

Highlights of Consolidated Financial Results for the First Quarter Ended June 30, 2005

July 28, 2005
Sojitz Holdings Corporation

Highlights of First Quarter FY2005 Results

Steady progress in recurring profit in line with the New Business Plan

Recurring profit for 1Q FY2005 totaled 20.8 billion yen. 1Q results represent 72% of initial first-half target (29 billion yen). 1Q FY2005 recurring profit increased 6.9 billion yen from the corresponding period of the previous fiscal year (13.9 billion yen).

Based on results for 1Q FY2005, the Company has revised upward its forecasts for the FY2005 interim and full-year periods (Refer below for revised forecasts).

(Overview)

Slight year-on-year decrease in net sales due to implementation of the Group's selection and focus initiative.
Decline in gross trading profit due to the absence of temporary construction-related transactions recorded in the corresponding period of the previous fiscal year and conversion of subsidiary Nakau Co., Ltd. to an equity-method affiliate.

Slight year-on-year increase in operating income due to decrease in depreciation expense reflecting substantial reduction in fixed assets in the previous fiscal year, and decline in selling, general and administrative expenses following the conversion of Nakau to an equity-method affiliate.

Improvement in the balance of interest expense and income owing to reduction in interest-bearing debt, and significant increase in recurring profit buoyed by strong performance by equity-method affiliates.

Implemented measures to restructure shareholders' equity

Sojitz Holdings undertook a withdrawal of capital reserve as of June 30, as part of efforts to eliminate the accumulated deficit generated through restoration of its asset portfolio implemented during the previous fiscal year.

In addition, the Company undertook a reduction in capital to 100 billion yen to further cover the aforementioned loss and to enhance flexibility of future financial policies. The impact of these measures will be fully realized in August, at which time the Company will have completely offset the accumulated deficit and restructured shareholders' equity.

Note: The reduction in capital will be implemented through transfer within the shareholders' equity section. Accordingly, there is no change in total shareholders' equity.

Regarding revision to performance forecasts

For the first quarter of the fiscal year under review, recurring profit exceeded initial forecasts due to reductions in selling, general and administrative expenses, the strong performance by equity-method affiliates, and other factors. As a result, the Company has decided to revise its forecasts for the interim and full-year periods.

Forecasts for the Six-Month Period Ending September 30, 2005

	Forecast	Revised Forecast
Net sales	2,300.0 billion yen	No change
Recurring profit	29.0 billion yen	38.0 billion yen
Net income	15.0 billion yen	25.0 billion yen

Forecasts for the Fiscal Year Ending March 31, 2006

	Forecast	Revised Forecast
Net sales	4,900.0 billion yen	No change
Recurring profit	65.0 billion yen	74.0 billion yen
Net income	35.0 billion yen	38.0 billion yen

(Assumptions)

Exchange rate (Yen/US\$): 105
Crude oil price (US\$/BBL): 35 to 40 (Brent market crude)

Consolidated Statements of Income

	1st quarter FY2005 results a	1st quarter FY2004 results b	Increase/ Decrease a-b	Rationale of increase/decrease	1st-half FY2005 forecast c	Percentage Achieved a/c
Net sales	1,130.7	1,214.0	(83.3)	Net Sales	2,300.0	49%
				Energy & Mineral Resources +25.3		
				Machinery & Aerospace -25.9		
Gross trading profit	55.6	58.8	(3.2)	Real Estate Development & Forest Products -27.4	120.0	46%
(Gross trading profit ratio)	(4.92%)	(4.84%)	(0.08%)	Gross trading profit (5.22%)		
				Energy & Mineral Resources +1.7		
				Real Estate Development & Forest Products (Decrease attributed to absence of temporary transactions recorded in the corresponding period of the previous fiscal year) -2.8		
Personnel expenses	-19.0	-20.4	1.4	Decrease owing to conversion of Nakau to an equity-method affiliate -2.5		
Non-personnel expenses	-17.8	-18.7	0.9	SG & A expenses		
Depreciation expenses	-2.1	-3.1	1.0	Decrease in depreciation expense due to disposal of fixed assets +1.0		
(Subtotal)	(-38.9)	(-42.2)	(3.3)	Decrease in SG&A expenses owing to conversion of Nakau to an equity-method affiliate +2.6		
Allowance for doubtful receivables	0	0	0			
Consolidated goodwill amortization (Selling, general and administrative expenses)	(-39.9)	(-43.5)	(3.6)		-85.0	47%
Operating income	15.7	15.3	0.4		35.0	45%
(Operating income ratio)	(1.39%)	(1.26%)	(0.18%)		(1.52%)	
Interest income	3.3	4.2	-0.9	Reduction in interest expense reflecting decrease in interest-bearing debt		
Interest expenses	-10.4	-12.6	2.2			
(Interest expenses-net)	(-7.1)	(-8.4)	(1.3)			
Dividend income	3.1	1.3	1.8			
(Net financial revenue)	(-4.0)	(-7.1)	(3.1)			
Equity in earnings of unconsolidated subsidiaries and affiliates	6.1	4.2	1.9	Metal One Corporation (+1.2), Shipping-related (+0.3)		
Other income	6.2	4.0	2.2			
Other expenses	-3.2	-2.5	-0.7			
(Others-net)	(5.1)	(-1.4)	(6.5)		3.0	-
Recurring profit	20.8	13.9	6.9		38.0	55%
Gain on sale of property and equipment	0.6					
Gain on sale of investment securities	1.1					
Gain on provision reversal	0.7					
(Extraordinary income)	(2.4)	(2.0)	(0.4)			
Loss on sale of property & equipment	-0.3					
Loss on sale of investment securities	0					
Evaluation loss on investment securities	0					
Loss, and provision for loss, on dissolution of subsidiaries and affiliates	-0.2					
(Extraordinary loss)	(-0.5)	(-2.6)	(2.1)			
(Extraordinary profit/(loss)-net)	(1.9)	(-0.6)	(2.5)		0.0	-
Income before income taxes	22.7	13.3	9.4		38.0	60%
Income taxes: Current	-3.9	-2.7	-1.2			
Deferred	-0.1	-0.5	0.4			
Minority income (loss)	-0.3	-0.3	0			
Net income	18.4	9.8	8.6		25.0	74%

