

Sojitz Corporation

Sojitz Receives Consecutive Order for Large Transformer Facility Construction Work in Saudi Arabia

(Japan, May25, 2004)--Sojitz Corporation has received a full-turnkey EPC (Engineering Procurement Construction) order from the Saudi Electricity Company (Head office: Riyadh) for construction work on a 380kv transformer facility under the 'power plant construction project for Shoaiba 2', located about 130 km south of Jeddah on the Red Sea coast of Saudi Arabia. The order amounts to approximately 9 billion yen, and is a consecutive order following that for transformer facility construction work for the 'Shoaiba 1 Power Plant, which contract was awarded in 1999 (approximately 9 million yen).

Since substantial increases in electricity demand are expected in Saudi Arabia due to population growth, there is an urgent need to expand and improve the power supply system. The project intends to make 'Shoaiba 2' the main power plant, playing a central role in power supply in the west of Saudi Arabia, and to supply electricity mainly in the city of Jeddah.

The order was received in cooperation with Japan AE Power Systems Corporation (Head office: 8-3, Nishi-Shimbashi 3-chome, Minato-ku, Tokyo; President and Director: Masakazu Mori). In addition to the cost competitiveness of the products, both companies have a record of over 30 years in making deliveries to power companies in Saudi Arabia, and both companies highly valued, resulting in the order receipt. Construction work for the 'Shoaiba 2 Power Plant', which will be the largest in the Middle East, will commence within the year, with a scheduled completion and delivery date of April 2006. In addition to this project and orders received together with Japan AE Power Systems, Sojitz has previously been awarded a number of orders for transformer station construction work, mainly by power companies in Saudi Arabia.

Many large-scale power projects are planned in the Middle East region. Sojitz, which positions its energy and power business as the core business area, strives to further

increase orders by maximizing its comprehensive effects and covering business matters concerning power and transformer facilities in the Middle East region centered on Saudi Arabia, Oman and Bahrain.

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