

Key Questions and Answers at FY2021 First Quarter Results Announcement

- Q: According to the financial results presentation, the sales forecast for both Q2 and Q3 is 15 percent below the previous year. Do you expect the recovery rates are the same during both periods?
- A: While the sales forecast for Q2 is based on the latest trading conditions, the forecast after Q3 is less certain at this point. As the recovery in June was stronger than expected, especially in Automotive North America, there may be an upside but uncertainties remain in the second half outlook. We will keep monitoring the situation and review our forecast as necessary.
- Q: Please explain what are in the COVID-19-related exceptional items? How much costs are expected to be incurred in the coming quarters?
- A: The exceptional items include: (1) unrecovered costs of facilities that were idle as a consequence of the COVID-19 pandemic; (2) wages and salaries during the idle period; and (3) the deep cleaning and other costs incurred for protecting health and safety at workplace. The amount of COVID-19-related exceptional costs for each coming quarter is unclear but could be about JPY20 billion for the year.
- Q: You mentioned that the benefit achieved in Q1 through a new urgent cost saving project amounted to JPY10 billion. Will the same amount of benefits be generated in the coming quarters?
- A: We will drive further cost saving with this Group-wide project throughout the year, monitoring the progress monthly. It is anticipated that the benefits for the coming quarters would be smaller than those generated in Q1, as the production level returns to more normal going forward. We aim to achieve more than JPY10 billion yen additionally during the remainder of this financial year.
- Q: What are your financial measures with a view to the risk of further erosion of equity capital? How do you plan the redemption of Class A Shares?
- A: The current focus is on ensuring liquidity. Further redemption of Class A Shares will be determined considering the equity level and the recovery of financial stability.
- Q: You should consider the disposals of not only non-core assets but also assets of value, in order to recover the financial position more quickly. Is it a viable option for you to dispose a part of the core glass business such as a region of the Architectural Glass business?
- A: Improving the financial position is important and many options have been under review. Regarding disposals, the first step is those of non-core assets. At the same time, under the strategy to drive a longer-term portfolio change, businesses and assets will continue to be reviewed, considering their growth potential.

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.