

July 23, 2004

To whom it may concern

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Fundamental Policy of New Business Plan

Sojitz Holdings Corporation has announced its determination of the fundamental policy of the New Business Plan, described below, to accelerate the establishment of a sound financial position and strengthen earnings power.

1. Purpose

The Sojitz Group is in the second year of its Business Plan (a three-year plan from April 2003 to March 2006) with the aim of improving profitability through its business portfolio strategy and reinforcing its financial strength by increasing shareholders' equity and reducing interest-bearing debt. The Sojitz Group has made steady progress along the Business Plan, achieving the three-year rationalization target in the first year and first-year financial targets.

On April 1, 2004, the Sojitz Group increased asset soundness through merger accounting and reduced the risk of additional losses in the future. The reaction of financial markets to our initiatives was one of disappointment, however, and as a result consideration must be given to the impact of the market reaction on our management foundation.

To quickly build a more robust management foundation unaffected by external conditions, the Sojitz Group aims to quickly regain the confidence of the market by progressively revising its Business Plan.

2. Basic Concept of New Business Plan: Accelerate Revival

1) Establish a Sound Financial Position

a) Complete review of asset portfolio

From the perspective of reducing operational risk and improving the quality and liquidity of assets, we will accelerate the adaptation of impairment accounting, dispose of real estate possessions, and withdraw from low-profit businesses, including overseas investments and

loans. As a result, the Sojitz Group plans to write off and provide reserves in the amount of approximately ¥250.0 billion in reviewing its assets to eliminate the risk of additional losses in the future.

b) Reinforce shareholders' equity

The Sojitz Group plans to reinforce capital mainly through UFJ Bank Limited and other financial institutions including the UBS Group in order to establish a sound financial position and refortify shareholders' equity, which will decline considerably in accordance with the above write off and provision.

2) Accelerate strengthening of earnings power

a) Accelerate selection and focus (rebuild the business portfolio through SCVA*)

Dispose of and withdraw from low-profit businesses and businesses identified in the New Business Plan

*SCVA is Sojitz's own risk/return management indicator.

b) Expand competitive businesses (growth strategies)

Increase earnings by investing additional capital in competitive businesses that leverage the unique strengths of the Sojitz Group.

(Refer to attachment 1)

c) Reallocate management resources from low-profit businesses to growth businesses

Reallocate management resources (employees and funds) from low-profit businesses to growth businesses through ongoing reviews of the business portfolio based on SCVA.

(Refer to attachment 2)

d) Reinforce and improve risk management

Focus on improving risk/return (SCVA) and controlling risk volume relative to shareholders' equity through risk measurement methods.

3) Numerical targets

a) Become a company with recurring profit on the scale of ¥100 billion, and achieve financial targets for three years hence

Net DER: 4.5 times or less (net interest-bearing debt: approximately ¥1 trillion)

Financial ratings: Investment grades by all major rating agencies

b) Sojitz Holdings plans to announce detailed earnings targets in early September

