Sojitz Holdings Corporation

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Sojitz Holdings Corporation New Business Plan

BACKGROUND TO FORMULATION OF THE NEW BUSINESS PLAN

Since launching the Three-Year Business Plan (April 1, 2003 through March 31, 2006), Sojitz Holdings Corporation has devoted its efforts to improving profitability and reinforcing its financial strength. As a result, the Sojitz Group achieved final-year rationalization and financial targets during the first year of the plan. We also attained our first-year earnings targets.

The merger of our core operating companies, the former Nissho Iwai Corporation and the former Nichimen Corporation, resulted in the establishment of Sojitz Corporation on April 1, 2004.

The Sojitz Group surpassed its initial targets, however the reaction of the financial and stock markets was not as positive as it expected. We identified two concerns held by the market, namely over asset quality and our optimistic targets for profit growth.

To remove these concerns, the Sojitz Group decided to concentrate on regaining further creditability—the foundation of its operations. Consequently, on September 8, 2004, the Sojitz Group conducted a drastic review of its Three-Year Business Plan, and announced the New Business Plan (April 1, 2004 through March 31, 2007), which aims to restore market confidence in the Sojitz Group.

BASIC OBJECTIVES OF THE NEW BUSINESS PLAN

The New Business Plan has the basic objectives of establishing a robust financial position and evolving to a quality earnings structure. The plan has set third-year financial targets (March 2007) for recurring profit in excess of ¥75 billion, a net debt equity ratio (DER) of approximately 3 times, net interest-bearing debt of ¥1 trillion, and credit ratings of BBB or above.

REVIEW OF THE GROUP'S ASSET PORTFOLIO

To establish a robust financial position, the Sojitz Group is taking a different approach to drastically reviewing its overall asset portfolio. This drastic review identifies assets that carry the risk of additional future losses, and low-profit businesses as well as real estate assets that are currently inactive.

Through this review, the Sojitz Group plans to streamline total assets by as much as ¥600 billion during the fiscal year ending March 31, 2005. Accordingly, the Sojitz Group expects to incur extraordinary losses of approximately ¥410 billion. These initiatives, however, will put an end to the slide in asset quality and immediately restore the quality of our asset portfolio.

REINFORCING SHAREHOLDERS' EQUITY THROUGH CAPITAL INCREASES

In an aim to reinforce shareholders' equity to compensate for extraordinary losses, the Sojitz Group raised equity financing of ¥370 billion with the cooperation of financial institutions, mainly through the issuance of preferred stock on October 29, 2004, in order to build a management foundation strategically suited for growth after writing off underperforming assets. Through these measures to increase asset quality and reinforce financial strength by March 31, 2005, the Sojitz Group will be in a much stronger financial position. We intend to improve our trustworthiness as well as corporate credit ratings.

EVOLUTION TO A QUALITY EARNINGS STRUCTURE

The Sojitz Group is creating a quality earnings structure by further strengthening leading businesses and weeding out weaker businesses. In evaluating individual business units, we are rebuilding long-standing businesses into stronger businesses. The Sojitz Group is concentrating on business models in which it excels and can leverage profitability while balancing funding cost and risk.

ENHANCING AND STRENGTHENING RISK MANAGEMENT

With measures in place to establish a robust financial position and evolve to a quality earnings structure, the Sojitz Group aims to secure a stable source of earnings based on a solid financial foundation. We are also introducing a well designed risk management system. In international trading, a certain degree of risk is inherent in every transaction. Accordingly, trading companies should accept trading and investment risk and manage and minimize these risks relative to potential returns.

The Sojitz Group, as a trading company, is required to be a strong risk managing firm under any operating condition.

Accordingly, we introduced a comprehensive risk management system in 2003, the first year of consolidation for the former Nissho Iwai and the former Nichimen. The Sojitz Group is reinforcing and upgrading its risk management structure, while taking appropriate measures for managing credit risk, market risk, country risk, operational risk and other risks.

To our customers, we thank you for your understanding of our New Business Plan as we conduct business as usual. To our shareholders, we ask for your appreciation from a far-sighted point of view, as our efforts currently underway will realize new growth in a couple of years.

November 2004

Hidetoshi Nishimura
President and CEO

—Evolution to a Quality Earnings Structure—

FORMULATION OF THE NEW BUSINESS PLAN

The New Business Plan, which we launched on September 8, 2004, aims to enhance corporate value by quickly restoring market confidence in the Sojitz Group. As the core operating company of the Sojitz Group, Sojitz Corporation will establish a solid management platform unaffected by external conditions while pursuing the basic policies of establishing a robust financial position and evolving into a quality earnings structure.

