

New Business Plan Progress Status

~ Summary of the First Year (FYE March 2005)
and Policies for the Second Year (FYE March 2006) ~

Sojitz Holdings Corporation

April 28, 2005

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Information on Future Performance

The information contained in this document is based on various assumptions. Accordingly, readers are advised that the future projected figures, measures, etc. mentioned in this document contain uncertain elements.

I. Summary of the First Year of the New Business Plan

- I. Results for the Year ended March 31, 2005
- ii. Achievement of Creating a Robust Asset Portfolio
- iii. Prevention of Future Recurrence of Incident

Results for the Year ended March 31, 2005 (Major P/L Items)

Major P/L Items

(Billions of yen)	<u>FY2004 Results</u>	<u>FY2003 Results</u>	<u>Comparison with Previous Period</u>	<u>FY2004 Forecast</u>	<u>Achievement Rate</u>
Net Sales	4,675.9	5,861.7	(1,185.8)	5,000.0	94%
Gross Trading Profit <i>Gross Trading Profit Ratio</i>	244.2 5.22%	249.0 4.25%	(4.8) +0.97%	250.0 5.00%	98%
Operating Income	65.5	59.9	+5.6	63.0	104%
Recurring Profit	58.1	48.5	+9.6	50.0	116%
Net Income / Loss	(412.5)	(33.6)	(378.9)	(380.0)	—

Actual operating income and Recurring profit exceeding the initial target.
Earnings potential for the year rose steadily as a result.

Results for the year ended March 31, 2005 (Major B/S Items)

Major B/S Items

(Billions of yen)	<u>Results as of March 31, 2005</u>	<u>Results as of April 1, 2004</u> *	<u>Difference</u>
Total Assets	2,448.5	3,077.7	(629.2)
Shareholders' Equity	280.2	290.5	(10.3)
Net Interest-Bearing Debt	1,002.3	1,557.1	(554.8)
Net DER	3.6 times	5.4 times	(1.8 times)

* Figures as of April 1, 2004 are provided in the form of reference data representing the merger of the former Nichimen Corporation and the former Nissho Iwai Corporation.

**Reduction of total assets by approx. ¥600 billion due to completion of Asset Restoration Plan.
Reduction of interest-bearing debt by way of debt-equity swap.**

Achievement of Creating a Robust Asset Portfolio

Asset restoration was accomplished by March 2005 as planned
(Asset reduction ¥620 bil, loss recognition ¥430 bil, cash generation ¥150 bil)

◆ Acceleration of Selection and Focus

Based on scenarios established for each individual asset, we have implemented the sale of assets (individually or in bulk), collection of receivables, or a write-off. With regard to certain assets for which such measures could not be fully accomplished by the end of March 2005, we have eliminated the risk of subsequent losses in the future by writing down the asset value, taking into account the expected maximum loss amount for accounting purposes.

◆ Disposal of Real Estate, etc.

Real estate was disposed of individually or in bulk, depending on the nature of assets. In terms of the real properties for which delivery could not be executed by the end of March 2005, we have reached basic agreements with buyers in most cases in order to expedite these sales.

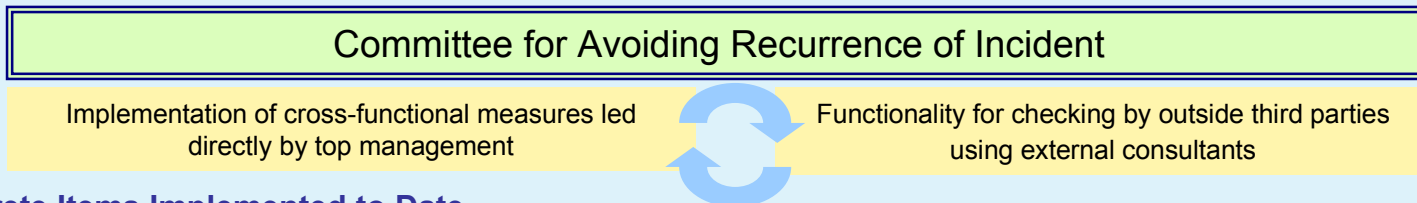
Prevention of Future Recurrence of Incident

