

August 10, 2017
East Japan Railway Company
Mitsui & Co., Ltd.

JRE and Mitsui Selected as Winning Bidder for UK Passenger Rail Franchise

East Japan Railway Company (“JRE”, Head Office: Tokyo, President and CEO: Tetsuro Tomita), Mitsui & Co., Ltd. (“Mitsui”, Head Office: Tokyo, President and CEO: Tatsuo Yasunaga), jointly with Abellio Transport Group Limited (“Abellio UK”), have been collectively selected as the winning bidder by the UK Department for Transport (“DfT”) for the West Midlands Franchise (“Franchise”), a passenger rail franchise in the United Kingdom.

JRE, Mitsui, and Abellio UK formed a consortium and have been working together to secure the operation of the Franchise. The consortium submitted a bid in November 2016 and recently received notification that it had been nominated as the winning bidder. The consortium will now make preparations for the start of the new Franchise with the DfT and begin operations in December.

In the United Kingdom, private companies operate passenger rail services under a franchise system. The system is divided into regions, and operators for each line are selected on the basis of the tender opened by the DfT. The Franchise covers commuter lines to London, a long-distance line linking London with Liverpool and metropolitan transportation in Birmingham, which is located in the Midlands and is the United Kingdom’s second largest city. In operating this business, we will work toward the realization of capacity increase through the introduction of new carriages, the reduction of congestion during commuting hours in London and Birmingham, and the enhancement of service quality, including information services for passengers, and service reliability, which are requested by the DfT. The consortium will work to meet these conditions.



The Franchise will be the first joint overseas rail business by JRE and Mitsui. This is the first time that JRE has participated in the operation of passenger rail services outside of Japan. For Mitsui, the Franchise is its second passenger rail service in the U.K., following its participation in the East Anglia franchise.

JRE, under its corporate vision, “Group Management Vision V - Ever Onward,” aims to take up the challenge of new business areas through participation in overseas rail projects. In the Kingdom of Thailand, it has participated in business for the supply of rolling stock and the maintenance of rolling stock and above-ground facilities for the Purple Line, a metropolitan rail system in Bangkok. It has also provided technical support for a high-speed rail project in India. Through initiatives such as these, JRE, as a unified group, is deepening its involvement in overseas rail projects. The JRE group companies have extensive knowledge and expertise relating to safety and operational quality. By bringing this knowledge to the Franchise, JRE strives to provide quality rail services in the United Kingdom, and further contribute to the development of rail businesses globally.

Mitsui is expanding its initiatives in the area of passenger rail services in response to growing transportation demand driven by the rapid expansion of urban populations in recent years. In addition to a passenger rail business in Brazil, it joined the UK passenger rail franchise business by acquiring a stake in the East Anglia franchise in March 2017. Through its participation in East Anglia and this new Franchise, Mitsui is building an operation track record in the field of passenger rail services in the United Kingdom with a view to engaging in other initiatives in the future. The passenger rail business is a starting point for linking its other business initiatives, such as commerce, real estate, and other forms of mobility services. Mitsui will continue to take up the challenge of new business and strive to further expand its rail business in the United Kingdom and other regions.

Appendix

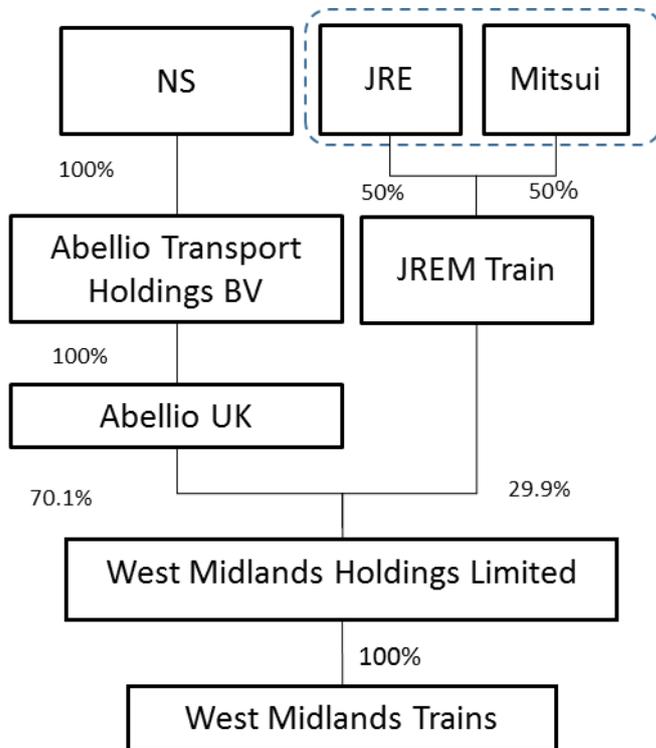
Overview of Business Operation by Current Operator

Operating Term:	Approx. 10 years (from Nov. 2007)
Route kilometres operated:	899 km
Passenger Demand:	Approx. 73.6 million/year
Operational Fleet:	551 trains
Number of Stations served:	Approx. 170
Employees:	Approx. 2,500

Route Map of the West Midlands Franchise



Investment Structure



Profile of Abellio UK

Name of Company	Abellio Transport Group Limited
Head Office	Glasgow, UK
Capital Structure	Nederlandse Spoorwegen N.V. Group 100%
Business Activities	Operates UK business sector of Abellio Group Operates public transportation trains and buses in the UK
Website	www.abellio.com