We are significantly accelerating selection and focus initiatives with the aim of evolving into a quality earnings structure. The Sojitz Group is disposing of non-value creation businesses, which includes businesses for reorganization, while at the same time rationalizing business units that currently generate profits, but lack future potential. In an effort to enhance value in growth areas, the Group will also undertake capital investment, actively procure investment funds and finance, and pursue M&A with the aim of expanding existing businesses. We are constantly reviewing our business portfolios through the implementation of the following three processes:

- Withdraw from select and low-profit businesses
- Allocate management resources to growth areas
- Continuously enhance and strengthen the business portfolio and risk management with the aim of improving SCVA (Sojitz Corporation Value Added)

BUSINESS PORTFOLIO MANAGEMENT BASED ON SCVA

The Sojitz Group employs SCVA as a tool in pursuing selection and focus.

SCVA is a proprietary management indicator that measures profits generated through business operations, minus the minimum level of profits that should be generated. This indicator is used within the Sojitz Group as a criterion for selection and focus, and a measurement of the balance between risk and return.

In accelerating concentration and focus, we utilize SCVA to correctly identify profits relative to risks and the capital cost for each business line and business model, thereby clarifying each business's position, instead of applying SCVA to organizational units such as divisions and departments.

We will evaluate the allocation of management resources and whether or not to continue certain businesses according to our operational classifications. The businesses are classified as follows: core businesses, which will be reinforced and maintained for competitiveness as a foundation for earnings; opportunity businesses, which will be maintained within the scope of earning power; businesses for reevaluation, which will only focus on business lines consistent with management thinking; and businesses for reorganization, which will be reorganized, or from which we will withdraw.

Core businesses exist in each division. The Sojitz Group is managing business portfolios along each business line and business model by pursuing selection and focus through sufficient allocation of management resources to core businesses.

Of the Sojitz Group's 660 business models, 200 are classified as core businesses, 240 are opportunity businesses, 20 are businesses for reevaluation and 200 are businesses for reorganization. The Sojitz Group intends to effectively withdraw from the 200 business models in the businesses for reorganization category, and aggressively reinvest management resources freed up by this measure in growth areas related to core businesses and businesses for reevaluation. In allocating management resources, instead of a something-for-everyone approach, the Sojitz Group is limiting its focus on growth areas in which it is able to establish a competitive advantage by leveraging clearly identified strengths while pursuing higher efficiency in every aspect of operations.

With regard to withdrawing from select and low-profit businesses, the Sojitz Group will act decisively in the first year of the New Business Plan, ending March 31, 2005. In reviewing business portfolios based on SCVA, we aim to continuously optimize our business portfolios through an ongoing application of SCVA instead of finishing with a one-time review.

ROAD MAP FOR IMPROVED PROFITABILITY (RECURRING PROFIT OF ¥75 BILLION)

In its New Business Plan, the Sojitz Group has set a target for recurring profit of ¥75 billion by the fiscal year ending March 31, 2007. Management is confident of achieving this target, as it is the result of calculating earnings that are highly likely to be generated.

Compared with recurring profit of ¥48.5 billion recorded in the fiscal year ended March 31, 2004, the Sojitz Group plans on achieving recurring profit of ¥75 billion based on the following courses of action. From the starting point of ¥48.5 billion in recurring profit, we expect an initial decrease of ¥5 billion through the withdrawal from low-profit businesses. However, we expect recurring profit to increase ¥14.5 billion as a result of withdrawing from select businesses, in addition to an increase of ¥13 billion on improvements in interest expenses, stemming from reductions in interest-bearing debt. Moreover, we expect recurring profit to decrease ¥14 billion from a worsening in existing businesses, but for this to be compensated by an increase of ¥18 billion from growth in existing businesses. Based on the net effect of these factors, we are targeting a recurring profit of ¥75 billion.

In addition, the Sojitz Group plans to allocate ¥230 billion in funding for new investments, alliances, M&A activities and other initiatives. Since the impact of some new investments, alliances, and M&A activities on recurring profit is uncertain, we have not factored them into our recurring profit target.

CONFIDENT IN OUR ABILITY TO ACHIEVE

I believe it is my duty to build a high-quality earnings structure by achieving the objectives of the New Business Plan.

To achieve our objectives, we are accelerating selection and focus, while incessantly managing business portfolios based on SCVA, investing management resources in businesses we are strong in, and making every effort to expand growth areas. I am confident that the Sojitz Group will be able to achieve the targets presented in the New Business Plan.

The former Nissho Iwai and former Nichimen both have long histories of success reaching over 100 years. Based on their legacies, the Sojitz Group has a solid market foundation and a wide range of excellent customers, exceeding 100,000 companies in Japan and abroad. We have distinct evaluation skills to identify and develop businesses, as well as the ability to create added value. More than anything else, our greatest strength is our employees, who are full of vitality and who have been toughened by the experiences of maintaining and developing businesses under challenging operating conditions. The Sojitz Group is set apart by its management resources and employee passion, both of which are second to none.

By the fiscal year ending March 31, 2007, the final year of the New Business Plan, I promise to establish a quality earnings foundation and develop Sojitz Corporation in a way that satisfies the expectations of our stakeholders.