Core earnings (*)	17.8	12.4	5.4
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(*) Core earnings
Core earnings = Operating income (before Allowance for doubtful receivables) + Interest expenses-net + Dividend income + Equity in earnings of unconsolidated subsidiaries and affiliates

(**) Disclaimer concerning future performance information
The above-mentioned information about future performance is calculated based on judgements and assumptions made from that information currently available to management at the time of writing. Accordingly, there is a possibility that actual results may greatly differ from such information due to a wide variety of factors including but not limited to economic conditions in the Company's principal overseas and domestic markets and changes in foreign currency exchange markets. In the event of significant changes, these will be notified by timely disclosure, etc.

Change in shareholders' equity due to capital reduction (August 2005 - Planned)			
	6/30/05	Increase/ Decrease	New Balance
Total shareholders' equity	311.0	-	311.0
Including common stock	339.1	-236.1	103.0
Including capital surplus and retained earnings	15.6	236.1	251.7

Consolidated Balance Sheets and Principal Management Indices

	June 30, 2005 d	March 31, 2005 e	Increase/ Decrease d-e	Rationale of increase/decrease
Current assets	1,363.0	1,423.2	-60.2	
Cash and deposits	373.7	426.1	(52.4)	Decrease due to new investments and loans and reduction in interest-bearing debt
Trade notes and trade accounts receivable	605.7	618.1	-12.4	
Securities	11.7	7.2	4.5	
Inventories	204.1	194.7	9.4	
Short-term loans receivable	34.4	41.0	-6.6	
Deferred tax assets-current	7.8	7.5	0.3	
Other current assets	136.1	139.6	-3.5	
Allowance for doubtful receivables	-10.5	-11.0	0.5	
Fixed assets	1,025.3	1,024.4	0.9	
Tangible assets	249.6	246.6	3.0	
Goodwill	79.2	80.0	-0.8	
Other intangible assets	24.3	23.9	0.4	
Investment securities	418.8	409.3	9.5	
Long-term loans	95.7	102.1	-6.4	
Non-performing receivables	246.7	286.9	(40.2)	Reduction due to disposal and amortization
Deferred tax assets-non-current	58.4	58.1	0.3	
Others	53.3	54.8	-1.5	
Allowance for doubtful receivables	-200.7	-237.3	36.6	Decrease attributed to disposal and amortization of non-performing receivables
Deferred assets	1.0	0.9	0.1	
Total assets	2,389.3	2,448.5	-59.2	
Liabilities	1,723.6	1,754.7	-31.1	
Trade notes and trade accounts payable	444.0	472.5	(28.5)	
Short-term debts	974.6	933.1	41.5	Increase due to transfer from long-term borrowings as maturity due within one year, decrease due to repayment on maturity
Commercial paper	119.0	139.2	(20.2)	
Bonds with redemption in one year	48.1	43.1	5.0	Transfer to bonds with redemption in one year (+11.5), redemption on maturity (-6.5)
Other current liabilities	137.9	166.8	(28.9)	Decrease in condominium sales deposits
Non-current liabilities	321.0	380.2	-59.2	
Bonds, less current portion	94.6	16.1	78.5	Issue of convertible bonds (+60.0), issue of straight bonds (+30.0), transfer to bonds with redemption in one year (-11.5)
Long-term borrowings	158.8	296.9	(138.1)	Decrease due to transfer to short-term debt as maturity due within one year
Allowance for retirement benefits	28.0	29.0	-1.0	
Other non-current liabilities	39.6	38.2	1.4	
Total liabilities	2,044.6	2,134.9	-90.3	
Minority interests	33.7	33.4	0.3	
Preferred stock and common stock	339.1	336.1	3.0	Conversion of convertible bonds (+3.0)
Capital surplus	3.0	487.7	(484.7)	Transfer to retained earnings (-487.7), conversion of convertible bonds (+3.0)
Retained earnings	12.6	-492.0	504.6	Transfer from capital surplus (+487.7), net income (+18.4)
(Subtotal)	(354.7)	(331.8)	(22.9)	Decrease due to reversal of land revaluation difference (-1.6)
Land revaluation difference	-3.3	-4.9	1.6	
Net unrealized gains on available-for-sale securities	34.2	32.6	1.6	
Foreign currency translation adjustments	-74.5	-79.2	4.7	
Treasury stock	-0.1	-0.1	0	
Total shareholders' equity	311.0	280.2	30.8	
Total liabilities and shareholders' equity	2,389.3	2,448.5	-59.2	
Gross interest-bearing debt	1,395.1	1,428.4	(33.3)	
Net interest-bearing debt	1,021.4	1,002.3	19.1	
Net debt/equity ratio (Times)	3.28	3.58	(0.29)	
Shareholders' equity	13.0%	11.4%	1.6%	

