

Summary of Consolidated Financial Results

July 28, 2005

for the First Quarter of Fiscal Year ending March 2006

Sojitz Holdings Corporation

(URL <http://www.sojitz-holdings.com>)

Listed stock exchange : The first sections of Tokyo and Osaka

Headquarters : Tokyo

Securities Code : 2768

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1. Items regarding Preparation for the Summary of the Quarterly Results

(1) Use of simplified accounting procedure : None

(2) Change in accounting policies from the latest consolidated fiscal year : Yes

Sojitz Holdings has reclassified its industry segments from the fiscal year under review in accordance with efforts to streamline the Group's management framework and to better achieve the objectives identified in the New Business Plan through an accelerated decision-making process.

(3) Change in number of consolidated subsidiaries and affiliated companies accounted for the equity method : Yes

	Jun 30, 2005	Mar 31, 2005
Consolidated subsidiaries	326	329
Unconsolidated subsidiaries (accounted for by the equity method)	10	10
Unconsolidated affiliates (accounted for by the equity method)	178	178

(4) Figures for the first quarter of fiscal 2005 and 2004 have not been audited by independent auditors.

2. Consolidated Financial Results for the 1st Quarter of Fiscal Year ending March 2006 (April 1, 2005~ June 30, 2005)

(1) Operating Results (Consolidated)

(Rounded to millions of Japanese Yen)

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1st Qtr. of FY 2005	1,130,731	(6.9)	15,707	2.7	20,839	50.0	18,441	88.1
1st Qtr. of FY 2004	1,214,045	(20.3)	15,301	43.5	13,891	128.6	9,802	-
(Ref)FY 2004	4,675,903		65,521		58,088		(412,475)	

	EPS	Adjusted EPS
	Yen	Yen
1st Qtr. of FY 2005	75.44	62.44
1st Qtr. of FY 2004	45.91	45.43
(Ref)FY 2004	(1,876.48)	-

Note; Percentages shown for net sales, operating income, recurring profit and net income are the rates of increase or decrease from the previous corresponding period.

(2) Financial Position (Consolidated)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	BPS
	Millions of Yen	Millions of Yen	%	Yen
1st Qtr. of FY 2005	2,389,283	311,004	13.0	(1,201.42)
1st Qtr. of FY 2004	2,985,771	311,646	10.4	213.27
(Ref)FY 2004	2,448,478	280,241	11.4	(1,440.26)

Descriptive Analysis of Consolidated Financial Results:

In the first quarter of the fiscal year under review, net sales declined 83.3 billion yen compared with the corresponding period of the previous fiscal year to 1,130.7 billion yen in line with the Company's efforts to promote business selection and focus as stipulated in its New Business Plan. Impacted by the conversion of certain consolidated subsidiaries to equity-method affiliates, gross trading profit fell 3.2 billion yen year on year to 55.6 billion yen. In addition, the conversion of certain consolidated subsidiaries to equity-method affiliates contributed to an improvement in selling, general and administrative expenses of 3.6 billion yen to 39.9 billion yen. Accounting for these and other factors, operating income increased 0.4 billion yen to 15.7 billion yen.

Buoyed by the strong performance of affiliated companies and resultant gains in equity in earnings of unconsolidated subsidiaries and affiliates, recurring profit climbed 6.9 billion yen year on year to 20.8 billion yen. After recording a net extraordinary gain of 1.8 billion yen and accounting for income taxes, net income totaled 18.4 billion yen, an increase of 8.6 billion yen compared with the corresponding period of the previous fiscal year.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 2006 (April 1, 2005~ March 31, 2006):

For the first quarter of the fiscal year under review, recurring profit exceeded initial forecasts due to improvements in selling, general and administrative expenses, the strong performance by equity-method affiliates, and other factors. As a result, the Company has decided to revise its consolidated forecasts for the interim and full-year periods as follows.

	Net Sales	Recurring Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
Half-year	2,300,000	38,000	25,000
Annual	4,900,000	74,000	38,000

Reference: EPS(Projection): JPY 145.63

The aforementioned forecasts are based on certain assumptions that the Company has deemed relevant and appropriate as of the date of publication. Actual results may differ substantially from these forecasts due to a variety of important factors.

