

August 5, 2024
Sojitz Corporation

Sojitz Acquires Full Ownership of U.S. Railcar Repair Company

– Expanding Sojitz Group's Railcar Repair Network in North America –

Sojitz Corporation ("Sojitz") has acquired full ownership of Washamerica Inc. (Head Office: Texas, U.S.; Brand Name: BW Services; "BWS") through Sojitz Corporation of America, a fully owned subsidiary of Sojitz. BWS is a U.S. company that operates a railcar repair business.*¹ Sojitz has an established presence in the railcar repair business in Canada and is expanding its repair network into the Southern U.S. through this acquisition of BWS.

Established in 1967, BWS provides repair and qualification services for tank cars under the "BW Services" brand, serving a customer base consisting primarily of major U.S. oil companies. BWS's main facility is located in Texas, the U.S. state with the longest rail network by mileage, and is adjacent to the large-scale rail terminal owned by Union Pacific, one of the Class I railroads. BWS has established a strong customer base by providing short turnaround time and high-quality services to its customers and is continuing to grow its business operations.



[BWS facility in Texas]

In North America, one of the world's largest freight rail markets, rail-based transport serves as essential

logistics infrastructure supporting both the economy and society, with rail transportation comprising up to 20% of all freight transport in the U.S.*² In the freight transport market, tank cars account for approximately 30% (440,000 cars) of all railcars in operation. Tank cars are used mainly to transport chemicals and flammable commodities such as liquefied petroleum gas, and it is expected that the total volume of tank car transport will grow over the medium- to long-term. With roughly one-tenth of the carbon footprint of trucks, rail-based freight transport will contribute to the realization of a decarbonized society, and the market is anticipated to expand alongside the growth in volume of rail-based freight transport.

Sojitz Group has over 60 years of experience in the rail industry. Sojitz has identified the rail business in North America as a key focus area and has been actively expanding its business through a range of investments. In 2015, Sojitz became the first Japanese company to enter the North American rolling stock maintenance, repair, and overhaul (“MRO”) business through its investment in Cad Railway Industries Ltd. (Head Office: Quebec, Canada; “CadRI”). Sojitz further expanded its business operations in 2017 through acquisition of Caltrax Inc. (Head Office: Alberta, Canada; “Caltrax”), a company offering railcar repair services in Western Canada. In 2021, Sojitz acquired 100% ownership interest in Southwest Rail Industries Inc. (Head Office: Texas, U.S.; “SRI”), a company that operates a railcar leasing business.*³

Moving forward, Sojitz Group will continue to pursue synergy in its railcar repair and leasing businesses in North America as the company strives to implement the 3 Rs (Reduce, Reuse, Recycle) and work towards reducing environmental impact and realizing a recycling-oriented society.

*1: Railcar repair business provides repair work conducted to maintain the safety and functionality of railcars, and qualification work required for tank cars every 10 years by law.

*2: Percentage based on ton-miles (distance multiplied by weight).

Source: United States Bureau of Transportation Statics, Transportation Statistics Annual Report 2023 (<https://www.bts.gov/tsar>)

*3: Railcar leasing: The lease of freight railcars to cargo holders such as shippers and freight railroad operators.

[Related Information]

[Company Overview – Washamerica Inc.]

Established	1967
Location	Angleton, Texas, U.S.
Representative Director	Billy White
Main Business	Tank car repair services primarily for major U.S. oil companies

[Related News Releases]

March 10, 2021

[Sojitz Group Acquires a 100% Ownership Interest in a Railcar Leasing Company in North America](#)

March 25, 2024

[Sojitz Group Awarded One of the World's Largest Commuter Railcar MRO Projects in Toronto, Canada](#)