

QA during the Presentation of Financial Results for the Nine Months of FY2016

- Q1 Among the items in the “Variance Analysis on OP (QoQ)” described in P.15 of the presentation materials, which items include the lack of temporary gains of about 3.0 billion yen posted for 2Q?
- A1 The lack of temporary gains of 2.0 billion yen is included in “Cost Reductions/Others” item and the lack of 1.0 billion yen is in “Purchase Price, Fuels/Raw Materials” item.
- Q2 With regard to the architectural glass business in Europe, you said that the price did not fall as a result of a warmer-than-usual winter last year. What is the forecast of supply and demand in 4Q?
- A2 The supply and demand of architectural glass has become tight because more glass has been allocated to automotive glass production, which continue to be strong. We don't think that the supply and demand balance will deteriorate significantly unless there are any abnormal climate changes such as an unusually severe winter.
- Q3 With regard to the fluorine specialty business in the chemicals segment, what is the background behind the sluggish growth of sales for the current period?
- A3 The reason for weak sales is a drop in shipments of agrochemical intermediates in the life science business. Shipments have not picked up due to the accumulation of distribution stock caused by a decrease in consumption of agrochemicals in South America. Shipments of other fluorine products are growing steadily, but the price of iodine business remains weak, which is another reason for sluggish sales growth.
- Q4 What is your forecast of each segment in 4Q?
- A4 In the glass segment, shipments of architectural glass are projected to increase thanks to seasonal factors. In the electronics segment, shipments of LCD glass substrates are expected to remain at the same level or slightly decrease, and shipments of electronics materials are expected to increase. In the chemicals segment, we expect a significant increase in profit as compared to 3Q. This is because shipments of chlor-alkali products are expected to increase and the spread is improving, and also shipments of fluorine products will increase owing to a high-demand period.