Summary of Consolidated Financial Results

July 28, 2005

for the First Quarter of Fiscal Year ending March 2006

Sojitz Holdings Corporation

(URL <http://www.sojitz-holdings.com>)

Listed stock exchange : The first sections of Tokyo and Osaka

Headquarters : Tokyo

Securities Code : 2768

Company Representative : Akio Dobashi, President & CEO

Contact Information : Takeshi Yoshimura, GM, Public Relations Dept. TEL +81-3-5520 - 3404

1. Items regarding Preparation for the Summary of the Quarterly Results

(1) Use of simplified accounting procedure : None

(2) Change in accounting policies from the latest consolidated fiscal year : Yes

Sojitz Holdings has reclassified its industry segments from the fiscal year under review in accordance with efforts to streamline the Group's management framework and to better achieve the objectives identified in the New Business Plan through an accelerated decision-making process.

(3) Change in number of consolidated subsidiaries and affiliated companies accounted for the equity method : Yes

	Jun 30, 2005	Mar 31, 2005
Consolidated subsidiaries	326	329
Unconsolidated subsidiaries (accounted for by the equity method)	10	10
Unconsolidated affiliates (accounted for by the equity method)	178	178

(4) Figures for the first quarter of fiscal 2005 and 2004 have not been audited by independent auditors.

2. Consolidated Financial Results for the 1st Quarter of Fiscal Year ending March 2006 (April 1, 2005~ June 30, 2005)

(1) Operating Results (Consolidated)

(Rounded to millions of Japanese Yen)

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1st Qtr. of FY 2005	1,130,731	(6.9)	15,707	2.7	20,839	50.0	18,441	88.1
1st Qtr. of FY 2004	1,214,045	(20.3)	15,301	43.5	13,891	128.6	9,802	-
(Ref)FY 2004	4,675,903		65,521		58,088		(412,475)	

	EPS	Adjusted EPS
	Yen	Yen
1st Qtr. of FY 2005	75.44	62.44
1st Qtr. of FY 2004	45.91	45.43
(Ref)FY 2004	(1,876.48)	-

Note; Percentages shown for net sales, operating income, recurring profit and net income are the rates of increase or decrease from the previous corresponding period.

(2) Financial Position (Consolidated)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	BPS
	Millions of Yen	Millions of Yen	%	Yen
1st Qtr. of FY 2005	2,389,283	311,004	13.0	(1,201.42)
1st Qtr. of FY 2004	2,985,771	311,646	10.4	213.27
(Ref)FY 2004	2,448,478	280,241	11.4	(1,440.26)

Descriptive Analysis of Consolidated Financial Results:

In the first quarter of the fiscal year under review, net sales declined 83.3 billion yen compared with the corresponding period of the previous fiscal year to 1,130.7 billion yen in line with the Company's efforts to promote business selection and focus as stipulated in its New Business Plan. Impacted by the conversion of certain consolidated subsidiaries to equity-method affiliates, gross trading profit fell 3.2 billion yen year on year to 55.6 billion yen. In addition, the conversion of certain consolidated subsidiaries to equity-method affiliates contributed to an improvement in selling, general and administrative expenses of 3.6 billion yen to 39.9 billion yen. Accounting for these and other factors, operating income increased 0.4 billion yen to 15.7 billion yen.

Buoyed by the strong performance of affiliated companies and resultant gains in equity in earnings of unconsolidated subsidiaries and affiliates, recurring profit climbed 6.9 billion yen year on year to 20.8 billion yen. After recording a net extraordinary gain of 1.8 billion yen and accounting for income taxes, net income totaled 18.4 billion yen, an increase of 8.6 billion yen compared with the corresponding period of the previous fiscal year.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 2006 (April 1, 2005~ March 31, 2006):

For the first quarter of the fiscal year under review, recurring profit exceeded initial forecasts due to improvements in selling, general and administrative expenses, the strong performance by equity-method affiliates, and other factors. As a result, the Company has decided to revise its consolidated forecasts for the interim and full-year periods as follows.