Consolidated Statements of Income

for the First Quarter ended June 30, 2005

Millions of yen

	3 months ended June 30, 2005	Percentage of Net sales (%)	3 months ended June 30, 2004	Percentage of Net sales (%)	Increase/(Decrease) amount percentage		Fiscal Year ended March 31, 2005	Percentage of Net sales (%)
Net sales	1,130,731	100.00	1,214,045	100.00	(83,314)	(6.86)	4,675,903	100.00
Cost of sales	(1,075,086)	(95.08)	(1,155,248)	(95.16)	80,162	(6.94)	(4,431,656)	(94.78)
Gross trading profit	55,645	4.92	58,797	4.84	(3,152)	(5.36)	244,247	5.22
Selling, general and administrative expenses	(39,937)	(3.53)	(43,495)	(3.58)	3,558	(8.18)	(178,725)	(3.82)
Operating income	15,707	1.39	15,301	1.26	406	2.65	65,521	1.40
Interest income	3,308	0.29	4,228	0.35	(920)	(21.76)	18,431	0.39
Dividend income	3,048	0.27	1,303	0.11	1,745	133.92	3,653	0.08
Equity in gains of unconsolidated subsidiaries and affiliates-net	6,138	0.55	4,167	0.34	1,971	47.30	10,741	0.23
Gain on sale of securities	1,682	0.15	863	0.07	819	94.90	2,382	0.05
Other income	4,538	0.40	3,165	0.26	1,373	43.38	16,439	0.35
Non-operating income	18,715	1.66	13,728	1.13	4,987	36.33	51,648	1.10
Interest expense	(9,549)	(0.84)	(11,814)	(0.97)	2,265	(19.17)	(45,833)	(0.98)
Interest expense on commercial papers	(809)	(0.08)	(784)	(0.07)	(25)	3.19	(2,920)	(0.06)
Other expense	(3,224)	(0.29)	(2,539)	(0.21)	(685)	26.98	(10,328)	(0.22)
Non-operating expense	(13,583)	(1.21)	(15,138)	(1.25)	1,555	(10.27)	(59,082)	(1.26)
Recurring profit	20,839	1.84	13,891	1.14	6,948	50.02	58,088	1.24
Extraordinary profit/(loss)-net	1,843	0.17	(612)	(0.05)	2,455	-	(438,167)	(9.37)
Income before income taxes	22,682	2.01	13,278	1.09	9,404	70.82	(380,079)	(8.13)
Income taxes; Current	(3,852)	(0.34)	(2,726)	(0.22)	(1,126)	41.31	(11,331)	(0.24)
Deferred	(94)	(0.01)	(481)	(0.04)	387	(80.46)	(18,287)	(0.39)
Minority interests in consolidated subsidiaries	(294)	(0.03)	(268)	(0.02)	(26)	9.70	(2,778)	(0.06)
Net Income (Loss)	18,441	1.63	9,802	(0.81)	8,639	88.14	(412,475)	(8.82)

Consolidated Balance Sheets

As of June 30, 2005

Assets	Millions of yen		
	June 30, 2005	March 31, 2005	increase/ decrease
Current assets;			
Cash and deposits	373,740	426,082	(52,342)
Trade notes and trade accounts receivable	605,675	618,086	(12,411)
Securities	11,744	7,150	4,594
Inventories	204,067	194,694	9,373
Short-term loans receivable	34,401	41,000	(6,599)
Deferred tax assets-current	7,791	7,482	309
Other current assets	136,146	139,590	(3,444)
Allowance for doubtful receivables	(10,531)	(10,957)	426
Total current assets	1,363,035	1,423,129	(60,094)
Fixed assets;			
<u>Tangible assets</u>	<u>249,593</u>	<u>246,652</u>	<u>2,941</u>
<u>Intangible assets:</u>	<u>103,533</u>	<u>103,850</u>	<u>(317)</u>
Goodwill	79,217	79,989	(772)
Other intangible assets	24,315	23,860	455
 <u>Investments and other fixed assets:</u>	 <u>672,153</u>	 <u>673,924</u>	 <u>(1,771)</u>
Investments securities	418,809	409,307	9,502
Long-term loans	95,729	102,142	(6,413)
Non-performing receivables	246,707	286,934	(40,227)
Deferred tax assets-non-current	58,355	57,170	1,185
Deferred tax assets-revaluation	-	881	(881)
Others	53,239	54,820	(1,581)
Allowance for doubtful receivables	(200,689)	(237,332)	36,643
Total fixed assets	1,025,279	1,024,427	852
 Deferred assets	 967	 921	 46
Total assets	2,389,283	2,448,478	(59,195)

