

Condensed Transcript of Q&A Session Regarding Results Briefing for the First Half Ended September 30, 2014 (November 6, 2014)

Q. The automotive business in Venezuela posted a ¥2.6 billion loss in the first half ended September 30, 2014. You have mentioned that automobile production is forecast to recover in the second half of the fiscal year. How does this situation affect your full-year forecasts?

A. Full-year forecasts for the year ending March 31, 2015, incorporate the foreign exchange losses expected to arise from currency devaluation in Venezuela. However, there are signs that currency devaluation may not end up being as severe as initially projected. We therefore believe it may be possible to contain losses within the range stipulated by forecasts. Conversely, production and sales volumes are expected to fall below our initial forecasts, but we will compensate for these declines by raising sales prices, and accordingly anticipate a slight improvement in performance during the second half of the fiscal year.

Q. Risks seem to be on the rise in Venezuela, as signified by the deterioration of economic conditions stemming from higher default risks and lower prices of crude oil. Is there any possibility that performance improvements in the automotive business in this country will only be short term? What is your medium- to long-term outlook for this business?

A. We are well aware of the economic conditions in Venezuela. We have recorded a certain amount of provisions to cover potential losses for this fiscal year. In addition, we believe that future losses can be brought to an end if we can limit increases in foreign currency-denominated debt, which can be impacted by currency devaluation.

Q. With regard to allocations of foreign currency in Venezuela, you have mentioned that Sojitz was successful in securing the foreign currency-denominated funds that will be needed to finance production during the second half of the fiscal year. What is your future outlook with this regard?

A. It seems as though the Venezuelan government is being supportive of the automotive industry, and conditions are improving as the industry is gradually becoming a target

for periodic allocations of foreign capital. However, it is still important that we carefully monitor conditions in this country, and we are stringently managing these operations based on daily reports received from onsite management staff.

Q. While I believe that Sojitz is currently at a stage in its development when accumulating assets is important, one cannot ignore the fact that a competitor has recorded massive impairment losses. In light of this reality, how does Sojitz plan to invest and increase profits from these investments, and what are your policies for limiting risk exposure?

A. For deciding the business focus areas that are to be priority targets of investments and loans, we have defined the following three criteria: (1) growth potential, (2) presence of promising partners in areas in which the Company specializes, and (3) long-standing strengths within the Company in the form of relevant functions. Business focus areas are selected based on consideration of these three factors. We also require that investments and loans meet certain standards, which are used as indicators for risk management purposes. We believe that these efforts will help limit exposure to impairment risks.

Q. At the moment, what are your investment and loan plans for the year ending March 31, 2016, and beyond? Am I right in assuming that you will continue the current medium-term management plan's policy of conducting investments and loans while simultaneously replacing assets?

A. We will offer a detailed explanation of our policies in this area when we announce the next medium-term management plan. For the moment, please allow me to say that the current medium-term management plan's policy of conducting investments and loans while replacing assets has led to an improvement in the debt equity ratio. Accordingly, we now have a little leeway for conducting additional investments. Asset replacement will continue into the future. However, if we have leeway prior to investments, we plan to make good use of it.

Q. How are conditions for automotive businesses in emerging countries other than Venezuela?

A. In Russia, automotive operations are suffering due to a drop in the price of crude oil

coupled with currency depreciation. In Thailand, there was temporarily some concern for the impacts of political unrest, but this situation is now cooling down. The automotive business in the Philippines is performing exceptionally well. In this manner, conditions vary by country. We are taking the necessary steps to respond to the conditions faced in each country.

Q. How are conditions in the automotive business in Russia? Is there any possibility that the depreciation of the Russian ruble could force Sojitz to record foreign exchange losses?

A. Learning from our experience after the financial crisis of 2008, when the ruble dropped significantly in value, we have adopted the basic policy of fully hedging currency risks related to Russian automotive operations. Accordingly, we feel that there is no large risk of substantial foreign exchange losses being recorded.

Q. What will be the priorities of the next medium-term management plan? What do you think needs to be achieved in order for Sojitz to improve dividend payments and other aspects of shareholder returns?

A. Shareholder returns policies for the next medium-term management plan will be discussed when announcing the plan itself.

Q. The overseas fertilizer business and overseas industrial park business of the Consumer Lifestyle Business Division both performed favorably in the first half ended September 30, 2014. What are your forecasts for second-half performance in these businesses?

A. First-half performance was strong in the overseas fertilizer business, and we anticipate that full-year performance will exceed forecasts. In the overseas industrial park business, meanwhile, performance was favorable during the first half of the fiscal year, but the growth of this business is expected to slow during the second half of the year. Accordingly, we currently expect full-year performance to be in line with our initial forecasts.

Q. When do you expect the Company to achieve its target of 2% for return on assets?

A. We aim to achieve the 2% target for return on assets at the earliest possible date.