

Key Questions and Answers at FY2024/3 Annual Results Announcement

- Q: Actual Operating profit for FY2024/3 was JPY 35.9 billion while the forecast for the period was JPY 42.0 billion. What were the factors of this approx. JPY 60.0 billion below the forecast?
- A: This is because a decrease in both sales volume and prices in Europe was more than expected, particularly in Germany, which is one of the Group's major markets. The impact of deteriorating economic activity is assumed to continue for the time being so that the Group will mitigate the impact by measures including production volume adjustments such as ceasing the production on a float line in Germany ahead of the cold repair, as disclosed on 19 March 2024.
- Q: What is the background of the Q4 profit decrease while revenue increase compared to Q3 in Automotive glass business?
- A: In Q4, the business experienced sales volume and price decrease in Europe and a temporal supply chain issue in Japan. Despite this market environment, revenue increased as a whole business with the progress of price agreements.
- Q: FY2025/3 full-year sales forecast is JPY 840.0 billion and operating profit is JPY 37.0 billion both of which are ahead of the previous year's results. What are the assumptions for each business?
- A: For Architectural glass, we anticipate a sales volume decrease in Europe which will be mitigated by favorable solar energy glass. In Automotive, sales volume continues to increase gradually and in Technical Glass business will be similar to the previous year. The European economy is the key to achieve the operating profit forecast of JPY 37.0 billion.
- Q: When does the Group expect the European economy to bottom out?
- A: We assume it to recover in the FY2025/3 H2 hopefully.
- Q: Will Architectural glass Japan continue to take strategy securing ROS with sales price increase reflecting input costs rise?
- A: The Group continues to secure profitability by passing through increased input costs to sales prices together with improving sales mix helped by governmental subsidies as a tailwind.
- Q: Will the operating profit margin of the Automotive glass business in FY2025/3 improve from 2.7% in FY2024/3?
- A: Yes. The Group promotes not only price pass-through but also expansion of Value-added products for both new vehicles and aftermarket whose effects will be gradually realized.
- Q: Investment for strategic projects is planned for JPY 30.0 billion while JPY 16.8 billion in the previous year. What is the reason for the increase?
- A: Most of them are for strategic projects responding to First Solar's capacity expansion, but there are some items that are under consideration. The only investment already planned is the conversion of the existing float line into the line for solar energy glass at Rossford, Ohio, USA.