September 8, 2004

To whom it may concern

Sojitz Holdings Corporation
President & CEO: Hidetoshi Nishimura
Securities Code: 2768 TSE/OSE 1st Section
Inquiries: Takeshi Yoshimura, General Manager
Public Relations Dept.
TEL: +81-3- 5520-3404

Notice Concerning the Sojitz Group's New Business Plan

Since the announcement on July 23, 2004 of the Group's fundamental policies in connection with its New Business Plan, the Sojitz Group has continued to pursue every avenue, in its efforts to realize its objectives. In the ensuing period, Sojitz Holdings has also conducted a drastic review of its current Business Plan, and has formulated a New Business Plan with the aim of enhancing corporate value by quickly restoring market confidence. Details of the New Business Plan are provided as follows.

1. Objectives

The objectives of the New Business Plan are to build a more robust management foundation unaffected by external conditions and to enhance corporate value by quickly restoring market confidence.

The New Business Plan covers a three-year period commencing the fiscal year ending March 31, 2005. The entire Sojitz Group is committed to becoming an innovative functional trading company that delivers high-value-added functions and services that only the Sojitz Group can deliver, in those business areas where the Sojitz Group can realize its strengths, by the end of the Plan.

2. Fundamental Policies

(1) Establish a Robust Financial Position

- Conduct a drastic review of the Group's asset portfolio
- Reinforce shareholders' equity and reduce interest-bearing debt

(2) Evolution to a Quality Earnings Structure

- Accelerate implementation of selection and focus initiatives
- Focus on improving SCVA (Sojitz 's own risk/return management indicator)

3. Financial Targets (Fiscal year ending March 31, 2007, Consolidated basis)

- Recurring profit: ¥75 billion
- Net DER: 3 times (Net interest-bearing debt of ¥1trillion)
- Ratings: BBB or above

4. New Business Plan Overview

(1) Establish a Robust Financial Position

<Drastic review of the Group's asset portfolio>

Adopting a completely new approach and from the perspective of reducing operational risk and improving the quality and liquidity of assets, the Sojitz Group makes effort to immediately restore asset quality and rid the Company of those assets experiencing a deterioration in value through withdrawal from low-profit businesses including overseas investments and loans and disposal of real estate. The resulting extraordinary loss will total approximately ¥400 billion.

A breakdown of the planned extraordinary loss amount is as follows.

- To accelerate selection and focus initiatives: ¥260 billion
- To dispose of real estate: ¥150 billion

The Sojitz Group is committed to completing drastic measures, such as the sale of assets and withdrawal from low-profit businesses, in the current fiscal year, with the aim of avoiding additional future losses. In the area of real estate disposal, the Sojitz Group has appointed the Mitsubishi Trust and Banking Corporation and UFJ Trust Bank Limited, as advisors and is currently examining all issues in connection with full and final disposal.

Based on the objectives to accelerate selection and focus initiatives and to avoid additional future loss, the Sojitz Group will withdraw from low-profit businesses, which used to be classified as continuous operations including overseas investments and loans. In this context, the Sojitz Group is incorporating the views and assessments of the Group's asset portfolio provided by an independent third party.

<Reinforce shareholders' equity through capital increase>

The Sojitz Group has sought the support of UFJ Bank Limited, its principal bankers, and the UBS Group in its proposal to issue additional shares thereby increasing capital. Through this capital increase, the Sojitz Group plans to refortify shareholders' equity, which is expected to decline as a result of the extraordinary loss, and at the same time to reduce interest-bearing debt.

Brief details of proposed capital increase are as follows:

1. Principal bankers

Amount:	Approximately ¥350 billion
Method:	Issue of preferred stocks by way of third-party allocation. Further details of the terms and conditions to apply are under consideration.
Issue Date:	After mid October 2004 (Planned)
Underwriters:	UFJ Bank Limited and principal bankers

2. The UBS Group

Amount:	Approximately ¥10 billion
Method:	Issue of preferred stocks by way of third-party allocation. Further details of the terms and conditions to apply are under consideration.
Issue Date:	After mid October 2004 (Planned)
Other:	Plan to implement separately additional equity finance totaling approximately ¥10 billion.

