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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 Concerning the Sojitz Group's New Business Plan

Since the announcement on July 23, 2004 of the Group's fundamental policies in connection with its New Business Plan, the Sojitz Group has continued to pursue every avenue, in its efforts to realize its objectives. In the ensuing period, Sojitz Holdings has also conducted a drastic review of its current Business Plan, and has formulated a New Business Plan with the aim of enhancing corporate value by quickly restoring market confidence. Details of the New Business Plan are provided as follows.

1. Objectives

The objectives of the New Business Plan are to build a more robust management foundation unaffected by external conditions and to enhance corporate value by quickly restoring market confidence.

The New Business Plan covers a three-year period commencing the fiscal year ending March 31, 2005. The entire Sojitz Group is committed to becoming an innovative functional trading company that delivers high-value-added functions and services that only the Sojitz Group can deliver, in those business areas where the Sojitz Group can realize its strengths, by the end of the Plan.

2. Fundamental Policies

(1) Establish a Robust Financial Position

- Conduct a drastic review of the Group's asset portfolio
- Reinforce shareholders' equity and reduce interest-bearing debt

(2) Evolution to a Quality Earnings Structure

- Accelerate implementation of selection and focus initiatives
- Focus on improving SCVA (Sojitz 's own risk/return management indicator)

3. Financial Targets (Fiscal year ending March 31, 2007, Consolidated basis)

- Recurring profit: ¥75 billion
- Net DER: 3 times (Net interest-bearing debt of ¥1trillion)
- Ratings: Exceeding BBB

4. New Business Plan Overview

(1) Establish a Robust Financial Position

<Drastic review of the Group’s asset portfolio>

Adopting a completely new approach and from the perspective of reducing operational risk and improving the quality and liquidity of assets, the Sojitz Group has decided to write-off an amount totaling approximately ¥400 billion in an effort to instantaneously restore asset quality. The write-off will cover the loss for the complete withdrawal from low-profit businesses including overseas investments and loans and the disposal of real estate and rid the Company of those assets experiencing a deterioration in value.

A breakdown of the planned write-off amount is as follows.

- To accelerate selection and focus initiatives: ¥260 billion
- To dispose of real estate : ¥150 billion

The Sojitz Group is committed to completing drastic measures, such as the sale of assets and withdrawal from low-profit businesses, in the current fiscal year, with the aim of avoiding additional future losses. In the area of real estate disposal, the Sojitz Group has appointed the Mitsubishi Trust and Banking Corporation and UFJ Trust Bank Limited, as advisors and is currently examining all issues in connection with full and final disposal.

Based on the objectives to accelerate selection and focus initiatives and to avoid additional future loss, the Sojitz Group will withdraw from low-profit businesses, which used to be classified as continuous operations including overseas investments and loans. In this context, the Sojitz Group is incorporating the views and assessments of the Group’s asset portfolio provided by an independent third party.

<Reinforce shareholders’ equity through capital increase>

The Sojitz Group has sought the support of UFJ Bank Limited, its principal bankers, and the UBS Group in its proposal to issue additional shares thereby increasing capital. Through this capital increase, the Sojitz Group plans to refortify shareholders’ equity, which is expected to decline as a result of the write-off, and at the same time to reduce interest-bearing debt.

Brief details of proposed capital increase are as follows:

1. Principal bankers

Amount:	Approximately ¥350 billion
Method:	Issue of preferred stocks by way of third-party allocation. Further details of the terms and conditions to apply are under consideration.
Issue Date:	After mid October 2004 (Planned)
Underwriters:	UFJ Bank Limited and principal bankers

2. The UBS Group

Amount:	Approximately ¥10 billion
Method:	Issue of preferred stocks by way of third-party allocation. Further details of the terms and conditions to apply are under consideration.
Issue Date:	After mid October 2004 (Planned)
Other:	Plan to implement separately additional equity finance totaling approximately ¥10 billion.

