

## **Frequent Q&A**

**Q: What is the current situation and outlook for your business in the emerging markets?**

A: In China, market conditions have been difficult due to over-capacity, which has also impacted neighboring countries. But this is an issue for the commodity glass markets. We will continue to promote high value-added products in China and other countries. In South America, demand remains robust and we expect to see continued strong demand going forward.

**Q: Net assets of the Group have significantly decreased due to foreign currency translation adjustment and recognition of actuarial gains and losses arising on the pension schemes. Will this pose any financial problems?**

A: We foresee no problem. No problem with regard to refinancing of debts, either. It will not affect our SMP.

**Q: You have reduced your forecast for the full year operating income before amortization by 3.0bn yen. What is in this reduction?**

A: About 1.0bn yen is the impact of the strong yen. The remaining 2.0bn reflects the outcome of the below-mentioned review on the business outlook.

In Building Products, we expect the second-half profits to be lower than the first-half mainly due to deteriorating market conditions in China and South East Asia. We are expecting our solar volumes to grow at a slower rate than previously expected.

In Automotive, we expect improvement in second-half profits over the first-half profits due to the Japanese earth quake impact recorded in the first-half not repeating in the second-half, and improved cost-base.

In Specialty glass, we expect the second-half results to remain strong and similar to the first-half.

**Q: What is your outlook for the non-operating items?**

A: We expect our finance costs to be 14bn-15bn yen for the full year.

**Q: Please give us an update on the status of new capacities built or expanded.**

A: The new automotive line in Brazil is expected to be fully loaded by the end of this calendar year.

The new automotive plant in Poland will be completed in the middle of 2012 calendar year.

Expansion and upgrading of automotive operations in Mexico will be completed next year.

The U.K float line for solar energy products has almost completed the required customer qualifications and should start contributing to the Group's results from second-half.

The Group's float line for solar energy products in Vietnam is currently in a customer qualification phase and should start contributing to the Group's results from the fourth quarter.

The new float glass line in Argentina is expected to come on stream in 2014.

**Q: What is the impact of the floods in Thailand to your business?**

A: There may be some impact on our Specialty Glass business, but it will not be material.

**Q: Please tell us your assumed exchange rate of the Brazilian real to Japanese yen.**

A: 49 JPY/BRL for the first-half and 44 JPY/BRL for the full year.

**End.**