<Elimination of deficit and future payment of dividend>

At the end of the current fiscal year, the Sojitz Group is forecasting a substantial deficit in retained earnings as a result of the extraordinary loss in conjunction with the drastic review of its asset portfolio. To recover this deficit, Sojitz Holdings intends to table a resolution for approval at its annual general meeting of shareholders scheduled in June 2005 to transfer a portion of its capital surplus to retained earnings and to reduce capital. This reduction in capital will be transferred to capital surplus so as not to affect the total value of net worth. In addition, the number of shares issued and outstanding will also remain unchanged. Accordingly, this initiative will not impact on shareholders' equity per share.

Furthermore, through this procedure of eliminating the deficit in retained earnings and efforts to secure retained earnings from fiscal 2005 and beyond, the Sojitz Group is working tirelessly toward providing a dividend payment from the fiscal year ending March 31, 2007.

(2) Evolution to a Quality Earnings Structure

From an SCVA perspective, the Sojitz Group will dramatically accelerate selection and focus initiatives. The Sojitz Group will adopt and continuously implement the following three measures in an effort to improve SCVA and to build a quality earnings structure.

1. Withdraw from select and low-profit businesses
2. Allocate management resources to growth areas
3. Continuously enhance and strengthen business portfolio and risk management with the aim of improving SCVA

(3) Numerical Targets

Information regarding consolidated profit and loss and consolidated balance sheet forecasts has been attached.

The Sojitz Group has received independent third-party evaluation from PriceWaterhouseCoopers Financial Advisory Services, of the probability and efficacy of its New Business Plan on the condition monitoring and assessment is implemented.

In addition, in conjunction with the formulation of its New Business Plan, the Sojitz Group also announced revisions to earnings forecasts originally announced on May 13, 2004. (Please refer to press release "Notice Concerning Revisions to Consolidated and Non-Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2005" dated September 8, 2004.)

5. Schedule

July 23, 2004	Announcement of fundamental policies of the New Business Plan
September 8, 2004	Announcement of details of the New Business Plan
September 29, 2004 (Planned)	Extraordinary meeting of shareholders to address resolution for amendment to the Company's articles of incorporation in connection with proposed capital increase
After mid October 2004 (Planned)	Capital increase settlement

- New Business Plan -

Profit & Loss (Consolidated basis)

(Billions of yen)	FY2003 Results	FY2004	FY2005	FY2006
Net Sales	5,861.7	5,000.0	4,900.0	5,200.0
Gross Trading Profit	249.0	250.0	251.0	266.0
(Gross Trading Profit Ratio)	4.2%	5.0%	5.1%	5.1%
SG & A expenses	-189.1	-187.0	-176.0	-180.0
Operating income	59.9	63.0	75.0	86.0
(Operating income ratio)	1.0%	1.3%	1.5%	1.7%
Non-operating income/expenses-ne	-11.4	-13.0	-10.0	-11.0
Recurring profit	48.5	50.0	65.0	75.0
(Recurring profit Ratio)	0.8%	1.0%	1.3%	1.4%
Extraordinary profit/loss-net	-90.6	-410.0	-10.0	-10.0
Net income/loss before tax	-42.1	-360.0	55.0	65.0
Net income/loss	-33.6	-380.0	35.0	39.0
ROA	-	-	1.4%	1.5%
ROE	-	-	11.4%	11.3%

Balance Sheet (Consolidated Basis)

(Billions of yen)	As of April 1, 2004 (*) Post Merger	FY2004 March 31, 2005	FY2005 March 31, 2006	FY2006 March 31, 2007
Cash and time deposit	435.7	300.0	355.0	430.0
Operating Assets	1,094.2	895.0	910.0	950.0
Investments & loans	797.4	635.0	605.0	600.0
Fixed assets	750.4	610.0	630.0	620.0
Total Assets	3,077.7	2,440.0	2,500.0	2,600.0
Operating liabilities	794.4	740.0	745.0	756.0
Interest-bearing debt	1,992.8	1,410.0	1,430.0	1,480.0
Total liabilities	2,787.2	2,150.0	2,175.0	2,236.0
Shareholder's equity	290.5	290.0	325.0	364.0
Total liabilities & Shareholders' equity	3,077.7	2,440.0	2,500.0	2,600.0
Net interest -bearing debt	1,557.1	1,110.0	1,075.0	1,050.0
Net DER (Times)	5.4	3.8	3.3	2.9

(*)Reference figures calculated based on merger accounting on April 1, 2004.