November 2004

Akio Dobashi
President and CEO

The Sojitz Group successfully achieved all rationalization targets identified in its Three-Year Business Plan (April 1, 2003 through March 31, 2006) by the end of March 31, 2004. At the same time, financial targets for the first year were also achieved. In addition, the Group disposed of approximately ¥200 billion, which comprised extraordinary loss disposition in March 2004 and merger accounting in connection with the integration of the former Nichimen Corporation and the former Nissho Iwai Corporation in April 2004, with the aim of restoring assets. These efforts, however, were not fully recognized by the market, and accordingly, in an effort to completely restore market confidence, the Sojitz Group undertook a drastic review of the Three-Year Business Plan and commenced implementation of the New Business Plan (April 1, 2004 through March 31, 2007).

BACKGROUND TO FORMULATION OF THE NEW BUSINESS PLAN

Three-Year Business Plan

The Three-Year Business Plan is essentially based on a rationalization concept. The Business Plan rationalization targets were achieved in the first year of the Plan. Financial targets for the first year were also achieved.

Progress of Rationalization	As of September 30, 2002	Reduction Planned by March 31, 2006	Reduction as of March 31, 2004
Number of Employees (Consolidated)	21,800	–6,200	–7,200
Number of Subsidiaries (Consolidated)	430	–160	–172
Number of Domestic Branches	8	–4	–4
Number of Overseas Operating Bases	187	–120	–125

Financial Targets	FY2002 Results	FY2003 Forecast	FY2003 Results
Recurring Profit (Billions of yen)*1	27.5	48.0	48.5
Net DER (Times)*2	41.4	8.5	4.9
Net Interest-Bearing Debt (Billions of yen)*3	2,087.6	1,945.0	1,557.1

*1 Recurring profit is in conformity with accounting line items generally accepted in Japan and represents the fundamental earning power of the Company
*2 Net DER = Net interest-bearing debt / Shareholders' equity
*3 Net interest-bearing debt = Gross interest-bearing debt (Long- and short-term debt + corporate and convertible bonds + CP) - Cash and cash equivalents

Asset quality restored through disposition totaling ¥200 billion of extraordinary loss in fiscal 2003 and April 1 merger accounting.

Extraordinary Loss Disposition	Rigorous reassessment focusing on investments in and loans to subsidiaries and affiliates, and overseas receivables	Extraordinary loss: ¥112.8 billion
Merger Accounting	Acceleration of impairment loss recognition of assets belonging to the former Nissho Iwai, chiefly real estate-related assets. Fully provided for unrecognized retirement benefit obligations	Revaluation loss: ¥84.1 billion

Despite implementation of the above measures, we have yet to regain the confidence of the market

Measures in Response to Pressing Issues

PRESSING ISSUES

- **Reduce operational risk, improve asset quality and liquidity**
- **Ensure stable funds procurement**
- **Establish the Sojitz brand based on restored confidence**
- **Clarify growth strategy**

MEASURES

- **Restoration of assets**
Implement drastic review and write-off of impaired assets in the fiscal year and immediate restoration of asset quality

- **Accelerate selection and focus**
Selection: withdraw from select and low-profit businesses, transform earnings structure through the allocation of management resources to businesses with competitive advantage in an effort to continuously improve business portfolio

- **Reinforce and improve risk management**
Control risk volume and improve risk/return

- **Revise financial targets**
Indicators for sound financial standing/profitability indicators/rating

Restore market confidence through a drastic review of the Three-Year Business Plan and implementation of the New Business Plan

FUNDAMENTAL POLICIES OF THE NEW BUSINESS PLAN

Objective: Enhance Corporate Value by Quickly Restoring Market Confidence
Build a more robust management foundation unaffected by external conditions and establish a position as an innovative functional trading company that delivers high-value-added functions and services

Fundamental Policies of the Former Business Plan → Drastic Review → Fundamental Policies of the New Business Plan

Reinforcement of Financial Strength

- Accumulate annual earnings, implement equity financing in excess of ¥200 billion (Actual implemented ¥283.2 billion)
- Reduce net interest-bearing debt through free cash-flows, etc.

Improvement in Profitability

- Selection and focus, and strategic allocation of management resources
- Implementation of rationalization measures —considerable reduction in SG&A expenses
- Maximization of synergies

Financial Targets for Fiscal Year Ending March 31, 2006

- Recurring Profit: In excess of ¥100 billion
- Net DER: 5 times or less

  Net interest-bearing debt: Below ¥2 trillion

Accelerate Revival

Establish a Robust Financial Position p.8

- Drastic review of the Group's asset portfolio (reducing operational risk and improving the quality and liquidity of assets)
- Reinforce shareholders' equity through capital increase in an effort to offset capital reduction triggered by drastic review of the Group's asset portfolio, and reduce interest-bearing debt

Evolution to a Quality Earnings Structure pp.9–11

- Accelerate selection and focus
  — Selection: withdraw from select and low-profit businesses, allocate management resources focusing on businesses with competitive advantage
- Improve SCVA (risk/return indicator), optimization of business portfolio
  — Continuously enhance and strengthen business portfolio and risk management

Revision of Financial Targets in Year 3 (March 2007) p.12

- Recurring Profit: ¥75 billion
- Net DER: approx. 3 times

  Net interest-bearing debt: ¥1 trillion
- Ratings: BBB or above

Establish a structure to objectively monitor progress of the Plan.
Ensure objectives of the New Business Plan are realized.

