

Key Questions and Answers at FY2024/3 Second Quarter Results Announcement

- Q: Q2 operating profit increased from the previous year but decreased from the previous quarter. What is a reason for this decrease?
- A: It is mainly because sales volumes and sales prices decreased in European Architectural business due to the economic slowdown.
- Q: Is there any difference in progress of sales price improvement negotiations by region? Is there any region where sales prices declined?
- A: There is no region where the sales prices decreased. Although the progress of sales price improvement negotiations varies by region, there is no big difference. The Group is promoting price improvement negotiations not only based on energy prices particularly natural gas, but also raw materials and other cost rises.
- Q: Sales volumes in European Architectural business have been decreasing from the previous year. Is there any sign of recovery? Has it already hit the bottom?
- A: No sign of recovery has been seen yet. As economic indicators have not been improving, it is difficult to judge whether sales volumes hit the bottom or not. This is one of the reasons for the Group to have kept its H2 forecast unchanged.
- Q: Improvement in Automotive business is essential for further profitability improvement for the Group. What is the Group considering to make the margin better in the business?
- A: Profitability in Automotive business varies from region to region, and the Group needs to focus on improvement in Europe and North America. The Group will promote it mainly through the expansion of high value-added products such as windshields with head-up display and large rooflights with light control for EVs.
- Q: Full-year operating profit forecast has been revised upward by JPY 7.0 bn to JPY 42.0 bn. However, it seems that H2 performance is slowing down considering operating profit in H1 was JPY 26.0 bn. What is the background of this forecast?
- A: It is that the Group takes into account the uncertain business outlook especially the economic slowdown in Europe and USA. European Architectural business is expected to see continued decreases in sales volumes and prices, while Technical Glass business is expected to be impacted by the IT market slowdown.
- Q: Regarding the solar glass business, a major customer is planning further production capacity increase in USA. What options are considered to respond to it? What is an important factor to be considered?
- A: The Group is considering options to pursue the largest return on investment from a financial point of view.
- Q: The results have been improving. What does the Group discuss for a financial strategy hereafter?
- A: It is under discussion based on the figures in the next medium-term management plan including repayment of loans and redemption of the Class A shares.