

QA during the Presentation of Financial Results for the Nine Months of FY2015

【Overall company】

Q1. What is the background of the significant loss from oil hedges valuation in 3Q?

A1. Hedges for crude oil, including those to be used in the future, have been revalued at the end of each term. Due to the significant drop in crude oil prices from the end of June to the end of September, impairment losses occurred.

【Glass】

Q1. The earnings recovery in the glass business in Europe is slowing down. How do you intend to improve profitability in the future?

A1. Earnings in the float glass business is improving due to a recovery of prices resulting from the tightening of the supply and demand conditions. On the other hand, the architectural glass fabrication business is in a tough situation because of an influx of fabricated glass products from Eastern Europe to Western Europe. We recognize that countermeasures need to be taken for this business.

【Electronics】

Q1. You said you forecasted that the shipments of TFT-LCD glass substrates in 4Q will decrease and price decline in 4Q will be as same as it was in 3Q. What is your forecast for overall profit and loss in the Electronics segment?

A1. It will be difficult to compensate for all of the profit decline caused by decreased shipments and the decline in prices of TFT-LCD glass substrates using profit generated from other products, so we expect overall profit performance in the Electronics segment might decrease quarter-on-quarter in 4Q.

【Chemicals】

Q1. You said demand for PVC had not been good, but have you made any changes to the forecast for the chlor-alkali business in Indonesia in which you are making large-scale investments?

A1. Demand for chemical products in Indonesia is currently on a recovery track, so we have not made any changes to our forecast for the business.

Q2. What is the schedule for investments to expand facilities in Indonesia?

A2. The facilities are scheduled to start operation sometime between at the end of 2015 and early 2016.