

**Key Questions and Answers at 2022/3 First quarter Results Announcement**

- Q: Revenues and operating profits in Architectural Glass were higher than the first quarter of 2020/3, two years ago. Is this due to increased prices or higher volumes?
- A: The prices in Architectural Glass have been increasing, especially in Europe, with the volume and mix improving at the same time. These factors contributed to the improvement of the operating profit margin.
- Q: How was the solar energy glass shipment in the first quarter? How is the outlook for 2022/3?
- A: Volumes in the first quarter were above the previous year, which was in line with our expectation of year-on-year volume increase for 2022/3.
- Q: Can your energy hedge contracts mitigate the impact of rising energy prices?
- A: The Impact of recent energy price increases has been reflected in our latest forecast. The hedge contracts do not cover all of our energy usage but we expect the increased cost can be passed on to some extent in some regions such as Europe. Both the energy price hedging and price increases will be able to mitigate the negative impact.
- Q: How much benefit is expected from the announced price raise in Architectural Glass in Japan?
- A: Price will be raised from shipments in October. We expect that increased prices should gradually offset the effects of energy price increases.
- Q: Architectural Glass in South America seems to be in a good situation as well. Is the plan for new float furnace construction in Argentina unchanged?
- A: Against the backdrop of robust demand, we have already resumed the construction of new furnace and intend to complete it by the end of this fiscal year.
- Q: Please provide the reason why the forecast for the second half of 2022/3 has not been changed? Does it mean you are confident about the profit forecast despite risks associated with uncertainties in the business environment such as energy price increases and component shortages for vehicle production?
- A: There are some risk factors which are not easy to be reflected in the forecast such as energy prices and the timing when component shortages should be resolved. Still, we aim to keep profit by taking various measures such as the cost reduction initiatives under the Revival Plan 24 (RP24).
- Q: Considering the first half forecast based on the first quarter results, revenues and operating profit seem to reduce in the second quarter from the first. Please provide the reason for that.
- A: While the first quarter results exceeded our plan, we took a more conservative approach and have kept the original second quarter forecast unchanged.
- Q: First Solar, the largest customer for the NSG Group's solar energy glass, announced the plan to increase production in Ohio, the USA, and India. What will the NSG Group do in response to the plan? Is a new glass furnace one of the options?
- A: We think we have various options such as shipment from existing furnaces with online coating equipment or modifying existing furnaces, in addition to a new furnace. We will consider the best approach, taking into account our policy to control capital expenditure for restoration of financial stability.