

## Financial Year ended 31 March 2022 Annual Results

- Continued profit with strong Architectural and Technical Glass performance. Achieved full-year forecast in revenue and operating profit. Impairment losses of debt and equity investments to JV in Russia
- In the Forecast for 2023/3, Revenue planned to increase with improving volumes and prices, but operating profit to decrease and net profit to be flat with higher input costs affected by invasion of Ukraine by Russia and worldwide inflation trend. Aim to recover profitability through continuous cost reduction
- Transformation initiatives progressing under Revival Plan 24 (RP24). Based on “Restoration of financial stability” of RP24, achieved financial targets in free cash flow and shareholder’s equity ratio as a single year
- Committing to achieve carbon neutrality by 2050

### 1. Financial Year ended 31 March 2022 Annual Results

- Group revenue in Q4 was JPY 157.6 billion (+15.7 bn, +11.1% YoY), and operating profit was JPY 5.5 billion (+0.4 bn, +8.2% YoY) which maintained surplus. Operating profit increase in Architectural and Technical covered decrease in Automotive glass
- The cumulative annual revenue was JPY 600.6 billion (+101.3 bn, +20.3% YoY), and operating profit was JPY 20.0 billion (+6.9 bn, +52.9% YoY). Achieved full-year forecast in revenue and operating profit. Net profit was JPY 4.1 billion (+21.1 bn YoY), the first profit in these three years, despite of negative 6.8 billion yen in total impairment losses of debt and equity investments to JV in Russia
- Free cash flow recovered to JPY 22.3 billion, and shareholder’s equity ratio to 15.5% (+7.9 pt. vs 2021/3 end)

#### < Consolidated Income Statement >

(JPY bn)	Q4 (3 months)			Cumulative (12 months)			2022/3 Full-year Forecast
	2021/3	2022/3	Change	2021/3	2022/3	Change	
Revenue	141.9	157.6	15.7	499.2	600.6	101.3	590.0
Operating profit	5.1	5.5	0.4	13.1	20.0	6.9	20.0
ROS: Return on sales (%)	3.6%	3.5%	(0.1) pt	2.6%	3.3%	+0.7pt	3.4%
Exceptional items (COVID-19 related)	(2.1)	-	2.1	(16.1)	-	16.1	-
Operating profit/(loss) after COVID-19 related exceptional items	3.0	5.5	2.5	(3.0)	20.0	23.0	20.0
Exceptional items (Other)	(6.1)	(0.7)	5.4	(5.9)	3.6	9.5	4.0
Operating profit/(loss)loss after exceptional items	(3.1)	4.8	7.8	(8.9)	23.6	32.5	24.0
Finance expenses (net)	(3.5)	(3.4)	0.1	(11.0)	(12.5)	(1.4)	(13.0)
Impairment of financial receivables owed by joint ventures and associates	-	(3.4)	(3.4)	-	(3.4)	(3.4)	-
Share of JVs and associates’ profits	1.3	1.9	0.6	2.2	7.5	5.3	7.0
Other gains/(losses) on equity method investments	0.6	(3.4)	(4.0)	0.6	(3.4)	(4.0)	-
Profit/(loss) before taxation	(4.7)	(3.6)	1.1	(17.2)	11.9	29.0	18.0
Profit/(loss) for the period	(2.8)	(3.8)	(1.0)	(16.3)	6.8	23.1	12.0
Net profit/(loss) *	(3.0)	(4.5)	(1.5)	(16.9)	4.1	21.1	10.0
EBITDA	14.5	14.4	(0.1)	46.8	56.7	9.8	
Free Cash Flow	24.1	21.2	(2.8)	(4.5)	22.3	26.8	

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

(JPY bn)	31 March 2021	31 March 2022	Change
<b>Total Assets</b>	<b>825.0</b>	<b>939.3</b>	<b>114.3</b>
Shareholders' equity	62.9	145.3	82.4
<b>Shareholders' Equity Ratio</b>	<b>7.6%</b>	<b>15.5%</b>	<b>+7.9pt</b>

