

Contract Amendment for 130 Bi-level Passenger Railcars signed

Sumitomo Corporation of Americas (SCOA), who is 100% owned subsidiary of Sumitomo Corporation (SC), concluded contract amendment for 130 Bi-level Passenger Railcars which was originally signed among California Department of Transportation (Caltrans), Illinois Department of Transportation (IDOT) and SCOA in year 2012.

The original contract required SCOA to supply 130 Bi-level passenger railcars (42 railcars for Caltrans and 88 for IDOT), while Nippon Sharyo, Ltd. (NS) and its 100% owned subsidiary NIPPON SHARYO MANUFACTURING, LLC (NSUSA), the subcontractors to SCOA, faced technical difficulties during implementation to meet with the required specification. After facing such situation, Caltrans, IDOT and SCOA diligently discussed and finally reached an agreement to supply 137 single level passenger railcars instead.

By concluding contract amendment, NS and NSUSA shall be replaced with Siemens Industry, Inc. (Siemens) and new contract between SCOA and Siemens shall be concluded accordingly, so that SCOA can fulfill its responsibility to supply 137 railcars to Caltrans (49 railcars) and IDOT (88 railcars).

SC and SCOA will make their utmost efforts to supply 137 railcars in accordance with the conditions stipulated in the contract amendment together with Siemens.

The impact caused by the above to the consolidated net income could be deemed nominal at this moment.