

Condensed Transcript of Q&A Session at Small Meeting (November 13, 2019)

[Sojitz Representatives] Takashi Hara, Chairman of the Board Kayoko Naito, Outside Director Norio Otsuka, Outside Director

<Q&A Session>

Q. How do you view Sojitz as an outside director and what do you think to be your role as an outside director?

A. Naito:

Despite being engaged in an incredibly wide range of businesses, Sojitz has overcome major trials in the past. I therefore believe that the Company has high awareness of, and is quite thoughtful of, risk management and compliance. Today, however, I think that Sojitz is at a stage in which it needs to practice aggressive corporate governance and proactive investment while taking appropriate risks.

Companies must adhere to social norms, through means such as contributing to the accomplishment of the Sustainable Development Goals and observing other United Nations guidelines, while also shaping their activities based on sound, globally accepted standards. I hope to help guide Sojitz by utilizing my knowledge with this regard. Women are responsible for half of the sound, globally accepted standards I speak of. I therefore feel strong commitment toward fulfilling my goal as the only woman on Sojitz's Board of Directors.

A. Otsuka:

I see a need for Sojitz's officers to discuss corporate governance frameworks while incorporating my insight and experience at various occasions in order to examine the steps that should be taken with regard to governance at the Company. If this process were to lead to change, it would be most beneficial. Sojitz's business is wide reaching. Luckily, the Company is also equipped with the necessary infrastructure for operating this business, including risk management frameworks, a solid process leading up to investment and loan decisions, and the finance management protocols that support this process. It is also incredibly cautious in its investment and loan decisions and risk management practices. I therefore see no real need for concern with this regard. Quite the contrary, I see a need for Sojitz to be a bit bolder in taking action. I believe that it is part of the job of us outside directors to aid Sojitz in this type of action by supporting the Company from the back lines and spurring it forward when necessary.

Q. Two outside directors were replaced at the same time in 2018. In light of this development, do you see any issues with regard to the Company's systems for supporting and providing information to outside directors?

A. Otsuka:

Sojitz arranges forums for discussion and meetings with the five Audit & Supervisory

Board members, of which four are outside Audit & Supervisory Board members, and these meetings have proven most beneficial. In addition, the Board Meeting Operation Office offers support by providing us with materials from meetings of the Board of Directors as well as various other meetings. We are thus able to maintain an understanding of the discussions that took place at such meetings, even if we did not attend. Given these improvements to procedures, I feel no hesitation in saying that there has been improvement in Sojitz's systems for supporting and providing information to outside directors.

Q. Is the level of discussion on sustainability and environmental issues at meetings of the Board of Directors sufficient?

A. Otsuka:

Intensive discussions on sustainability issues take place in conjunction with the submission of regular reports from the Corporate Sustainability Office. Moreover, screening of investment and loan candidates always contains a look at environmental and human rights issues as well as other environmental, social, and governance (ESG) factors. This screening approach allows for examinations of any potential risks or other matters requiring discussion. At the same time, the Nomination Committee, of course, discusses matters such as the necessary level of diversity and the ideal composition of the Board of Directors. We also delve into matters such as our thoughts with regard to the chronically low representation of women at Sojitz and to coal and other environmental issues at meetings with Audit & Supervisory Board members. It is therefore my understanding that sustainability and ESG perspectives are a constant point of consideration at Sojitz.

Q. What efforts are being made to link the empowerment of female employees to the improvement of corporate value?

A. Naito:

Workplaces that are comfortable for women are also comfortable for men. If, for example, a woman has circumstances that require her to leave work early, she will work fervently until 5 PM or whatever time she needs to leave. Women focused on improving their productivity in this manner will certainly be beneficial to a company. Moreover, incorporating input from women can help a company bring itself in line with society's goals. A rise in female employees may not immediately create clear benefits like stock price increases, but the benefits of higher female representation is statistically backed. I thus have no doubt that increasing the number of female employees will contribute to improved corporate value when viewed from a long-term perspective.

Q. It is commonly said that Japanese companies are slow, or even unable, to withdraw from investments or to change course in investments. How does this apply to Sojitz's efforts?

A. Otsuka:

Exit standards are always included among the important items to be reviewed through circulated documents with regard to new investments and loans. The performance of

investments and loans is evaluated two-to-three years after execution, and these evaluations entail discussing and determining whether investments should be continued or withdrawn from.

Q. From your perspective as an outside director, is there anything you think Sojitz should change in terms of aggressive corporate governance? Also, how will you act in your capacity as an outside director to facilitate this change?

A. Naito:

In terms of aggressive corporate governance, I think that Sojitz could be a little more proactive in taking risks. Of course, it must also carefully assess risks to determine which are feasible to take. I feel that a conservative approach is generally of more importance than an aggressive one. Accordingly, Sojitz should only look to adopt an aggressive approach after it has sufficiently entrenched the necessary conservatism. What needs to be changed is Sojitz's mindset. The Company is engaging in a lot of new businesses, and I therefore think that more new investment and loan candidates should be proposed to the Board of Directors. Those candidates that are proposed to the Board are carefully curated, which itself is not a bad thing. However, I still think that it would be good if more proposals were raised.

A. Otsuka:

Sojitz has an exceptionally effective risk management system, and I am under the impression that its corporate functions are quite strong. In the future, I want to speak with frontline employees and encourage them, telling them that they should take charge as they know the front lines best, so that I can empower them to be bolder and more confident in their actions. However, I also realize that I need to maintain an appropriate distance as an outside director, and it is up to me to decide what is the most appropriate distance.

<Comments from Attendees>

- The meeting provided a valuable opportunity to speak with outside directors and to hear their frank opinions.
- I was able to gain a great deal of valuable insight, particularly from how the outside directors clearly stated their views with regard to Sojitz's issues and policies based on their own experience.
- The meeting made it clearly apparent how meaningful it is to appoint outside directors and incorporate outside opinions that differ from those found within the Company.
- I hope that Sojitz will continue to arrange such forums for speaking with outside directors in the future.