



July 14, 2004

To whom it may concern

Sojitz Holdings Corporation

**Comments on Standard and Poor's Rating Action on
Sojitz Corporation, a Consolidated Subsidiary**

Standard and Poor's Ratings Services (S&P), today announced the results of its ratings review for Sojitz Corporation. Sojitz Corporation is a consolidated subsidiary of Sojitz Holdings Corporation. S&P has maintained its "B+" ratings on both the company's senior unsecured bonds, and lowered its long-term corporate credit rating to "CCC." S&P also announced Sojitz Corporation's senior unsecured bonds and long-term corporate credit rating would remain on a "CreditWatch" status, with the possibility of further downgrade.

Despite comments in S&P's press release acknowledging Sojitz Corporation's active efforts to dispose of problem assets and that Sojitz remains on track with its Business Plan (S&P refers it as a restructuring plan), following a review of Sojitz Corporation's Business Plan, S&P has determined that there is an increased likelihood that Sojitz will be forced to revise its Business Plan and seek financial support with a selective default in the form of debt forgiveness or a debt-for-equity swap. As stated in our comments in relation to an article today in the morning edition of the Asahi Newspaper, the Company is committed to its policy of continuing autonomous management efforts and has not currently approached UFJ Bank for financial support. Contrary to S&P's analysis, there are no changes in the Company's position and no concerns over the timely payment of all debt.

Accordingly, the Sojitz Group does not agree with the reasons and timing of actions of S&P.

In addition, in discussion with a S&P analyst responsible for the Sojitz Group, we were advised today's ratings action was not related to Sojitz Corporation's credibility, its business platform, or changes in financial position. The ratings action was in line with S&P's determination that relationship banks were more likely to be



considering debt forgiveness or a debt-for-equity swap as measures relating to the company's obligations. A S&P analyst further commented that debt forgiveness by creditor banks or a debt-for-equity swap would provide some measure of reassurance to the company's corporate bondholders, general creditors, and customers.

The Sojitz Group remains in position to make steady progress on its Business Plan with the cooperation of its customers, shareholders and financial institutions.