Consolidated Balance Sheets

As of June 30, 2005

Liabilities and shareholders' equity	Millions of yen		
	June 30, 2005	March 31, 2005	increase/ decrease
Liabilities			
Current liabilities;			
Trade notes and trade accounts payable	443,967	472,513	(28,546)
Short-term debts	693,742	764,218	(70,476)
Commercial paper	119,000	139,200	(20,200)
Current Portion of Long-term debt	328,943	211,932	117,011
Income taxes payable	5,245	7,644	(2,399)
Deferred tax liabilities-current	346	422	(76)
Allowance for employees' bonus	3,472	4,234	(762)
Other current liabilities	128,874	154,515	(25,641)
Total current liabilities	1,723,592	1,754,681	(31,089)
Non-current liabilities;			
Bonds, less current portion	94,552	16,048	78,504
Long-term borrowings	158,783	296,927	(138,144)
Deferred tax liabilities -non-current	7,898	7,544	354
Deferred tax liabilities -revaluation	170	-	170
Allowance for retirement benefits	28,020	29,046	(1,026)
Other non-current liabilities	31,541	30,639	902
Total non-current liabilities	320,967	380,206	(59,239)
Total liabilities	2,044,559	2,134,887	(90,328)
Minority Interest in consolidated subsidiaries	33,719	33,349	370
Shareholders' equity;			
Common stock and preferred stock	339,133	336,122	3,011
Capital surplus	2,989	487,686	(484,697)
Retained earnings	12,637	(492,048)	504,685
Land revaluation difference	(3,337)	(4,869)	1,532
Net unrealized gains on available-for-sale securities	34,141	32,629	1,512
Foreign currency translation adjustments	(74,470)	(79,193)	4,723
Treasury stock	(88)	(86)	(2)
Total shareholders' equity	311,004	280,241	30,763
Total liabilities and shareholders' equity	2,389,283	2,448,478	(59,195)

Segment Information
for the First Quarter ended June 30, 2005

Industry Segments

The business segment information for the first quarter ended June 30, 2005 and preceding first period are as follows:

For the first quarter ended June 30, 2005

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	195,194	286,001	149,837	81,615	200,223
Inter-segment	3,833	956	10,216	809	1,763
Total	199,027	286,958	160,054	82,425	201,987
Operating expense	196,076	282,904	155,363	81,116	200,037
Operating income (loss)	2,951	4,054	4,690	1,309	1,949
Total assets	317,481	449,135	364,020	247,074	283,649

	Overseas Subsidiaries	Other	Total	Elimination & Unallocated	Consolidated
Net sales					
Outside customers	193,396	24,463	1,130,731	-	1,130,731
Inter-segment	74,283	1,724	93,588	(93,588)	-
Total	267,679	26,187	1,224,320	(93,588)	1,130,731
Operating expense	266,123	26,620	1,208,242	(93,217)	1,115,024
Operating income (loss)	1,555	432	16,078	(370)	15,707
Total assets	487,557	159,224	2,308,142	81,140	2,389,283

Notes:

1. Unallocated costs and expenses included in "Elimination and Unallocated" totaled 1,275 millions of yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.

2. Company assets included in "Elimination and Unallocated" totaled 471,695 millions of yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities)

3. Comments relating to changes in the classification of industry segments are provided as follows.

In accordance with efforts to streamline the Group's management structure and to better achieve the objectives identified in the New Business Plan through an accelerated decision-making process, Sojitz Holdings has reclassified its industry segments from the fiscal year under review as follows. Segment information for the previous fiscal year has been restated in accordance with the revised segment classification for comparative purposes.

The previous independent industry segments of Construction & Urban Development and Forest Products & Building Materials have been integrated to form the Real Estate Development & Forest Products segment.

The previous independent industry segments of Textiles, Foods, and General Commodities & Consumer Business have been integrated to form the Consumer Lifestyle Business segment.

Certain steel-related operations previously included in the Other segment have been included in the Energy & Mineral Resources segment.

Segment Information

for the First Quarter ended June 30, 2005

Industry Segments (Continued)

For the first quarter ended June 30, 2004

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	221,057	260,691	138,790	109,049	191,916
Inter-segment	2,175	14,713	6,179	649	3,726
Total	223,232	275,404	144,969	109,698	195,643
Operating expense	220,965	272,930	140,720	105,891	193,245
Operating income (loss)	2,267	2,474	4,248	3,806	2,398
Total assets	326,470	428,164	355,287	276,409	279,226

	Overseas Subsidiaries	Other	Total	Elimination & Unallocated	Consolidated
Net sales					
Outside customers	260,091	32,448	1,214,045	-	1,214,045
Inter-segment	64,909	1,849	94,203	(94,203)	-
Total	325,000	34,298	1,308,248	(94,203)	1,214,045
Operating expense	324,859	33,778	1,292,391	(93,647)	1,198,743
Operating income (loss)	141	520	15,857	(555)	15,301
Total assets	474,874	165,939	2,306,373	142,104	2,448,478

Notes:

1. Unallocated costs and expenses included in "Elimination and Unallocated" totaled 1,970 millions of yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.

2. Company assets included in "Elimination and Unallocated" totaled 433,492 millions of yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities)