

August 29, 2022

Press Release

Response from Eight Major Shareholders Regarding Y Complex Project in Myanmar

More Action Required of Investors to Prevent Complicity in Human Rights Violations

Mekong Watch
Friends of the Earth Japan
Justice For Myanmar
Network Against Japan Arms Trade (NAJAT)
ayus:Network of Buddhists Volunteers on International Cooperation
Japan International Volunteer Center (JVC)
Pacific Asia Resource Center (PARC)
Human Rights Now

Eight civil society organizations that are deeply concerned about business relationships that Japanese companies have with the Myanmar military sent a letter dated May 24, 2022 to 101 corporate investors holding shares in Tokyo Tatemono Co., Ltd. or Daiwa House Industry Co., Ltd. regarding a real estate development project in Yangon (commonly known as “Y Complex”) being implemented by the two companies. The letter pointed out that Tokyo Tatemono and Daiwa House Industry may be complicit in grave human rights abuses by the Myanmar military, and asked that the two companies take measures to ensure that Y Complex does not benefit the military. The letter further asked the corporate investors to consider divestment if the companies did not take sufficient measures.

In response, eight corporate investors have sent substantive replies to date, including one that stated that it engaged with the company concerned after receiving our letter. Two investors stated that they would consider engaging with the companies. However, the other five sent replies that did not correspond to our request, such as an explanation of their own human rights policies, and did not disclose the details of their efforts, including whether they engaged with the two companies.

The project company, Y Complex Company Ltd., is a Myanmar corporation. 80% of the shares are owned by Yangon Museum Development Pte. Ltd. (YMD), a Singaporean corporation, and 20% by Yangon Technical and Trading Company Ltd. (YTT), a Myanmar corporation. [YMD](#) was jointly set up by Tokyo Tatemono, Fujita Corporation (a subsidiary of Daiwa House Industry), and Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development (JOIN). Investment and debt guarantee by JOIN, a government-funded infrastructure investment corporation, as well as a loan from the state-owned Japan Bank for International Cooperation (JBIC), signify that Japan’s public funds are being invested in the project. The project is being implemented on military-owned land on a sublease, under a build-operate-transfer agreement, and land lease payments are made to the Office of the Quarter Master General. The Office of the Quarter Master General is responsible for procurement for the Myanmar military, and land rent payments to the Office of the Quarter Master General may fund the Myanmar military’s international crimes and grave human rights violations such as the killing of citizens, wrongful arrest, arbitrary detention, sexual violence, forced disappearance, and torture. The US, UK, and Canada have imposed sanctions on the Office of the Quarter Master General.

[According to](#) what is reportedly an official Myanmar document, the land lease payment is about two million USD per year (about 230 million JPY), to be paid for the contract period of

50 years. As of April 2022, payments apparently have not been made since the attempted coup, but neither Tokyo Tatemono nor Daiwa House Industry has given concrete answers to concerns expressed by civil society about serious human rights abuses, and they have not withdrawn from the project.

In Myanmar, violence by the military is only escalating. A pro-democracy activist and a former member of parliament, among others, had been given "death sentences" by a military court organized by the illegitimate junta, and in late July, it was reported that the sentences were carried out. There is strong criticism from the international community about the Y Complex Project. Progressive Voice, an organization that has been working on human rights in Myanmar for many years, [mentioned Y Complex](#) as an example of Japan prioritizing its business interests over human rights and democracy. Tokyo Tatemono and Daiwa House Industry should withdraw from contractual obligations under which rent payments are made to the Office of the Quarter Master General. Further, given that most of the shareholders to whom we sent our letter either did not respond or simply called attention to their own human rights policies, more action is needed. We request all shareholders to continue engaging with the companies to urge them to sever their economic relations with the Myanmar military.

Please see the letter for further details.

[Japanese] ミャンマーYコンプレックス事業に関与する東京建物、大和ハウス工業にエンゲージメントを求める要請書（2022年5月24日）

http://www.mekongwatch.org/report/burma/mbusiness/20220524Letter_Jp.pdf

[English] Call for Engagement with Companies Involved in the Y Complex Project in Myanmar (May 24, 2022)

http://www.mekongwatch.org/report/burma/mbusiness/20220524Letter_Eng.pdf

List of 101 recipients of the letter:

<http://www.mekongwatch.org/report/burma/mbusiness/20220524List.pdf>

Contact:

Mekong Watch

3F Aoki Bldg., 1-12-11 Taito, Taito-ku, Tokyo 110-0016 Japan

Phone: +81-3-3832-5034

E-mail: [contact\(@\)mekongwatch.org](mailto:contact(@)mekongwatch.org)