Based on the report of the Incident Investigation Committee dated March 25, 2005, we have commenced the following measures to avoid recurrence of incident

◆ Establishment of Committee for Avoiding Recurrence of Incident

Chairman: Mr. Dobashi (President); Vice-Chairman: Mr. Hashikawa (Vice-President)

Implementation of various measures to avoid incident recurrence, as well as establishment of risk management system integrated into internal control



◆ Concrete Items Implemented to Date

- Modification of internal rules for “ordinary position-taking transactions with spot trading” to be as strict as those for “extraordinary position-taking transactions without spot trading”, thus ensuring more effective incident prevention
- Granting to the business planning sections of Sojitz business divisions the authority and responsibility for verification concerning future transactions, and reinforcement of supervising functions by adding a horizontal check (I.e., business planning divisions – business division managers) to the current vertical system (I.e., business division head – business division managers) .
- Creation of the General Managers Committee for Corporate Related Departments inside Sojitz Corporation for the purpose of avoiding recurrence of incident through smooth communication.
- Enhancement of validity by reinforcing audit on future transactions by our Audit Department, extending audit period depending on transaction scale, and increasing staff.
- Creation of a Compliance Department at Sojitz Corporation (in addition to that currently at Sojitz Holdings Corporation). Reflection of compliance-related items for evaluating results at divisions in order to promote awareness.
- Systematic rotation of staff in charge of future transactions within a maximum of 2 years.
- Improvement of the insider report rule (i.e., granting incentives to relevant personnel, etc.), and promoting more effective use of hot line services

Reverification and reestablishment of risk management system throughout the Sojitz Group in order to reinforce and enhance risk management.

II. Policies for the Second Year of the New Business Plan

- i. Merger and the New Management Structure
- ii. Restructuring of Shareholders' Equity

Merger and the New Management Structure

Achievement of the initial target of a holding company structure

The initial objectives set for Sojitz Holdings Corporation (i.e., business integration, rationalization, asset restoration, and acceleration of selection and focus) have been achieved

Promoting managerial efficiency and building a corporate governance structure

- ◆ Simplify Group management structure and enable effective and prompt decision-making
- ◆ Implement a highly transparent management structure suitable for an “innovative and functional trading company”

Concrete Methodologies

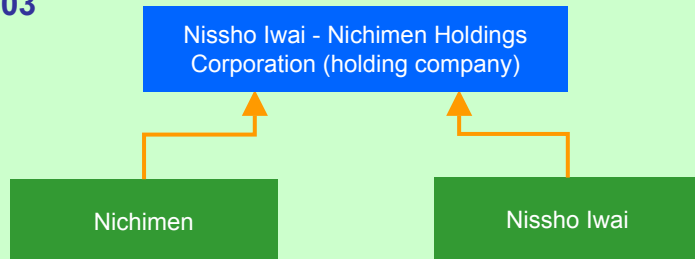
Merger of Sojitz Holdings Corporation and Sojitz Corporation on October 1

Directors/auditors appointed from outside

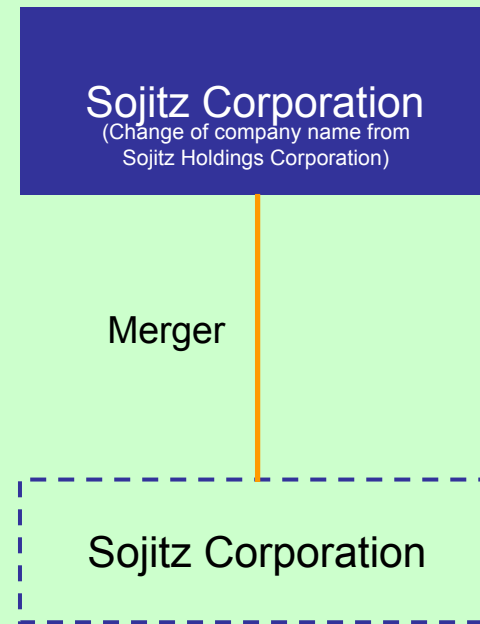
Merger

Sojitz Group Management Integration

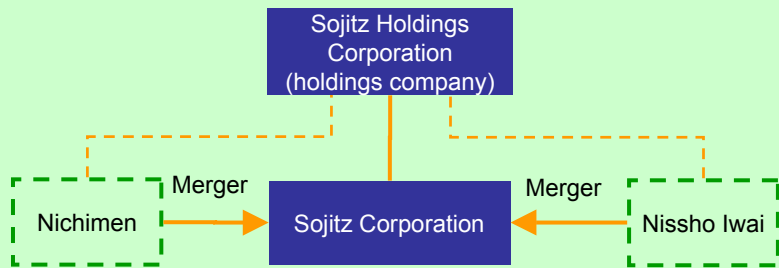
◆ Establishment of holding company: April 1, 2003



