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Feature: 20 Years After JNR Privatization

- A Bird's-Eye View of World Railway Reform Trends
- 20 Years of Railway Technical Research Institute (RTRI)
- Evolution of SoftBank Corp.
from Railway Telecommunication Co., Ltd.
- Taking a Closer Look at the 20-year History and
Future of JR Systems
- Work of JNR Settlement Headquarters (JNRSH)



Editorial

Transitions

Recently, somebody said, 'I wonder if it was really a good idea for Japan Telecom to become a publicly traded company?' I think these words show how the speaker felt about how hard Japan Telecom people had to work after going public. The Railways Telecommunications Company established in April 1984 was centred on the railway telephone business and inherited the tasks and infrastructure of the Japanese National Railways (JNR) communications division. As described in the article by Mr Murakami in this issue, it experienced the most severe business up and downs among the companies resulting from the JNR privatization and division. At that time, Japan Telecom was suffering from severe competition and needed huge capital to fund new developments in the rapidly changing IT environment as well as to expand its infrastructure, such as wireless base stations. They looked at systems for raising cheap capital and an IPO was the obvious solution. However, Japan Telecom formed by the IPO became the target of continuing M&As due to its very high sunk asset value. Although JNR collapsed, it had some very valuable in-house business potential, development of which depended on the management and proprietors. Today, railway operators are seeing rapid growth in new business areas, such as electronic money as typified by JR East's Suica card. This suggests that railway operators will have a large impact on the finance world and there is a great deal of interest in these future developments.

K. Aoki

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Site of former JNR Shiodome Freight Terminal (circled) redeveloped as a huge business, commercial and housing complex.

(JNRSH)

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