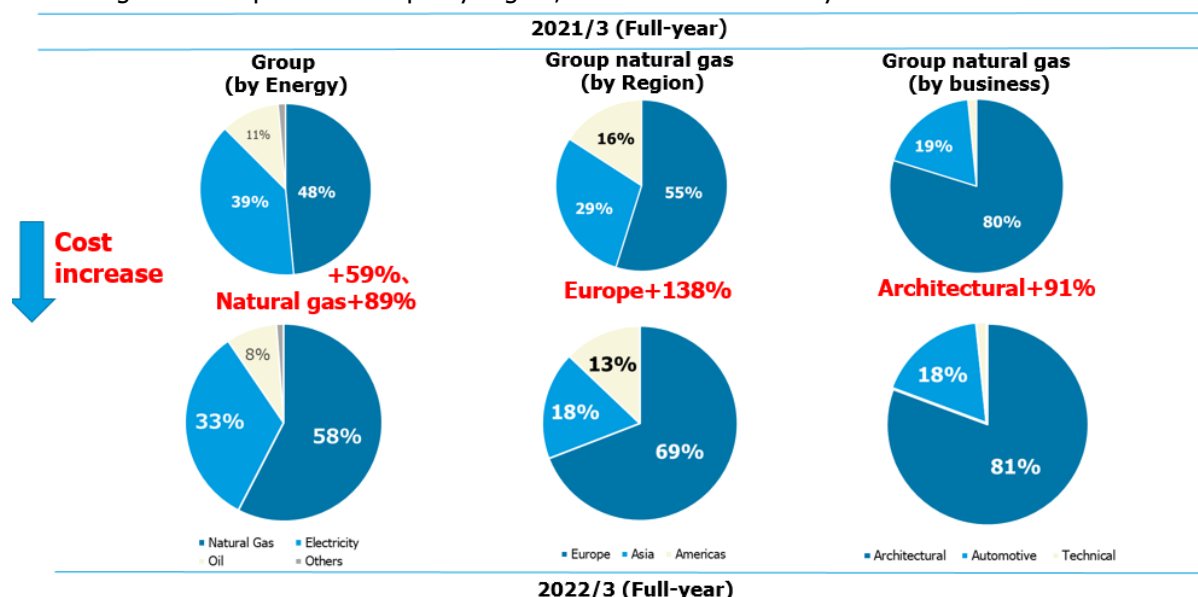
### <Business Results>

Architectural Glass	Significantly improved revenue continued in all regions especially in Europe, reflecting strong demand. Continued solid profit with prices increase and cost saving efforts offsetting higher energy prices. Robust demand for solar energy glass continued
Automotive Glass	Q4 revenue increased, but profit reduced, continuously affected by constrained vehicle build due to component parts shortage and higher energy and material cost, despite cost saving efforts. Cumulative profit also reduced
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	
	Q4	Cum.	Q4	Cum.	Q4	Cum.
<b>Revenue</b>						
Architectural Glass	59.4	215.5	75.0	281.8	15.5	66.3
Automotive Glass	71.6	245.2	73.0	276.2	1.4	31.1
Technical Glass	10.2	36.8	9.0	39.8	(1.2)	3.0
Other	0.6	1.7	0.7	2.7	0.1	1.0
<b>Total Revenue</b>	<b>141.9</b>	<b>499.2</b>	<b>157.6</b>	<b>600.6</b>	<b>15.7</b>	<b>101.3</b>
<b>Operating profit</b>						
Architectural Glass	4.2	15.7	7.7	28.1	3.6	12.5
Automotive Glass	2.9	1.8	(2.0)	(7.9)	(4.9)	(9.7)
Technical Glass	2.2	6.7	2.1	9.9	(0.1)	3.2
Other	(4.2)	(11.1)	(2.4)	(10.1)	1.8	1.0
<b>Total Operating Profit</b>	<b>5.1</b>	<b>13.1</b>	<b>5.5</b>	<b>20.0</b>	<b>0.4</b>	<b>6.9</b>