◆ Parent-Subsidiary Merger: October 1, 2005



◆ Core Operating Companies Merger: April 1 2004



* The Sojitz Holdings Corporation subsidiary Sojitz Shared Service Corporation is omitted from this chart.

Striving for the “innovative and functional trading company” targeted by the Sojitz Group

Overview of the Newly Merged Company (Planned)

Newly Merged Company: Company Outline

Merger Date:	October 1, 2005
Surviving Company:	Sojitz Holdings Corporation (Sojitz HD) (by upstream merger)
Company Name after Merger:	Sojitz Corporation (Change of company name from Sojitz Holdings Corporation to the above)
Headquarters:	1-20, Akasaka 6-chome, Minato-ku, Tokyo
Capital:	¥100 bil
President & CEO:	Akio Dobashi (Currently President & CEO of Sojitz Corporation)
Employees:	1,500 (non-consolidated basis) 16,600 (consolidated basis)
End of Fiscal Year:	March 31
Securities Code:	2768
Market Listing:	TSE 1 st Section, OSE 1 st Section

New Management Structure

Sojitz Holdings Corporation (Until September 30, 2005)

Directors and Auditors (candidates)

President & CEO	Akio Dobashi
Director	Masaki Hashikawa
Director	Katsuhiko Kobayashi
Director (part-time) (§)	Shigeo Muraoka
Director (part-time)	Yoshihiko Miyauchi (New)
Standing Auditor	Joji Wada
Standing Auditor (§)	Shunsaku Yahata (New)
Standing Auditor	Kenji Okazaki (New)
Auditor (part-time) (§)	Yoshiaki Ishida
Auditor (part-time) (§)	Kazuo Hoshino (New)

§ Shigeo Muraoka is an external director under the Japanese Commercial Code

§ Shunsaku Yahata, Yoshiaki Ishida and Kazuo Hoshino are external auditors under the Japanese Commercial Code

* The current Representative Director Hidetoshi Nishimura plans to retire on June 28

* Appointment of the above directors and auditors will be subject to approval at the general Shareholders' Meeting to be held on June 28

(New) Sojitz Corporation (After October 1, 2005)

Directors and Auditors (candidates)

President & CEO	Akio Dobashi
Director	Yutaka Kase (New)
Director	Masaki Hashikawa
Director	Yasuyuki Fujishima (New)
Director	Katsuhiko Kobayashi
Director	Keisuke Ishihara (New)
Director	Yoji Sato (New)
Director (part-time) (§)	Shigeo Muraoka
Director (part-time)	Yoshihiko Miyauchi
Standing Auditor	Joji Wada
Standing Auditor (§)	Shunsaku Yahata
Standing Auditor	Kenji Okazaki
Auditor (part-time) (§)	Yoshiaki Ishida
Auditor (part-time) (§)	Kazuo Hoshino

§ Shigeo Muraoka is an external director under the Japanese Commercial Code

§ Shunsaku Yahata, Yoshiaki Ishida and Kazuo Hoshino are external auditors under the Japanese Commercial Code

* Appointment of the above new directors for (New) Sojitz Corporation (i.e. Yutaka Kase, Yasuyuki Fujishima, Keisuke Ishihara, Yoji Sato) is subject to ratification of the merger agreement by the General Shareholders' Meeting.