	Net Sales	Recurring Profit	Net Income
	Millions of Yen	Millions of Yen	Millions of Yen
Half-year	2,300,000	38,000	25,000
Annual	4,900,000	74,000	38,000

Reference: EPS(Projection): JPY 145.63

The aforementioned forecasts are based on certain assumptions that the Company has deemed relevant and appropriate as of the date of publication. Actual results may differ substantially from these forecasts due to a variety of important factors.

Consolidated Statements of Income

for the First Quarter ended June 30, 2005

Millions of yen

	3 months ended June 30, 2005	Percentage of Net sales (%)	3 months ended June 30, 2004	Percentage of Net sales (%)	Increase/(Decrease) amount percentage		Fiscal Year ended March 31, 2005	Percentage of Net sales (%)
Net sales	1,130,731	100.00	1,214,045	100.00	(83,314)	(6.86)	4,675,903	100.00
Cost of sales	(1,075,086)	(95.08)	(1,155,248)	(95.16)	80,162	(6.94)	(4,431,656)	(94.78)
Gross trading profit	55,645	4.92	58,797	4.84	(3,152)	(5.36)	244,247	5.22
Selling, general and administrative expenses	(39,937)	(3.53)	(43,495)	(3.58)	3,558	(8.18)	(178,725)	(3.82)
Operating income	15,707	1.39	15,301	1.26	406	2.65	65,521	1.40
Interest income	3,308	0.29	4,228	0.35	(920)	(21.76)	18,431	0.39
Dividend income	3,048	0.27	1,303	0.11	1,745	133.92	3,653	0.08
Equity in gains of unconsolidated subsidiaries and affiliates-net	6,138	0.55	4,167	0.34	1,971	47.30	10,741	0.23
Gain on sale of securities	1,682	0.15	863	0.07	819	94.90	2,382	0.05
Other income	4,538	0.40	3,165	0.26	1,373	43.38	16,439	0.35
Non-operating income	18,715	1.66	13,728	1.13	4,987	36.33	51,648	1.10
Interest expense	(9,549)	(0.84)	(11,814)	(0.97)	2,265	(19.17)	(45,833)	(0.98)
Interest expense on commercial papers	(809)	(0.08)	(784)	(0.07)	(25)	3.19	(2,920)	(0.06)
Other expense	(3,224)	(0.29)	(2,539)	(0.21)	(685)	26.98	(10,328)	(0.22)
Non-operating expense	(13,583)	(1.21)	(15,138)	(1.25)	1,555	(10.27)	(59,082)	(1.26)
Recurring profit	20,839	1.84	13,891	1.14	6,948	50.02	58,088	1.24
Extraordinary profit/(loss)-net	1,843	0.17	(612)	(0.05)	2,455	-	(438,167)	(9.37)
Income before income taxes	22,682	2.01	13,278	1.09	9,404	70.82	(380,079)	(8.13)
Income taxes; Current	(3,852)	(0.34)	(2,726)	(0.22)	(1,126)	41.31	(11,331)	(0.24)
Deferred	(94)	(0.01)	(481)	(0.04)	387	(80.46)	(18,287)	(0.39)
Minority interests in consolidated subsidiaries	(294)	(0.03)	(268)	(0.02)	(26)	9.70	(2,778)	(0.06)
Net Income (Loss)	18,441	1.63	9,802	(0.81)	8,639	88.14	(412,475)	(8.82)

Consolidated Balance Sheets

As of June 30, 2005

Assets	Millions of yen		
	June 30, 2005	March 31, 2005	increase/ decrease
Current assets;			
Cash and deposits	373,740	426,082	(52,342)
Trade notes and trade accounts receivable	605,675	618,086	(12,411)
Securities	11,744	7,150	4,594
Inventories	204,067	194,694	9,373
Short-term loans receivable	34,401	41,000	(6,599)
Deferred tax assets-current	7,791	7,482	309
Other current assets	136,146	139,590	(3,444)
Allowance for doubtful receivables	(10,531)	(10,957)	426
Total current assets	1,363,035	1,423,129	(60,094)
Fixed assets;			
<u>Tangible assets</u>	<u>249,593</u>	<u>246,652</u>	<u>2,941</u>
<u>Intangible assets:</u>	<u>103,533</u>	<u>103,850</u>	<u>(317)</u>
Goodwill	79,217	79,989	(772)
Other intangible assets	24,315	23,860	455
<u>Investments and other fixed assets:</u>	<u>672,153</u>	<u>673,924</u>	<u>(1,771)</u>
Investments securities	418,809	409,307	9,502
Long-term loans	95,729	102,142	(6,413)
Non-performing receivables	246,707	286,934	(40,227)
Deferred tax assets-non-current	58,355	57,170	1,185
Deferred tax assets-revaluation	-	881	(881)
Others	53,239	54,820	(1,581)
Allowance for doubtful receivables	(200,689)	(237,332)	36,643
Total fixed assets	1,025,279	1,024,427	852
Deferred assets	967	921	46
Total assets	2,389,283	2,448,478	(59,195)

