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Company: Sojitz Corporation

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(Code #: 2768 TSE First Section)

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Announcement of losses recorded on the non-consolidated financial statements  
for the year ended March 31, 2015

Through wholly owned subsidiary MMC Automotriz S.A. (MAV), Sojitz Corporation operates automobile assembly and sales business in Venezuela. MAV recently became subject to restrictions on transferences of foreign currency, which impeded the ability for this company to be operated in a stable manner. In consideration of this development, the Company evaluated the situation from a conservative standpoint, assessing the likelihood of recovering its investment in MAV and of being able to collect receivables attributed to this company. It was determined that a certain portion of this investment and these receivables may be difficult to recover. With regard to this portion, loss and provision for loss on dissolution of subsidiaries and affiliates was recorded on the Company's non-consolidated financial statement as follows.

1. Impacts on earnings results

1) Non-consolidated financial statement

In February 2015, the Venezuelan government introduced a foreign exchange marginal system known as Simadi. When constructing MAV's financial statements for the year ended March 31, 2015, the Company utilized the exchange rate for Venezuelan bolivars stipulated by this system. Applying the Simadi system rate resulted in the recognition of impairment on investments in MAV. In addition, allowance for doubtful receivables was recognized with regard to the portion of receivables attributable to MAV that was deemed difficult to recover. Subsequently, loss and provision for loss on dissolution of subsidiaries and affiliates of ¥20.1 billion was recorded on the Company's non-consolidated financial statements to reflect these results.

2) Consolidated financial statements

The impact of this loss on consolidated performance was minimal as this loss had been recognized in previous fiscal years when incorporating MAV's financial statements into

the Company's consolidated financial statements.

In addition, the Company translated MAV's financial statements for the year ended March 31, 2015, in accordance with Simadi. This resulted in the amount of total assets associated with MAV on the Company's consolidated financial statements decreasing by ¥30.0 billion year on year, to ¥3.9 billion, and the total amount of capital dropping ¥11.4 billion, to ¥1.7 billion.

For earnings results for the year ended March 31, 2015, please refer to *Summary of Consolidated Financial Results for the Year Ended March 31, 2015*, which was released today.