

Please note that the following is an unofficial English translation of Japanese Notice of Extraordinary General Meeting of Shareholders and Class-specific Meeting of Ordinary Shareholders of Sojitz Holdings Corporation to be held on September 29, 2004. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

September 10, 2004

To: Shareholders

Hidetoshi Nishimura  
President and CEO  
Sojitz Holdings Corporation  
1-20, Akasaka 6-chome,  
Minato-ku, Tokyo

### **Notice of Extraordinary General Meeting of Shareholders and Class-specific Meeting of Ordinary Shareholders**

Dear Shareholders,

You are cordially invited to an Extraordinary General Meeting of Shareholders and a Class-specific Meeting of Ordinary Shareholders to be held as specified below.

Since "Partial Changes to the Articles of Incorporation" is an agenda to be submitted to the Extraordinary Meeting of Shareholders, said agenda requiring a resolution of a classified meeting of ordinary shareholders in accordance with Article 345 of the Commercial Law, the Class-specific Meeting of Ordinary Shareholders shall be held simultaneously.

**If you are unable to attend the meetings, you are advised hereby to execute your voting right in writing. Please review the attached reference document and indicate your decision on the Exercise of Voting Right form, place your seal or signature, and mail it in time for the delivery to us by September 28, 2004.**

#### Meeting Details

1. **Date and Time:** 10:00 a.m., September 29 (Wednesday), 2004
  2. **Place:** 23<sup>rd</sup> Floor Tradepia Odaiba
  3. **Resolution Matter**  
**Agenda:** Partial Changes to the Articles of Incorporation  
**The essence of the agenda is described in the attached "Reference Document Concerning Exercise of Voting Right."**
- The present meeting of shareholders serves as Class-specific Meeting of ordinary shareholders as well.**

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If you plan to attend the meeting, please submit the enclosed Exercise of Voting Right form to the receptionist at the meeting.

## Reference Document Concerning Exercise of Voting Right

**1. Number of voting rights of the entire shareholders**  
**(Number of voting rights of ordinary shareholders)** 2,080,047

### **2. Agenda and reference document**

**Agenda:** Partial Changes to the Articles of Incorporation

1. Reasons for changes

We decided to review the current business plan thoroughly in order to prepare a "New Business Plan" (as a three year plan starting with this year) and implement it. The basic policy of the "New Business Plan" is to achieve a "radical enhancement of financial strength" and a "reform for achieving a healthy profit making structure," so that we can establish a solid management basis that cannot be affected by business environment that surrounds us and quickly recover our credibility in the market, thus improving our corporate value.

In order to achieve a radical enhancement of financial strength, we must reanalyze our assets, pull out from the areas where we are not making profits, and dispose real estates, so that we can improve the asset quality in one bald stroke. It will be a loss disposition of approximately ¥400 billion on the consolidated basis. In order to compensate for the loss of shareholder's equity resulting from this, we are strongly urging subscriptions of major financial institutions including UFJ Bank as well as UBS Group for our capital increase through preferred stock issues.

In order to be prepared for the issues of new types of preferred stocks, changes are made here to the Articles of Incorporation by adding new rules for Class IV, Class V and Class VI stocks, setting up the issuing ranges for these preferred stocks, and increasing the issuing range of ordinary stocks.

Please be advised that various classified meetings of shareholders will be held on September 28, namely, the First Meeting of Class I Preferred Shareholders, the Second Meeting of Class I Preferred Shareholders, the Third Meeting of Class I Preferred Shareholders, the Fourth Meeting of Class I Preferred Shareholders, the First Meeting of Class II Preferred Shareholders, and the First Meeting of Class III Preferred Shareholders.

2. Details of changes

The portions of the present articles of incorporation that are affected and the proposed changes are as shown below. (Changes are underlined.)