Consolidated Balance Sheets

As of June 30, 2005

Liabilities and shareholders' equity

Millions of yen

	June 30, 2005	March 31, 2005	increase/ decrease
Liabilities			
Current liabilities;			
Trade notes and trade accounts payable	443,967	472,513	(28,546)
Short-term debts	693,742	764,218	(70,476)
Commercial paper	119,000	139,200	(20,200)
Current Portion of Long-term debt	328,943	211,932	117,011
Income taxes payable	5,245	7,644	(2,399)
Deferred tax liabilities-current	346	422	(76)
Allowance for employees' bonus	3,472	4,234	(762)
Other current liabilities	128,874	154,515	(25,641)
Total current liabilities	1,723,592	1,754,681	(31,089)
Non-current liabilities;			
Bonds, less current portion	94,552	16,048	78,504
Long-term borrowings	158,783	296,927	(138,144)
Deferred tax liabilities -non-current	7,898	7,544	354
Deferred tax liabilities -revaluation	170	-	170
Allowance for retirement benefits	28,020	29,046	(1,026)
Other non-current liabilities	31,541	30,639	902
Total non-current liabilities	320,967	380,206	(59,239)
Total liabilities	2,044,559	2,134,887	(90,328)
Minority Interest in consolidated subsidiaries	33,719	33,349	370
Shareholders' equity;			
Common stock and preferred stock	339,133	336,122	3,011
Capital surplus	2,989	487,686	(484,697)
Retained earnings	12,637	(492,048)	504,685
Land revaluation difference	(3,337)	(4,869)	1,532
Net unrealized gains on available-for-sale securities	34,141	32,629	1,512
Foreign currency translation adjustments	(74,470)	(79,193)	4,723
Treasury stock	(88)	(86)	(2)
Total shareholders' equity	311,004	280,241	30,763
Total liabilities and shareholders' equity	2,389,283	2,448,478	(59,195)

Segment Information
for the First Quarter ended June 30, 2005

Industry Segments

The business segment information for the first quarter ended June 30, 2005 and preceding first period are as follows:

For the first quarter ended June 30, 2005

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	195,194	286,001	149,837	81,615	200,223
Inter-segment	3,833	956	10,216	809	1,763
Total	199,027	286,958	160,054	82,425	201,987
Operating expense	196,076	282,904	155,363	81,116	200,037
Operating income (loss)	2,951	4,054	4,690	1,309	1,949
Total assets	317,481	449,135	364,020	247,074	283,649

	Overseas Subsidiaries	Other	Total	Elimination & Unallocated	Consolidated
Net sales					
Outside customers	193,396	24,463	1,130,731	-	1,130,731
Inter-segment	74,283	1,724	93,588	(93,588)	-
Total	267,679	26,187	1,224,320	(93,588)	1,130,731
Operating expense	266,123	26,620	1,208,242	(93,217)	1,115,024
Operating income (loss)	1,555	432	16,078	(370)	15,707
Total assets	487,557	159,224	2,308,142	81,140	2,389,283

Notes:

1. Unallocated costs and expenses included in "Elimination and Unallocated" totaled 1,275 millions of yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.

2. Company assets included in "Elimination and Unallocated" totaled 471,695 millions of yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities)

3. Comments relating to changes in the classification of industry segments are provided as follows.

In accordance with efforts to streamline the Group's management structure and to better achieve the objectives identified in the New Business Plan through an accelerated decision-making process, Sojitz Holdings has reclassified its industry segments from the fiscal year under review as follows. Segment information for the previous fiscal year has been restated in accordance with the revised segment classification for comparative purposes.

The previous independent industry segments of Construction & Urban Development and Forest Products & Building Materials have been integrated to form the Real Estate Development & Forest Products segment.

The previous independent industry segments of Textiles, Foods, and General Commodities & Consumer Business have been integrated to form the Consumer Lifestyle Business segment.

Certain steel-related operations previously included in the Other segment have been included in the Energy & Mineral Resources segment.

Segment Information
for the First Quarter ended June 30, 2005

Industry Segments (Continued)

For the first quarter ended June 30, 2004

Millions of yen

	Machinery & Aerospace	Energy & Mineral Resources	Chemicals & Plastics	Real Estate Development & Forest Products	Consumer Lifestyle Business
Net sales					
Outside customers	221,057	260,691	138,790	109,049	191,916
Inter-segment	2,175	14,713	6,179	649	3,726
Total	223,232	275,404	144,969	109,698	195,643
Operating expense	220,965	272,930	140,720	105,891	193,245
Operating income (loss)	2,267	2,474	4,248	3,806	2,398
Total assets	326,470	428,164	355,287	276,409	279,226

	Overseas Subsidiaries	Other	Total	Elimination & Unallocated	Consolidated
Net sales					
Outside customers	260,091	32,448	1,214,045	-	1,214,045
Inter-segment	64,909	1,849	94,203	(94,203)	-
Total	325,000	34,298	1,308,248	(94,203)	1,214,045
Operating expense	324,859	33,778	1,292,391	(93,647)	1,198,743
Operating income (loss)	141	520	15,857	(555)	15,301
Total assets	474,874	165,939	2,306,373	142,104	2,448,478

Notes:

1. Unallocated costs and expenses included in "Elimination and Unallocated" totaled 1,970 millions of yen and comprised mainly administrative group expenses applicable to Sojitz Corporation.

