

Nov. 19, 2014

Sojitz Corporation

Sojitz Wins Contract for Electrification Works on Western Dedicated Freight Corridor Project in India

~ Big Order Follows Contract for Civil & Track Works ~

Sojitz Corporation (Sojitz) and Larsen & Toubro Ltd. in India (L&T) have received a contract from Dedicated Freight Corridor Corporation of India Limited, a public company under India's Ministry of Railways, to conduct electrification works for a 915 km section of the Western Dedicated Freight Corridor (also known as the "Western DFC"). The contract amount is approximately 50 billion yen. The contract's 915km distance makes this the largest single railway electrification project to date.

The Western DFC is a 1,500km-long freight corridor linking the Indian capital of Delhi to Mumbai, the nation's main commercial hub. Under the contract, a 915km section between Rewari, Haryana, in northern India and Vadodara, Gujarat, in the west, will be electrified. The works are scheduled to begin within 2014, with Sojitz and L&T set to construct 16 traction substations and install overhead electric wires.

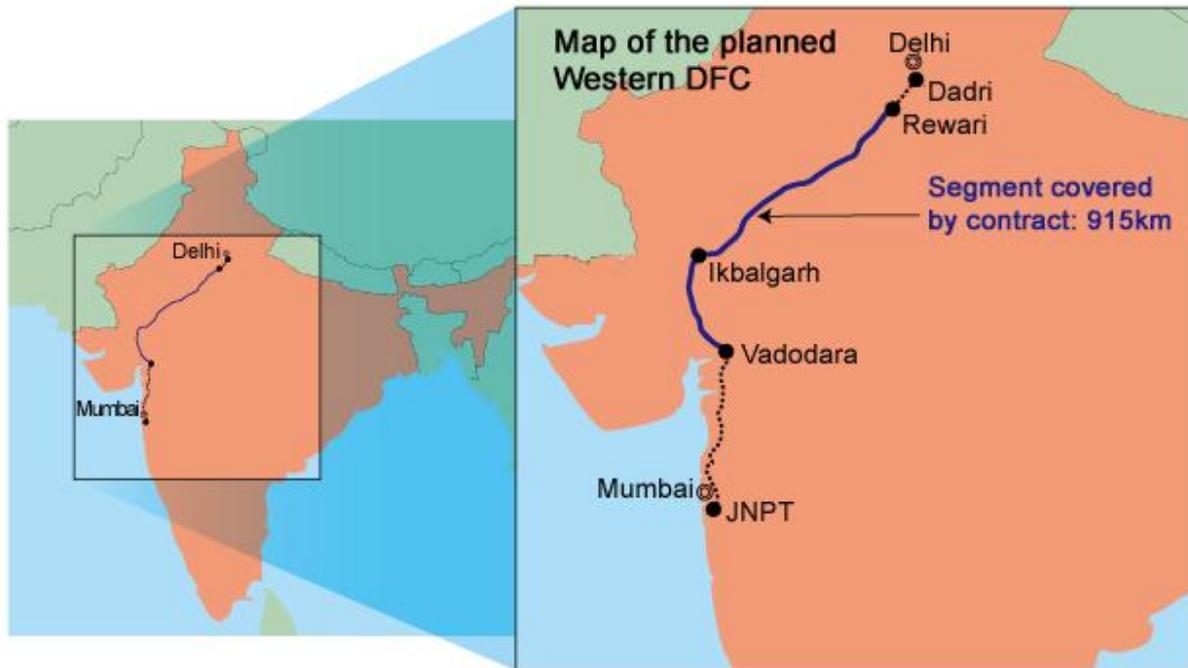
Sojitz, as consortium leader, will work together with L&T to manage the project and procure Japanese products. The Western DFC has been developed under a Japanese Official Development Assistance (ODA) loan with Special Terms for Economic Partnership (STEP)* conditions which require the project to utilize Japanese technologies. Approximately more than 40% of the order is for Japanese products, with Japanese companies expected to receive many orders for substation equipment, electric wires, and other equipment for railway electrification.

In India, the new administration of Prime Minister Narendra Modi, inaugurated in May of this year, is focusing on public infrastructure development – an indispensable element in the nation's future economic growth. As a comprehensive industrial infrastructure development project jointly promoted by Japan and India, expectations are high for the Delhi-Mumbai Industrial Corridor (DMIC) and the Western DFC plays a central role in the project.

This is the second project for Sojitz and L&T following a joint contract received in 2013 for civil & track works on a 626 km section of the Western DFC line connecting Rewari, Haryana, and Ikalgarh, Gujarat.

In addition to the Western DFC, India has a high-speed rail project and many urban railway projects in the planning stages. Sojitz has positioned India as a core market of its railway business and plans to take a proactive stance in the developing future projects in the country.

Delhi-Mumbai Western Dedicated Freight Corridor in India



[Reference]

Company name: Larsen & Toubro Ltd.

(Listed on the Mumbai Stock Exchange and the National Stock Exchange)

Head office: Mumbai, India

Overview: Established in 1938; Larsen & Toubro Ltd. is the largest technology, engineering, construction, manufacturing and financial services conglomerate in India, with operations around the globe. The company's capabilities span the entire gamut of construction - civil, mechanical, electrical and instrumentation engineering - and its services extend to all core sector industries, with extensive experience in the construction of roads, railways, bridges, ports, airports, water processing facilities, buildings and plants. Annual sales are approximately 1.5 trillion yen.

Company name: Dedicated Freight Corridor Corporation of India Ltd.

Head office: Delhi, India

Overview: A public corporation established by India's Ministry of Railways in 2006 to construct, maintain, and operate dedicated freight railways in India.

(*) Special Terms for Economic Partnership (STEP) is a yen loan system conditional on the procurement of a certain minimum percentage of made-in-Japan materials and equipment. The program is aimed at promoting Japan's "visible support" by using superior Japanese technologies and know-how, and providing technological transfer to emerging markets.