Sojitz Group New Business Plan

Sojitz Holdings Corporation

September 8, 2004

Information on Future Performance (Forward-Looking Statements)

This document contains forward-looking statements on the Company’s business plans and initiatives based on information available to management at the time of disclosure. Accordingly, readers are advised that actual results may differ from forward-looking statements due to a wide variety of factors.

New Business Plan
(Current Status, and Pressing Issues)

(Current Status) Three-Year Business Plan

◆ The Three-Year Business Plan is essentially based on a rationalization concept. The Business Plan rationalization targets were achieved in the first year of the Plan. Financial targets for the first year were also achieved.

Progress of Rationalization	As of September 30, 2002	Reduction Planed by March 31, 2006	Reduction as of March 31, 2004
Number of Employees (Consolidated)	21,800	-6,200	-7,200
Number of Subsidiaries (Consolidated)	430	-160	-172
Number of Domestic Branches	8	-4	-4
Number of Overseas Operating Bases	187	-120	-125

Financial Targets	FY2002 Results	FY2003 Forecast	FY2003 Results
Recurring Profit (Billions of yen)	27.5	48.0	48.5
Net DER (Times)	41.4	8.5	4.9
Net Interest-Bearing Debt (Billions of yen)	2,087.6	1,945.0	1,557.1

◆ Asset quality restored through disposition totaling ¥200 billion of extraordinary loss in FY2003 and April 1 merger accounting.

Extraordinary Loss Disposition	Rigorous reassessment focusing on investments in and loans to subsidiaries and affiliates, and overseas receivables	Extraordinary loss: ¥112.8 billion
Merger Accounting	Acceleration of impairment of loss recognition of assets belonging to the former Nissho Iwai, chiefly real estate related assets. Fully provided for the unrecognized retirement benefit obligations	Revaluation loss: ¥84.1 billion

Despite implementation of the above measures, we are yet to regain the confidence of the market

Measures in Response to Pressing Issues

Pressing Issues

- ◆ Reduce business risk, improve asset quality and liquidity
- ◆ Ensure stable funds procurement
- ◆ Establish the Sojitz brand based on restored confidence
- ◆ Clarify growth strategy

Measures

◆ Restoration of assets
⇒ Implement drastic review and write-off of impaired assets in the fiscal year and immediate restoration of asset quality

◆ Accelerate selection and focus
⇒ Selection: withdraw from select and low-profit businesses, transform earnings structure through the allocation of management resources to businesses with competitive advantage in an effort to continuously improve business portfolio

◆ Reinforce and improve risk management
⇒ Control risk volume and improve risk/return

◆ Revise financial targets
⇒ Indicators for sound financial standing/profitability indicators/Rating

Restore market confidence through a drastic review of the Three-Year Business Plan and implementation of the New Business Plan

Fundamental Policies of the New Business Plan

◆ Objective: Enhance corporate value by Quickly Restoring Market Confidence
Building a more robust management foundation unaffected by external conditions and establishing a position as an innovative functional trading company that delivers high-value-added functions and services

Fundamental Policies of the former Business Plan → **Drastic Review** → **Fundamental Policies of the New Business Plan**

Fundamental Policies of the former Business Plan

Reinforcement of Financial Strength

- Accumulate annual earnings, implement equity financing in excess of ¥200 billion (Actual implemented ¥283.2 billion)
- Reduce net interest-bearing debt through free cash-flows, etc.

Improvement in Profitability

- Selection and focus, and strategic allocation of management resources
- Implementation of rationalization measures - considerable reduction in SG & A expenses
- Maximization of synergies

Financial Targets for Fiscal Year Ending March 31, 2006

- Recurring Profit: In excess of ¥100 billion
- Net DER (net interest-bearing debt*/shareholders' equity): 5 times or less

*Net interest-bearing debt: Below ¥2 trillion

Accelerate revival

Fundamental Policies of the New Business Plan

Establish a Robust Financial Position

- Drastic review of the Group's asset portfolio (reducing operational risk and improving the quality and liquidity of assets)
- Reinforce shareholders' equity through capital increase in an effort to offset capital reduction triggered by drastic review of the Group's asset portfolio, and reduce interest-bearing debt

