

April 28, 2005

To whom it may concern

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**Notice Concerning Loss Disposition by way of
Withdrawal of Capital Reserve and Capital Reduction**

Sojitz Holdings Corporation ("Sojitz Holdings") has resolved at the meeting of its Board of Directors, held on April 28, 2005, to propose to the second general meeting of shareholders, scheduled for June 28, 2005, approval of the financial results ended March 31, 2005 as well as withdrawal of capital reserve and capital reduction for the disposition of losses as of March 31, 2005.

1. Withdrawal of Capital Reserve

(1) Purpose

Sojitz Holdings has implemented the large-scale asset restoration measures based on the "New Business Plan" announced in September 2004. Consequently, the accumulated deficit as of March 31, 2005 amounted to 563,058,053,556 yen.

In the current business year starting in April 1, 2005, Sojitz Holdings will continuously proceed with the selection and focus of its business areas in an effort to improve earnings. In order to enhance the flexibility of its future financial policies and corporate strategies, Sojitz Holdings will implement the loss disposition by way of withdrawing the entire amount of capital reserve.

(2) Detail

Based on the loss disposition proposal, Sojitz Holdings expects to withdraw the entire amount of capital reserve in the amount of 507,239,563,504 yen in order to dispose of 563,058,053,566 yen in losses as of March 31, 2005, which will result in a remaining accumulated deficit of 55,818,490,062 yen.

This document is prepared in order to announce facts relating to Sojitz Holdings Corporation's loss disposition and does not constitute a solicitation of investments or any similar act, in or outside Japan

(3) Schedule	
Resolution of the Board of Directors	April 28, 2005
Resolution of the general meeting of shareholders	June 28, 2005 (planned)
Effective as of	June 28, 2005 (planned)

The capital deficit of 55,818,490,062 yen remaining after the loss disposition will be eliminated by way of the capital reduction, as stated below.

2. Capital Reduction

(1) Purpose

In addition to the aforementioned withdrawal of capital reserve, Sojitz Holdings will work toward eliminating the accumulated deficit by reducing its capital, in order to enable itself to implement flexible financial policies in the future.

(2) Details

In order to eliminate the capital deficit referred to earlier of 55,818,490,062 yen remaining after the loss disposition, Sojitz Holdings will reduce its current capital of 336,122,742,706 yen by 236,122,742,706 yen without cash-out; consequently, the capital account will amount to 100 billion yen. Of the reduced capital, the amount not used to cover the capital deficit (i.e. 180,304,252,644 yen) will be entirely retained as "other capital surplus."

(3) Method

The total number of issued shares will remain unchanged, while only the amount of capital will be reduced.

(4) Schedule

Resolution of the Board of Directors	April 28, 2005
Resolution of the general meeting of shareholders	June 28, 2005 (planned)
Effective as of	August 1, 2005 (planned)

The aforementioned elimination of accumulated deficit is merely a transfer of accounts in the shareholders' equity section. Neither the net asset value nor total number of issued shares will be affected; consequently, these transactions will not result in a change of net asset value per share.

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