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To whom it may concern

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**Notice Concerning Reduction of Directors' Compensation and Change of
Representative Directors of Subsidiary**

Following announcement titled "Notice Concerning the Sojitz Group's New Business Plan" by Sojitz Holdings Corporation ("Sojitz Holdings") on September 8, 2004, Sojitz Holdings and its consolidated subsidiary Sojitz Corporation have resolved to reduce their directors' compensation and to change the representative directors of Sojitz Corporation, at the meetings of their Board of Directors held today. This is to clarify the management responsibility for recording extraordinary loss totaling approximately 400 billion yen in the current fiscal year ending March 31, 2005 and the expected financial aid.

In addition, Hidetoshi Nishimura, the President and CEO of Sojitz Holdings will also resign at the appropriate time.

1. Reduction of directors' compensation

The President and Executive Vice President of Sojitz Holdings and the President and Executive Vice President of subsidiary Sojitz Corporation will increase the reduction of their directors' compensation. As a result, the reduction rate will be 60% for President and 50% for Executive Vice President.

2. Change of the representative directors of subsidiary

(1) Rationale of change

To clarify management responsibility, two representative directors of Sojitz Corporation will resign as representatives and of which one will be demoted.

(2) Details of change in management

New position	Name	Previous position
Sojitz Corporation Executive Vice President	Masaki Hashikawa	Sojitz Corporation Chairman Representative Director
Sojitz Corporation Senior Managing Executive Officer	Kenji Okazaki	Sojitz Corporation Senior Managing Executive Officer Representative Director

(3) Expected effective date

October 1, 2004

(For your reference) Progress in the New Business Plan announced on September 8, 2004

Establish a Robust Financial Position:

1. Creation of Follow-Up Committee

The Sojitz Group will record extraordinary loss totaling approximately 400 billion yen in the current fiscal year ending March 31, 2005. Therefore, the Sojitz Group has decided to create a Follow-Up Committee in order to manage the progress of the New Business Plan which includes the process of recording loss, based on third-party advisory.

2. Reinforcement of the risk management system

To further improve the integrated risk management that is currently being developed, the Sojitz Group will reinforce its cross-sectional risk management system to control the risks of its wide range of businesses, by establishment of Risk Management Planning Office in addition to the Risk Management Department, and by in-depth integration of risk management with SCVA. Fully dedicated Risk Management Officers will be appointed which would guarantee their independence.

3. Allotment of preferred stock

The Sojitz Group has been requesting the principal banks including UFJ Bank, Mizuho Corporate Bank and Bank of Tokyo-Mitsubishi to accept preferred stock in the amount of 350 billion yen

The banks are considering this proposal positively.

The Sojitz Group is currently considering various forms of issuance, including cash injection and debt equity swap on their loans to Sojitz Holdings in exchange for equity portion.

The Sojitz Group has also been requesting UBS Group to accept preferred stock in the amount of 10 billion yen, as well as other equity finance in the amount of 10 billion yen. UBS Group is considering this proposal positively.

Any further details will be disclosed on an ongoing basis when determined.