

Japanese companies deliver biggest pay hikes in 33 years

TOKYO — Japanese companies delivered the biggest wage hikes in three decades this year, the nation's largest union said on Wednesday, prompted by labor shortages and an inflationary squeeze on household income.

Workers' monthly pay will rise 5.10% on average this fiscal year, according to a survey of companies conducted since March by union group Rengo, which has about seven million members.

The outcome of the *shunto* — spring labor negotiations — is seen as key for Japan as policymakers try to engineer a stronger and sustainable economic recovery, with higher household income and spending offsetting the drag on consumption from the rising cost of living.

However, while big firms with 300 or more union-backed employees raised wages by 5.19%, small firms increased pay by a smaller 4.45%, it said.

More durable growth in the fragile economy could help policymakers put a decisive end to deflation and bring the Bank of Japan (BoJ) closer to further interest rate hikes as part of its efforts to normalize monetary policy.

"The surveys have confirmed wages are rising overall. As inflation stabilizes, higher wages are likely to help bring inflation-adjusted real wages into positive territory by the middle of this year,"

said Hiroshi Miyazaki, senior research fellow at Itochu Economic Research Institute.

"This is in line with our view that the central bank will raise interest rates in September."

In mid-March, major firms said pay raises had accelerated to 5.28% — the biggest since the country's bubble burst in the 1990s. The BoJ then made its landmark decision to end negative interest rates and yield curve control policy.

With big firms' pay rises for this year a done deal, attention has now shifted to whether wage hikes may be spreading to small firms which are less able to raise prices for their customers to recoup rising input costs.

About 70% of Japanese workers are employed by small and medium enterprises (SMEs).

"Small firms have struggled to pass on costs to clients (who were at the lower end of supply chain). We need to exert more efforts to help boost their pricing competitiveness and realise 5% of wage hikes next year for small firms as well," senior Rengo official Akira Nidaira told reporters.

As part of efforts to address the wage gap, Prime Minister Fumio Kishida's administration has vowed to raise the minimum hourly pay to 1,500 yen (\$9.27) from around 1,000 yen on average by the mid-2030s. — **Reuters**

Germany blocks planned sale of VW's gas turbine business to China

BERLIN — Germany's cabinet blocked the planned sale of the gas turbine business of Volkswagen (VW) unit MAN Energy Solutions to a Chinese company on Wednesday, with ministers citing security reasons.

The decision comes amid rising trade tensions between the European Union (EU) and China. Germany's economy ministry can review and stop transactions deemed to have national security implications, and Berlin and the EU are trying to reduce risks from economic ties with Beijing.

The planned sale of the German business to Chinese state-owned

CSIC Longjiang GH Gas Turbine Co. (GHGT) was announced in June 2023 at an undisclosed price, but MAN Energy Solutions said in September the government would take a close look.

GHGT belongs to the China State Shipbuilding Corp. (CSSC), which dominates the Chinese shipbuilding industry.

Some German politicians are concerned that China might use the gas turbines not for civilian purposes but to power warships.

Asked about the decision at a news conference, Interior Minister Nancy Faeser welcomed it "for security reasons."

Economy Minister Robert Habeck said Germany generally welcomed investment but that technologies important for "public order" must be protected and that was why the deal was stopped.

MAN Energy Solutions said it respected the government's decision and would start a structured process to wind down the new development of gas turbines.

"We will carry out this phase with the utmost care, taking into account the interests of our employees, customers and partners," a spokesperson said in an emailed statement. The business has some 14,000 employees.

One source had told Reuters on Tuesday that the group would retain its profitable turbine service business.

The German government has called on firms to reduce their dependence on China — the country's most important trade partner — and is pressing for a level playing field for companies.

The EU is also taking action against what it believes are unfair Chinese subsidies in the electric vehicle sector, though Germany's VDA auto association has urged the European Commission to drop its planned tariffs. — **Reuters**

KKR to buy Varsity Brands from Bain Capital for \$4.75B

PRIVATE equity firm KKR & Co. agreed to acquire Varsity Brands, a US maker of sports uniforms and school yearbooks, from buyout firm Bain Capital for about \$4.75 billion, including debt, people familiar with the matter said on Wednesday.

KKR will own Varsity Brands through its Americas private equity fund, the sources said, requesting anonymity because the deal has not yet been announced.

KKR has committed to offering rank-and-file employees of its North America portfolio

companies equity in these companies, and will do so with Varsity Brands, the sources said. This is an incentive the corporate world traditionally reserves for senior executives.

KKR, Bain Capital and Varsity Brands declined to comment.