2. Company assets included in "Elimination and Unallocated" totaled 433,492 millions of yen and comprised mainly managed surplus (cash and deposits and bonds, and investment securities)

**Meeting on Financial Results for the First Quarter of the Fiscal
Year Ending March 31, 2006
(The Three-Month Period Ended June 30, 2005)**

Sojitz Holdings Corporation

July 28, 2005

Group Management Vision

- ◆ **To establish a multi-faceted business, which has both top-tier competitiveness and strong earning power in specific industries and markets, by continuously pursuing profitability and growth in core business areas**
- ◆ **To nurture an innovative trading company, by actively responding to environmental changes and market globalization, and continuously developing new business fields through entrepreneurship**
- ◆ **To build a function-oriented trading company, by fully grasping and anticipating various client needs and providing sophisticated, tailor-made services as a client's business partner**
- ◆ **To become a flexible company, open to new ideas, where each employee can pursue challenges and explore opportunities to realize his or her own personal goals and ambitions**

Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2006

(Profit/Loss Highlights)

Major Profit/Loss Items

(Billions of yen)	<u>FY2004 1Q Results</u>	<u>FY2005 1Q Results</u>	<u>Increase/ (Decrease)</u>	<u>FY2005 Initial Forecast</u>	<u>Percentage Achieved</u>	<u>FY2005 Revised Forecast</u>
Net Sales	1,214.0	1,130.7	(83.3)	4,900.0	23.1%	4,900.0
Gross Trading Profit <i>(Gross Trading Profit Ratio)</i>	58.8 4.84%	55.6 4.92%	(3.2) +0.07%	251.0 5.12%	22.2%	251.0 5.12%
Operating Income	15.3	15.7	+0.4	75.0	20.9%	78.0
Recurring Profit <i>(Recurring Profit Ratio)</i>	13.9 1.14%	20.8 1.84%	+6.9 +0.70%	65.0 1.32%	32.0%	74.0 1.51%
Net Income	9.8	18.4	+8.6	35.0	52.6%	38.0

Significant increase in recurring profit buoyed by strong performance by equity-method affiliates, improvement in the balance of interest expense and income, and other factors.
Steady increase in current period earnings contributing to upward revision in full-year forecasts.

Summary of Financial Position as of June 30, 2005

(Balance Sheet Highlights)

Major Balance Sheet Items

(Billions of yen)	<u>Results as of March 31, 2005</u>	<u>Results as of June 30, 2005</u>	<u>Increase/ (Decrease)</u>	<u>FY2005 Initial Forecast</u>	<u>FY2005 Revised Forecast</u>
Total Assets	2,448.5	2,389.3	(59.2)	2,535.0	2,538.0
Shareholders' Equity	280.2	311.0	+30.8	315.0	318.0
Net Interest-Bearing Debt	1,002.3	1,021.4	+19.1	1,050.0	1,050.0
Net DER	3.6 Times	3.3 Times	(0.3 Times)	3.3 Times	3.3 Times

Increase in shareholders' equity due to strong growth in current period earnings.
Achieved net DER of 3.3 times.

Gross Trading Profit (by Industry Segment)

(Billions of yen)

	FY04 1Q Results	FY05 1Q Results	Increase/ (Decrease)	Main Factors for Change
Machinery & Aerospace	9.9	9.9	0	Despite declines attributed to the withdrawal from low-profit businesses, overall results on par with the previous fiscal year due to strong performance in the automotive business in Central and South America, as well as the shipping and chartering businesses
Energy & Mineral Resources	8.2	10.0	1.8	Significant increase attributed to growth in transaction volumes; stable high market prices of mineral resource-related items such as petroleum, gas, coal, and ferroalloys; as well as the conversion to consolidated subsidiaries of mineral-resource related affiliates
Chemicals & Plastics	10.9	10.9	0	Segment results were firm. An overall strong performance in chemicals reflecting rising prices in petroleum and naphtha were offset by the decline in earnings owing to the rise in fertilizer material costs
Real Estate Development & Forest Products	7.5	4.7	(2.8)	Despite steady progress in the condominium business, earnings declined due to the absence of temporary transactions recorded in the corresponding period of the previous fiscal year in real estate development. Earnings in the forest products business also declined due to continued slump in market conditions
Consumer Lifestyle Business [Without Nakau]	12.0 [9.5]	9.6 [9.6]	(2.4) [0.1]	Year-on-year results declined due to the conversion of consolidated subsidiary Nakau Co., Ltd. to an equity-method affiliate. Excluding the impact from Nakau conversion, results were essentially unchanged compared with the corresponding period of the previous fiscal year owing to contributions from newly consolidated subsidiary Singapore Co., Ltd.
Overseas Subsidiaries	5.7	6.6	0.9	Increase in earnings reflecting strong chemicals and plastics performance in Asia, and robust results in printers, Nike, metal resources and other transactions in the United States
Others	4.6	3.9	(0.7)	Downturn in rental income due to the sale of the former headquarters buildings
Total [Without Nakau]	58.8 [56.3]	55.6 [55.6]	(3.2) [(0.7)]	