Establish a Robust Financial Position

Drastic Review of the Group's Asset Portfolio

Adopting a completely new approach, the Group has decided on a one-off write-off of approximately ¥410 billion in the first fiscal year of the New Business Plan in relation to its low-profit businesses and assets that are assessed as presenting future risk. With this initiative, the Group will achieve a complete restoration of its assets.

Accelerate Selection and Focus — ¥260 billion

Loss associated with withdrawal from low-profit businesses and write-off of overseas investments and loans, which used to be classified as continuous operations.
(Low-profit businesses in the area of overseas plant business, aircraft finance business, low-profit businesses in the area of overseas automobile business, and other businesses)

Note: Incorporating the views and assessment of the Group's asset portfolio provided by an independent third party.

Dispose of Real Estate — ¥150 billion

Exit costs attributed to the disposal of real estate (former Head Office building, other real estate / real estate for sale / other lease properties)

Note: Appointed the Mitsubishi Trust and Banking Corporation and UFJ Trust Bank Limited, as advisors and are currently examining all issues in connection with full and final disposal.

Impact on the balance sheet

—Total assets
Reduction totaling approximately ¥600 billion

—Cash generation
approximately ¥150 billion

Immediately Restore Asset Quality

Reinforce Shareholders' Equity

Raise ¥370 billion of equity financing with the aim of refortifying shareholders' equity following the recording of an approximate ¥410 billion loss, and reduction of interest-bearing debt

<Details of Equity Financing>

Amount	¥370 billion
Method	Issue of preferred stocks by way of third-party allocation: ¥360 billion Issue of convertible bonds with stock acquisition rights by way of third-party allocation: ¥10 billion
Payment Date	October 29, 2004
Investors	Preferred stocks: UFJ Bank, Mizuho Corporate Bank, Bank of Tokyo-Mitsubishi, UBS Group Convertible bonds with stock acquisition rights: UBS Group

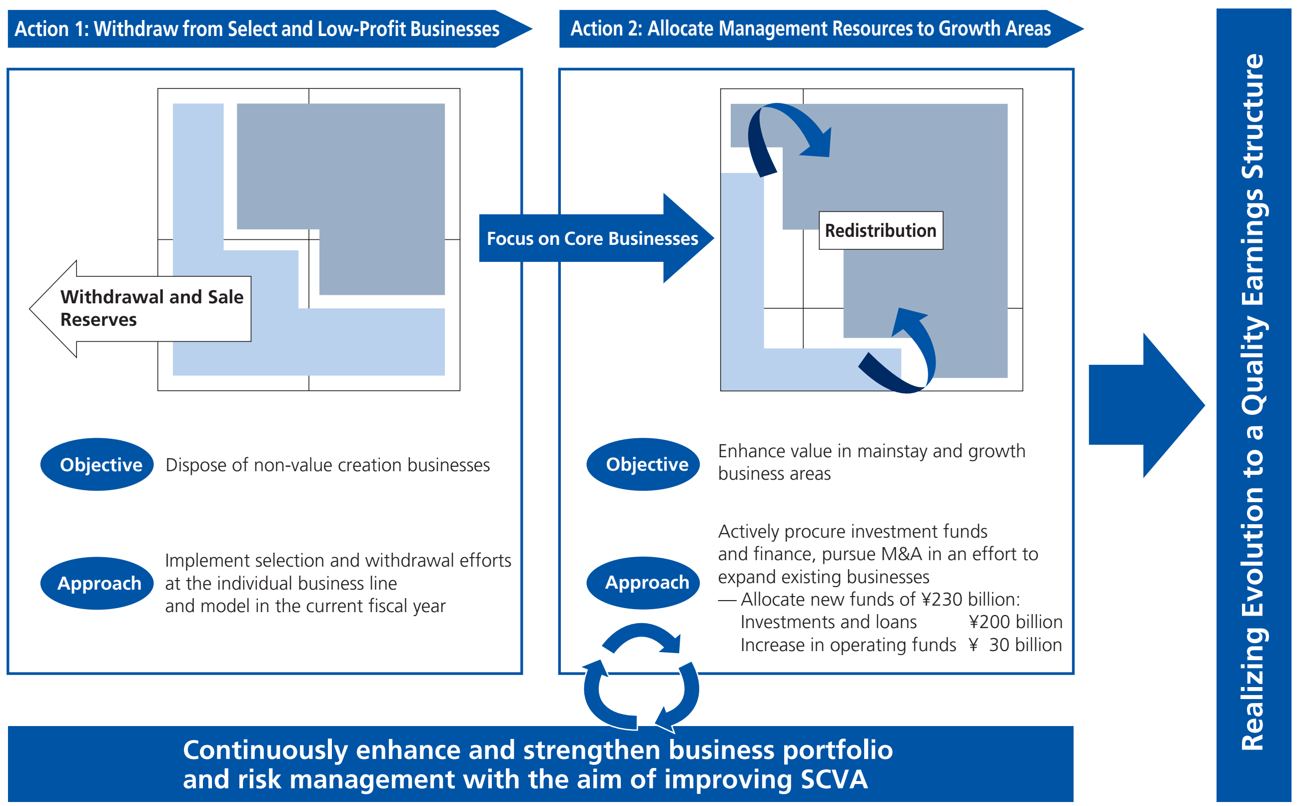
Significantly improve shareholders' equity ratio, DER, secure a sound balance sheet, and enhance credit worthiness