Bain acquired Varsity Brands in 2018 from private equity firms Charlesbank Capital Partners and Partners Group for around \$2.5 billion. Reuters reported last year that Bain was exploring a sale or initial public offering of Varsity Brands.

Varsity Brands consists of two main businesses, BSN SPORTS and Varsity Spirit. BSN distributes customizable team sports equipment and apparel through partnerships with brands including Nike and Under Armor.

Varsity Spirit sells cheerleader uniforms and apparel, and also hosts educational camps, clinics and competitions. It also makes school yearbooks, which used to be part of Varsity's Herff Jones graduation merchandise division.

Varsity kept the yearbooks business when it sold Herff Jones

to private equity firm Atlas Holdings last year.

The deal comes as buyout firms have been actively pursuing deals with sports apparel businesses, which typically generate steady returns for investors due to their predictable cash flows.

ACON Investments is preparing to take US sports league headwear company New Era Cap public, Reuters has previously reported.

Earlier this year, Platinum Equity acquired sports uniform companies Augusta Sportswear and Founder Sport Group. — **Reuters**

Coal, from S1/1

The Philippines already has a plan to accelerate the voluntary retirement of up to 900 MW of existing coal-fired power plant generation capacity by 2027 under its Accelerating Coal Transition (ACT) investment plan.

In 2020, the DoE issued a moratorium on the development of new coal-fired power plants to reduce the Philippines' dependence on coal.

However, Gerry C. Arances, executive director of think tank Center for Energy, Ecology and Development, said the increase in renewables in the power mix is overshadowed by the fact that coal power plants have not been shuttered.

"The coal moratorium in 2020 came with the possibility of an urgent shift to renewable energy, but the Philippines confronted the threat of the aggressive push for natural gas and liquefied natural gas (LNG) crowding out the entry of renewables instead," he said in a Viber message.

The share of renewable energy (RE) in the country's power generation mix stands at 22%. The government is aiming to increase RE's share to 35% by 2030 and 50% by 2050.

Ember said the Philippines and Indonesia have seen limited growth in RE generation, as their wind and solar potential "remains almost entirely untapped."

Indonesia and the Philippines also have a smaller wind and solar share in their electricity mix than most other countries in Southeast Asia.

"Wind and solar can be deployed faster than any other renewable electricity source and are also the cheapest source of electricity. Accelerating their deployment would allow Indonesia and the Philippines to meet their growing electricity demand with renewables and to reduce their reliance on coal," Ember said.

SUSTAINABLE ENERGY

Robert Dan J. Roces, chief economist at Security Bank Corp., said the declining costs of renewable energy make it a more sustainable long-term option.

"However, the Philippines remains bogged down by existing coal infrastructure and policy hurdles that don't incentivize renewables just yet," he said in a Viber message. "Compared with regional neighbors that are aggressively scaling up solar, wind and efficiency measures, the Philippines is behind."

Mr. Roces said the Philippine government should revamp regulations, streamline permitting processes and modernize the grid.

Calixto V. Chikiamco, president of Foundation for Economic Freedom, said RE challenges include intermittency, technologies that require significant portions of land such as solar power, and those that are site-specific and need long transmission lines to connect to the grid such as wind energy.

Jose M. Layug, Jr., president of the Developers of Renewable Energy for Advancement, Inc., also cited the difficulty in securing permits and delays in regulatory approvals for power contracts and transmission projects.

"Now, under President [Ferdinand R. Marcos, Jr.], [Energy] Secretary [Raphael P.M. Lotilla] and [Energy Regulatory Commission] Chair [Monalisa C. Dimalanta], we have declared the correct signals to the private sector and investors: the Philippines wants cheaper, sustainable and more efficient renewables," he said in a Viber message.

Investments in RE projects increased after the Philippine government allowed full foreign ownership in the sector starting November 2022.

Foreign nationals and foreign-owned entities are now allowed to explore, develop and use RE resources such as solar, wind, biomass, ocean or tidal energy in the Philippines. Foreign ownership of RE projects was previously limited to 40%.

NG debt, from S1/1

of government securities and P2.68-billion effect of peso depreciation on foreign currency-denominated domestic debt," BTR said.

Government securities accounted for nearly all of domestic debt at P10.44 trillion, BTR data showed.

Meanwhile, external debt accounted for 31.96% of the total outstanding debt.

As of end-May, external debt rose by 4.2% to P4.9 trillion from P4.71 trillion as of end-April. It was also higher by 7.4% from P4.57 trillion a year earlier.

"For May, the increase in external debt can be attributed to P122.04 billion in net foreign loan availment and P76.94 billion in upward revaluation of US dollar-denominated debt," the BTR said.

"Meanwhile, favorable third-currency movement provided a P2.94-billion downward revaluation effect."

