

**Condensed Transcript of Q&A Session Regarding Results Briefing for the Year
Ended March 31, 2014 (May 9, 2014)**

Q: I understand that one-time income movements were seen during the fourth quarter of the year ended March 31, 2014. How did these movements present themselves in business segments?

A: In the fourth quarter of the year ended March 31, 2014, a ¥9.0 billion loss was recorded in the Machinery Division and a ¥14.0 billion loss incurred was in the Energy & Metal Division, whereas a reversal of impairment loss of ¥7.0 billion was seen in the Consumer Lifestyle Business Division.

Q: For the year ending March 31, 2015, you are forecasting a ¥5.2 billion year-on-year increase in profit for the year (attributable to owners of the Company) in the Energy & Metal Division. Could you please describe the specific factors that you expect to lead to this increase?

A: One factor contributing to this increase will be the absence of the impairment loss recorded in the Energy & Metal Division during the year ended March 31, 2014. In addition, our forecasts for prices of molybdenum, oil, and coal during the year ending March 31, 2015, are somewhat conservative. We also expect solid performance from investments accounted for using the equity method, such as Metal One Corporation and LNG Japan Corporation.

Q: You mentioned foreign exchange losses recorded in regard to an overseas automotive subsidiary. What are the reasons for these losses being recorded?

A: We are currently seeing substantial inflation in a certain region where we are developing an overseas automotive business. This inflation was the cause of the foreign exchange losses we recorded.

Q: What is your outlook for the Automotive Unit's operations in Venezuela and Russia during the year ending March 31, 2015?

A: In the latter half of the year ended March 31, 2014, we introduced new automobiles into the Russian market, and these automobiles are selling favorably. In addition, for the

year ending March 31, 2015, we have received reports stating that no problems were experienced with regard to sales in April 2014. Conversely, we are exercising the utmost care in developing operations in Venezuela as the restrictions on transactions in foreign currencies are still in place.

Q: You mentioned that other income and expenses are expected to balance to a loss totaling ¥10.0 billion in the year ending March 31, 2015. What do you expect to be the cause of these losses?

A: The forecast for extraordinary losses of ¥10.0 billion in the year ending March 31, 2015, incorporates the impacts of inflation in a certain overseas automotive business as well as asset replacement costs. We do not have any specific plans for asset replacement at this point in time.

Q: What are your projections for free cash flow in the year ending March 31, 2015?

A: In the year ending March 31, 2015, we plan to conduct investments and loans in an aggressive manner, and free cash flow is expected to drop into the negative as a result.

Q: What specific measures will you implement and what kind of quantitative progress will you pursue to achieve your goal of return on assets (ROA) of 2%?

A: The target for ROA of 2% assumed that we would also achieve the targets for net income (JGAAP) of ¥45.0 billion and total assets of around ¥2,100.0 billion, both initial goals for the final year of Medium-Term Management Plan 2014 – Change for Challenge. The reason why this ROA figure is yet to be achieved is because of impacts of local political unrest on certain overseas automotive businesses and our failure to accurately project market conditions for the Energy & Metal Division. Going forward, we will work to make up for the deficiencies in these areas while also undertaking new projects in the infrastructure, environment, and aerospace areas of the Machinery Division as well as in the Consumer Lifestyle Business Division. By incorporating new earnings through such projects, we aim to achieve the 2% target for ROA.

Q: What sort of time frame do you think will be needed to achieve the 2% target for ROA?

A: We aim to achieve the 2% ROA target as soon as possible. In the year ending March

31, 2015, we plan to accelerate investments and loans, devoting more than ¥80.0 billion to these activities. Specifically, we will concentrate the allocation of human resources, financial resources, and other management resources to divisions that are highly successful at capturing investments. Through these efforts, we will work to achieve the 2% ROA target in the year ending March 31, 2016.

Q: In the year ended March 31, 2014, the Consumer Lifestyle Business Division recorded profit for the year (attributable to owners of the Company) that was roughly in the range of ¥10.0 billion when one-time income movements are excluded. For the year ending March 31, 2015, your forecasts project profit for the year (attributable to owners of the Company) of ¥10.0 billion, unchanged from last year. What are the factors that will lead to this result?

A: The overseas fertilizer businesses that recorded strong performance during the year ended March 31, 2014, will see profits decline in the year ending March 31, 2015. Conversely, we anticipate higher earnings from subsidiaries in fields related to building materials, textiles, and foodstuffs. At the same time, solid performance is expected to continue in the overseas industrial park business.