

**Condensed Transcript of Q&A Session Regarding Results Briefing for the
Three-Month Period Ended June 30, 2015 (August 4, 2015)**

Q. What were the amounts of one-time income and loss movements recorded during the three-month period ended June 30, 2015, and what did these movements entail?

A. The net of one-time income and loss movements in the three-month period ended June 30, 2015, was approximately ¥3.0 billion, which included such factors as gain on sales of land in automotive businesses in the Philippines and impairment losses recorded with regard to woodchip-related operations.

Q. What is your overall assessment of the three-month period ended June 30, 2015?

A. While net sales (JGAAP) were up year on year, gross profit and operating profit decreased as a result of a drop in resource prices. Meanwhile, we witnessed a steady increase in the earnings capacity of non-resource businesses in the Aerospace & IT Business Division, Chemicals Division, Foods & Agriculture Business Division, and Retail Division, all areas of focus in Medium-term Management Plan 2017, which is currently underway. Accordingly, it can be said that progress is more or less in line with plans. Nevertheless, this does not change the fact that we will need to carefully monitor trends in resource prices going forward.

Q. Currently, economic slowdown in China is becoming ever more prominent. Against this backdrop, how much progress was made toward the full-year forecast of ¥40.0 billion for profit for the period (attributable to owners of the Company)?

A. There is no denying that the Chinese economy is slowing down. This situation presents the necessity of carefully monitoring future trends related to resource prices as well as economic conditions in Southeast Asian countries, which have been trading with China to increasingly large extent. We have been tracking performance while considering these factors, but at the moment we have not seen any significant negative impacts on earning nor have any noteworthy impairment losses been recognized. Accordingly, we currently believe it is possible to meet the full-year forecast of ¥40.0 billion for profit for the period (attributable to owners of the Company).

Q. The Automotive Division has made strong progress toward its full-year forecasts. How do you expect full-year performance to compare to forecasts?

A. Automobile businesses in the Philippines recorded a one-time income increase, which was accounted for in initial forecasts, and automobile sales are strong in these businesses. Meanwhile, automobile businesses in Russia are suffering due to this country's economic recession. Overall, we expect performance in the Automotive Division to be in line with initial forecasts.

Q. How are current conditions for fertilizer businesses and what is your future outlook? Also, how will these businesses be impacted by factors such as the drop in rice prices in Thailand?

A. Thailand and Vietnam are currently experiencing droughts, causing some farmers to forego planting crops. As a result of such factors, fertilizer sales volumes have failed to grow to the extent anticipated. However, we are pushing forward with cost reductions, and performance on the whole is quite near the level initially forecast.

Q. Progress toward full-year forecasts is low in the Energy Division and the Metals & Coal Division. What are your projections for these businesses over the rest of the fiscal year? Do you expect difficulties in achieving the full-year forecasts for these divisions?

A. In the Energy Division, the equity method associate that serves as the divisions' primary profit driver is expected to record the majority of its earnings during the second half of the fiscal year. For this reason, the pace of earnings growth in the three-month period ended June 30, 2015, does not represent this division's full potential, a factor that has been accounted for. As for the Metals & Coal Division, transaction volumes are growing with each coming year, and the portion of transactions associated with year-long contracts and other agreements is also rising. However, conditions in the markets this division serves are currently experiencing a downturn, warranting caution with regard to market and other trends related to this division.

Q. As you believe that it is possible to meet the full-year forecast of ¥40.0 billion for profit for the period (attributable to owners of the Company), what divisions do you

expect to compensate for the low progress in the Energy Division and the Metals & Coal Division?

A. Performance has been strong for the Chemicals Division and Retail Division during the three-month period ended June 30, 2015, and we believe it is possible for these divisions to compensate for the low performance of other divisions, particularly the Metals & Coal Division. For this reason, we currently believe that the full-year forecast of ¥40.0 billion for profit for the period (attributable to owners of the Company) can be achieved.

Q. Were the impairment losses recorded in the lumber-related businesses of the Lifestyle Commodities & Materials Division incorporated into initial forecasts? What is your outlook for this division over the remainder of the fiscal year?

A. The impairment losses were recorded in relation to woodchip-related operations. These operations had been struggling since the previous fiscal year, and we therefore decided to apply this accounting treatment at this timing. This action resulted in the Lifestyle Commodities & Materials Division being the only division to record loss for the period during the three-month period ended June 30, 2015. Nonetheless, performance has proved steady in textile-related operations and we are currently seeing signs of recovery in housing starts for lumber-related operations. Based on these considerations, we expect to be able to make up for this loss.

Q. Could you please provide some details regarding investments and loans conducted during the three-month period ended June 30, 2015, and your forecasts for these activities over the rest of the fiscal year?

A. In the three-month period ended June 30, 2015, investments and loans totaled ¥10.0 billion on a disbursement basis. We have already approved certain investments and loans to be conducted later on in fiscal year, and we expect the pace of these activities to accelerate rapidly during the second half of the year.

Q. It is my understanding that free cash flow was initially expected to fall into the negative during the year ending March 31, 2016, due to upfront investments and loans. What is your current full-year forecast for free cash flow?

A. Our initial forecast for the year ending March 31, 2016, calls for a negative free cash flow of approximately ¥35.0 billion. In the three-month period ended June 30, 2015, free cash flow was a positive ¥0.1 billion. Considering the investments and loans to be conducted going forward, free cash flow is currently in line with our initial forecasts, and we do not anticipate that these forecasts will be changed.

Q. Medium-term Management Plan 2017 projects improved earnings to be realized by growing existing business, reforming unprofitable businesses, and generating returns through new investment and loans. How is progress toward this goal?

A. We feel that measures to increase revenues for existing businesses are progressing smoothly. The Chemicals Division and Retail Division are witnessing steady improvements in earnings capacity, and we will work to further grow and strengthen existing businesses going forward. Meanwhile, in the Aerospace & IT Business Division, which has been defined as a new focus area, we are developing used aircraft trading and brokerage as well as aircraft part-out operations, and we expect these businesses to see favorable growth in revenues during the year ending March 31, 2016. In the Infrastructure & Environment Business Division, another focus area, domestic solar generation businesses have started making contributions to earnings and are pushing the Company gradually toward the full-year forecast for profit for the period (attributable to owners of the Company) of ¥40.0 billion. With regard to unprofitable businesses, the molybdenum project responsible for the massive losses recognized in the ferroalloy business during the year ended March 31, 2015, ceased production in the year ending March 31, 2016, and losses associated with this project have decreased substantially as a result.

Q. Progress toward full-year forecasts is strong in the Retail Division. Has this changed your outlook for full-year performance in this division?

A. Overseas industrial park businesses in Vietnam and Indonesia are displaying favorable performance, and these businesses were a major factor behind the strong progress toward forecasts in the three-month period ended June 30, 2015. We are in the process of formulating projections for future performance in the Retail Division, and have therefore chosen not revise full-year forecasts at this point in time.