The Sojitz Group is forecasting a substantial deficit in retained earnings as a result of the extraordinary loss in conjunction with drastic review of the Group's asset portfolio and resultant write-off. The Sojitz Group 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 involve a transfer within shareholders' equity. Accordingly, there will be no change to the Company's net worth nor to shareholders' equity per share. Through this procedure of recovering the deficit in retained earnings and efforts to secure retained earnings from fiscal 2005, the Sojitz Group is working toward the payment of dividends from the fiscal year ending March 31, 2007.

Evolution to a Quality Earnings Structure

Accelerate Selection and Focus—Fundamental Policy

The Sojitz Group is disposing of non-value creation businesses, which include select and low-profit businesses, while at the same time rationalizing business units that currently generate profits, but lack future potential. In an effort to enhance value in growth areas, the Group will also undertake capital investment, actively procure investment funds and finance, and pursue M&A with the aim of expanding existing businesses. Sojitz is committed to improving SCVA and evolving to a quality earnings structure by continuously reviewing its business portfolios.



Allocate Resources to Growth Business Areas—Expand Businesses with Strength

In the future, the Sojitz Group will selectively allocate resources to only those businesses with clearly identified strengths and competitive advantages. In an effort to further shore up these strengths, the Group will selectively allocate ¥230 billion in growth business areas. Through these measures, Sojitz will not only secure a firm earnings footing, but also sow the seeds for future growth while fortifying its earnings plan.

Two Inherent Sojitz Strengths

Ability to Create Value Added

Progressively raise value added by combining diverse and sophisticated business functions with detailed measures
- — Manufacturing function
- — Planning proposal function
- — Establish optimal production bases for optimal sales
- — Inventory operation
- — Logistics function

Evaluation Skills

Develop and create profit opportunities through the use of highly specialized and proprietary information
- — Data base sourced from long-standing relationships
- — High profit opportunity evaluation skills
- — Prompt response

A broad first-class customer and market platform exceeding 100,000 companies including mid-tier and medium-size enterprises

Shore Up Sojitz's Two Inherent Strengths

Further enhance functions through the acquisition of complementary functions and global business collaboration

Strengthen risk management control / Further raise investment capabilities in profitable opportunities through an increase in investment allocation

Business Development that Serve to Harness Strengths:

Aircraft-Related Businesses
Acquire new agency agreements and develop charter operations based on its long-standing experience and expertise as sales agent for leading prime aircraft manufacturers in the sale of aircraft to domestic and overseas airlines and as a conduit of aircraft information.

Automobile-Related Businesses
Establish a comprehensive distribution value chain that incorporates the supply of molds, materials and parts to automobile and components manufacturers through sales network for finished components and automobiles. Strengthen downstream activities in growth markets such as China.

Apparel Business
In addition to its planning and proposal capabilities in connection with the differentiation and supply of raw materials, establish a supply chain management (SCM) value chain as the basis for an optimal overseas production network and distribution. Deliver added value to customers (apparel makers, specialty stores, general merchandisers).

Investment in Petroleum (Undeveloped Identified Reserves) and Marine Projects
Sojitz outstrips its competitors based on investments in floating production storage and offloading (FPSO) units, long-standing experience and practical capabilities in a wide range of finance activities, and its wealth of information in petroleum trading. Promote business development underpinned by its expertise in risk diversification and financial know-how.

Coal Business
Develop optimal procurement strategy including a variety of sources such as Indonesia, Australia and the United States in addition to its top share of Chinese and Russian coal imports. Build a stable supply structure servicing Japan's iron and steel and electric power companies.

Condominium- and Retail Facility-Related Businesses
Continuously secure prime properties and develop business that accurately reflect trends in consumer preferences based on the Group's wealth of property procurement information, high-quality selection process, and speedy decision making.

Enhancing Business Portfolio Strategies—Fundamental SCVA Framework

Sojitz has introduced SCVA (Sojitz Corporation Value Added) as a new common management indicator across the Group. SCVA serves as a tool to analyze current value creation and the future potential for each business line and business model as value-creation mechanisms with the aim of prioritizing business activities and effectively reallocating management resources. The Sojitz Group will thoroughly implement its business portfolio strategies based on SCVA and enhance corporate value.