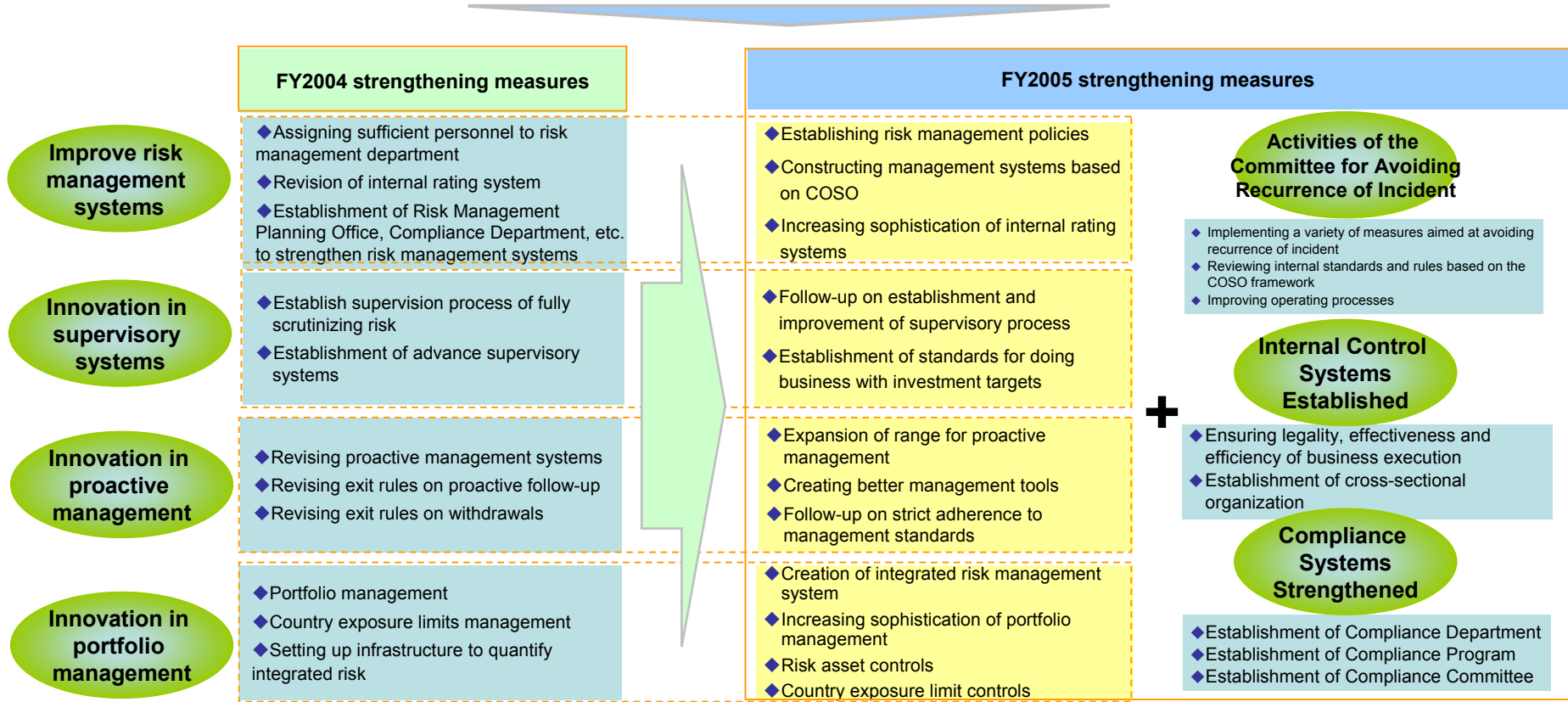
Recurring Profit (by Industry Segment)

(Billions of yen)	FY04 1Q Results	FY05 1Q Results	Increase/ (Decrease)	05 Initial Forecast	Percentage Achieved	Operating Condition	FY05 Revised Forecast
Machinery & Aerospace	2.1	2.9	0.8	9.5	31%	Results exceed initial forecast. Solid performance due to strong results in the automotive business in Central and South America, and shipping business reflecting the steady market condition of the chartering business	10.0
Energy & Mineral Resources	5.4	6.7	1.3	19.0	35%	Healthy performance by Metal One Corporation and businesses in petroleum, gas, coal, and ferroalloys. Results exceed initial forecast	20.5
Chemicals & Plastics	2.0	2.9	0.9	6.0	48%	Despite an anticipated drop in methanol prices in the second half, strong performance of chemicals and methanol have fueled substantial rates of growth. Results exceed initial forecast	6.5
Real Estate Development & Forest Products	2.0	1.3	(0.7)	9.0	14%	Results expected to meet forecasts. Performance in the condominium business is strong. Results in Forest Products to fall below initial forecast due to weak market conditions	9.0
Consumer Lifestyle Business	1.9	1.4	(0.5)	9.0	16%	Year-on-year decline in earnings due to the impact of a weak market. Heavy weight in the second half on transactions related to autumn and winter apparel, bedding products, marine products and others. Essentially in line with forecast	9.0
Overseas Subsidiaries	2.7	3.3	0.6	14.0	24%	Overall results to exceed initial forecast, buoyed by strong performance in Asia and steady results in the United States and Europe	14.5
Others	(2.2)	2.3	4.5	(1.5)	—	Increase attributed to investment and incubation business capital gains	4.5
Total	13.9	20.8	6.9	65.0	32%		74.0