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

- Worldwide energy price increases, Mar. 2022 German natural gas price hiked 7.0x from Mar. 2021. Japanese heavy fuel oil price increased by 70%
- 2022/3 full-year group energy cost +59% compared with 2021/3, natural gas strikingly increased +89%
- Most significant impacts in Europe by region, and in Architectural by business



### 3. Forecast for Financial Year ending 31 March 2023

- Revenue planned to increase but operating profit to decrease and net profit to be flat. Volume improvement reflecting demand recovery and more price pass-through in all businesses expected, while continuous input cost increases anticipated, particularly energy costs, affected by invasion of Ukraine by Russia and worldwide inflation trend
- In Architectural Glass, continued favorable demand and supply situation, while impacted by higher energy costs assumed
- In Automotive Glass, component shortage anticipated to continue, but to be resolved gradually. Aiming for operating profit surplus with price pass-through and cost reduction efforts mitigating higher energy and material cost
- In Technical Glass, overall business environment will be expected to continue improvements



#### <Forecast for Financial Year ending 31 March 2023>

(JPY bn)	2022/3 Actual		2023/3 Forecast		Change	
	H1	Full-year	H1	Full-year	H1	Full-year
<b>Revenue</b>	<b>290.7</b>	<b>600.6</b>	<b>320.0</b>	<b>650.0</b>	<b>29.3</b>	<b>49.4</b>
<b>Operating profit</b>	<b>12.7</b>	<b>20.0</b>	<b>7.0</b>	<b>18.0</b>	<b>(5.7)</b>	<b>(2.0)</b>
Exceptional items (Other)	4.5	3.6	2.0	2.0	(2.5)	(1.6)
<b>Operating profit after exceptional items</b>	<b>17.2</b>	<b>23.6</b>	<b>9.0</b>	<b>20.0</b>	<b>(8.2)</b>	<b>(3.6)</b>
Finance expenses (net)	(5.8)	(12.5)	(7.0)	(13.0)	(1.2)	(0.5)
Impairment of financial receivables owed by joint ventures and associates	-	(3.4)	-	-	-	-
Share of JVs and associates' profits	3.3	7.5	2.0	4.0	(1.3)	(3.5)
Other gains/(losses) on equity method investments	-	(3.4)	-	-	-	3.4
<b>Profit before taxation</b>	<b>14.7</b>	<b>11.9</b>	<b>4.0</b>	<b>11.0</b>	<b>(10.7)</b>	<b>(0.9)</b>
<b>Profit for the period</b>	<b>9.6</b>	<b>6.8</b>	<b>2.0</b>	<b>5.0</b>	<b>(7.6)</b>	<b>(1.8)</b>
<b>Net profit *</b>	<b>8.6</b>	<b>4.1</b>	<b>2.0</b>	<b>4.0</b>	<b>(6.6)</b>	<b>(0.1)</b>

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

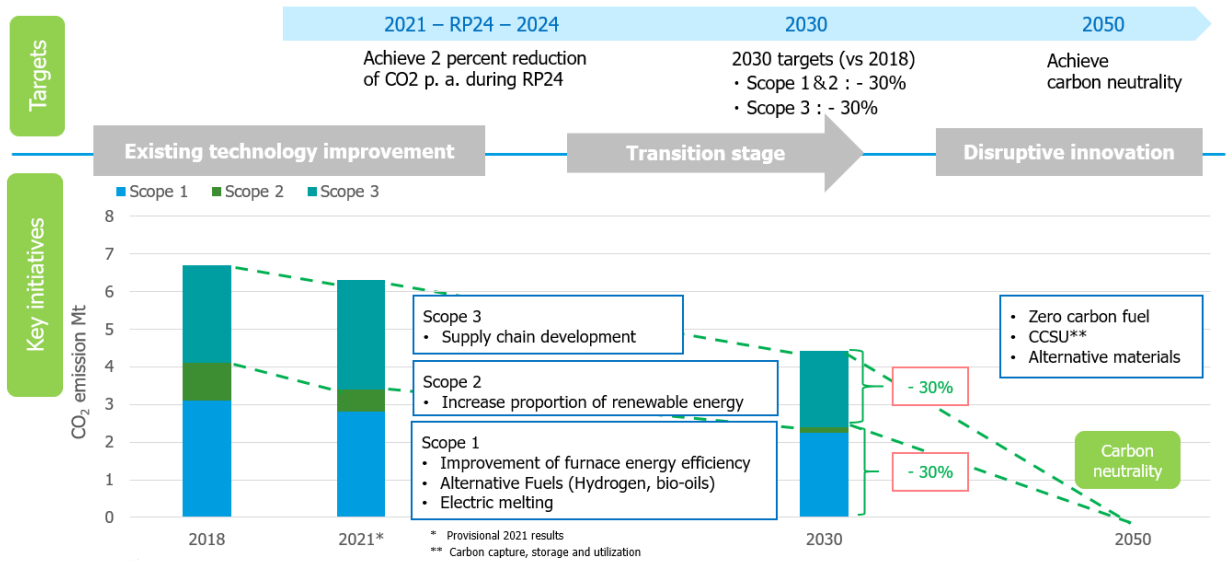
### 4. Update of Transformation Initiatives under Revival Plan 24

