



May 2, 2023

Sojitz Corporation
Masayoshi Fujimoto, President & CEO
(TSE Code: 2768; TSE Prime
Market)

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**Notice Regarding Losses Recorded on the Consolidated and Non-consolidated Financial Statements
for the Year Ended March 31, 2023**

Sojitz Corporation (“the Company”) owns stake in an offshore wind power generation business in Taiwan through its wholly owned subsidiary Sojitz Europe plc (Head Office: London, UK; “Sojitz Europe”). With regard to this offshore wind power generation business, losses were recorded on the Company’s consolidated and non-consolidated financial statement as follows.

1. Details of loss recorded on consolidated financial statement relating to the Taiwan offshore wind power generation business
Construction in Taiwan faced delays brought on by factors including inclement weather and delays from COVID-19-related issues concerning staffing transfers and the chartering of construction ships. These delays caused construction costs to significantly exceed initial forecasts, resulting in a decline in the profitability of the business. Subsequently, the Company recorded ¥22.4 billion in impairment losses and ¥2.7 billion in provision for loss due to joint guarantee liability for a total “share of loss of investments accounted for using the equity method” of ¥25.1 billion related to this investment on the Company’s consolidated financial statement for the year ended March 31, 2023.
2. Details of loss recorded on non-consolidated financial statement relating to Sojitz Europe
Investment in the offshore wind power generation business in Taiwan is currently the only business in which Sojitz Europe is involved. These impairment losses caused a considerable decrease in Sojitz Europe’s net assets, resulting in ¥34.3 billion in impairment losses relating to investment in Sojitz Europe and ¥1.2 billion in provision for doubtful accounts on loans provided to Sojitz Europe for a total ¥35.5 billion recorded as “loss, and provision for loss, on dissolution of subsidiaries and associates” on the Company’s non-consolidated financial statement for the year ended March 31, 2023.

For earnings results for the year ended March 31, 2023, please refer to Summary of Consolidated Financial Results for the Year Ended March 31, 2023, which was released today.