

**Key Questions and Answers at FY2021 Third Quarter Results Announcement**

- Q: Your revised forecast of 4 billion yen for operating profit for Q4 (3 months) looks rather conservative, considering that the same for Q3 (3 months) was 5 billion yen. Does this forecast assume downside risks such as the impact of lockdowns in Europe and shortage of semiconductor?
- A: The Q4 forecast is somewhat conservative. While industrial lockdowns have not been imposed in Europe, the forecast assumes certain risk including the closure of car dealers impacting the automotive market.
- Q: The results of Technical Glass improved in Q3. Is this trend expected to continue?
- A: About half of the products in Technical Glass are related to automotive markets and their demand is expected to recover in line with automotive production trends. Volumes of printer lenses are expected to continue to increase with working from home demand. The Fine glass business is also expected to remain solid.
- Q: For Architectural Glass, the recovery in Asia seems to be slow compared to the other regions. The competitors announced the termination of discussions for integration of architectural glass business in Japan. Will this announcement have an impact on the NSG Group's business and strategy?
- A: We have been taking, and will continue to focus on, our own improvement measures, such as the suspension of the two float furnaces in Chiba and Malaysia last year and the exit from less profitable businesses.
- Q: You mentioned that the benefit achieved in Q3 through an urgent cost saving project amounted to 20 billion yen. Which categories in the change analysis in the financial results presentation (p.7) represent it? What is your saving target for the full year?
- A: The benefit is mainly included in the "Cost savings and other" category and has mitigated the impact of a significant decrease in volumes. The full year cost saving target is over 20 billion yen. While we are already very close to the target, we will continue to take further actions.
- Q: While the NSG Group intends to mitigate the costs of restructuring with disposals as much as possible, are there any assets significant enough to generate the level of income to be able to offset the restructuring costs? Further, is your plan to implement a headcount reduction of about 2,000 by the end of FY2021 still feasible?
- A: Asset disposals cannot be made unilaterally and we are not in the position to be able to provide any details. Cases are considered and implemented, in order to mitigate the costs of restructuring as much as possible. The headcount reduction actions are in progress as planned and we intend to recognize the costs of restructuring in FY2021.
- Q: The NSG Group aims to lower the cost base by more than 10 billion yen. Please provide the level of operating profit and net profit you aim for FY2021.
- A: We aim to ensure operating profit of over 10 billion yen and meaningful net profit, by taking measures such as the headcount reduction and production and procurement cost saving.
- Q: What are the businesses and products that are expected to grow in the future? Are you developing any 5G-related products such as low dielectric glass?
- A: We have invested in the solar energy glass facilities as a part of the strategic investment projects. The new float furnaces started warming up in January 2020 in Vietnam and in November 2020 in North America. We expect them to contribute to profit in FY2022. Regarding 5G, we are developing glass flake products for low dielectric parts.