Present Articles of Incorporation	Proposed Changes
<p>Article 5 (Total Number of Stocks Issued)</p> <p>The total number of stocks to be issued is <u>617,432,600</u> shares, of which <u>463,432,600</u> shares are ordinary stocks, 110,000,000 shares are Class I preferred stocks, 33,000,000 shares are Class II preferred stocks and 11,000,000 shares are Class III preferred stocks. However, if any retirements of ordinary stocks or any retirements or conversions of preferred stocks into ordinary stocks occur, the equivalent number of shares will be reduced from the number of corresponding types of stocks.</p> <p>Article 6 (One Unit of Stock)</p> <p>I The number of shares per one unit of stocks for the ordinary stock, Class I preferred stock, Class II preferred stock and Class III preferred stock of the Company shall be 100 shares.</p> <p>II The Company shall not issue certificate of shares that correspond to less than one unit ("Fractional Unit Shares") except in cases specified otherwise in the Stock Handling Rules.</p> <p>III A shareholder who owns Fractional Unit Shares of the Company (hereinafter including substantial shareholders) shall be able to request the Company to sell a number of shares that make up one unit of stock when combined with Fractional Unit Shares by paying a certain amount of fee specified in the Stock Handling Rules, except in case the Company does not own the requested shares or in case of special circumstances specified in the Stock Handling Rules.</p>	<p>Article 5 (Total Number of Stocks Issued)</p> <p>The total number of stocks to be issued is <u>1,200,000,000</u> shares, of which <u>989,000,000</u> shares are ordinary stocks, 110,000,000 shares are Class I preferred stocks, 33,000,000 shares are Class II preferred stocks, <u>11,000,000</u> shares are Class III preferred stocks, <u>40,000,000</u> shares are Class IV preferred stocks, <u>15,000,000</u> shares are Class V preferred stocks and <u>2,000,000</u> shares are Class VI preferred stocks. However, if any retirements of ordinary stocks or any retirements or conversions of preferred stocks into ordinary stocks occur, the equivalent number of shares will be reduced from the number of corresponding types of stocks.</p> <p>Article 6 (One Unit of Stock)</p> <p>I The number of shares per one unit of stocks for the ordinary stock, Class I preferred stock, Class II preferred stock, <u>Class III preferred stock, Class IV preferred stock, Class V preferred stock, and Class VI preferred stock</u> of the Company shall be 100 shares.</p> <p>II The Company shall not issue certificate of shares that correspond to less than one unit ("Fractional Unit Shares") except in cases specified otherwise in the Stock Handling Rules.</p> <p>III A shareholder who owns Fractional Unit Shares of the Company (hereinafter including substantial shareholders) shall be able to request the Company to sell a number of shares that make up one unit of stock when combined with Fractional Unit Shares by paying a certain amount of fee specified in the Stock Handling Rules, except in case the Company does not own the requested shares or in case of special circumstances specified in the Stock Handling Rules.</p>

Present Articles of Incorporation	Proposed Changes
(New item)	<p><u>Article 9-5 (Class IV Preferred Stock)</u></p> <p><u>I (Class IV Dividend)</u></p> <p><u>1. In paying profit dividends to ordinary shareholders and ordinary registered pledgees in accordance with Article 37, the Company shall pay a profit dividend to be determined by the method defined in the next section for each share of Class IV preferred stock (“Class IV Dividend”) to shareholders of Class IV preferred stocks (“Class IV Preferred Shareholders”) or registered pledgees of Class IV referred stocks (“Class IV Preferred Registered Pledgee”), if the sum of the amount of profit dividend per each share of ordinary stock and the amount of mid-term dividend per each share of ordinary stock when mid-term dividends in accordance with Article 38 are paid to ordinary shareholders and ordinary registered pledgees for the particular fiscal year (hereinafter called in this section as “Ordinary Share Annual Dividend”) exceeds the amount resolved in the board of directors meeting at the time of issuing Class IV preferred stocks.</u></p> <p><u>2. The amount of Class IV Dividend shall be the amount obtained by dividing the Ordinary Share Annual Dividend by the market price of the ordinary share of the Company according to the method resolved by the board of directors meeting at the time of issuance, multiplying the quotient by the amount equivalent to the issuing price per share of the Class IV preferred stock, and further multiplying its product by 1.2 (any fractional amount less than a tenth of an yen being rounded up) (“Class IV Annual Dividend”). However, if the Class IV Mid-term Dividend defined in the next section is paid during the particular fiscal year, any residual amount remaining after subtracting said Class IV Mid-term Dividend from the Class IV Annual Dividend shall be paid as the Class IV dividend. Moreover, the amount of the Class IV dividend shall be such that when it is added to the Class IV Mid-term Dividend in case when the Class IV Mid-term Dividend is paid in the particular fiscal year shall not exceed the amount obtained by multiplying the amount equivalent to the per-share issuing price of the Class IV preferred stock by 20/100.</u></p>

