

Key Questions and Answers at FY2026/3 First Quarter Results Announcement

- Q: Please provide what points were better or worse than expected about performance of Architectural glass business in Q1.
- A: In Japan, sales prices were stable, but the performance fell slightly short of our expectation. In North America, demand in the commercial market was weaker than anticipated, but we announced a sales price increase in July and aim for future profits. In South America, the business environment in Argentina has been gradually improving.
- Q: Please also provide what points were better or worse than expected about performance of Automotive glass business in Q1.
- A: Overall, results were largely in line with expectations. Looking at Original Equipment (OE) business by region, the impact of US tariff was smaller than expected in Japan, but we will continue to work closely with the customers to address any potential future impacts. In Europe, demand did not recover, which was within our expectation. After Glass Replacement (AGR) business remained strong, exceeding expectations. In particular, sales volume/mix and sales prices improved more than expected in North America.
- Q: Despite the solid performance in Q1, the Group has maintained its forecast for H1 of FY2026/3. How do you view Q2?
- A: Regarding the business environment for Architectural glass business, we expect sales prices in Europe to continue rising and do not anticipate a significant decline. In Automotive glass business, although an agreement has been reached on US tariff, its impact may emerge in the future, so we will monitor the situation closely. Currently, we are benefiting from tariff differences with competing products in AGR business, but we expect this advantage to gradually diminish. Given these uncertainties, we have maintained H1 and full-year forecasts at this stage, but we will take any appropriate actions across the Group to achieve H1 forecast.
- Q: Based on Q1 results, what are the Group's outlooks for each business in Q2?
- A: Architectural glass business is expected to see continued improvement in sales prices in Europe, but sales volume is not expected to recover significantly. Automotive glass business is expected to continue with AGR business offsetting OE business. Technical glass business is not expected to see significant changes. Overall, the trends from Q1 are expected to continue into Q2.
- Q: Operating profit forecast for H2 of FY2026/3 is JPY 21.0 bn, with a significant improvement from JPY 10.0 bn for H1. What is the background for this?
- A: There are several factors behind the difference between H1 and H2. In Architectural glass business, we expect sales prices to gradually recover. In Automotive glass business, we expect sales volume to improve in H2. In Technical glass business, we expect the sales mix to improve in H2. In addition, we expect the effects of cost reductions to be realized, since the effects of restructuring in Automotive glass business and other improvement activities are also expected to gradually materialize in the future.

- Q: Some of the Class A shares have been converted into common shares. Has the policy to improve the Group's profitability and redeem them remained unchanged?
- A: During the first half of the medium-term plan (FY2025/3-FY2027/3), as mentioned in the plan, there is no change in the policy to improve the Group's profitability and cash generation to stabilize financial base.

The performance forecasts in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable. Actual results may differ from these forecasts. The main factors that could cause actual results to differ from these forecasts include changes in the economic and competitive environment of major markets, product supply and demand, exchange rates and interest rates, raw material prices, and changes in laws and regulations, but are not limited to these factors.