

**Condensed Transcript of Q&A Session Regarding Results Briefing for the Second  
Quarter Ended September 30, 2013 (November 7, 2013)**

Q. A downward revision was instituted with regard to the full-year performance forecasts for the Energy & Metal Division. What are the circumstances surrounding this division?

A. The Energy & Metal Division is divided into three units, and of these the Coal & Nuclear Unit is performing well. In the Energy Unit, forecasts were revised in light of the recording of additional well abandonment costs associated with certain oil interests as well as higher costs following a decline in reserves. However, we will work to recover the lost earnings resulted from these costs during the second half of the fiscal year by drawing on the high production levels of other interests. In the Steel & Mineral Resources Unit, prices of nickel, molybdenum, and other ferroalloys are proving to be lower than anticipated. In consideration of these circumstances, we chose to lower forecasts from the initially released figures.

Q. On September 30, 2013, the net debt equity ratio was 1.4 times, and you have accomplished the financial targets of Medium-term Management Plan 2014. Considering this, do you plan to advance an aggressive investment strategy in pursuit of further growth going forward? At the moment, it appears as though Sojitz is driving a course of reduction equilibrium. What are your thoughts on this?

A. We are currently looking at a number of new investment and loan projects, including an agriculture and grain collection business in Brazil as well as automotive and chemical-related projects. At the same time, we are reconstructing systems for conducting environmental, infrastructure, and plant projects, and accumulating high-quality assets in these areas. Through these efforts, we are working to develop a stronger and more stable asset portfolio that emphasizes areas of strengths while reducing volatility. We have no intention of pursuing a policy of reduction equilibrium.

Q. What was the aim of establishing controller offices in each business division?

A. Each business division deals with different products and business areas, which can vary notably. The basic function of the controller offices will be to provide advice based on the specific characteristics of their respective business division. After providing this

advice, the offices will work together with division presidents and senior general managers to quickly undertake new projects with the aim of developing a higher-quality asset portfolio.

Q. The losses of certain consolidated subsidiaries have not shown any improvements from the previous corresponding period, and the yearly losses of these subsidiaries are in the range of ¥20.0 billion. Are these losses tolerable? Will these losses be reduced in the future?

A. The ongoing losses in the Energy & Metal Division are viewed as a serious issue for management. We are working to the best of our abilities to reduce these losses, and we aim to resolve this issue as quickly as possible.

Q. Free cash flow was in the positive during the first half of the fiscal year, regardless of the fact that the Company invested ¥20.0 billion. What are your forecasts for cash flows in the second half of the fiscal year? Also, what type of trends do you project for free cash flow in the year ending March 31, 2015, and onward?

A. With regard to cash flows, we operate on the basic policy of conducting asset replacement to prevent asset levels from becoming excessive. If we are able to achieve earnings of a sufficient scale, these earnings can then be used to fund new investments and loans. Managing financial resources in this manner will enable us to keep the net debt equity ratio low, which in turn will grant us the freedom to examine a wider range of options. However, the timing of investments and loans is also crucial, and it is possible that free cash flow may temporarily drop into the negative range as we conduct upfront investments under the current medium-term management plan. As for the next medium-term management plan, we have yet to formulate forecasts for cash flows, but we have no intention of accumulating excessive levels of assets or liabilities.

Q. How is the operating environment for the automotive businesses of the Machinery Division?

A. The operating environment for the automotive businesses are seeing both positive developments, such as favorable conditions in the Philippines and Russia, and negative ones, like the unclear conditions in Venezuela stemming from political unrest. When these factors are balanced, we expect that the Automotive Unit's performance will be in

line with initial forecasts.

Q. The overseas fertilizer businesses of the Consumer Lifestyle Business Division are performing favorably in the current fiscal year. What are your projections for these businesses in the year ending March 31, 2015?

A. The overseas fertilizer businesses are positioned as an important earnings pillar, and this will not change going forward. However, predicting the future performance of these businesses requires a careful examination of such factors as price controls and raw material prices. For this reason, it is currently difficult to determine whether or not the strong performance seen in these businesses at the moment will continue in the year ending March 31, 2015.