

October 19, 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 of Earnings Revision of Subsidiary Nissho Electronics Corporation

Sojitz Holdings Corporation today announced that Nissho Electronics Corporation (Securities Code: 9865), a subsidiary company of Sojitz Holdings Corporation, made revisions to its interim and full-year earnings forecasts for the fiscal year ending March 31, 2005, which were previously disclosed on May 10, 2004. Details are as per separate documents attached.

Sojitz Holdings' consolidated interim earnings forecasts for the fiscal year ending March 31, 2005 are currently being compiled, but the revision to Nissho Electronics Corporation's earnings will have minimal effect on them.

(Appendix)

Nissho Electronics Corporation disclosure materials

October 19, 2004

To whom it may concern

Company Name: Nissho Electronics Corporation
Representative: Takao Tsuji, President & CEO
Securities Code: 9865 TSE 1st Section
Inquiries: Toshinobu Horie
General Manager,
Finance & Accounting Dept.
TEL: +81-3-3544-3780

Notice Regarding Revisions to Earnings Forecasts

Mirroring recent trends and other factors affecting results, Nisso Electronics Corporation (hereinafter referred to as "NELCO" or "the Company") has revised its interim and full-year earnings forecasts for the fiscal year ending March 31, 2005 which NELCO previously announced on May 10, 2004. The revisions are as follows:

1. Revisions to Interim Non-Consolidated Earnings Forecasts for Fiscal Year Ending March 31, 2005

(Millions of yen, %)

	Net Sales	Recurring Profit	Net Income
Previous forecast (A)	25,000	380	160
Revised forecast (B)	23,500	230	230
Difference (B-A)	(1,500)	(150)	70
Difference (%)	(6.0)	(39.5)	43.8
(Reference) Results for the previous interim period (ended September 30, 2003)	24,710	355	42

2. Revisions to Interim Consolidated Earnings Forecasts for Fiscal Year Ending March 31, 2005

(Millions of yen, %)

	Net Sales	Recurring Profit (Loss)	Net Income (Loss)
Previous forecast (A)	27,000	250	2,250
Revised forecast (B)	26,000	380	1,990
Difference (B-A)	(1,000)	130	(260)
Difference (%)	(3.7)	52.0	(11.6)
(Reference) Results for the previous interim period (ended September 30, 2003)	39,949	(467)	(454)

3. Revisions to Full-Year Non-Consolidated Earnings Forecasts for Fiscal Year Ending March 31, 2005

(Millions of yen, %)

	Net Sales	Recurring Profit	Net Income
Previous forecast (A)	56,000	1,380	680
Revised forecast (B)	55,600	1,000	580
Difference (B-A)	(400)	(380)	(100)
Difference (%)	(0.7)	(27.5)	(14.7)
(Reference) Results for the previous fiscal year (ended March 31, 2004)	52,317	1,014	338

Reference: Forecast full fiscal year earnings per share ¥20.31

4. Revisions to Full-Year Consolidated Earnings Forecasts for Fiscal Year Ending March 31, 2005

(Millions of yen, %)

	Net Sales	Recurring Profit (Loss)	Net Income (Loss)
Previous forecast (A)	60,000	900	2,400
Revised forecast (B)	61,000	700	1,800
Difference (B-A)	1,000	(200)	(600)
Difference (%)	1.7	(22.2)	(25.0)
(Reference) Results for the previous fiscal year (ended March 31, 2004)	82,618	(1,415)	(4,444)

Reference: Forecast full fiscal year earnings per share ¥63.05

5. Rationale

Revisions to Interim Non-Consolidated Earnings Forecasts

In the case of the interim non-consolidated earnings forecasts, sales prices have declined because of increased competition within the industry. At the same time, there has been a continuing unwillingness to invest in corporate IT systems, and developments in communication networks have generally been low key. In addition, because of the delay in launching the new disk-drive products on to the market in device-related divisions, net sales are expected to be 6% down on the initial interim earnings forecasts.

Because of this reduction in net sales, recurring profit is also expected to fall 39.5% compared with initial interim earnings forecasts, but on the same basis net income for the period is anticipated to increase by 43.8% compared with the initial earnings forecasts because of such factors as the gain on sale of investment securities.

Revisions to Interim Consolidated Earnings Forecasts

With regard to interim consolidated earnings forecasts, net sales are expected to decline 3.7% on initial earnings forecasts, due to those factors influencing non-consolidated earnings forecasts mentioned above. Recurring profit will increase by around 52% against initial forecasts, due to the decline in percentage ownership of Fusion Communications Corporation in the first half of the fiscal year. Increasing losses at affiliated companies are however expected to lead to an approximate 11.6% fall in net income.

Revisions to Full-Year Non-Consolidated Earnings Forecasts

A significant second-half improvement in sales, when compared with the first half, is anticipated. As the launching of new products on to the market in device-related divisions is expected, net sales for the full year are expected to increase significantly, but will not reach the level of the initial forecast and are expected to register a slight decrease. Profit margins for device-related division products will be comparatively low, and both recurring profit and net income are expected to be less than initially forecast.

Revisions to Full-Year Consolidated Earnings Forecasts

As there has been an increase in the number of newly consolidated companies in the period, full-year net sales are expected to increase by around ¥1billion. Regarding profits, a decline in non-consolidated full-year performance and an increase of depreciation of goodwill related to the inclusion of new subsidiaries in the scope of consolidation, are expected to result in both recurring profit and net income being below initial forecasts.