

**Condensed Transcript of Q&A Session Regarding Results Briefing
for the Year Ended March 31, 2017 (May 2, 2017)**

Q. How much do you forecast in earnings from investments and loans conducted over the first two years of the current Medium-term Management Plan to contribute to earnings realized in the final year of the plan? To what segments will these earnings contributions primarily attributed?

A. Earnings contributions from investments and loans of ¥5.0 billion have been incorporated into the forecasts for the year ending March 31, 2018. These earnings contributions will primarily be associated with automotive businesses; independent power producer projects; renewable energy businesses, mainly domestic solar power generation projects; and part-out and other aerospace-related businesses.

Q. The amount of investments and loans to be conducted in the third year of the medium-term management plan is ¥150.0 billion, or half of the ¥300.0 billion earmarked for the plan's three-year period. Does this decision reflect any changes in the investment environment?

A. One reason for this allocation is that, in the Automotive Division, we are gaining access to a wider range of business opportunities as a result of our engagement in dealership businesses. Another reason for the projected increase in investment and loan amounts is that the forecast for the year ending March 31, 2018, includes certain Infrastructure & Environment Business Division projects that are now taking shape after several years of effort. In addition, we are engaged in ongoing negotiations with regard to certain projects in the Chemicals Division. As for our ASEAN food and retail businesses, we have begun undertaking expansion into the ASEAN region through various venues, and the number of investment and loan candidates available to us is increasing rapidly as a result. Also, in our aircraft-related operations, we are pursuing new business opportunities, including those that lay outside of the scope of our conventional sales agent operations.

Q. Has there been any significant change to the Company's policies for handling the assets replacement costs incorporated into its forecasts?

A. There has been no change to our basic policy of using figures that we have a high chance of achieving when formulating forecasts. However, as we have made a certain degree of progress with regard to asset replacement, we decided that it was not necessary to incorporate into forecasts for the year ending March 31, 2018, the ¥5.0 billion worth of asset replacement costs that has been included in previous forecasts. By division, the forecasts for the Metals & Coal Division and Chemicals Division incorporate the risk of potential economic slowdown in China. Similarly, we have incorporated risks of delays in project completion in certain regions into forecasts for the Infrastructure & Environment Business Division.

Q. The presentation materials mention initiatives eyeing greater returns. What was the

thinking behind this wording?

A. We have continued to describe our desire to make Sojitz into a company that is able to consistently secure profits of around ¥50.0 billion in any circumstances, which is to be primarily generated through stable earnings. Looking ahead, we realize that it will be necessary to enter into new fields and undertake new challenges in order to increase earnings and grow existing businesses. Selecting high-return projects will be integral to this undertaking. It can be expected that our earnings will slowly decline into the future if we rely solely on the stable businesses we are currently engaged in. We will thus work to develop businesses in new fields. These efforts will be founded on the questions of what portion of our portfolio should be devoted to stable earnings and how we should manage our portfolio of greater return businesses alongside this stable portfolio to achieve efficient management.

Q. What do you see as the appropriate level for the net debt equity ratio as Sojitz adopts a proactive stance toward investments?

A. There has been no change to our policy of keeping the net debt equity ratio under 1.5 times over the course of the current medium-term management plan. We aim to maintain a level of less than 1.5 times no matter how the operating environment may change. However, given that the Company's current net debt equity ratio is 1.1 times, we see no need to attempt to bring this ratio below 1.0 times.

Q. I would like to ask about Sojitz's overall targets. For example: Do you intend to once again target profit for the year of ¥60.0 billion? What type of business portfolio will the Company work to develop in order to accomplish this goal? What sort of unique identity for Sojitz do you hope will be cultivated by the next president?

A. By adopting the new organizational structure, we feel that it has become easier to understand the nature of our businesses. Next, we feel it is necessary for each division to cultivate a unique identity. We therefore want every division to develop one or two businesses that truly exemplify their operations. Furthermore, we realize that speed will be of the utmost importance with this regard. As our asset scale is smaller when compared to our peers, it is essential for us to create frameworks that will allow Sojitz to move at speeds that are twice those of the competition. Moving quicker than our peers is a feat that we can accomplish by utilizing our ingenuity. Conversely, if management lacks speed, we will not be able to keep up in the midst of the current globalization trend. We hope that all divisions will remain committed to working toward making this sort of speed a characteristic of Sojitz that transcends its businesses.

Q. Am I right to assume that, as investments and loans are to be advanced with a sense of speed during the year ending March 31, 2018, you are allowing for the possibility of the total amount of investments and loans exceeding the intended ¥150.0 billion?

A. The next president has a background in sales. I therefore feel that this individual is exceptionally capable at understanding sales-related matters, which gives them the ability to discern issues at a faster pace than I personally can. For this reason, we

anticipate that the new president will act swiftly and thus be able to carry out ¥150.0 billion worth of investments and loans during the year ending March 31, 2018.

Moreover, we feel that there is no need to stop there. However, this does not mean that a haphazard approach will be adopted toward investments and loans. Of course, these investments and loans must be prefaced on sufficient consideration for the financial health of the Company and on exercising appropriate accountability.

Q. Is it safe to assume that grain collection operations in Brazil will have little impact on earnings going forward? Considering that investments will be accelerated going forward, what lessons have been learned from the experience with these operations?

A. We anticipate that the grain collection operations in Brazil will have no noteworthy impact on performance in the year ending March 31, 2018, or beyond. As part of our investment in these operations, we dispatched many Sojitz employees to Brazil. From our perspective, we feel that the most important thing to be learned from this undertaking is the necessity of determining where post-investment synergies can be found when engaging in new businesses and of then linking these synergies to future business activities.