

Financial Year ending 31 March 2022 Quarter 2 Results

- Significant revenue and operating profit recovery from the previous year, both cumulatively and for the three months of Q2, exceeding the forecast. Results impacted by Automotive component shortages and higher input costs, but mitigated with sales price increases and cost saving efforts, resulting in continued improvement in operating profit.
- No revision of Group's financial forecast for the full year to 31 March 2022 due to the uncertain business environment with input cost rises and semiconductor shortages. Additional cost reduction contributing to the achievement of a positive full-year net profit for the first time in three years.
- Transformation initiatives progressing under Revival Plan 24 (RP24).
The Group declared its support for the TCFD to accelerate sustainability. Complying with the revised Corporate Governance Code, the Group has decided to select a transition to the TSE Prime Market.

1. Financial Year ending 31 March 2022 Second Quarter (Q2) Results

- Group revenue in Q2 was JPY 143.0 billion (+13.4 bn, +10.3% YoY), and operating profit was JPY 5.5 billion (+1.7 bn YoY). Profit improvement continued despite the impact of automotive component shortages and higher input costs, especially due to increases in natural gas prices. Sales price increased in Architectural business (Europe) and cost saving efforts in whole group mitigated the impact of challenging automotive volumes and rising energy costs.
- The first half cumulative revenue was JPY 290.7 billion (+69.2 bn, +31.2% YoY), and operating profit was JPY 12.7 billion (+9.5 bn YoY). Net profit was JPY 8.6 billion (+25.9 bn YoY), helped by a gain on the disposal of the Battery Separator business. The first-half results were above the forecast revised within the Group's Q1 disclosure.
- Shareholder's Equity ratio recovered above 10% to 10.4% (+2.8 pt. vs 2021/3 end) due to the improving profit performance and revaluation gains on energy hedge contracts.

< Consolidated Income Statement >

(JPY bn)	July-Sept (3 months)			Cum. (6 months)			H1 Forecast
	FY2021 Q1	FY2022 Q2	Change	FY2021 Q1	FY2022 Q2	Change	
Revenue	129.6	143.0	13.4	221.5	290.7	69.2	280.0
Operating profit	3.8	5.5	1.7	3.2	12.7	9.5	12.0
ROS: Return on sales (%)	2.9%	3.9%	+1.0pt	1.4%	4.4%	+3.0pt	4.3%
Exceptional items (COVID-19 related)	(1.3)	-	1.3	(12.8)	-	12.8	-
Operating (loss)/profit after COVID-19 related exceptional items	2.5	5.5	3.0	(9.6)	12.7	22.3	12.0
Exceptional items (Other)	(0.8)	4.7	5.5	(0.8)	4.5	5.3	5.0
Operating profit/(loss)loss after exceptional items	1.7	10.2	8.5	(10.4)	17.2	27.6	17.0
Finance expenses (net)	(3.0)	(2.9)	0.1	(5.4)	(5.8)	(0.4)	(6.0)
Share of JVs and associates' profits	0.2	1.9	1.7	(0.2)	3.3	3.5	2.0
Profit/(loss) before taxation	(1.1)	9.2	10.3	(16.0)	14.7	30.7	13.0
Profit/(loss) for the period	(0.7)	6.7	7.5	(17.2)	9.6	26.8	9.0
Net profit/(loss) *	(0.9)	6.1	7.0	(17.3)	8.6	25.9	8.0
EBITDA	12.7	14.6	2.0	18.8	31.1	12.3	
Free Cash Flow	12.5	8.2	(4.3)	(34.2)	(1.4)	32.8	

*profit (loss) attributable to owners of the owners of parent

(JPY bn)	31 March 2021	30 September 2021	Change
Total Assets	825.0	829.2	4.2
Shareholders' equity	62.9	86.5	23.6
Shareholders' Equity Ratio	7.60%	10.40%	+2.8pt

<Business Results>

Architectural Glass	Continued strong performance in Europe and significant revenue recovery in Asia and Americas. Volumes and price improved with buoyant demand exceeding capacity in Europe. Operating profit improved despite impact of energy cost push and exceeded 2020/3 results. Robust demand for solar energy glass continued
Automotive Glass	Revenue and operating profit decreased in Q2 compared to the previous year, affected by constrained vehicle build due to shortage of components like semiconductor, however, considerable improvement in cumulative H1 owing to Q1 recovery from the previous year, which had been severely impacted by COVID-19
Technical Glass	Favorable market condition continues from previous quarter, revenue and operating profit largely increased even compared to 2020/3. Continued volume improvement of printer lenses by work from home and school from home demand Battery separator business disposal completed on 1 st September

