

**Condensed Transcript of Q&A Session at Fiscal 2010 Year-end Results Briefing  
(April 28, 2011)**

- Q: The Machinery Division's fiscal 2011 ordinary income forecast shows a year-on-year increase of ¥5.5 billion to ¥7.5 billion on improved automotive business performance. Please tell us about the automotive business's current prospects.
- A: Performance at automotive companies in Venezuela and Russia was sluggish but has improved, so we expect them to turn in a profit in fiscal 2011. Their earning growth, however, will be limited due to the impact of the recent earthquake in eastern Japan. On the other hand, the Asian automotive business's performance was solid in fiscal 2010 and we expect this to continue.
- Q: The Energy & Metal Division's fiscal 2011 ordinary income forecast shows a year-on-year increase of ¥0.8 billion to ¥29.5 billion. What are your crude oil price assumptions, and what is your outlook for equity-method earnings from the steel-business company and the coal business's fiscal 2011 performance?
- A: Our full-year earnings outlook assumes a crude oil price of \$90 a barrel (\$US90/bbl). Although the steel-business company will be somewhat affected by the recent earthquake disaster, we still expect to see year-on-year performance gains there. The coal business generally trades thermal coal on annual contracts, which do not benefit from price increases, but it's also engaged in spot trading, which could help lift earnings.
- Q: What impact will the heavy rains in Australia have on the coal business in fiscal 2011.
- A: Production activities have not been very affected by flooding and such caused by Australia's heavy rainfall, and are on their way back to cruising speed, so to speak. Flooding has caused delays in the restoration of rail transportation, however, which the operations use. Still, coal prices are on the rise, so we mainly expect earnings to be flat year on year.
- Q: Please tell us about the current market and business environment facing the fertilizer business in Thailand.
- A: The fertilizer business in Thailand was unexpectedly solid in fiscal 2010, but we anticipate a steep dip in fiscal 2011 profits from the business owing to the impact of the Thai government's price control program, which began late September 2010, on four major fertilizer products. We will continue to closely monitor the price control situation.
- Q: Please explain the forecasted net loss of ¥13.0 billion for the "Other" segment in fiscal 2011.
- A: The "Other" segment's 2011 forecast incorporates headquarter relocation costs and the reversal of deferred tax assets.
- Q: Your fiscal 2011 forecast for equity in earnings of affiliates is essentially flat year on year at ¥19.0 billion. Can you provide a breakdown?
- A: The main difference between equity in earnings of affiliates for fiscal 2010 and the fiscal 2011 forecast is the one-time gains booked on integration of the Brazilian bioethanol production company with one of its competitors in fiscal 2010. While this gain will not recur in fiscal 2011, we anticipate increased profits from ferroalloys and the steel-business company on high resource-related market prices, so we expect the figure to be around what it was in fiscal 2010.
- Q: Today, you announced an amendment to your articles of incorporation, changing the total number of authorized shares. Why? Are you considering equity financings?
- A: Sojitz's number of issued shares was approaching the maximum authorized. We amended our articles of incorporation mainly to set the upper limit on authorized shares to an appropriate level. We believe that first restoring earnings power and increasing shareholder value is our utmost priority before we start considering the possibility of equity financing deals.