

May 7th, 2024
Sumitomo Corporation
Hankyu Corporation
Japan International Cooperation Agency

Hankyu Corporation and JICA participate in LRT-1 project (Manila, the Philippines) partly owned by Sumitomo Corporation

Sumitomo Corporation (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Shingo Ueno), Hankyu Corporation (Head office: Osaka City, Osaka; President and Representative Director: Yasuo Shimada; hereinafter, "Hankyu") and Japan International Cooperation Agency (Headquarters: Chiyoda-ku, Tokyo; President: Akihiko Tanaka; hereinafter, "JICA") have agreed to collaborate on the operation and maintenance of the Manila Light Rail Transit System Line 1 (hereinafter, "LRT-1"), a passenger railway in Metro Manila. Accordingly, the three parties have entered into an agreement to transfer part of the shares indirectly held by Sumitomo Corporation in Light Rail Manila Corporation (LRMC), which operates and maintains LRT-1, to Hankyu and JICA.

The Philippines is one of the fastest-growing economies among the ASEAN countries, with a population that is projected to continue to grow over the coming decades. Metro Manila, regarded as one of the most congested of all ASEAN cities, is in urgent need of an efficient public transit system and the development of railway infrastructure including new lines is currently underway. LRMC entered the Manila public transportation market in 2015 to help meet the rapidly growing transportation demand and has since been striving to enhance the quality of the train services and expand its transportation capacity. LRT-1 runs some 20 kilometers and is one of the most important public transportation infrastructure in Metro Manila. LRMC is currently extending LRT-1 southward by some seven kilometers, installing five new stations along the way. Services along the extended section are scheduled to start by the end of 2024. The extension is expected to significantly boost access to Metro Manila from the south area, allowing LRT-1 to play an even greater role as transportation infrastructure that sustains the development of the metropolitan area.

Sumitomo Corporation invested in LRT-1 in 2020, and has since worked to stabilize the management of LRMC and enhance its value by supporting its spare parts procurement. From now on, the Company will collaborate with Hankyu and JICA, its new partners, to help further increase the value of the business undertaken by LRMC.

Hankyu engages in urban transportation and real estate businesses primarily in the Kansai area

of Japan. The company has become the first major Japanese private railway company to join railway operation and maintenance business overseas. In the future, Hankyu intends to explore collaborations with other businesses in the Hankyu Hanshin Holdings Group in the Philippines market.

JICA has long funded the development of Metro Manila railways through Official Development Assistance (hereinafter, "ODA") loans to the Philippines government along with technical cooperation. It implemented ODA loans to expand the city's transportation capacity under Phases 1 and 2 of the LRT Line 1 Capacity Expansion Project and currently provides ODA loans to procure rolling stock cars and develop depots for the trains under the Capacity Enhancement of Mass Transit Systems in Metro Manila Project. Backed by an extensive track record, JICA has forged a favorable relationship with the Philippines government and will continue to support the smooth operation of LRT-1 based on these strong ties.

The project, which constitutes Hankyu and JICA's first investment in railway operation and maintenance business overseas, serves as an impetus for Japanese entities to make inroads into overseas markets with high-quality infrastructure provision.

In collaboration with LRMC and its other shareholders, Sumitomo Corporation, Hankyu and JICA will harness their respective strengths and expertise to make LRT-1 even safer and more convenient, thereby contributing to reinforcing the transportation network of Metro Manila. Furthermore, by mitigating traffic congestion, the three parties will improve the living environment and alleviate economic losses for commuters, which will help drive the economic development of the Philippines.

<Reference>

■Overview of LRT-1

Start of service	: 1984
Owner of facilities	: Light Rail Transit Authority, Department of Transportation, Government of the Philippines (LRMC has been implementing operation and maintenance since 2015.)
Line	: Approximately 20 kilometers between Fernando Poe Jr. Station (formerly Roosevelt Station) in Quezon City and Baclaran Station in Pasay City
Number of stations	: 20

■Overview of LRMC

Official name	: Light Rail Manila Corporation
Location	: Pasay City, the Philippines

Shareholders : Metro Pacific Investments Corporation
 AC Infrastructure Holdings Corp.
 Macquarie Infrastructure Holdings (PHILIPPINES) Pte. Limited
 Sumitomo Corporation

Main Business : Operation and maintenance of LRT-1

[Reference photo] Rolling stock on test run in the southward extension area



■Route map

