

**Condensed Transcript of Q&A Session Regarding Results Briefing
for the Nine-Month Period Ended December 31, 2016 (February 3, 2017)**

Q. In regard to the one-time income movements seen during the nine-month period ended December 31, 2016, how much of the ¥4.8 billion net gain on sale and disposal of fixed assets was attributable to gains on sales of oil and gas interests? Also, were these sales originally included in your plans for this fiscal year ending March 31, 2017?

A. On a profit before tax basis, ¥4.0 billion of this amount was attributable to gains on sales of oil and gas interests. These sales were originally incorporated into our plans as a move to be taken as part of asset replacement efforts.

Q. The Energy Division recorded one-time income movements in the nine-month period ended December 31, 2016. What is your outlook for performance going forward? Do you perceive any risk of performance downturns in the fourth quarter?

A. Although we anticipate that investments accounted for using the equity method will contribute to earnings in the fourth quarter, we also expect that certain business assets will produce losses and that upfront expenses will be incurred in relation to new initiatives.

Q. How will Sojitz's production shares be impacted by the sale of oil and gas interests?

A. After the sale of oil and gas interests, our share of production of these resources will come to be between 13,000 and 13,500 bbl per day when LNG interests are included.

Q. In regard to the plan to shift operations from upstream energy resources to midstream resources, I understand that the Company's share of production will decline by between 1,500 and 2,000 bbl a day. Does this mean you will withdraw from almost all exploration and production projects aside from LNG projects?

A. There has been no significant changes to our plan to continue shifting from energy resource businesses to non-resource businesses in order to reduce exposure to related risks. However, we do not feel that it would be realistic to pull out from all upstream oil and gas projects.

Q. Should profit for the year attributable to owners of the Company exceed the full-year target of ¥40.0 billion, will the additional profit be returned to shareholders to maintain a payout

ratio of 25%, or will the extra profit be used to further advance asset replacement? What are your policies with this regard?

A. Our basic policy for shareholder returns is to target a payout ratio of approximately 25%. Actual dividend amounts will be determined through a comprehensive decision made based on this policy.

Q. In the event that investment and loan amounts do not reach the level of ¥125.0 billion targeted for the year ending March 31, 2017, is it safe to assume that there will be no change to the plan to conduct investments and loans totaling ¥300.0 billion over the entire period of the medium-term management plan?

A. We have identified a significant number of potential candidates for investments and loans that are highly feasible. If investments and loans do not reach the target amount of ¥125.0 billion during the year ending March 31, 2017, this will largely be due to the timing at which funds actually move being delayed until the year ending March 31, 2018. We therefore believe that it will be entirely possible for us to achieve our target of ¥300.0 billion for investments and loans over the period of the medium-term management plan.

Q. Why was a net outflow in operating cash flows recorded in the third quarter?

A. In the third quarter, working capital increased in conjunction with a rise in tobacco and coal transactions due to improved market conditions. This situation resulted in operating cash outflows.

Q. Could you please explain automobile business trends in regions in which these operations seem to be losing momentum?

A. In Russia, overall demand was down during the period from January to September 2016. However, transactions began picking up during the third quarter, and we therefore anticipate that earnings will grow leading up to the end of the fiscal year. In Thailand, the passing of the previous king, an extraordinary circumstance, resulted in sluggish sales. We expect recovery during the fourth quarter, and we believe that it is entirely possible that earnings will continue to rise throughout the remainder of the fiscal year in Thailand as well.

Q. Progress toward forecasts is low in the Aerospace & IT Business Division and the

Infrastructure & Environment Business Division. Is there any possibility that the large-scale orders anticipated to be recorded in these divisions could be delayed until the next fiscal year?

A. We are working toward concluding contracts with regard to these orders by the end of this fiscal year. However, we cannot deny the possibility that these orders may be delayed until the next fiscal year.

Q. Could you please explain your forecasts for the aerospace and automotive businesses, including the most fundamental aspects, in the year ending March 31, 2018?

A. In the aerospace business, we are witnessing smooth growth in the aircraft part-out business, and the number of aircraft in our fleet for lease and used aircraft sales operations is growing. In the automotive business, although overall demand in Russia has been consistently lower than in the previous fiscal year, the value of the ruble has remained stable as have conditions in the oil market. As such, we expect to see gradual improvements in both the operating environment and performance. Currently, the only cause for concern is the depreciation of the Philippine peso, and we are thus carefully monitoring trends to determine when profitability in the Philippines will stop being impacted by higher procurement costs.

Q. How are conditions in grain collection operations in Brazil?

A. Our grain collection operations in Brazil are currently faced with a difficult operating environment. The northern region of Brazil, where Sojitz's harbor facilities are located, suffered from a severe draught as a result of El Ninos, which effectively lowered the rate at which we were able to operate these facilities. In addition, a rise in demurrage and logistics costs in the mid-west and southern regions of this country placed additional downward pressure on performance. In light of this adversity, the new management team of the operating company in charge of this business is working together with the company's other shareholders to get this business back on track.