

March 25, 2024

Sojitz Corporation

Sojitz Group Awarded One of the World's Largest Commuter Railcar MRO Projects  
in Toronto, Canada

Cad Railway Industries Ltd. (Head Office: Montreal, Canada; “CadRI”), a subsidiary of Sojitz Corporation (“Sojitz”) and Sojitz Corporation of America, has been awarded a large-scale project by Metrolinx, the Ontario government’s transit authority, to undertake the Maintenance, Repair and Overhaul (MRO) of approximately 900 railcars owned by Metrolinx in the Greater Toronto & Hamilton Area.\*<sup>1</sup> In terms of railcars handled, this initiative will be one of the world’s largest\*<sup>2</sup> MRO projects taken on by a private company for a single transit authority.



Metrolinx rail yard located in the Toronto suburbs

Cad Rail Fleet Services (Ontario) Ltd. (Head Office: Toronto, Canada), a subsidiary of CadRI, will be the contracting entity for this project, and MRO works will begin in January 2025. The long-term contract will extend until 2047.

The current population of the Greater Toronto & Hamilton Area totals seven million and is projected to increase to nine million by 2041. Traffic congestion brought on by population growth is expected to result in C\$15 billion (approximately JPY 1.6 trillion) in economic losses annually, with further environmental concerns related to the increase in motor vehicle greenhouse gas emissions. The government

of Ontario is taking steps to alleviate chronic traffic congestion and improve the convenience of public transit through its GO Expansion program,<sup>\*3</sup> an initiative to deliver faster, more frequent service across core sections of the Metrolinx rail network. A core project under the GO Expansion program is the On-Corridor Works Project,<sup>\*4</sup> which aims to increase the number of trains in service, improve operational speeds for trains, and electrify key sections of Metrolinx track. ONxpress Transportation Partners (“OTP”)<sup>\*5</sup> was awarded the contract for this project in April 2022, and OTP will work on the development and expansion of railway infrastructure, train operation, and rail car MRO.

CadRI has demonstrated a strong track record for performing bi-level coach and locomotive overhauls for Metrolinx and has been selected as the MRO service provider for this project due to its project management capabilities, high-quality technical expertise, and capacity to provide MRO services to all types of railcar operated by Metrolinx, including locomotives and diesel cars.

Through the railcar MRO business, Sojitz Group will continue to implement the 3 Rs (Reduce, Reuse, Recycle)—the approach promoting the effective use of resources and assets—and work towards reducing environmental impact and realizing a recycling-oriented society.

**\*1: Greater Toronto & Hamilton Area:**

Canada’s most populous region, encompassing the Toronto, Ontario metropolitan area and four surrounding municipalities.

**\*2: Research by Sojitz Corporation**

**\*3: GO Expansion program:**

The Ontario government’s plans for expansion of the GO rail network, which will bring faster, more frequent train service by delivering new transit infrastructure and operational plans that will reduce journey times, add capacity, and further improve on-time performance and customer satisfaction. Metrolinx, the public transportation authority of the Government of Ontario, serves as the implementing agency.

**\*4: On-Corridor Works Project:**

The second and largest piece of the GO Expansion program, this project will bring faster, more frequent, electrified service to the GO network. By improving Toronto’s Union Station, adding more track, introducing electrified service, and a new signaling system, On-Corridor Works

Project will enhance connectivity across the network, transforming the commuter GO train service into a rapid regional transit network where customers won't need to consult a schedule to know that the next train will be along soon.

**\*5: ONxpress Transportation Partners:**

A consortium made up of the following four companies: Deutsche Bahn International Operations GmbH, Canada's Aecon Construction Group Inc., Spain's FCC Construcción SA, and France's Alstom Holdings SA.

**[Company Overview – Cad Railway Industries Ltd.]**

|               |  |
|---------------|--|
| Established   | 1968   |
| Head Office   | Montreal, Quebec, Canada   |
| Main Business | CadRI's customers consist of mostly major North American freight rail companies, locomotive and railway car leasing companies, state-owned transit authorities, and industrial and mining rail companies. CadRI provides a wide range of technical MRO services that include maintenance, remanufacturing repair construction, and overhaul for rolling stock. |

**[Company Overview – CAD Rail Fleet Services (Ontario) Ltd.]**

|               |  |
|---------------|--|
| Established   | 2022   |
| Head Office   | Toronto, Ontario, Canada   |
| Main Business | Established as a 100% subsidiary of CadRI to carry out the GO Expansion Project. |

**[Related News Releases]**

“Sojitz Group and JOIN Have Acquired a 100% Ownership Interest in a Rail MRO Company in North America.” Sojitz Corp. Press release, 10 April 2020.

<https://www.sojitz.com/jp/news/docs/200410e.pdf>

“Sojitz Group Acquires a 100% Ownership Interest in a Railcar Leasing Company in North America.” Sojitz Corp. Press release, 10 March 2021.

<https://www.sojitz.com/jp/news/docs/210310e.pdf>

**[For questions regarding this press release, contact:]**

**Sojitz Corporation**      Public Relations Dept.      +81-3-6871-3404