Evolution to a Quality Earnings Structure

- Accelerate selection and focus

- Selection: withdraw from select and low-profit businesses, allocate management resources focusing on businesses with competitive advantage

- Improve SCVA (risk/return indicator)

- Continuously enhance and strengthen business portfolio and risk management

Revision of Financial Targets in Year 3 (March 2007)

- Recurring Profit: ¥ 75 billion
- Net DER: approx. 3 times

*Net interest-bearing debt: ¥1 trillion

- Ratings: BBB or above

*Establish a structure to objectively monitor progress of the Plan. Ensure objectives of the New Business Plan are realized.

Drastic Review of the Group's Asset Portfolio

Adopting a completely new approach, accomplish complete write-off in the fiscal year.The resulting loss will total approximately ¥400 billion

Accelerate Selection and Focus | **¥260 billion**

Loss associated with withdrawal from low-profit businesses and write-off of overseas investments and loans, which used to be classified as continuous operations
*Incorporating the views and assessments of the Group's asset portfolio provided by an independent third party.

Dispose of real estate | **¥150 billion**

Exit costs attributed to the disposal of real estate
(former Head Office building, other real estate / real estate for sale / other lease properties)
*Appointed the Mitsubishi Trust and Banking Corporation and UFJ Trust Bank Limited, as advisors and is currently examining all issues in connection with full and final disposal.

Impact on the balance sheet

- Total assets
  Reduction totaling approximately ¥600 billion
- Cash generation
  approximately ¥150 billion

Immediately restore asset quality

Reinforce Shareholders' Equity through Capital Increase

Seek appropriate support from main banks and the UBS Group for capital increase of approximately ¥360 billion with the aim of refortifying shareholders' equity following the recording of approximately ¥400 billion loss, and reduction of interest-bearing debt

<Details of Capital Increase>

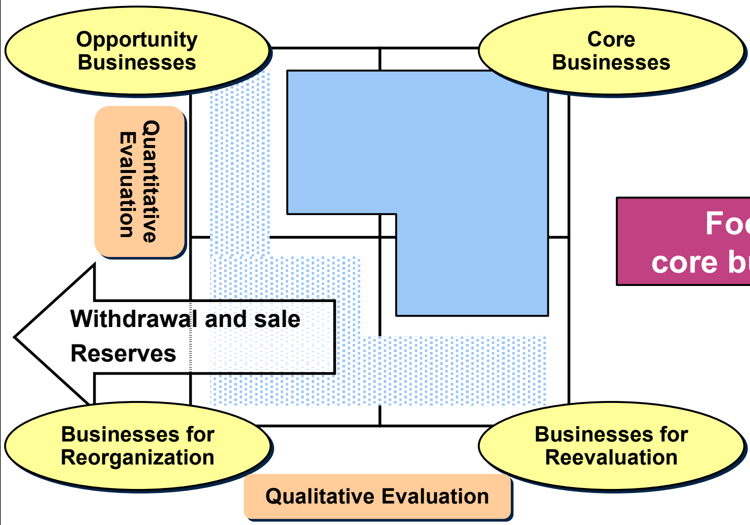
Amount	Approximately ¥360 billion
Method	Issue of preferred stocks by way of third-party allocation ~ Further details of the terms and conditions to apply are under consideration
Date	After mid October 2004 (scheduled)
Underwriting Candidates	UFJ Bank and other principal bankers
Other	Plan to separately implement additional equity finance totaling approximately ¥10 billion

Significantly improve shareholders' equity ratio, DER, secure a sound balance sheet, and enhance creditworthiness

*For additional information in connection with the decrease in capital, please refer to "Elimination of deficit and future payment of dividend" on page 3 of Press Release "Notice Concerning the Sojitz Group's New Business Plan" issued on September 8, 2004.

