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To whom it may concern

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Losses Incurred on Commodities Transactions

Losses on commodities transactions by the Energy & Mineral Resources Division of Sojitz Corporation, a subsidiary of Sojitz Holdings Corporation, have come to light. At this point in time, losses on revaluation at market price are thought to be approximately ¥16.0 billion.

Judging from what we have discovered to this time, it appears possible that the division responsible violated important company risk management regulations when executing the transactions. Sojitz Holdings will immediately form an incident investigation committee, to be chaired by an independent attorney, and which will have a mandate to determine the facts of this matter at the earliest possible date.

The Sojitz Group's New Business Plan stresses the enhancing and strengthening of risk management. In line with this fundamental policy, Sojitz Holdings will immediately undertake a review and revamping of risk management structures throughout the entire Sojitz Group.

Sojitz Holdings will determine the actual extent of the loss as quickly as possible, and will write off the entire amount within the current fiscal year. This loss will have an impact on consolidated performance for the fiscal year ending March 31, 2005. Final figures will be released as soon as they are known.