

## Financial Year ending 31 March 2022 Quarter 3 Results

- Continued operating profit in Q3 with component shortages and higher energy prices, mitigated with price increases and cost-saving efforts.  
Revenue and operating profit recovery from the previous year
- Revenue in full-year forecast revised upward, while operating profit downward, reflecting Q3 results and uncertainty of business environments. No revision of profit for the period and net profit, representing progress with the key initiative “Restoration of financial stability” in RP24
- Transformation initiatives progressing under Revival Plan 24 (RP24).  
Transition to the “Prime Market” of TSE decided

### 1. Financial Year ending 31 March 2022 Third Quarter Results

- Group revenue in Q3 was JPY 152.3 billion (+16.5 bn, +12.1% YoY), and operating profit was JPY 1.8 billion (-3.0 bn YoY) which maintained surplus. The Group was impacted by component shortage for vehicle production and higher energy and material costs, but mitigated with sales price increase in Architectural (mainly Europe) Glass and cost-saving efforts
- The cumulative revenue was JPY 443.0 billion (+85.6 bn, +24.0% YoY), and operating profit was JPY 14.5 billion (+6.5 bn YoY). Net profit was JPY 8.6 billion (+22.6 bn YoY), helped by a gain on the disposal of the Battery Separator business and favorable share of JVs and associates’ profits.  
The cumulative results were above the previous year
- Shareholder’s Equity ratio recovered to 11.3% (+3.7 pt. vs 2021/3 end) due to the improving profit performance

### < Consolidated Income Statement >

(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	2021/3	2022/3	Change	2021/3	2022/3	Change
<b>Revenue</b>	135.9	<b>152.3</b>	16.5	357.4	<b>443.0</b>	85.6
<b>Operating profit</b>	4.8	<b>1.8</b>	(3.0)	8.0	<b>14.5</b>	6.5
<b>ROS: Return on sales (%)</b>	3.5%	<b>1.2%</b>	(2.3) pt	2.2%	<b>3.3%</b>	+1.1pt
Exceptional items (COVID-19 related)	(1.2)	-	1.2	(14.0)	-	14.0
<b>Operating profit/(loss) after COVID-19 related exceptional items</b>	3.6	<b>1.8</b>	(1.8)	(6.0)	<b>14.5</b>	20.5
Exceptional items (Other)	1.0	<b>(0.2)</b>	(1.2)	0.2	<b>4.4</b>	4.2
<b>Operating profit/(loss) after exceptional items</b>	4.6	<b>1.7</b>	(2.9)	(5.8)	<b>18.9</b>	24.7
Finance expenses (net)	(2.1)	<b>(3.2)</b>	(1.1)	(7.5)	<b>(9.0)</b>	(1.5)
Share of JVs and associates’ profits	1.0	<b>2.2</b>	1.2	0.8	<b>5.6</b>	4.7
<b>Profit/(loss) before taxation</b>	3.5	<b>0.7</b>	(2.8)	(12.5)	<b>15.4</b>	27.9
<b>Profit/(loss) for the period</b>	3.7	<b>1.0</b>	(2.7)	(13.5)	<b>10.5</b>	24.0
<b>Net profit/(loss) *</b>	3.4	<b>0.0</b>	(3.3)	(13.9)	<b>8.6</b>	22.6
<b>EBITDA</b>	13.5	<b>11.1</b>	(2.4)	32.3	<b>42.2</b>	9.9
<b>Free Cash Flow</b>	5.6	<b>2.4</b>	(3.2)	(28.6)	1.1	29.6

\*Profit (loss) attributable to owners of the owners of parent

(JPY bn)	31 March 2021	31 December 2021	Change
<b>Total Assets</b>	<b>825.0</b>	<b>858.8</b>	<b>33.9</b>
Shareholders’ equity	62.9	97.2	34.3
<b>Shareholders’ Equity Ratio</b>	<b>7.6%</b>	<b>11.3%</b>	<b>+3.7pt</b>