Restructuring of Shareholders' Equity

Elimination of Accumulated Deficit

Elimination of accumulated deficit generated through restoration of asset portfolio

Concrete Methodologies

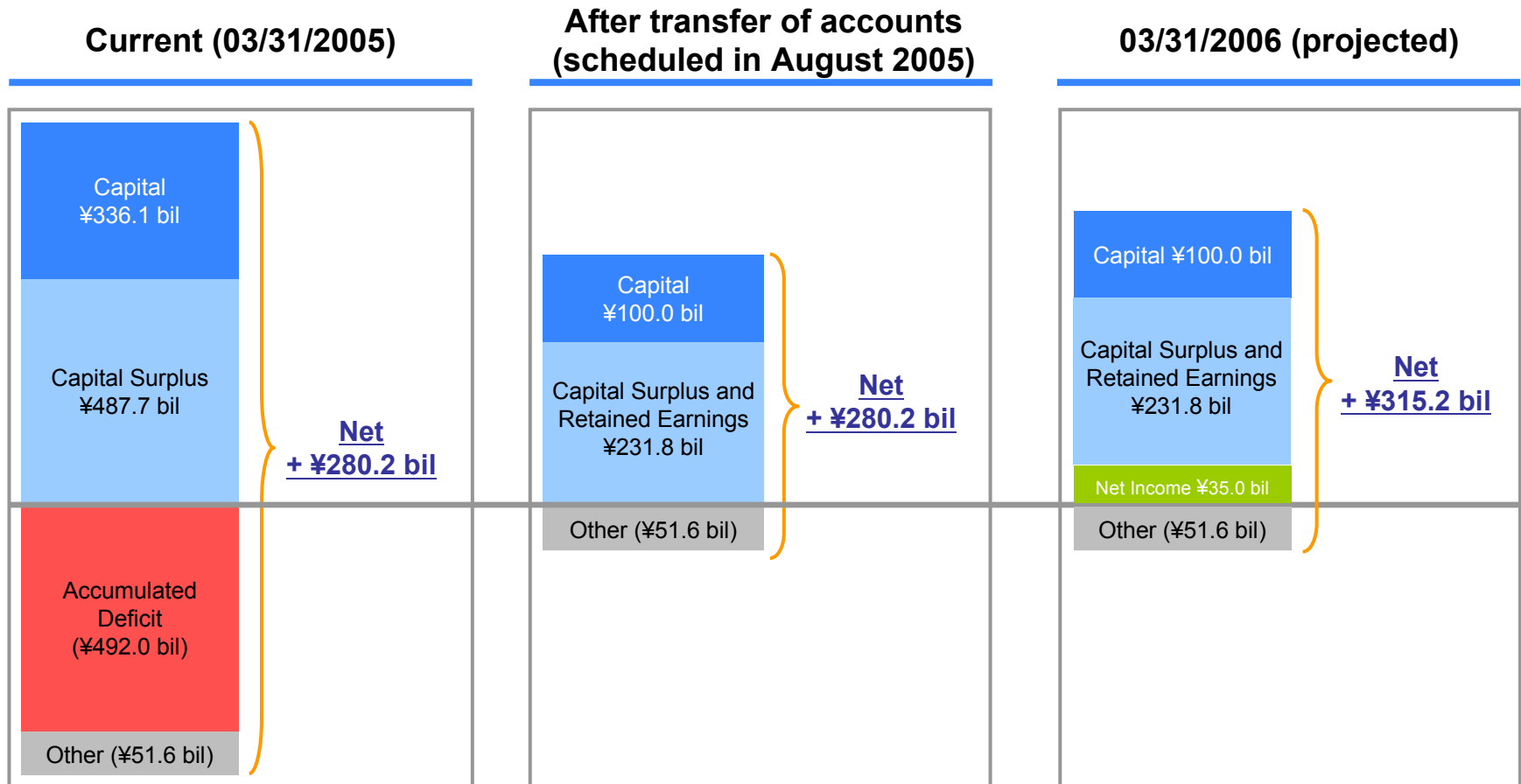
Transfer within the shareholders' equity section
by way of withdrawal of capital reserve and capital reduction

Our Policy

To enable stable dividend distributions by achieving the New Business Plan

Shift of Shareholders' Equity of Sojitz Holdings (Consolidated Basis)

Shift of Shareholders' Equity Section (consolidated basis; subject to shareholders' meeting approval and implementation of required legal procedure before taking effect)



Eliminate accumulated deficit and restructure shareholders' equity

* "Other" includes revaluation profit / loss of other securities, currency adjustments

