

**Condensed Transcript of Q&A Session Regarding Results Briefing for the First
Half Ended September 30, 2015 (November 6, 2015)**

- Q. The operating environment is expected to become even more challenging going forward. Do you feel it will be difficult to accomplish the target for profit for the year of ¥60.0 billion or more set for the final year of Medium-term Management Plan 2017 – Challenge for Growth, or do you believe that Sojitz will be able to continue growing profits through the benefits of investments and loans?
- A. We intend to continue pursuing our target of ¥60.0 billion or more for profit for the year. Our ability to meet this target will be largely dependent on whether or not new investments and loans proceed according to plan. It will also be necessary for us to find means of compensating for the detractions caused by the drop in natural resource prices.
- Q. Sojitz has a market position that is different than those of other general trading companies, and the Company has not accumulated substantial amounts of assets. Participating in the acquisition market is currently exceptionally expensive, and it has not been uncommon for other trading companies to be unable to achieve the returns they had envisioned, often recording impairment losses due to deteriorating market conditions. What are your thoughts on adopting an aggressive stance toward investments and loans in this environment?
- A. We believe that, when conducting investments and loans aimed at acquisition, an important point of consideration is whether or not we can provide additional levels of new value after acquisition. In addition, as goodwill is not amortized under International Financial Reporting Standards, it is crucial to quickly accumulate an amount of retained earnings that can offset the goodwill recorded in association with acquisitions. We have decided that the Company will generally avoid conducting acquisitions that entail recording excessive amounts of goodwill.
- Q. When announcing financial results for the year ended March 31, 2015, Sojitz stated that it had almost completed the process of identifying the risks associated with the new medium-term management plan. Assuming that natural resource prices will remain at the current level, is there any chance that additional risks will appear during the second half of the fiscal year or during the year ending March 31, 2017?

A. No additional risks had appeared as of September 30, 2015. While this depends on how commodities prices change as we approach the end of the fiscal year, we do believe that it will be necessary to formulate our outlook based on a comprehensive evaluation of factors including resource reserves, associated costs, foreign exchange rates, current commodity prices, and forecasts for these factors.

Q. Currently, resources prices are dropping while acquisition prices for non-resource-related companies are rising, and this environment could make it difficult to conduct investments and loans. At the same time, Sojitz has been able to continually generate an unexpectedly high level of free cash flow, meaning that it has been accumulating funds. How does the Company intend to use these funds?

A. While we have not yet finalized all of our plans for investments and loans during the second half of the fiscal year, the operating environment is not significantly different than we had initially expected, and we believe it will be entirely possible to conduct investments and loans. Accordingly, we do not feel that there is a surplus of funds. As for the targets of investments and loans, we are shifting our focus from Asia to the United States and other parts of the Americas. Prioritizing projects from which we can expect stable earnings, we will incorporate both return on assets and internal rate of return into our evaluations in order to concentrate investments and loans on candidates that are sure to continue producing a certain degree of returns.

Q. With regard to automotive businesses, the economic slowdown in Asia is generally viewed to be fairly pronounced. Performance in Asia in Sojitz's automotive businesses, however, does not appear to be suffering to any great degree. How do the Company's automotive businesses differ from those of other companies?

A. Performance in automotive businesses in Thailand is suffering from sluggish automobile sales. However, this situation is largely due to poor economic conditions in this country and has been accounted for in initial forecasts. In the Philippines, meanwhile, automotive business performance has proven consistently strong. In this manner, performance in these businesses can vary greatly by country.

Q. Is it correct to assume that the strong performance in the Aerospace & IT Business Division was a result of the Company's new forays in the used aircraft and part-out

businesses? Also, is this strong performance expected to continue into the future?

A. In aircraft-related operations, the Company is utilizing its insight, experience, and networks to take advantage of various business opportunities without accumulating long-term lease assets. In addition to the part-out business and other new aircraft-related business ventures, the Aerospace & IT Business Division is engaged in cloud computing-related businesses in the IT field, which have been performing favorably. These IT field businesses have been contributing to improvements in the overall earnings of the Aerospace & IT Business Division.

Q. Aside from expanding the quantity of resource interests, are there any other factors that will contribute to accomplishing the target for profit for the year of ¥60.0 billion or more set for the final year of Medium-term Management Plan 2017?

A. Outside of our business operations, it is highly likely that contributions will come from the decrease in tax expenses assured to follow from the recently completed reduction of deferred tax assets associated with the recording of provisions for tax obligations. As for business operations, we have conducted investments and loans in projects related to chemicals, automobiles, aircraft, and renewable energy. Some of these projects are currently in the operational, and there are even projects from which we have already begun collecting the returns from investments. Looking ahead, it is crucial for us to fruition projects capable of compensating for the earnings declines that may occur if market conditions were to deteriorate to an unexpected degree, and thereby accumulate profits. In the future, say six months to a year from now, we should be able to give you a more concrete picture of from which non-resource fields we can expect assured growth.

Q. Total assets declined during the first half ended September 30, 2015. Was this reduction intentional?

A. The decline in total assets was a result of conditions in the current operating environment, namely the decline in automobile sales in Russia and lower selling prices for chemical products, and was not intentional. However, procurement costs also declined, and we have thus been able to secure a profit regardless of these factors.

Q. I would like to ask about dividends. The Company is targeting a consolidated payout ratio of 25%. Do you plan to raise dividend payments in the future even if profits do not increase in line with forecasts?

A. The decision to target a consolidated payout ratio of 25% was made during the year ending March 31, 2016, because we judged that a ratio of this level could be continually maintained. This factor was important given our policy of issuing stable dividend payments, and we made this judgement based on the realization that the Company's financial foundation was generally solid. Accordingly, we feel that it is a bit too early to consider further raising this target, increasing it to 30% after the end of the current fiscal year, for example. We intend to continue targeting a consolidated payout ratio of 25% for the foreseeable future, and therefore plan to increase dividends by utilizing surplus capital to improve profits.

Q. With regard to future dividend payments, how do you think non-consolidated retained earnings should relate to dividends?

A. Dividends received by the Company amount to between ¥20.0 billion and ¥30.0 billion each year, and we are thus able to secure a sufficient amount of capital to be used for issuing our own dividend payments. At the same time, we intend to continue accumulating retained earnings on a non-consolidated basis.

Q. Sojitz has been able to maintain a stable level of core earnings of around ¥60.0 billion. What level will you target for core earnings going forward?

A. We project that the level of core earnings, currently ¥66.0 billion, will increase in reflection of income in the forms of share of profit of investments accounted for using the equity method and operating profit. Given this projection, we believe it will be necessary to pursue a level of core earnings of approximately ¥75.0 billion to sufficiently complement our target for profit for the year of ¥60.0 billion. In the fiscal year ending March 31, 2017, it will be important to increase core earnings to a greater degree than in the current fiscal year, and we anticipate that a portion of this increase can be accomplished through business growth.

Q. With regard to the upward revision to performance forecasts for the Retail Division, do you believe that this division will be able to continuing achieving full-year profit

for the year of ¥4.5 billion in the year ending March 31, 2017, and beyond?

- A. We have a solid projection of the level of earnings that will be achieved in domestic real estate businesses over the next two years, meaning that the main variable factor will be overseas industrial park businesses. Specifically, earnings figures will be dependent on the speed at which we are able to sell developed industrial park sites. In addition to the sites being sold in Indonesia and Vietnam, we are also in the process of starting up an industrial park in India. Interest in expanding into these locations is relatively strong among Japanese companies, and we expect to be able to maintain a fairly firm level of performance going forward.