

Condensed Transcript of Q&A Session Regarding Results Briefing
for the Three-Month Period Ended June 30, 2017 (August 2, 2017)

Q. Could you please explain the one-time income movements seen in the Automotive Division?

A. The amount of the one-time income movements was included in the ¥1.1 billion worth of gain on sale of subsidiaries and associates recorded and it was contained within the amount of this gain. These one-time income movements were not accounted for in our initial forecasts.

Q. Has an overall improvement in conditions been seen in the Automotive Division's operations in Russia, Thailand, and other countries?

A. Conditions in overseas automobile assembly and wholesale businesses are firm in Russia, Thailand, the Philippines, and Puerto Rico. Overall demand is showing growth in each of these markets, and automobile sales numbers of operating companies have been showing year-on-year growth on the back of this demand.

Q. Other current assets increased by around ¥30.0 billion in association with aircraft-related businesses. Was this increase planned? Also, when will profits actually be recognized in relation to these businesses?

A. We have reached an agreement with The Boeing Company to pursue global collaboration that exceeds the scope of Sojitz's traditional capacity as the Japan sales representative for this company. The other current assets you speak of represent the movement of funds in relationship to this agreement. While I cannot offer details at this point, I can say that the earnings contributions for this investment are anticipated to begin appearing in the year ending March 31, 2019, or beyond.

Q. Progress toward forecasts for the Aerospace & IT Business Division was low in the three-month period ended June 30, 2017. What are your projections regarding future earnings contributions from this division? Also, to what degree do you anticipate profits to be generated by prior investments and loans?

A. Under the current schedule for the mainstay aircraft business, part-out operations and

second-hand aircraft leasing intermediary and sales operations are anticipated to begin contributing to earnings during the second half of the fiscal year. Earnings from the major subsidiaries of operating companies will also be concentrated in the second half of the year. As a result, progress during the first half of the fiscal year will be slow. As we are currently seeking to move beyond the boundaries of our traditional domestic sales agent operations for Boeing, we are working to achieve higher earnings by participating in businesses such as airport operation in Japan and overseas.

Q. In the three-month period ended June 30, 2017, investments and loans amounted to ¥50.0 billion. Does this amount represent progress that is in line with the full-year target of ¥150.0 billion, or will investments increase slightly going forward?

A. The amount of ¥50.0 billion for investments and loans in the three-month period ended June 30, 2017, is in line with our plans. In the remainder of the fiscal year, we expect to execute investments in relation to the previously announced hospital project in Turkey as well as wind power projects in Europe and automobile parts inspection operations in the United States. Accordingly, it is almost guaranteed that the total investment and loan amount will reach the initially targeted level of ¥150.0 billion. It is also possible that this amount will be surpassed based on the circumstances that present themselves. This possibility will be considered while striking a balance with the progress of asset replacement.

Q. What impact will investment in the hospital project in Turkey have on earnings and in what form will the earnings contributions from this project come? Also, when do you expect such earnings contributions to be recorded?

A. The project, a public-private partnership with Turkey's Ministry of Health, will be conducted at the largest hospital in Istanbul, Turkey, and will be advanced together with a prominent local conglomerate. As Sojitz will not be involved in actual medical procedures, earnings from this project will primarily be generated through maintenance and other ancillary services provided to the hospital. The project is slated to be carried out over the long-term, with a period of 25 years, and we anticipate that earnings will be generated in each fiscal year going forward.

Q. Currently, thermal coal spot prices are higher than initially anticipated. Is there any chance that performance will exceed forecasts?

A. If spot prices remain at the current level, it is likely that performance will exceed forecasts. However, we think that the current market price of coal is only high because of factors including a decline in the production volumes of coal mines in China. This production decrease is due to the fact that environmental measures and safe mine operation measures spearheaded by the Chinese government will be prioritized until the conclusion of the National Congress of the Communist Party of China in fall of 2017. It is therefore difficult to judge whether or not the current spot prices will continue if these factors dissipate. Accordingly, we have chosen not to revise our initial price assumptions for forecasts.