Accelerate Selection and Focus – Fundamental policy

Action1: Withdraw from select and low-profit businesses

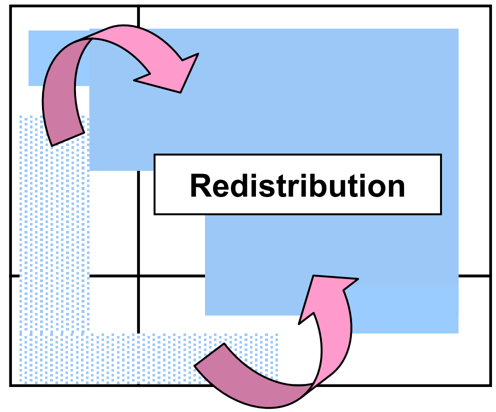


Objective: Dispose of non-value creation businesses

Approach: Implement selection and withdrawal efforts at the individual business unit level in the current fiscal year

Focus on core businesses

Action2: Allocate management resources to growth areas



Objective: Enhance value in mainstay and growth domain businesses

Approach: Actively procure investment funds and finance, pursue M&A in an effort to expand existing businesses

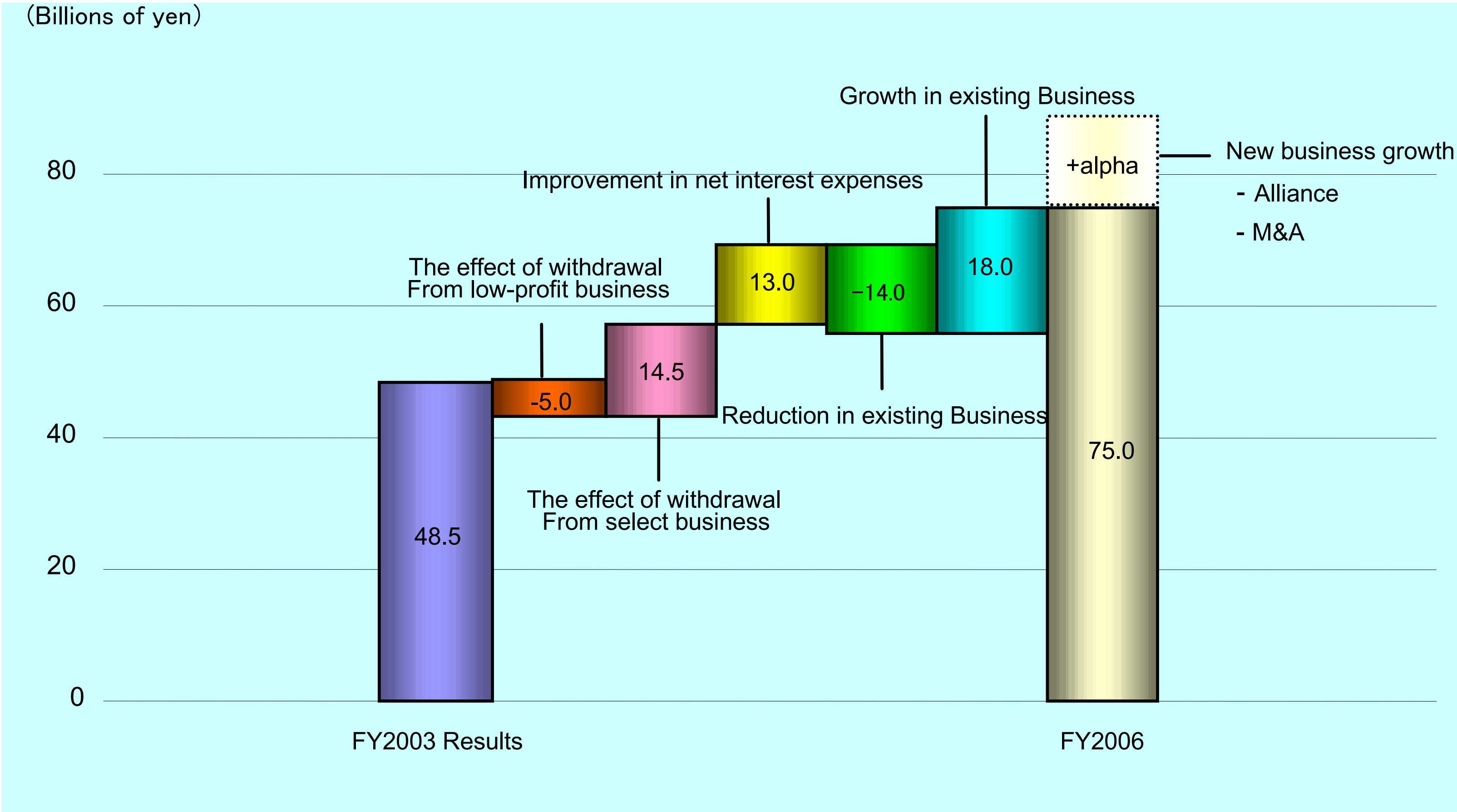
- allocate new funds of ¥230 billion
  - Investments and loans ¥200 billion
  - Increase in operating funds ¥30 billion