Present Articles of Incorporation	Proposed Changes
	<p>3. <u>The order of payment of the dividend for ordinary stocks and the Class IV Dividend shall be the same order.</u></p> <p>II (Class IV Mid-term Dividend)</p> <p>1. <u>In paying the mid-term dividend in accordance with Article 38 to ordinary shareholders and ordinary registered pledgees with a mid-term dividend amount per share of ordinary stock that exceeds the amount resolved by the board of directors meeting in issuing Class IV preferred stocks, the Company shall pay an amount to be determined by the method defined in the next section for each share of Class IV preferred stock (“Class IV Mid-tem Diviend”) to the Class IV Preferred Shareholders or the Class IV Preferred Registered Pledgees.</u></p> <p>2. <u>The amount of Class IV Mid-term Dividend shall be the amount obtained by dividing the Mid-term Dividend to be paid to ordinary shareholders and ordinary registered pledges by the market price of the ordinary share of the Company according to the method resolved by the board of directors meeting at the time of issuance, multiplying the quotient by the amount equivalent to the issuing price per share of the Class IV preferred stock, and further multiplying its product by 1.2 (any fractional amount less than a tenth of an yen being rounded up). However, the amount of the Class IV Mid-term Dividend per share of the IV preferred stock shall not exceed a value equivalent to the per-share issuing price of the Class IV preferred stock multiplied by 10/100.</u></p> <p>3. <u>The order of payment of the mid-term dividend for ordinary stocks and the Class IV Mid-term Dividend shall be the same order.</u></p> <p>III (Distribution of Remaining Assets)</p> <p>1. <u>In the distribution of remaining assets, the amount equivalent to the per-share issuing price of a Class IV preferred stock shall be paid for each share of Class IV preferred stock to the Class IV Preferred Shareholders and the Class IV Preferred Registered Pledgees ahead of ordinary shareholders and ordinary registered pledgees.</u></p> <p>2. <u>No asset distribution shall be made to the Class IV Preferred Shareholders and the Class IV Preferred Registered Pledgees other than those described in the previous section.</u></p>

Present Articles of Incorporation	Proposed Changes
	<p><u>IV (Purchase Retirement of Class IV Preferred Stocks)</u>  <u>The Company can always buy back Class IV preferred stocks and retire them at particular purchase price with the profit to be distributed to shareholders.</u></p> <p><u>V (Voting Right)</u>  <u>The Class IV Preferred Shareholders shall have no voting rights at a shareholders meeting.</u></p> <p><u>VI (Consolidation and Split of Shares, Granting Subscription Right, etc.)</u></p> <ol style="list-style-type: none"> <li><u>1. The Company shall not consolidate or split Class IV preferred stocks unless otherwise stated by the law.</u></li> <li><u>2. The Company shall not grant the Class IV Preferred Shareholders any subscription right or stock options or subscription right to bonds with stock options</u></li> </ol> <p><u>VII (Conversion Option)</u>  <u>The Class IV Preferred Shareholders shall be able to request conversions of Class IV preferred stocks to ordinary stocks during the period resolved by the board of directors meeting at the time of the issuance under the conversion condition based on the resolution of the same meeting.</u></p> <p><u>VIII (Excluded Period for Class IV Dividend, etc.)</u>  <u>The regulations of Article 39 shall be applied to the payments of the Class IV Dividend and the Class IV Mid-term Dividend.</u></p>

