

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

- Q: What are the backgrounds for the downward revision to full-year operating profit forecast from JPY 30.0 bn to JPY 26.0 bn?
- A: This downward revision is mainly due to Architectural glass business which was largely impacted by the European economic slowdown. Both its revenue and profitability is expected to decrease.
- Q: H2 operating profit is expected to be JPY 15.8 bn considering the full-year forecast is JPY 26.0 bn and H1 results was JPY 10.2 bn. What are the factors for this improvement?
- A: The Group expects H2 profitability and operating profit to improve compared to H1 as the effect of cost reduction initiatives including cessation of float lines will start to appear, and the effects of continuous price pass-through will increase.
- Q: Did unfavorable performance at First Solar's Indian plant affect NSG's solar energy glass business while the business was solid in H1?
- A: Although their Indian plant did not seem to perform well, our business is on track as a whole since the asset utilizations were better in their other plants. We expect continuous firm performance in H2 and a new facility at Rossford, Ohio, USA contributing to our profit for a full year from FY2026/3.
- Q: After the result of the US presidential election, how does the Group see the risks of sales decrease in solar energy glass business and opportunities for the reconstruction demand for the ceasefire in Ukraine in the future?
- A: US Domestic Industry protectionism policies are expected to be taken, therefore, basically this will not be a headwind for First Solar and NSG Group. Regarding reconstruction demand, the Group will make a careful decision about resuming the furnaces that have been closed considering medium to long-term demand in Europe.
- Q: Is it possible to pass through increased labor and fixed costs to the sales price in Architectural and Automotive glass businesses in H2 while an unfavorable market environment continues in Europe?
- A: The Group does not anticipate large outcome from price pass-through negotiation in Architectural glass business as the market is still unforeseeable although reaching to bottom. In Automotive glass business, we continue price pass-through negotiation as we have been implementing.
- Q: Is Automotive glass business expected to recover in FY2025/3 Q3 to some extent although operating profit decreased in Q2 compared to Q1?
- A: Automotive glass business will improve in H2 since it was especially impacted by disruption to production activity at some customers in Asia and North America during H1, which is not anticipated to continue. In addition to the gradual recovery of market conditions in Europe, the Group expects to see improvements benefitting from the acquisition of orders for new vehicle models.
- Q: Perovskite solar cells have been attracting interests, could this be a business opportunity for NSG Group? Will the opportunity be limited as film-type ones attract attention in Japan?
- A: At present, film-type ones are attracting attention only in Japan, but globally, perovskites using glass are becoming the mainstream alternative to crystalline silicon solar cells. We see this as a major business opportunity since we can make use of our glass and online coating technologies.