<Comprehensive write-off as a platform for dividend payment>

As of the end of the current fiscal year, the Sojitz Group is forecasting a substantial deficit in retained earnings as a result of the extraordinary loss in conjunction with the drastic review of its asset portfolio. To recover this deficit, Sojitz Holdings intends to table a resolution for approval at its annual general meeting of shareholders scheduled in June 2005 to transfer a portion of its capital surplus to retained earnings and to reduce capital. This reduction in capital will be transferred to capital surplus so as not to affect the total value of net worth. In addition, the number of shares issued and outstanding will also remain unchanged. Accordingly, this initiative will not impact on shareholders' equity per share.

Furthermore, through this procedure of recovering the deficit in retained earnings and efforts to secure retained earnings from fiscal 2005 and beyond, the Sojitz Group is working tirelessly toward providing a dividend payment from the fiscal year ending March 31, 2007.

(2) Evolution to a Quality Earnings Structure

From an SCVA perspective, the Sojitz Group will dramatically accelerate selection and focus initiatives. The Sojitz Group will adopt and continuously implement the following three measures in an effort to improve SCVA and to build a quality earnings structure.

1. Withdraw from select and low-profit businesses
2. Allocate management resources to growth areas
3. Continuously enhance and strengthen business portfolio and risk management with the aim of improving SCVA

(3) Numerical Targets

Information regarding consolidated profit and loss and consolidated balance sheet forecasts has been attached.

The Sojitz Group has received independent third-party evaluation from PriceWaterhouseCoopers Financial Advisory Services, of the probability and efficacy of its New Business Plan on the condition monitoring and assessment is implemented.

In addition, in conjunction with the formulation of its New Business Plan, the Sojitz Group also announced revisions to earnings forecasts originally announced on May 13, 2004. (Please refer to press release "Notice Concerning Revisions to Consolidated and Non-Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2005" dated September 8, 2004.)

5. Schedule

July 23, 2004	Announcement of fundamental policies of the New Business Plan
September 8, 2004	Announcement of details of the New Business Plan
September 29, 2004 (Planned)	Extraordinary meeting of shareholders to address resolution for amendment to the Company's articles of incorporation in connection with proposed capital increase
After mid October 2004 (Planned)	Capital increase settlement

- New Business Plan -

Profit & Loss (Consolidated basis)

(Billions of yen)	FY2003 Results (*)	FY2004	FY2005	FY2006
Net Sales	5,861.7	5,000.0	4,900.0	5,200.0
Gross Trading Profit	249.0	250.0	251.0	266.0
(Gross Trading Profit Ratio)	4.2%	5.0%	5.1%	5.1%
SG & A expenses	-189.1	-187.0	-176.0	-180.0
Operating income	59.9	63.0	75.0	86.0
(Operating income ratio)	1.0%	1.3%	1.5%	1.7%
Non-operating income/expenses-ne	-11.4	-13.0	-10.0	-11.0
Recurring profit	48.5	50.0	65.0	75.0
(Recurring profit Ratio)	0.8%	1.0%	1.3%	1.4%
Extraordinary profit/loss-net	-90.6	-410.0	-10.0	-10.0
Net income/loss before tax	-42.1	-360.0	55.0	65.0
Net income/loss	-33.6	-380.0	35.0	39.0
ROA	-	-	1.4%	1.5%
ROE	-	-	11.4%	11.3%

Balance Sheet (Consolidated Basis)

(Billions of yen)	As of April 1, 2004	FY2004 March 31, 2005	FY2005 March 31, 2006	FY2006 March 31, 2007
Cash and time deposit	435.7	300.0	355.0	430.0
Operating Assets	1,094.2	895.0	910.0	950.0
Investments & loans	797.4	635.0	605.0	600.0
Fixed assets	750.4	610.0	630.0	620.0
Total Assets	3,077.7	2,440.0	2,500.0	2,600.0
Operating liabilities	794.4	740.0	745.0	756.0
Interest-bearing debt	1,992.8	1,410.0	1,430.0	1,480.0
Total liabilities	2,787.2	2,150.0	2,175.0	2,236.0
Shareholder's equity	290.5	290.0	325.0	364.0
Total liabilities & Shareholders' equity	3,077.7	2,440.0	2,500.0	2,600.0
Net interest -bearing debt	1,557.1	1,110.0	1,075.0	1,050.0
Net DER (Times)	5.4	3.8	3.3	2.9

(*)Reference figures calculated based on merger accounting on April 1, 2004.