Present Articles of Incorporation	Proposed Changes
<p>(New item)</p>	<p>Article 9-6 (Class V Preferred Stock)</p> <p><u>I (Class V Preferred Dividend)</u></p> <p>1. <u>In paying profit dividends in accordance with Article 37, the Company shall pay to shareholders of Class V preferred stocks ("Class V Preferred Shareholders") or registered pledgees of Class V referred stocks ("Class V Preferred Registered Pledgee"), ahead of ordinary shareholders and ordinary registered pledgees, a profit dividend for each share of the Class V preferred stock ("Class V Preferred Dividend"), not exceeding the upper limit for the particular fiscal year calculated by multiplying an amount equivalent to the per-share issuing price of the Class V preferred stock by 10/100, in accordance with the resolution of the board of directors meeting at the time of the issuance. However, if the Class V Mid-term Dividend defined in the next section is paid during the particular fiscal year, any residual amount remaining after subtracting said Class V Mid-term Dividend from the Class V Annual Dividend shall be paid as the Class V dividend.</u></p> <p>2. <u>When the amount of profit dividend to be paid to the Class V Preferred Shareholders or the Class V Preferred Registered Pledgees in a particular fiscal year do not reach the amount of the Class V Preferred Dividend, the shortage amount shall be carried over to the next fiscal year.</u></p> <p>3. <u>No amount of dividends exceeding the Class V Preferred Dividend shall be paid to the Class V Preferred Shareholders and the Class V Preferred Registered Pledgees.</u></p> <p><u>II (Class V Mid-term Dividend)</u></p> <p><u>In paying mid-term dividends in accordance with Article 38, the Company shall pay to the Class V Preferred Shareholders or the Class V Preferred Registered Pledgees, ahead of ordinary shareholders and ordinary registered pledgees, an amount for each share of the Class V preferred stock ("Class V Preferred Mid-term Dividend"), not exceeding the upper limit calculated by multiplying the Class V Preferred Dividend of the particular fiscal year by 1/2, as esolved by the board of directors meeting at the time of the issuance.</u></p>

Present Articles of Incorporation	Proposed Changes
(New item)	<p><u>III (Distribution of Remaining Assets)</u></p> <ol style="list-style-type: none"> <li><u>1. In the distribution of remaining assets, the amount equivalent to the per-share issuing price of a Class V preferred stock shall be paid for each share of Class V preferred stock to the Class V Preferred Shareholders and the Class V Preferred Registered Pledges ahead of ordinary shareholders and ordinary registered pledges.</u></li> <li><u>2. No asset distribution shall be made to the Class V Preferred Shareholders and the Class V Preferred Registered Pledges other than those described in the previous section.</u></li> </ol> <p><u>IV (Purchase/Retirement of Class V Preferred Stocks)</u>  <u>The Company can always buy back Class V preferred stocks and retire them at particular purchase price with the profit to be distributed to shareholders.</u></p> <p><u>V (Voting Right)</u>  <u>The Class V Preferred Shareholders shall have no voting rights at a shareholders meeting.</u></p> <p><u>VI (Consolidation and Split of Shares, Granting Subscription Right, etc.)</u></p> <ol style="list-style-type: none"> <li><u>1. The Company shall not consolidate or split Class V preferred stocks unless stated by the law.</u></li> <li><u>2. The Company shall not grant the Class V Preferred Shareholders any subscription right or stock options or subscription right to bonds with stock options</u></li> </ol> <p><u>VII (Conversion Option)</u>  <u>The Class V Preferred Shareholders shall be able to request conversions of Class V preferred stocks to ordinary stocks during the period resolved by the board of directors meeting at the time of the issuance under the conversion condition based on the resolution of the same meeting.</u></p> <p><u>VIII (Excluded Period for Class V Dividend, etc.)</u>  <u>The regulations of Article 39 shall be applied to the payments of the Class V Dividend and the Class V Mid-term Dividend.</u></p> <p><u>Article 9-7 (Class VI Preferred Stock)</u></p> <p><u>I (Class VI Preferred Dividend)</u>  <u>The Company shall pay no profit dividend based on Article 37 to shareholders of Class VI preferred stocks (“Class VI Preferred Shareholders”) or registered pledges of Class VI referred stocks (“Class VI Preferred Registered Pledge”).</u></p>