Business Evaluation

- Quantitative evaluation (SCVA) and qualitative evaluation (market growth potential and competitive advantage)
- More detailed measurements based on business lines and business models

	(Quantitative) Value Creation (Introduce SCVA)	(Qualitative) Business Platform
Evaluation Standards	• Identify profitability and capital efficiency by individual business through indicators that accurately reflect capital cost, risk and other factors • Indicators that can be commonly shared between management and the frontline	• Conduct qualitative evaluation of each business to gauge market growth potential and competitive advantage as a mechanism to create value and potential • Secure objective and transparent assessment through third-party evaluation
Evaluation Measures	**More Detailed Measurements Based on Business Lines and Business Models** • Clarify earning platform and risk through detailed evaluation measures • Secure a cross-sectional value chain →Efficiently and organically derive measures based on each business line and model as quickly as possible	

Fundamental SCVA Framework

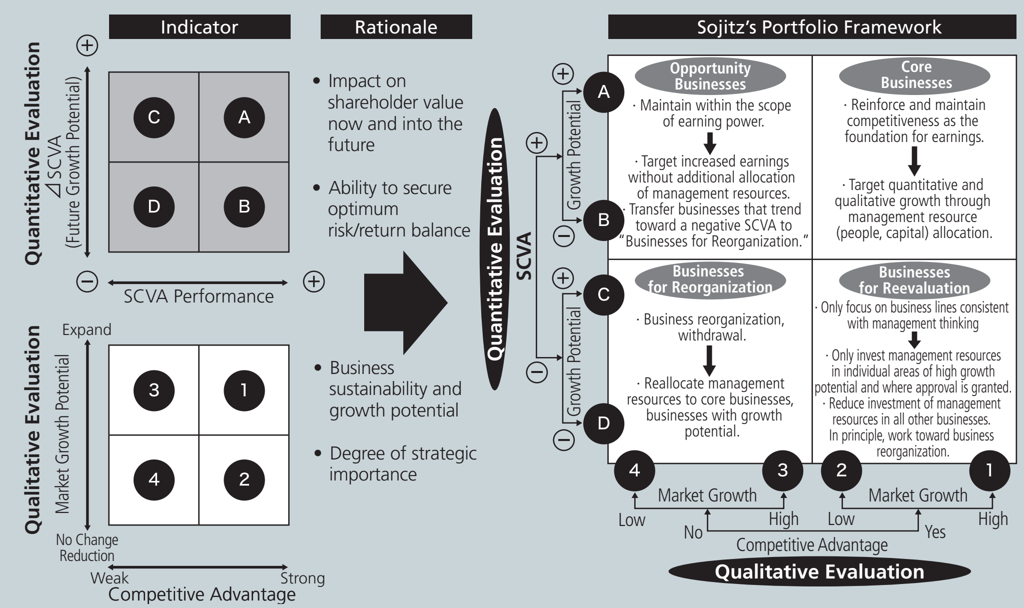
Introduce an indicator that accurately reflects capital cost, risk and other factors shared between management and the frontline with the aim of creating value

SCVA = (Recurring Profit+Interest Expense) x (1–Tax Rate) – (Funds Utilized x Capital Cost Ratio)

To Improve SCVA ➡ Improvement in Profitability + Reduction in Funds Utilized + Comprehensive Risk Management

Matrix Evaluation

Implement audit at each individual business line and model based on SCVA management, focus on the business strengths of the Sojitz Group, look beyond conventional product lines with the aim of evolving to a quality earnings structure.



Evolution to a Quality Earnings Structure

Portfolio Reform

The Sojitz Group is working to selectively reallocate resources to growth business areas, consistently optimize resources, expand businesses in which the Group maintains its strengths and competitive advantage, and improve SCVA, by constantly reviewing its business portfolio.

Comparison with Business Example (Pre-Write-Off FY2004 Forecasts)

Opportunity Businesses
Invested capital ¥ 310 billion
SCVA ¥ 17 billion
Businesses in each segment that create value despite limited comparative advantage

Core Businesses
Invested capital ¥ 380 billion
SCVA ¥ 25 billion
- Development of oil, gas and coal
- Logs and wood products
- Tuna
- Apparel
- Aircraft
- Automobiles (China)

Businesses for Reorganization
Invested capital ¥ 480 billion
SCVA ¥ -21 billion
- Low-profit business units in Japan and overseas
- Low-profit investment and loans in overseas subsidiaries

Businesses for Reevaluation
Invested capital ¥ 70 billion
SCVA ¥ -4 billion
Business units with comparative advantage despite the deconstruction of value

Measures for improving SCVA

1) Increase profitability in existing businesses (Increase profit ratio, reduce SG&A expenses)
—Core Businesses and Opportunity Businesses
2) Increase capital efficiency
Reduce capital costs
—Core Businesses and Opportunity Businesses
3) Increase earnings through capital investment in growth business areas
—Core Businesses and Businesses for Reevaluation
4) Withdrawal from low-profit businesses
—Businesses for Reorganization, Businesses for Reevaluation and Opportunity Businesses

