

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

- Q: What is the sensitivity of energy cost mainly by natural gas?  
A: If the Brent Crude oil price rises by USD10 /barrel and natural gas rises to the same extent, it is estimated that energy cost will be impacted by approximately JPY 2 billion.
- Q: Is there any time lag between energy price rises and their being passed on to selling prices in Architectural Glass in Europe? Energy costs have risen sharply, so what extent can it be mitigated by higher selling prices in the second half?  
A: The demand and supply situation in Architectural Glass in Europe is very positive to pass energy cost rises to selling prices smoothly and almost timely, except for the case where the selling prices are fixed for some months due to the contracts. The energy cost rises in the second half will be mitigated not only by passing to the selling price but also by cost-saving efforts.
- Q: Please provide the energy hedging ratio and its policy.  
A: The Group has its own energy hedging policy, and its ratio is managed in line with it. For the energy until 2022/3 end, approximately 50% of them have been already hedged.
- Q: Please give the forecast by Business segment in the second half.  
A: Favourable situations will continue in Architectural and Technical Glass, while it remains uncertain in Automotive Glass.
- Q: Does the Group expect that the favourable demand and supply situation in Architectural Glass in Europe will continue? Will demand change shortly?  
A: So far, no sign of demand decrease is seen. This favourable demand is expected to continue for a while, as no new float furnaces seems to be constructed there.
- Q: Is this strong demand for Architectural Glass in Europe due to rapid increase of renovations?  
A: Generally, yes. Strict regulations for energy emission lead to strong demand for glazed glasses.
- Q: Please explain how to improve profitability in Automotive Glass.  
A: We will do it by enhancing production efficiency with right proper capacity and by supplying more Value-Added products such as windscreen with Head-Up Display (HUD).
- Q: Will Automotive Glass recover soon after vehicle production recovery with semiconductor shortage issues solved?  
A: It varies between regions and vehicle manufacturers. In any case, the Group will be ready for it with cost-saving efforts.
- Q: Please provide the plan how to treat the Class A shares.  
A: The Group will focus on restoration of financial stability under RP24 first, and then redeem them.