Present Articles of Incorporation	Proposed Changes
	<p><u>II (Class VI Mid-term Dividend)</u>  <u>The Company shall pay no mid- dividend based on Article 38 to the Class VI Preferred Shareholders or the Class VI Preferred Registered Pledges.</u></p> <p><u>III (Distribution of Remaining Assets)</u></p> <ol style="list-style-type: none"> <li><u>1. In the distribution of remaining assets, the amount equivalent to the per-share issuing price of a Class VI preferred stock shall be paid for each share of Class VI preferred stock to the Class VI Preferred Shareholders and the Class VI Preferred Registered Pledges ahead of ordinary shareholders and ordinary registered pledges.</u></li> <li><u>2. No asset distribution shall be made to the Class VI Preferred Shareholders and the Class VI Preferred Registered Pledges other than those described in the previous section.</u></li> </ol> <p><u>IV (Purchase Retirement of Class VI Preferred Stocks)</u>  <u>The Company can always buy back Class VI preferred stocks and retire them at particular purchase price with the profit to be distributed to shareholders.</u></p> <p><u>V (Forced Redemption of Class VI Preferred Stocks)</u></p> <ol style="list-style-type: none"> <li><u>1. The Company shall be entitled to redeem forcibly a portion or all of Class VI preferred stocks when the closing price of the ordinary stocks of the company in ordinary transactions at the Tokyo Stock Exchange exceeds the value calculated by multiplying the conversion price of the Class VI preferred stock (resolved by the board of directors at the time of the issuance) applicable to the particular transaction day by a certain ratio resolved by the board of directors at the time of the issuance for 20 consecutive days anytime after the day three years have passed from the issuing date of the Class VI preferred stocks.</u></li> <li><u>2. The redemption price per share of the Class VI preferred stock shall be a value equivalent to the per-share issuing price of the Class VI preferred stock.</u></li> <li><u>3. A partial redemption shall be made by methods of lottery, etc.</u></li> </ol>

Present Articles of Incorporation	Proposed Changes
	<p><u>VI (Voting Right)</u>  <u>The Class VI Preferred Shareholders shall have no voting rights at a shareholders meeting.</u></p> <p><u>VII (Consolidation and Split of Shares, Granting Subscription Right, etc.)</u>  1. <u>The Company shall not consolidate or split Class VI preferred stocks unless otherwise stated by the law.</u>  2. <u>The Company shall not grant the Class VI Preferred Shareholders any subscription right or stock options or subscription right to bonds with stock options</u></p> <p><u>VIII (Conversion Option)</u>  <u>The Class VI Preferred Shareholders shall be able to request conversions of Class VI preferred stocks to ordinary stocks during the period resolved by the board of directors meeting at the time of the issuance under the conversion condition based on the resolution of the same meeting.</u></p> <p><u>IX (Forced Conversion Clause)</u>  1. <u>The Class VI preferred stocks that were not requested to be converted during the period in which they could have been requested to be converted shall become ordinary stocks of a number calculated by dividing the value equivalent to the issuing price of a Class VI preferred stock by the average of the closing prices (including quotations) of ordinary transactions of the ordinary stock of the Company at the Tokyo Stock Exchange during a period of 30 days starting on the 45th trading day prior to the forced conversion reference date (excluding non-trading days; hereinafter called "Forced Conversion Price"), except that the calculation of the average price is to be calculated down to two digits after the decimal point in the yen value and then rounding the last digit.</u></p>