- Cost structure reform: Headcount and cost reduction initiatives, and additional cost-saving efforts in Automotive also progressing
- Business structure reform: New float furnace construction in Argentina progressing for full operation in H1 of 2023/3
- Transformation into more profitable business portfolio: Discussing capacity increase for solar energy glass furnace in response to First Solar's capacity increase
- Restoration of financial stability: Achieved financial targets in free cash flow (above JPY10.0 billion) and shareholder's equity ratio (above 10%) as a single year

<b>Three Reforms</b>	<p><b>Cost structure reform</b></p> <ul style="list-style-type: none"> <li>• Headcount : Consolidation/Closure of sites/production lines mainly in Automotive business in Europe and Americas. Approximately 1,000 reductions in 2022/3, resulting in 2,340 since 2020/3 end (JPY 13.6 bn reduction vs 2020/3) (Severance cost provided in 2021/3)</li> <li>• Non headcount : Direct costs savings of JPY 5.0 bn in 2022/3 via Kaikaku and <a href="#">Kakushin</a> activities</li> <li>• JPY 6.8 bn cost reduction above plan in the additional initiatives in Automotive business</li> </ul>
	<p><b>Business structure reform</b></p> <ul style="list-style-type: none"> <li>• New float furnace construction in Argentina progressing for full operation in H1 of 2023/3</li> <li>• Trial becoming the world's first flat glass manufacturer to fire furnace using 100% biofuel</li> </ul> 
	<p><b>Corporate culture reform</b></p> <ul style="list-style-type: none"> <li>• Progressing "Inclusion &amp; Diversity (I&amp;D)" activities : celebrating International Women's Day across the Group to provide a place where all employees can shine like "glass" in 2022, the International Year of Glass</li> <li>• Encouragement of open communication : promoting discussion based on the employee opinion survey "Your Voice"</li> </ul>
<b>Two Key Initiatives</b>	<p><b>Restoration of financial stability (2022/3 full-year actual)</b></p> <ul style="list-style-type: none"> <li>• Turned profit before tax and net profit with significant improvement by JPY 21.1 bn from 2021/3. Shareholder's equity ratio above 15%</li> <li>• JPY 60.4 bn of cash and JPY 53.2 bn unused commitment lines at the end of March 2022</li> </ul>
	<p><b>Transformation into more profitable business portfolio</b></p> <ul style="list-style-type: none"> <li>• Discussing capacity increase for solar energy glass furnace in response to First Solar's capacity increase</li> <li>• Many inquiries about "MAGNAVI®", glass fiber with high elasticity and high strength</li> <li>• "Botanical™" development with higher light transmission, aiming for contribution to crop growth</li> </ul> 

## 5. Progress of Sustainability

- Committing to achieve carbon neutrality by 2050
- Raising carbon reduction target by 2030 from 21% to 30% compared to 2018



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