Comparison with FY2006 Plan

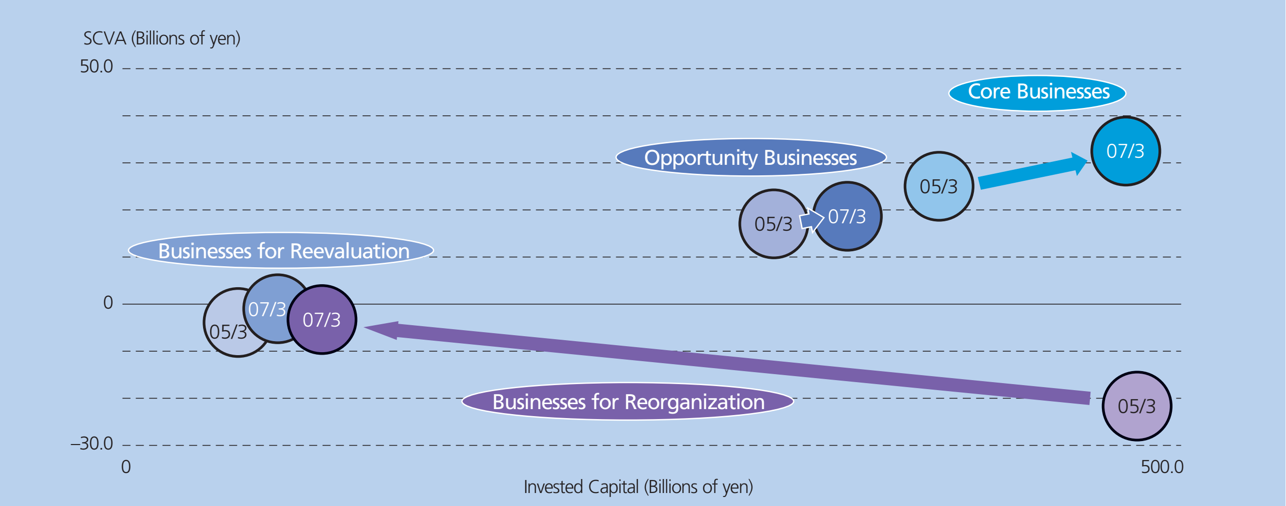
Opportunity Businesses
Invested capital ¥ 340 billion
¥ +30 billion
SCVA ¥ 18 billion
¥ +1 billion

Core Businesses
Invested capital ¥ 470 billion
¥ +90 billion
SCVA ¥ 33 billion
¥ +8 billion

Businesses for Reorganization
Invested capital ¥ 90 billion
¥ -390 billion
SCVA ¥ -4 billion
¥ +17 billion

Businesses for Reevaluation
Invested capital ¥ 80 billion
¥ +10 billion
SCVA ¥ -2 billion
¥ +2 billion

Accelerate withdrawal from select and low-profit businesses,
Expand businesses in which the Sojitz Group maintains competitive advantage



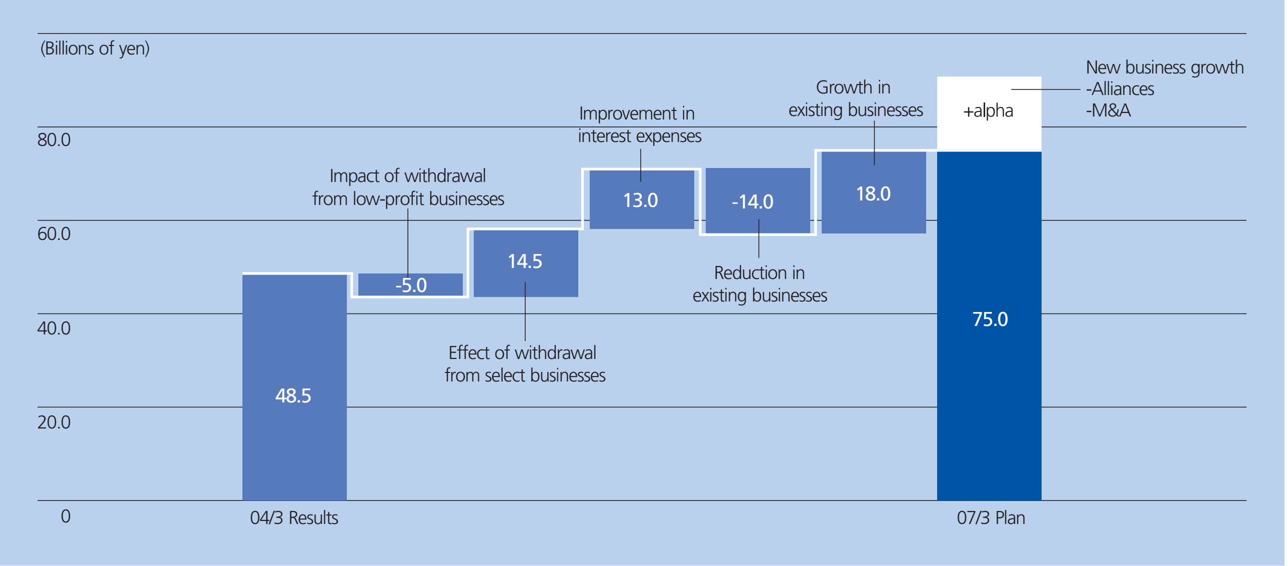
Note: Circles marked 07/3 represent plan for FY2006, those marked 05/3 the pre-write-off FY2004 forecasts

