

QA during the Presentation on the Financial Results for the Nine months of FY2014

【Overall company】

Q1. According to the Company's plan, the operating profit is expected to improve in 4Q. Can you elaborate on that by business segment?

A1. In the Glass business, the price increase of architectural glass in Japan and Europe and the restructuring efforts in Europe will continue to show results. While the Electronics business might be slightly weak, the Chemical business is expected to have increased shipments of pharmaceutical and agrochemical intermediates and active ingredients thanks to the peak season in 4Q.

Q2. You have reduced the forecast for capital investments by 20 billion yen. What capital investment did you curtail?

A2. We did not curb growth investments. We are planning to reduce capital investments in consideration of our investment priorities.

【Glass】

Q1. Can you elaborate on the status of the architectural glass business in Europe?

A1. Shipments stayed around the same level compared to the same period of the previous year. Sales prices have been improving in the all region in Europe since the second quarter, while, in Eastern Europe, price levels remained below the levels of the same period of the previous year. In 4Q, depending on timing of entering the off- season, we are placing expectations on an increase in the shipments during the high demand season in October and November.

【Electronics】

Q1. What are the trends in the prices and shipments of LCD glass substrates on a quarter on quarter basis?

A1. In 3Q, the shipment volume increased by a high single-digit percentage as compared to 2Q. The prices of LCD glass substrates decreased by a low single-digit percentage as compared to 2Q.

Q2. Can you elaborate on the status of the specialty glass for display devices?

A2. The full year sales are expected decrease year on year owing to the sluggish tablet market, which is one of the main applications for the specialty glass for display devices, and the intensifying competitive environment. However, we are expecting improvements in 2015.