwide and enhance internet connectivity further support regional and urban development. These efforts, combined with economic activities and a vibrant demographic, are expected to spur significant growth across the country.

Fostering sustainable development

SM Investments is committed to fostering sustainable development and addressing the country's housing backlog while promoting financial inclusion.

Beyond Metro Manila, SM Investments sees opportunities for residential development in provincial areas," DyBuncio said. "These initiatives not only provide much-needed housing, but also stimulate local economies by increasing foot traffic to malls, thereby boosting trade and business activities in these regions."

Financially, the company's banking arm, BDO Unibank, plays a pivotal role in promoting inclusion through innovative solutions. Access to banking services empowers Filipinos to build emergency funds, expand businesses and plan for retirement.

Extending financial services

The Cash Agad mobile banking initiative extends digital financial services to rural areas where traditional banking infrastructure is limited. With 9,764 Cash Agad agents nationwide in 2023, covering 100% of provinces and 92% of municipalities in the Philippines, these agents fulfill the crucial need for basic financial services in underserved markets. They not only earn additional income through convenience fees, but also boost their stores' sales as customers often spend their withdrawn cash immediately. This cycle effectively recirculates money within the community, contributing to local economic growth.

According to the latest Bangko Sentral ng Pilipinas survey, 44% of adult Filipinos remain unbanked. To enhance financial inclusion efforts, BDO Unibank has partnered with SM Supermalls, ensuring



Frederic DyBuncio, President and CEO of SM Investments

convenient access to banking services in both urban and provincial areas. Whenever SM opens a new mall, a BDO branch is established, offering clients a seamless banking experience alongside mall amenities, even on weekends. Notably, families of overseas Filipino workers frequently visit SM malls and utilize BDO services.

BDO continues its expansion through BDO Network Bank, delivering tailored products and services to underserved communities. Aligned with the BSP's National Strategy for Financial Inclusion, the BDO Foundation remains committed to promoting financial education. Collaborating with the BSP and other agencies, the BDO Foundation introduced a free online course on personal finance, enhancing access to high-quality financial services for Filipinos.

Recognizing the unique needs of specific groups, the BDO Foundation's financial education program



PGPC has embarked on the exploration and development of new geothermal energy sources in various parts of Luzon.

for fishers garnered international acclaim at ceremonies like the Asian Banking & Finance Retail Banking Awards and the Asia Responsible Enterprise Awards. Locally, the initiative was honored by the League of Corporate Foundations CSR Guild Awards for its impactful contributions to community empowerment through education.

Integrating digital solutions

SM Investments continues to innovate in digital solutions, enhancing the customer experience and operational efficiency in retail and financial services. DyBuncio emphasized BDO's commitment to enabling access to financial services through its Phygital Banking strategy, integrating physical and digital channels to meet diverse client needs.

"Phygital Banking blends physical and digital interactions, allowing clients to benefit from both personal engagement and advanced technological solutions within BDO's nationwide network of branches and offices," DyBuncio said.

Recent digital transformation efforts at BDO include self-service technologies within branches, improving service delivery and client satisfaction. Innovations like QR code and biometrics-equipped ATMs for cardless cash withdrawals enhance convenience and security. Universal Teller Machines expand service capabilities with features like check deposits and biometric transactions.

Through these digital advancements, SM Investments and BDO are at the forefront of enhancing the customer experience while driving operational efficiency across their retail and financial service sectors.

Promoting good governance

SM believes in continuously partnering with its host communities to build and nourish sustainable businesses. Transparency and ethical business practices are at the heart of SM's work culture as the company recognizes that nourishing the trust of customers and stakeholders also benefits its business objectives. SM institutionalized the corporate governance and sustainability pillars of transparency, accountability, integrity, stakeholder engagement and ethical business practices, among others, through its corporate governance-related policies and sustainability road map for collaboration with customers and stakeholders.

SM's green initiatives

SM Investments advances environmental sustainability by generating 300 megawatts of clean energy through the Philippine Geothermal Production Co.'s geothermal sources and expanding into solar energy through Citicore Energy Real Estate Investment Corp. investments. Neo Group's Excellence in Design for Greater Efficiencies (EDGE) zero carbon-certified commercial buildings exemplify SM's leadership in sustainable practices.

Looking ahead, SM Investments aims to further its environmental stewardship by exploring new sources of renewable energy and introducing green product offerings, contributing positively to local communities and global sustainability efforts.

In their large role, SM Investments fills a crucial role in shaping the Philippines' economic landscape through expansive growth, sustainable development, regional expansion, digital innovation and environmental stewardship. As the company continues to step into these roles, its commitment to fostering inclusive growth and sustainable practices remains steadfast, paving the way for nationwide progress and prosperity. ■

www.sminvestments.com

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Serving customers has been at the heart of our business. Millions of Filipinos count on us daily and we look forward to serving more as we continue to expand across the nation.