Revision of Financial Targets in Year 3 (March 2007)

The Group is committed to establishing a robust financial position and to evolving its earnings structure with the aim of achieving recurring profit in excess of ¥75 billion, net DER of approximately three times, and a BBB or above credit rating. Sojitz will implement a series of concrete measures in an effort to achieve these financial targets and to promptly restore market confidence.

Road Map for Improved Profitability (Recurring Profit of ¥75 Billion)

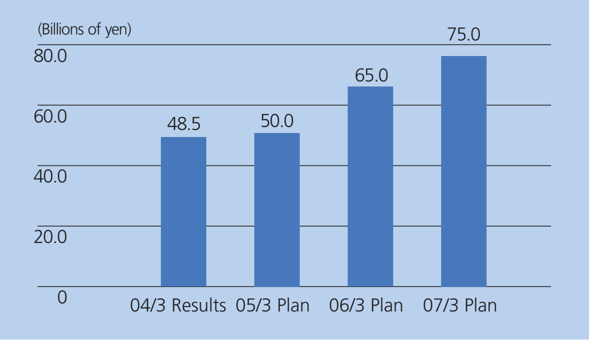
Secure profitability of ¥75 billion + alpha on a recurring profit basis, by restoration of asset quality and acceleration of selection and focus



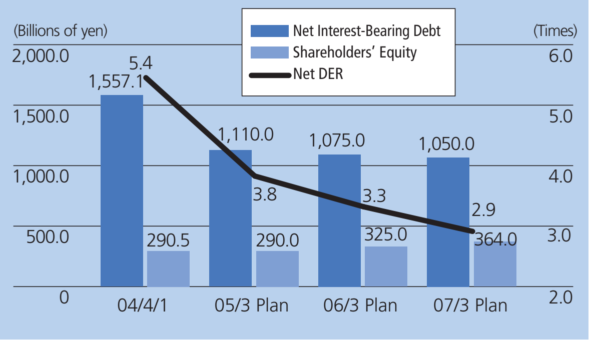
Financial Targets in Year 3 (March 2007) - Consolidated Basis

Quickly restoring market confidence by establishing a robust financial position and evolving into a quality earnings structure

Recurring Profit: ¥75 billion



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



Note: Figures as of April 1, 2004 are reference data representing the merger of the former Nichimen Corporation and the former Nissho Iwai Corporation

Ratings: BBB or above

FINANCIAL SUMMARY

For the year ended March 31, 2004:

	2004
	(Millions of yen)
Net sales (Total trading transactions)	5,861,737
Gross trading profit	249,023
Operating income	59,949
Net loss	(33,609)
As of March 31:	
Total assets	3,077,022
Total shareholders' equity	316,235
Interest-bearing debt	1,992,726
	(Yen)
Per share amounts:	
Net loss	(172.52)
Shareholders' equity	235.43
Dividends	—
Equity ratio	10.3 %
Net DER	4.9 times

CORPORATE DATA

As of October 31, 2004

SOJITZ HOLDINGS CORPORATION

Company Name:	Sojitz Holdings Corporation
Head Office:	1-20, Akasaka 6-chome, Minato-ku, Tokyo 107-8655, Japan
Date Established:	April 1, 2003
President & CEO:	Hidetoshi Nishimura
Capital Stock:	¥331,106 million
Stock Exchange Listings:	Tokyo, Osaka
Main Subsidiaries:	Sojitz Corporation, Sojitz Shared Service Corporation
URL:	http://www.sojitz-holdings.com

SOJITZ CORPORATION

Company Name:	Sojitz Corporation
Head Office:	1-20, Akasaka 6-chome, Minato-ku, Tokyo 107-8655, Japan
Date Established:	November 10, 1892
President & CEO:	Akio Dobashi
Capital Stock:	¥292,184 million
Number of Business Offices:	4 domestic offices, 62 overseas offices (As of April 1, 2004)
Number of Employees:	Consolidated: 16,633 Non consolidated: 1,997 (As of September 30, 2004)
Shareholder:	Sojitz Holdings Corporation (100%)
URL:	http://www.sojitz.com

FORWARD-LOOKING STATEMENTS

The information in this New Business Plan about future performance (forward-looking statements) is based on information available to management at the time of its disclosure. Accordingly, readers are advised that actual results may differ from forward-looking statements due to a wide variety of factors including but not limited to conditions in the Company's principal overseas and domestic markets, economic conditions, and changes in foreign currency exchange markets.

Other information may be obtained from:
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