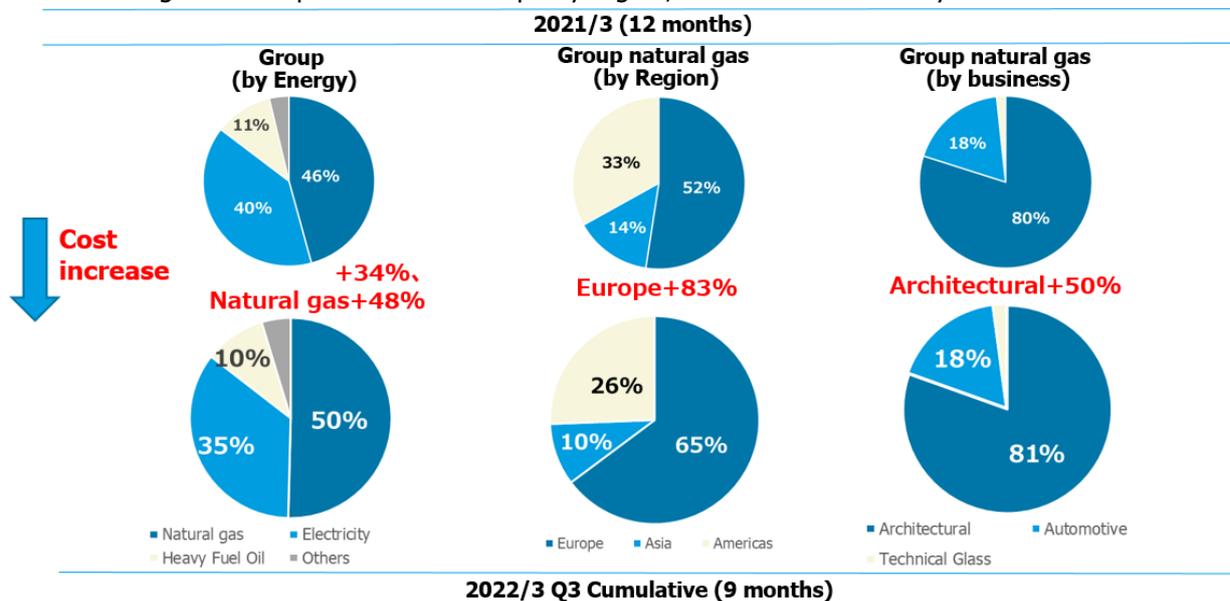
## <Business Results>

Architectural Glass	Significantly improved revenue continued in all regions especially in Europe, reflecting strong demand. Solid profit exceeding 2020/3, with prices increase and cost saving efforts offsetting higher energy prices. Robust demand for solar energy glass continued
Automotive Glass	Q3 Revenue decreased, affected by constrained vehicle build due to component parts shortage. Q3 profit reduced with the negative impact of higher energy and material costs, despite cost saving efforts. Leading to cumulative profit reduction.
Technical Glass	Improved revenue and profit, with continuous generally favorable market conditions, recovering from COVID-19 impact in 2021/3 (like-for-like basis without battery separators disposed in September). Continued volume improvement of printer lenses by work from home and school from home demand

(JPY bn)	2021/3		2022/3		Change	
	Q3	Cum.	Q3	Cum.	Q3	Cum.
<b>Revenue</b>						
Architectural Glass	57.0	156.1	74.8	206.9	17.8	50.8
Automotive Glass	68.3	173.6	68.1	203.3	(0.2)	29.7
Technical Glass	10.1	26.6	9.1	30.8	(1.0)	4.2
Other	0.5	1.1	0.3	2.0	(0.2)	1.0
<b>Total Revenue</b>	<b>135.9</b>	<b>357.4</b>	<b>152.3</b>	<b>443.0</b>	<b>16.5</b>	<b>85.6</b>
<b>Operating profit</b>						
Architectural Glass	4.2	11.5	6.8	20.4	2.5	8.9
Automotive Glass	1.3	(1.1)	(4.9)	(5.9)	(6.2)	(4.9)
Technical Glass	2.0	4.5	2.1	7.8	0.1	3.3
Other	(2.7)	(6.9)	(2.2)	(7.7)	0.7	(0.8)
<b>Total Operating Profit</b>	<b>4.8</b>	<b>8.0</b>	<b>1.8</b>	<b>14.5</b>	<b>(3.0)</b>	<b>6.5</b>

## 2. Impact of the energy price increase to the Group

- Worldwide energy price increases, 2021 Dec. German natural gas price hiked 6.2x from Mar. Japanese heavy fuel oil price increased by 42%
- 2022/3 Q3 cumulative (9 months) group energy cost +34% compared with 2021/3 (12 months), natural gas increased +48% particularly
- Most significant impacts were in Europe by region, and in Architectural by business



### 3. Forecast for Financial Year ending 31 March 2022

- Revenue in full-year forecast revised upward reflecting Q3 results.  
Operating profit downward due to restricted vehicle build, and higher energy and material costs.  
No revision of profit for the period and net profit, representing progress with the key initiative "Restoration of financial stability" in RP24
- In Architectural business, continued favorable demand and supply situation, while impacted by higher energy cost assumed especially in Europe
- In Automotive business, affected by component shortage and higher input costs, despite strong vehicle demand
- In Technical Glass business, overall business environment continues to improve

#### <Forecast for Financial Year ending 31 March 2022>

(JPY bn)	2022/3	2022/3	2022/3	2021/3
	Q3 Cum. Act	Full year Fcst (Previous)	Full year Fcst. (Revised)	Full year Act
<b>Revenue</b>	<b>443.0</b>	<b>560.0</b>	<b>590.0</b>	499.2
<b>Operating profit</b>	<b>14.5</b>	<b>24.0</b>	<b>20.0</b>	13.1
<b>Operating profit after COVID-19 related exceptional items</b>	<b>14.5</b>	<b>24.0</b>	<b>20.0</b>	(3.0)
Exceptional items (Other)	4.4	5.0	4.0	(5.3)
<b>Operating profit after exceptional items</b>	<b>18.9</b>	<b>29.0</b>	<b>24.0</b>	(8.3)
Finance expenses (net)	(9.0)	(13.0)	(13.0)	(11.0)
Share of JVs and associates' profits	5.6	3.0	7.0	2.1
<b>Profit before taxation</b>	<b>15.4</b>	<b>19.0</b>	<b>18.0</b>	(17.2)
<b>Profit for the period</b>	<b>10.5</b>	<b>12.0</b>	<b>12.0</b>	(16.3)
<b>Net profit *</b>	<b>8.6</b>	<b>10.0</b>	<b>10.0</b>	(16.9)

\*Profit (loss) attributable to owners of the owners of parent

### 4. Update of Transformation Initiatives under Revival Plan 24

- Cost structure reform: Headcount and cost reduction initiatives, and additional cost-saving efforts in Automotive also progressing
- Business structure reform: Contribution to profit and CO2 emission by solar energy glass furnace.  
New float furnace construction in Argentina progressing for full operation in early 2023/3.  
Introduction of renewable electricity in Poland to reduce CO2 emission
- Transformation into more profitable business portfolio: New development of "MAGNAVI®", glass fiber with high elasticity and high strength for composite material market such as FRP
- Transition to TSE new market segmentation "Prime Market" decided

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