

Key Questions and Answers at 2022/3 Annual Results Announcement

- Q: Could you provide demand assumptions for Architectural and Automotive Glass businesses in Europe for 2023/3 full-year forecast?
- A: In Architectural Glass business in Europe, customers are accepting the energy surcharge system and prices reflecting it so far, therefore, strong demand will be expected even with the prices reflecting the energy prices as far as the energy cost stays at the same level. In Automotive Glass business, demand still faces a severe situation in Q1, however, it will be resolved gradually.
- Q: Operating profit in Automotive Glass business is planned in 2023/3 full-year forecast. Is the impact by price pass-through included in it?
- A: Yes, the price pass-through which the Group deems appropriate is included.
- Q: The Group has already been working on profitability improvement in Automotive Glass business, will the Group continue to promote it with a stronger determination than ever this time?
- A: Yes, the Group will do it with a strong determination to achieve operating profit in 2023/3.
- Q: The Tax rate of the 2023/3 forecast seems to be relatively high. Could you provide the reason for this?
- A: The Group has some countries with profit and other countries without them, also some countries with deferred tax assets and other countries without them. The Group calculates the taxation cost for each country based on each country's tax rate, with the combination of these two factors, which results in a higher tax rate as a whole Group.
- Q: What is the policy for capital expenditure to increase the capacity of Solar Energy glass?
- A: The Group has been in discussion and not decided yet. However, the Group will not build a new furnace. The Group will maximize cost-effectiveness by other means instead, such as fully utilisation of the existing one.
- Q: Could you provide any backup plans if the supply of the natural gas from Russia to Europe stopped as the worst-case? Is it possible to change the energy source from natural gas to other alternative ones to fire furnaces?
- A: The situation is not anticipated at this moment, and this is just a hypothesis answer. Natural gas from Russia is used in Italy, Germany and Poland to some extent. If its supply stopped from Russia, the Group could switch energy sources to heavy fuel oil in some furnaces, but the situation differs from furnace to furnace. The Group has been developing measures urgently including capital expenditure to prepare for future risks.

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.