Present Articles of Incorporation	Proposed Changes
<p style="text-align: center;">(New item)</p> <p><u>Article 9-5</u> (Order of Priority) The order of payment of the Preferred Dividends, the Preferred Mid-term Dividends and the distribution of the Remaining Assets <u>for</u> Class I preferred stocks, Class II preferred stocks and Class III preferred stocks shall be in the same order.</p> <p style="text-align: center;">(New item)</p>	<p>2. <u>If the Forced Conversion Price in the above section is lower than the lower limit of the Forced Conversion Price resolved by the board of directors meeting at the time of the issuance, the conversion is made to ordinary stocks of a number calculated by dividing the value equivalent to the issuing price of the Class VI preferred stock by said lower limit of the Forced Conversion Price.</u></p> <p>3. <u>If a fractional number occurs in calculating the number of ordinary stocks, it shall be handled according to the method specified in Article 20 of the Commercial Law.</u></p> <p><u>Article 9-8 (Buying or Retiring Preferred Stock)</u> <u>In purchasing or retiring preferred stocks, the Company shall be entitled to purchase or retire a portion or all of one or more kinds of preferred stocks.</u></p> <p><u>Article 9-9 (Order of Priority)</u></p> <p><u>I The order of payment of the Preferred Dividends and the Preferred Mid-term Dividends for Class I preferred stocks, Class II preferred stocks, Class III preferred stocks and Class V preferred stocks and the distribution of the Remaining Assets concerning Class I preferred stocks, Class II preferred stocks, Class III preferred stocks, Class V preferred stocks, and Class VI preferred stocks shall be in the same order respectively.</u></p> <p><u>II The order of payment of the Preferred Dividends and the Preferred Mid-term Dividends for Class IV preferred stocks shall be subordinated to Class I preferred stocks, Class II preferred stocks, Class III preferred stocks and Class V preferred stocks, and the order of distribution of the Remaining Assets concerning Class IV preferred stocks shall be subordinated to Class I preferred stocks, Class II preferred stocks, Class III preferred stocks, Class V preferred stocks and Class VI preferred stocks.</u></p>

## Reference Information

We have conducted a drastic review of its current Business Plan, and have formulated a New Business Plan with the aim of enhancing corporate value by quickly restoring market confidence, and announced it on September 8, 2004. Outline of the New Business Plan is 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: Approximately three times (net interest bearing debt being approximately ¥1.0 trillion)
- Rating: BBB or better

### 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 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 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>

At 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.

▪ Profit & Loss (Consolidated basis)

(Unit: ¥100 million)	FY2003 Results	FY2004 Plan	FY2005 Plan	FY2006 Plan
Net Sales	58,617	50,000	49,000	52,000
Gross Trading Profit (Gross Trading Profit Ratio)	2,490 (4.2%)	2,500 (5.0%)	2,510 (5.1%)	2,660 (5.1%)
SG & A Expenses	Δ 1,891	Δ 1,870	Δ 1,760	Δ 1,800
Operating Income (Operating Income Ratio)	599 (1.0%)	630 (1.3%)	750 (1.5%)	860 (1.7%)
Non-operating Income/Expenses- Net	Δ 114	Δ 130	Δ 100	Δ 110
Recurring Profit (Recurring Profit Ratio)	485 (0.8%)	500 (1.0%)	650 (1.3%)	750 (1.4%)
Extraordinary Profit/Loss-Net	Δ 906	Δ 4,100	Δ 100	Δ 100
Net Income/Loss Before Tax	Δ 421	Δ 3,600	550	650
Net Income/Loss	Δ 336	Δ 3,800	350	390
ROA	--	--	1.4%	1.5%
ROE	--	--	11.4%	11.3%

▪ Balance Sheet (Consolidated Basis)

(Unit: ¥100 million)	As of April 1, 2004 (*) (After merger)	FY2004 Plan March 31, 2005	FY2005 Plan March 31, 2006	FY2006 Plan March 31, 2007
Cash and Time Deposit	4,357	3,000	3,550	4,300
Operating Asset	10,942	8,950	9,100	9,500
Investment & Loan	7,974	6,350	6,050	6,000
Fixed Asset	7,504	6,100	6,300	6,200
Total Asset	30,777	24,400	25,000	26,000
Operating Liabilities	7,944	7,400	7,450	7,560
Interest-bearing Debt	19,928	14,100	14,300	14,800
Total Liabilities	27,872	21,500	21,750	22,360
Shareholder's Equity	2,905	2,900	3,250	3,640
Total Liabilities & Shareholder's Equity	30,777	24,400	25,000	26,000
Net Interest-bearing Debt	15,571	11,100	10,750	10,500
Net DER (Times)	5.4	3.8	3.3	2.9

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