Q. In what form will earnings contributions come from the European chemical distributor and marketing company that was acquired by the Chemicals division?

A. The principal products handled by the acquired European chemical distributor and marketing company are products that Sojitz is knowledgeable about, and the main market for these products is Europe. Our existing operations dealing in methanol and other chemical products have traditionally targeted Asia. As such, we expect to be able to generate synergies with the newly acquired company through product swaps as well as through the mutual complementation of product lineups.

Q. In the Industrial Infrastructure & Urban Development Division, from what projects are you expecting earnings contributions during the second half of the fiscal year?

A. One of the major projects in this division is the Deltamas City industrial park in Indonesia. The majority of lots to be handed over to tenants in the year ending March 31, 2018, will be turned over during the second half of the fiscal year. Contracts have already been concluded with regard to some of these lots. We therefore are not anticipating any significant deviations from forecasts. However, it is possible that the recognition of earnings may be delayed based on the turn over timing. The situation is similar in domestic condominium business; the majority of condominium unit turn overs will take place during the second half of the fiscal year. As a result, the recording of earnings will be disproportionately concentrated on the second half of the fiscal year. Although we cannot disclose details with this regard, we can say that progress is more or less in line with our initial forecasts.

Q. How was performance for the Retail & Lifestyle Business Division in the three-month period ended June 30, 2017, when the impacts of the gain on sales of commercial facilities in Japan recorded in the previous equivalent period are excluded?

A. Performance was solid in tobacco-related businesses and in apparel OEM businesses, both mainstays of this division. Heat-not-burn cigarette transactions were particularly strong. As a result, the division generated profit for the period that was equivalent to 32% of the full-year target of profit for the year of ¥5.0 billion for the year ending March 31, 2018.

Q. Sojitz looks to have gotten off to a strong start in regard to investments and loans in the three-month period ended June 30, 2017. Is there any chance that changes in decision-processes or policies are leading to accelerated pace of investment?

A. The investments and loans executed during the three-month period ended June 30, 2017, were all projects that we have been working toward in the year ended March 31, 2017. Although some projects had been approved by the Finance & Investment Deliberation Council within the Company, the actual investment was not conducted during the previous fiscal year, resulting in the execution of investments and loans being concentrated in the first half of the year ending March 31, 2018. There has been no change in our decision-making process.

Q. Around ¥3.0 billion worth of assets were reduced during the three-month period ended June 30, 2017. How is progress toward the full-year target for asset reduction? Also, has there been any change to your initial projections for the breakdown of asset replacement costs?

A. The ¥3.0 billion worth of asset reduction was not accounted for in our initial projections. This amount represents the aggregate effect of several small projects that included collection of loans and sales following reassessments of the meaning of holding certain assets.

Q. I understand that certain downturn risks were incorporated into the earnings forecasts for the Infrastructure & Environment Business Division, the Metals & Coal Division, and the Chemicals Division for the year ending March 31, 2018. Based on performance in the three-month period ended June 30, 2017, is there any need to change your

assumptions with regard to these risks?

A. While it is true that the projected drop in coal prices did not occur, future conditions could change materially based on the balance of supply and demand in China as well as the extent to which inventories are accumulated. Accordingly, we feel it is a bit too soon to decide whether or not the initially anticipated downturn risks were excessive in the Metals & Coal Division. In regard to the Chemicals Division, foreign exchange rates are proving relatively stable, but the prices for naphtha and methanol are a little low. We therefore feel that the downturn risks incorporated into the forecast for this division were appropriate. In the Infrastructure & Environment Business Division, we had accounted for a certain degree of project delays, and current progress is congruent with that outlook. Given that the first quarter has only just now ended, we plan to maintain the level of downturn risk currently incorporated into forecasts.