

**Q&A at Investor Meeting (Net Conference) of Financial Results
for the Three Months Ended June 2015**

Presentation Date: August 4, 2015 (Tuesday) 16:45 to 17:45

Presenters:

Shuma Uchino: Executive Vice President, Chief Financial Officer

Kazuyuki Masu: Senior Vice President, General Manager, Corporate Accounting Dept.

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[Questions and Answers]

(1) Financial Results for the Three Months Ended June 2015

Q. What gains and losses resulted from one-off factors in the three months ended June 2015?

- A. ● One-off gains were 5 billion yen and one-off losses were 3 billion yen, netting a one-off gain of 2 billion yen.

Q. How is the progress against the full-year forecast in each group, and what are your full-year forecasts for each group?

- A. ● In the Metals Group, market prices on coking coal and aluminum premiums fell more than we had anticipated, so the progress against the forecast has been delayed. In the Living Essentials Group, sluggish market prices in the salmon farming business led to a low rate of progression.
- With the exception of these two groups, progress for each of our groups was generally favorable.
- In the Living Essentials Group, earnings tend to focus on the second half of the fiscal year, and we should be able to make up for the performance in the first three months with the performance in the remainder of the fiscal year. We are taking the current problematic market conditions seriously with regard to the full-year outlook for the Metals Group.
- We will need to continue monitoring the situation from the next quarter onward, but we believe the total 360 billion yen in consolidated net income shall be achievable.

(2) Cash Flows, Investment Plans/Portfolio Reshaping

Q. How were cash flows in the three months ended June 2015?

- A. ● Underlying operating cash flows were generally in line with previous years. Operating cash flows for the three months ended June 2015 were negative, as this is the period when payments for such items as income taxes and LNG import consumption taxes arise.

Q. Please describe investing cash flows for the first three months.

- A. ● Investments centered on capital expenditures for existing LNG business (Malaysia) and the coal business in Australia.
- Portfolio reshaping has shown favorable progress.

Q. What are your investment and portfolio reshaping forecasts going forward?

- A. ● Because of our large-scale investment in existing LNG business (Malaysia) in the first three months, investments are currently top-heavy, but as in the previous fiscal year, we will continue investments and portfolio reshaping in line with the New Strategic Direction.
- We anticipate investment and portfolio reshaping volume on the scale outlined in our initial plans for the year ending March 2016.

(3) Individual Businesses

Q. Why was net income down in the salmon farming business?

- A. ● The main reason was a downturn in market prices on salmon.
- While this depends on market movements, transaction prices are currently recovering.

Q. Why did net income decrease in the coking coal business (MDP), and what is your forecast for this business?

- A. ● During the three months ended June 2015, net income from the MDP business decreased 0.2 billion yen year on year, to a loss of 3.9 billion yen.
- In addition to depreciation of the Australian dollar against the U.S. dollar, ongoing efforts to curtail costs and measures to bolster productivity are having positive effects. However, Chinese economic deceleration is causing demand for steel materials to fall, lowering prices and prompting a decline in income.
- A growing number of high-cost producers are reducing production or suspending operations, but any outlook is and depends on future price and exchange rate movements, and is hardly predictable.

Q. What is your forecast for the copper business?

- A. ● As our initial plans have factored in a decline in prices and the impact of water shortages in Chile, performance is within the scope of our expectations.

Q. How are Asian automobile operations?

- A. ● Unit sales are down, due to an overall decline in automobile demand in Indonesia and Thailand.

(4) Other

Q. What is the impact of the lackluster economic trends in emerging nations on your business?

- A. ● We are monitoring credit conditions resulting out of the deceleration of the economies of China and emerging nations. Given the particular importance of our trading in chemicals in China, we are reinforcing our credit screening structure and bolstering our control systems.