Continuously enhance and strengthen business portfolio and risk management with the aim of improving SCVA

Realizing evolution to a quality earnings structure

Roadmap for Improved Profitability
(Recurring Profit ¥75 Billion)

Securing profitability of ¥75 billion + alpha on a recurring profit basis, by restoration of asset quality and acceleration of selection and focus

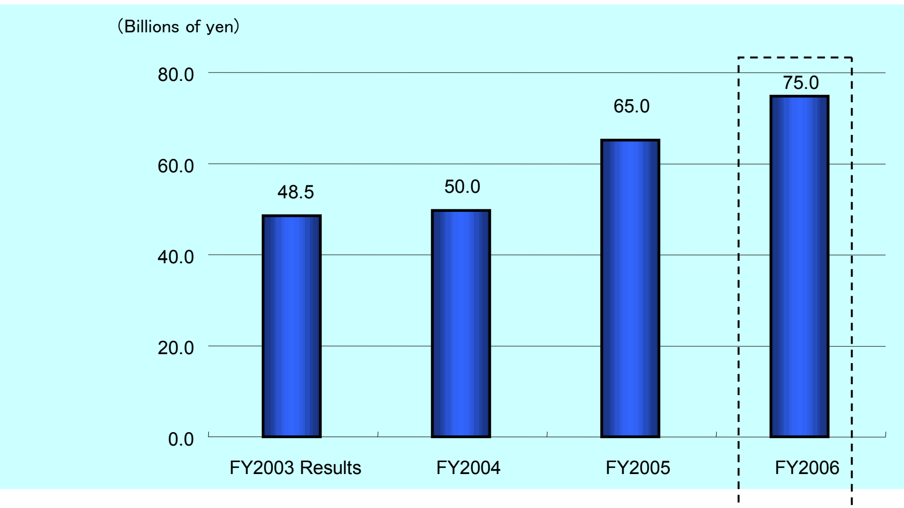


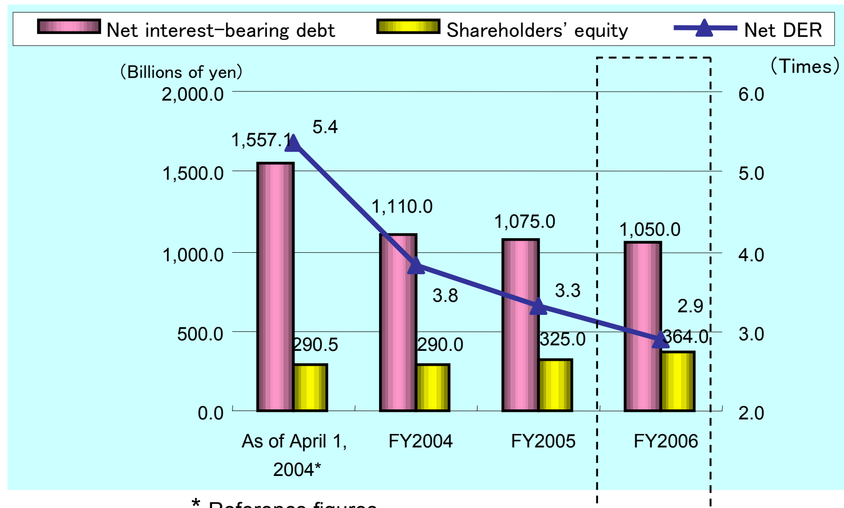
Financial Targets in Year 3 (March 2007) - Consolidated basis

Quickly restoring market confidence by establishing a robust financial position and evolving into a quality earnings structure

Recurring Profit：¥75 billion

Net DER: approx. 3 times
Net interest-bearing debt: ¥1 trillion





* Reference figures

Ratings: BBB or above