Strengthen and Enhance Risk Management

Reevaluate risk management system to strengthen and enhance our comprehensive risk management

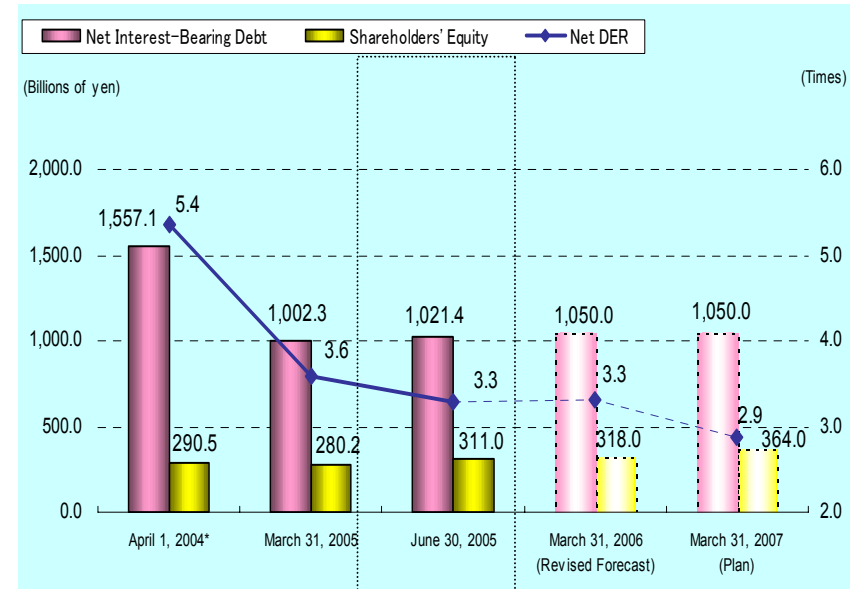
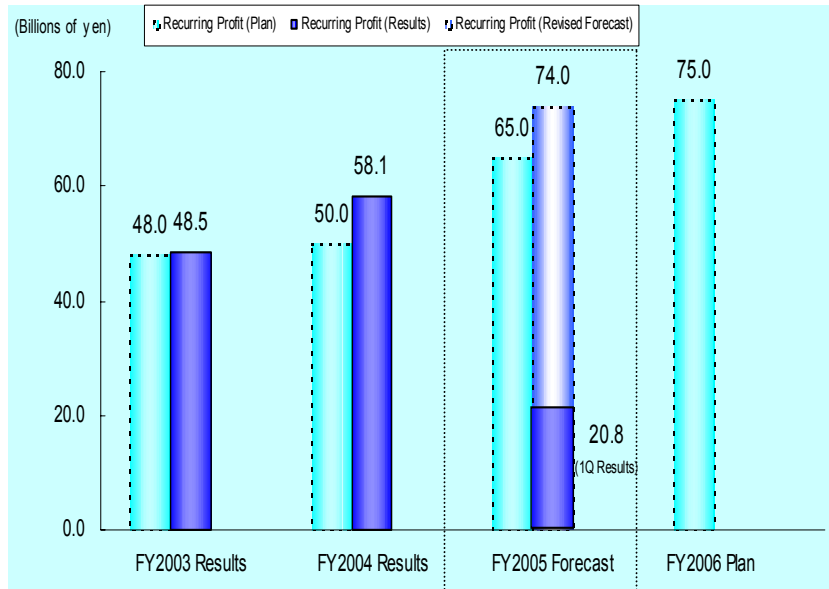
Maintain and improve upon the asset quality achieved through the restoration of assets



Establish internal control systems, comprehensive risk management systems, and framework to minimize loss

Financial Targets: Progress Report

Upward revision of recurring profit forecast for the fiscal year ending March 31, 2006.
Expectations to achieve fiscal year ending March 31, 2007 (final year) objectives



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

Toward achieving financial targets for the fiscal year ending March 31, 2007,
the final year of the New Business Plan

Recurring Profit: ¥75 billion

Net DER: Approx. 3 times
(Net interest-bearing debt: ¥1 trillion)

Disclaimer

This document includes statements of forward-looking descriptions regarding the intent, belief or current expectations of Sojitz Holdings Corporation (the “Company”) or its officers in terms of its operation and financial condition.

Accordingly, such statements contain risks and uncertainties since they are neither historical facts nor guarantees of future performance. Actual results may be varied and influenced by various factors. The Company does not undertake to revise such forward-looking descriptions to reflect those factors.