

Key Questions and Answers at 2022/3 Third quarter Results Announcement

Q: Are favorable business environments and profitability in Architectural and Technical Glass businesses assumed to continue next year?

A: Yes, these favorable situations are assumed to continue for a while next financial year.

Q: Are there any initiatives which are ongoing or discussed to improve profitability in Automotive business?

A: Yes, additional cost reduction projects in Automotive have been started from Q2. Moreover, the Group is seeking a way for price increases.

Q: Is newly developed "MAGNAVI™" supposed to use as a reinforcement? What are the features and advantages compared to competitor's products?

A: For the time being, MAGNAVI™ aims to provide a new solution used as a reinforcement for FRP (Fiber Reinforced Plastics). It has advantages in terms of impact strength well beyond that of carbon fibers, while retaining neutral color tones and less cost. Therefore, it can be used in a wide range of fields where conventional carbon fiber is difficult to utilize. It also contributes to the realization of a decarbonized society through environmentally friendly production process.

For reference : News Release on 02 Feb 2022 ""MAGNAVI™", High-Performance Fiber with High Modulus and Specific Strength," <https://www.nsg.com/en/media/ir-updates/announcements-2022/magnavi-high-performance-fiber>

Q: In Q3, almost half of the input cost rise (JPY 11.3 bn) was mitigated with price increases (JPY 6.2 bn). In Q4, are about half of input cost rises also expected to pass through to sales price as in Q3?

A: In Q3, the energy price soared more drastically than price increases, however, in Q4, price increase can fully offset energy price rises especially in the countries and regions where surcharge systems are introduced in Architectural business.

Q: Could you provide the reasons for the operating profit downward revision to the full year ending 31 March 2022 from JPY 24.0 bn to JPY 20.0 bn?

A: Mainly owing to energy and material cost, and other input costs rise expected in Q4.

Q: While Q3 operating profit was JPY 1.8 bn, JPY 5.5 bn is necessary in Q4 to achieve JPY 20.0 bn operating profit in the forecast of the full year of 2022/3. Could you tell Q4's operating profit expected scenario for each business to achieve JPY 5.5 bn?

A: Generally, the Group's profitability decreases once in Q3 and recovers in Q4 as a seasonality. By business, good Architectural and Technical Glass businesses is expected to keep leading the results.

Q: Is there no revision for capital expenditures?

A: No, the Group will continue strict cash management.

Q: Please provide how to deal with solar energy glass customer's production increase.

A: Any decision has not been made, but from the viewpoint of its contribution to the natural environment and the Group's profitability, the Group will consider any possible options to increase our supply.