

Key Questions and Answers at FY2024/3 Quarter1 Results Announcement

- Q: How much did sales volumes changed in Architectural Europe compared to the previous year? Will profitability be expected to improve after FY2024/3 Q2 with better sales mix?
- A: Sales volumes in this quarter were similar to Q3 and Q4 in the previous year. They are assumed to remain at the same level for the time being since the demand decrease in Europe caused by the economic slowdown. A better sales mix can be expected with the expansion of value-added products, such as double glazings, reflecting firm demand for refurbishment from the viewpoint of reducing environmental impacts.
- Q: Performance has been improving in Automotive glass business reflecting sales prices improvement as a result of negotiation. If sales prices can be maintained after Q2, will it be possible to secure the same profit level for the full year as in Q1?
- A: It depends on the progress of sales prices negotiation. This is because materials and other costs including transport and labour are increasing while energy prices are decreasing and these impacts need to be passed through to prices through negotiation.
- Q: When will the new facility in Malaysia to produce glass for solar energy start contributing to the profit?
- A: Although the operation is scheduled to start in Q3 of this year, the contribution to earnings is expected to begin in Q4 after a certain start-up period.
- Q: Regarding the solar glass business, a major customer is planning further production capacity increase in the USA. What options are considered to respond to it?
- A: Basically, the Group is considering a number of options including the conversion of the existing float furnace and the construction of a new furnace to pursue the largest return on investment.
- Q: H1 operating profit forecast has been revised upward by JPY 5.0 bn and JPY 19.0 bn. However, it seems to be still conservative considering operating profit in Q1 was JPY 14.6 bn. Also, H2 forecast remains to be unchanged. What is the background of these?
- A: It is because uncertain business environment in all regions mainly in Europe and the USA. Technical Glass business is expected to be impacted by IT market slowdown.
- Q: Free cash flow is expected to be in improving trend reflecting favourable performance. Is the Group considering specific uses of cash?
- A: Nothing particular for FY2024/3 at this moment. The Group will consider it from various viewpoints with keeping close eyes on the situation and balancing the interests of stakeholders.

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic and competitive environment in major markets, product supply and demand shifts, currency exchange and interest rate fluctuations, changes in supply of raw materials and fuel and changes in laws and regulations, but not limited.