

Key Questions and Answers at FY2023/3 Annual Results Announcement

- Q: Full-year operating profit for FY2023/3 was significantly above the forecast. What were the main factors behind this?
- A: They were improvements in Automotive glass business and relatively lower energy prices. Sales volume increased as the impact of the component shortage was gradually solved in H2, especially in Q4, and sales price improvements by the negotiation with automotive manufacturers progressed further during Q4. Also, natural gas price in Europe, which had skyrocketed in Q2 fell somewhat.
- Q: FY2024/3 full-year operating profit forecast of JPY 30.0 bn seems to be conservative, considering FY2023/3 full-year operating profit of JPY 34.8 bn. What is the background for this decrease?
- A: Material, labour and other costs are predicted to increase reflecting the worldwide inflation trend while energy price decline somewhat. The Group is planning to mitigate the cost rise impacts with continuous price pass-through.
- Q: For each business, what are assumed in FY2024/3?
- A: Good performance is expected in the Architectural glass business, although not so good as in FY2023/3, and sales volume of solar energy glass is expected to increase. Sales volume is expected to increase in the Automotive business. For the Technical Glass business, soft demand is assumed especially in H1 due to the slowdown in IT market.
- Q: Regarding the solar energy glass business, a customer plans to increase production capacity in the USA. How will the Group respond to it?
- A: Although the final decision has not been made yet, the Group is considering under the basic policy to pursue the most profit with the least investment.
- Q: Does the Group expect sales volume of solar energy glass to improve in FY2024/3 as a customer plans to increase production volume?
- A: Yes, we expect sales volume increase in solar energy glass business. A capacity to produce solar energy glass in Malaysia will start production from FY2024/3 Q3 to meet customers' plan to increase production.
- Q: Full-year net profit is forecasted to increase in FY2024/3. What is the Group's thoughts on resumption of ordinal dividends and the redemption of the class A shares?
- A: The Group thinks it is important to improve profits and cash to resume dividends and redeem the class A shares. Also, we should reduce borrowings as finance costs have been increasing reflecting interest rates rise. Repayment of borrowings, redemption of the class A shares and resumption of dividends should be considered and addressed in an appropriate timing and based on an appropriate balance, considering the financial situation.

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic and competitive environment in major markets, product supply and demand shifts, currency exchange and interest rate fluctuations, changes in supply of raw materials and fuel and changes in laws and regulations, but not limited.