

**Key Questions and Answers at FY2025/3 Third Quarter Results Announcement**

- Q: What are the backgrounds for the downward revision to full-year operating profit forecast from JPY 26.0 bn to JPY 16.0 bn?
- A: This downward revision is mainly due to Architectural glass business in Europe and Automotive glass business in Europe and North America. Lower sales price and volume in Architectural Europe and lower sales volume in Automotive Europe and North America is expected to continue. In addition, a decrease in asset utilization is anticipated.
- Q: What will contribute to operating profit increase in Q4 compared to Q3? It seems to increase by JPY 4.6 bn to JPY 5.2 bn considering operating profit forecast of JPY 16.0 bn for the full year and Q3 cumulative results.
- A: Operating profit tend to be lower in Q3 seasonally due to factors including long holidays in Europe. The Group will take various appropriate measures to reduce costs such as implementing initiatives in Europe and voluntary salary reduction for executive officers. Also, we expect a contribution of sales prices increase in Architectural and Automotive and favorable solar energy glass.
- Q: Do you expect worse economic condition in Europe than the one at the beginning of this fiscal year since the Group revised operating profit forecast downwards for every quarter? When do you expect the European economy to bottom out?
- A: The situation different from country to country in Europe, however in general, the recovery of sales prices and volumes is slower than expected and asset utilization has been decreasing accordingly. The Group is promoting various cost reduction initiatives with the assumption that this challenging situation continues for the time being as the timing of the economy bottom out is still unforeseeable.
- Q: The Group forecasts full-year exceptional costs as JPY 7.0 bn in FY2025/3. Are exceptional costs related to implementing initiatives expected in FY2026/3? Do you expect exceptional gains?
- A: The full-year exceptional costs forecast of JPY 7.0 bn in FY2025/3 reflects various measures as much as we could consider so far, and thus we do not expect further increase of the costs. We are also considering measures which record exceptional gains to mitigate them.
- Q: What do you anticipate the impact of U.S. tariffs on solar energy glass?
- A: The Group does not anticipate large impacts on our solar energy glass business at this moment as we basically produce products for U.S. and Asia locally.
- Q: Will it be difficult for Architectural Europe to return to profitability by benefits from the initiatives already announced if the economic situation for the business remains the same as Q3?
- A: In the short term, it is difficult to turn black with the initiatives. In the medium to long term, the Group will improve profitability by developing to be less dependent on commodity products.
- Q: The Group is implementing various cost reduction initiatives in Architectural and Automotive. Will the amount of cost reduction in FY2026/3 increase by approx. JPY 5.8 bn compared to FY2025/3?
- A: The amount is not the reduction benefit compared to FY2025/3, but the absolute reduction amount in FY2026/3. Approx. JPY 3.8 bn reduction is expected compared to FY2025/3.