

Key Questions and Answers at
Medium-Term Plan "2030 Vision: Shift the Phase" Briefing

- Q: The target of return on sales for Architectural glass business in FY2025/3 is 12%. Is the target achievable with the combination of economic recovery in Europe and the completion of conversion into a solar energy glass facility?
- A: Yes. In addition, the Group also aim to achieve the target by improving capacity and capability to manufacture strategic products such as Low-E glass and double-glazing glass.
- Q: The return on sales target for Automotive glass business of 5% in FY2027/3 appears to be realistic considering 2.7% in FY2024/3. However, 5% doesn't seem to be enough. Is there a long-term target? What measures will be taken to improve profitability?
- A: 5% is only a milestone, so the Group will pursue further profitability improvement for a longer term. We will continue to improve it by focusing on expanding ADAS and HUD and investing accordingly. Adding to that, the Group focus on roof lights as they are becoming value-added products with an increase in size and also functionality.
- Q: The operating profit target in FY2027/3 is JPY 64.0 billion while the operating profit forecast in FY2025/3, the first year of the 2030 Vision: Shift the Phase, is JPY 37.0 billion. At what pace will the Group improve operating profit and achieve the target?
- A: The Group plans solar energy glass will contribute much to an improvement. Operating profit is expected to grow significantly in H2 of FY2026/3 since a new solar energy glass facility in Rossford, Ohio, USA which starts production at the end of FY2025/3 is expected to contribute on a full-year basis then. The effects of portfolio transformation, such as strategic replacement and conversion of manufacturing facilities also will begin to realize from FY2026/3.
- Q: What growth rate do the Group anticipate for solar energy glass, one of the main growth businesses, during the 2030 Vision?
- A: We could not disclose the details of the growth, however, the growth can be estimated considering the float lines for solar energy glass will increase by two to six by FY2027/3.
- Q: The presentation explains that the redemption of the Class A shares and shareholder returns will be determined based on the sustainability of the financial conditions in the latter half of this medium term period. Will the Group prioritize repayment of interest-bearing debt to reduce the impact of interest rate rise risks reflecting inflations? Are there any concrete criteria to start a redemption of the Class A shares?
- A: For the time being, we will focus on repaying debt. The Group decides on the redemption of the Class A shares taking the balance of profitability, cash generation and stabilization of financial status once financial costs decrease by reducing debt.