External debt was composed of P2.29 trillion in loans and P2.62 trillion in debt securities

Debt securities consisted of P2.22 trillion in US dollar bonds, P219 billion in euro bonds, P64 billion in Japanese yen bonds, P58 billion in Islamic certificates and P54 billion in peso global bonds.

Meanwhile, the NG's guaranteed obligations decreased by 1.6% to P350 billion as of May, from P356 billion in April. It also dropped by 7.8% from P379 billion in the same period in 2023.

"The decline in NG guarantees was due to net repayment on both domestic and exter-

Growth, from S1/1

BMI expects the central bank to only start cutting rates by October and in step with the Fed.

"However, the lagged impact of policy easing means that its impact will likely only be felt in 2025. Indeed, business sentiment towards the economy has notably diminished," it said.

BMI said the external sector would also provide "less support" in the next few quarters as the rebound in exports will be difficult to sustain.

"Several key trading partners are due for an economic slowdown, after a strong showing in the first quarter. For instance, we believe that growth in mainland China has reached its peak and will diminish in the following quarters," BMI said.

"The strong start to the year for the US economy is also expected to succumb to the pressures of tight monetary policy and a less supportive fiscal backdrop. Japan, Hong Kong, China and Singapore are no exceptions. Together, they account for about 73% of total Philippine merchandise exports." — **Luisa Maria Jacinta C. Jocsos**

8990 HOLDINGS, INC. 11th Floor, Liberty Center 104 HV Dela Costa Street, Salcedo Village, Makati City

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Please be advised that the Annual Meeting of the stockholders of **8990 HOLDINGS, INC.** (the "Company") for the year 2024 will be conducted **online on 29 July 2024 at 11:00 a.m.** Stockholders who wish to participate in the proceedings may do so by signing on at the following URL address: <https://registration.8990holdings.com>.

The Chairman and Chairman Emeritus will conduct the online meeting from the principal place of business of the Company at the 11th Floor, Liberty Center, 104 HV Dela Costa, Salcedo Village, Makati City. The Corporate Secretary will likewise participate in the online meeting from Makati City.

The following shall be the agenda of the meeting:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the minutes of the last stockholders' meeting held on 31 July 2023;
4. Presentation and Adoption of the President's Report and Annual Report, Adoption of the Amended Audited Financial Statements for the year ended 31 December 2022, and Approval of the Audited Financial Statements for the year 2023;
5. Ratification of all acts of the Board of Directors and Management since the last annual stockholders' meeting held on 31 July 2023;
6. Election of the Directors (including the Independent Directors) of the Company for the ensuing fiscal year;
7. Appointment of the external auditor of the Company for the fiscal year 2024; and
8. Adjournment

The Minutes of the 2023 Annual Meeting of Stockholders is available at the website of the Company, www.8990holdings.com, and will be appended to the Information Statement that will be distributed or disseminated to all stockholders as of the record date. An electronic copy of the Company's Information Statement, Management Report, SEC Form 17-A and other pertinent documents are available on the Company's website and the Philippine Stock Exchange Electronic Disclosure Generation Technology (PSE EDGE).

The Board of Directors has set **01 July 2024**, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.

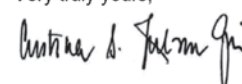
For the welfare and convenience of the Company's shareholders, the Company will dispense with the physical attendance of stockholders at the meeting. Consequently, attendance will only be by remote communication, with voting being accomplished *in absentia* through the Company's online voting system at <https://registration.8990holdings.com> or through the Chairman of the meeting, as proxy. In compliance with Section 15 of Mem. Circ. No. 6, series of 2020, the Chairman who is the presiding officer of the meeting shall call the meeting in Makati City, the city where the principal office of the Company is located.

Stockholders intending to participate by remote communication should pre-register with the Company via HOUSE's Electronic Registration and Online-voting (HERO) System at URL address: <https://registration.8990holdings.com> during the given registration period and in any case, no later than **28 July 2024**.

Following such pre-registration and subject to validation procedures, stockholders may vote either electronically via the HERO System, no later than **29 July 2024** or submit duly accomplished proxies on or before **19 July 2024** to the Office of the Corporate Secretary at Picazo Buyco Tan Fider & Santos Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City and/or by email to cpalmagil@picazolaw.com or molizarondo@picazolaw.com. Validation of proxies is set on **24 July 2024** at 2:00 p.m.

The detailed rules and procedures for participating in the meeting through remote communication and for casting their votes in absentia are set forth in Annex "A" to the Information Statement.

Very truly yours,



CRISTINA S. PALMA GIL-FERNANDEZ
CORPORATE SECRETARY