

Key Questions and Answers at FY2025/3 First Quarter Results Announcement

- Q: What are the backgrounds for the downward revision to full-year operating profit forecast from JPY 37.0 bn to JPY 30.0 bn? What is the outlook for businesses?
- A: The European economic slowdown was more serious than previous outlook and affected significantly to our Architectural glass business in Europe. The downward revision is due to the assumption that the impact of sales prices and volumes decrease caused by the economic slowdown will continue for the time being. In the Automotive glass business, the Group expects solid performance in aftermarket while we need close attention to original equipment market.
- Q: Could you explain the reasons for the downward revision of full-year operating profit forecast from JPY 37.0 bn to JPY 30.0 bn with the factors in the change analysis?
- A: This downward is mostly coming from European Architectural glass business. It is largely due to lower sales volumes and prices and partly affected by the increase in other costs including labor.
- Q: Q2 operating profit is expected to be JPY 7.2 bn considering that H1 operating profit forecast is JPY 12.0 bn and Q1 result was JPY 4.8 bn. What are the factors for the forecast of operating profit increase?
- A: The Group expects solid performance in some businesses and regions while continuous challenging market environment for European Architectural and Automotive original equipment. For example, favorable performance in glass for solar panels and Automotive aftermarket is continuing, and Technical Glass business is showing recovery. In addition, unfavorable production efficiency temporarily occurred during Q1 at some Automotive sites in North America is improving, and cost reduction through enhancement of asset utilization and sales prices improvement with the recovery of demand-supply situation are expected from early closure of a float line in Germany.
- Q: Economic slowdown in USA is recently concerned. Has the impact already been taken into account in the revised forecast?
- A: The Group recognizes that we need to monitor the economic situation in the USA closely and will continue to follow policy developments in terms of interest rates, economic indicators, and the outcome of the upcoming presidential election. The glass for solar panels is expected to remain strong. No major declines are currently expected in the general Architectural and Automotive glass businesses.
- Q: ROS in Automotive glass business declined from 3.2% to 2.2% from the previous year. Will profitability improve from Q2?
- A: Although the business environment for original equipment in Europe still needs close attention, the Group aims to improve ROS further in aftermarket, and in original equipment mainly in Japan and South America.
- Q: Revenue increased, but profit decreased from the previous year in Technical Glass business. What are the reasons for ROS decrease? What will the Group do against cost increase?
- A: Revenue increased partly helped with appreciated Japanese Yen while operating profit decreased with cost increase including labor. The Group will improve ROS by sales price increase to mitigate cost increase with the signs of market recovery.