(JPY bn)	2021/3		2022/3		Change	
	Q2	Cum.	Q2	Cum.	Q2	Cum.
Revenue						
Architectural Glass	54.2	99.1	67.5	132.0	13.3	32.9
Automotive Glass	66.6	105.3	64.3	135.2	(2.3)	29.9
Technical Glass	8.4	16.5	10.3	21.7	1.9	5.2
Other	0.4	0.6	0.8	1.8	0.4	1.2
Total Revenue	129.6	221.5	143.0	290.7	13.4	69.2
Operating profit						
Architectural Glass	4.6	7.3	7.5	13.6	2.9	6.4
Automotive Glass	0.5	(2.4)	(2.3)	(1.1)	(2.8)	1.3
Technical Glass	1.1	2.5	2.9	5.7	1.8	3.2
Other	(2.4)	(4.2)	(2.5)	(5.6)	(0.1)	(1.4)
Total Operating profit	3.8	3.2	5.5	12.7	1.7	9.5

2. Forecast for Financial Year ending 31 March 2022

- No revision of full-year forecast, despite H1 actual results exceeding the H1 forecast, considering the uncertainty of input costs increase and semiconductor and components shortage. Outlook of year-on-year improvement in revenue and profit remaining unchanged, helped by continuous cost saving efforts
- In Architectural business, continued favorable demand and supply situation expected, while impact by higher energy cost assumed especially in Europe
- In Automotive business, anticipating increase of vehicle demand, still uncertain as to when component shortages should be resolved. Additional cost reduction is proceeding
- In Technical Glass business, Overall business environment continues to improve

<Forecast for Financial Year ending 31 March 2022>

(JPY bn)	2022/3 H1 Fcst (Previous)	2022/3 H1 Act	2022/3 Full year Fcst (No change)	2021/3 Full year Act
Revenue	280.0	290.7	560.0	499.2
Operating profit	12.0	12.7	24.0	13.1
Operating profit after COVID-19 related exceptional items	12.0	12.7	24.0	(3.0)
Exceptional items (Other)	5.0	4.5	5.0	(5.3)
Operating profit after exceptional items	17.0	17.2	29.0	(8.3)
Finance expenses (net)	(6.0)	(5.8)	(13.0)	(11.0)
Share of JVs and associates' profits	2.0	3.3	3.0	2.1
Profit before taxation	13.0	14.7	19.0	(17.2)
Profit for the period	9.0	9.6	12.0	(16.3)
Net profit *	8.0	8.6	10.0	(16.9)

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

3. Update of Transformation Initiatives under Revival Plan 24

- Cost structure reform: Headcount and cost reduction initiatives progressing. Additional cost saving efforts in Automotive
- Business structure reform: Contribution to profit and CO2 emission by solar energy glass furnace in the USA and Vietnam. New float furnace construction in Argentina for full operation in early 2023/3. New products supply to growth market and expand application of existing products
- Transformation into more profitable business portfolio: The Battery Separator Business disposal completed on 1st September

4. Actions for Sustainability (Declaration of Support for TCFD, Selection of Transition to the TSE Prime Market)

- Environment: Declared support for TCFD.
Accelerating the development of glass manufacturing processes centered on renewable energy and show a concrete roadmap toward carbon neutrality at an earlier stage
- Society: The Group is now enhancing "inclusion and diversity" activities globally to improve manager gender diversity for ensuring diversity in core human resources
- Governance: The Group already a company with nomination committee, and appointed majority of independent directors in the Board. In addition to these, enhancing board independence by diversifying it
- Most of the principles already realized by the Group with the actions above which are complying with the requirements with the revised Japan's Corporate Governance Code including non-financial aspects to promote sustainability and increase enterprise value
- Under this background, Board of Directors meeting held today resolved to select and apply for the TSE Prime Market

"Our Vision" and "Materiality"



Actions (TCFD, Revised CGC)

Environment (Attention to Sustainability and ESG)

- TCFD support declaration and TCFD consortium entrance in addition to SBTi (Science Based Targets initiative) approval and CDP disclosure (Please refer to the press release today)
- Developed the Group Basic Sustainability Policy

Society (Promoting Diversity in Core Human Resources)

- Enhancing "Inclusion & Diversity (I&D)" activities globally

Governance (Ensuring Board Independence)

- Board "to promote company's sustainable growth, corporate value increase in medium to long term, and improve profitability and capital efficiency" required by the revised CGC
- i) Majority of independent directors, ii) Board diversity, iii) Director skill matrix, iv) Nomination committee and reward committee

Transition from the 1st section to the Prime Market of TSE

- Complying with the revised CGC (Report to be submitted in Dec.)

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