3. Schedule (tentative)

July 23, 2004: Announce fundamental policy

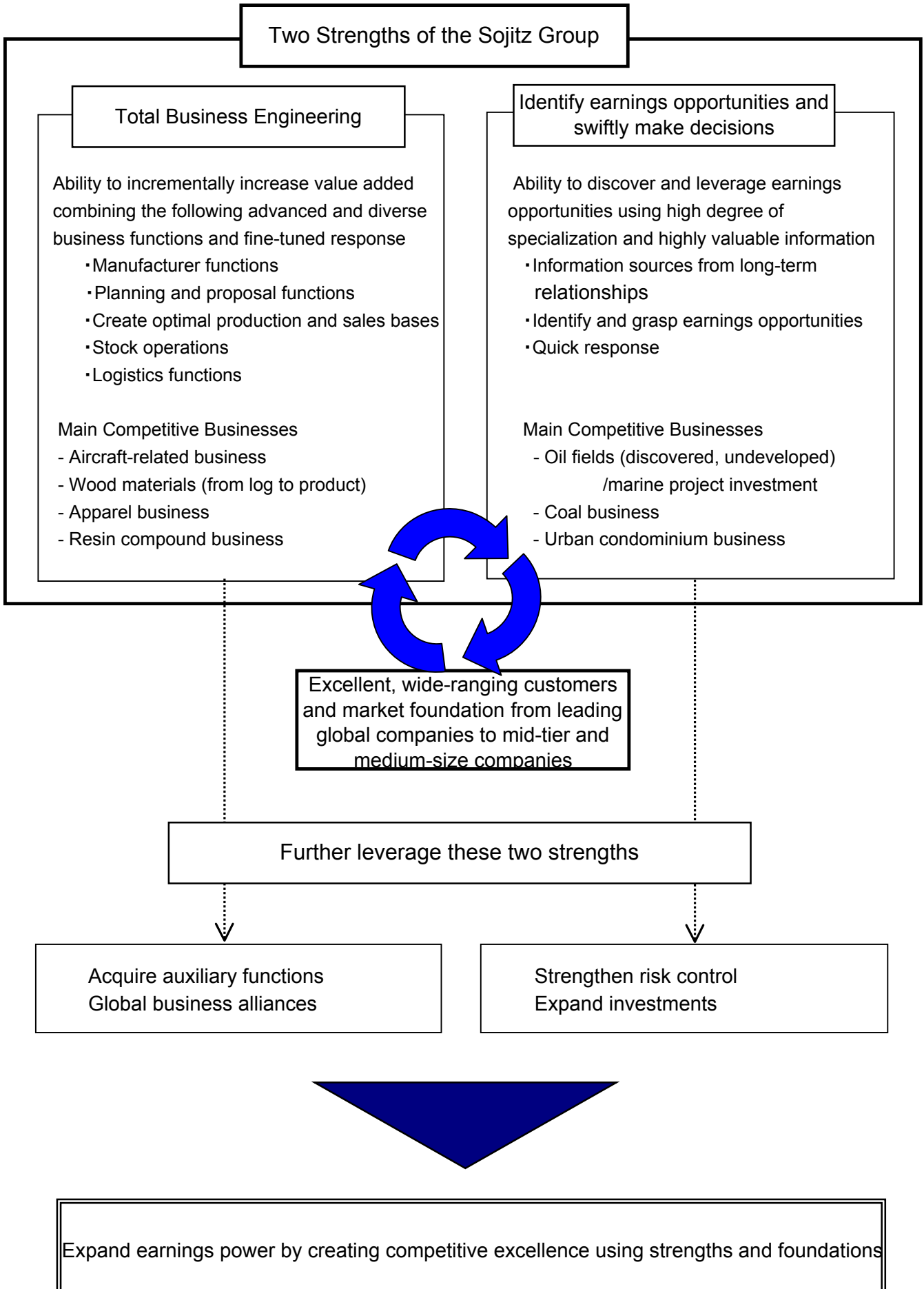
Early September: Announce details (New Business Plan, capital increase, etc.)

Late September: Hold extraordinary shareholders' meeting (plans call for changing the Articles of Incorporation for a capital increase)

Mid October: Capital increase

4. Forecasts

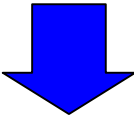
Sojitz Holdings expects to announce revisions to its earnings forecasts, which were initially revealed on May 13, 2004, along with the aforementioned announcements of details in accordance with the implementation of the New Business Plan.



FY2004

Dispose of and withdraw from low-profit businesses and businesses identified in the New Business Plan, reallocate generated cash to growth fields

Accelerate Selection and Focus



In the Future

Reallocate management resources (employees and funds) from low-profit businesses to growth businesses through ongoing review of business portfolio based on SCVA

Aim for Optimal Resource Allocation

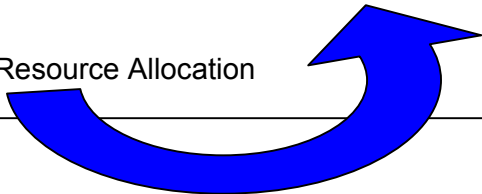


Illustration of Rebuilding the Business Portfolio

