Achieve New Growth by Strengthening Our Business Foundations and Original Technologies

The Central Glass Group has established a Long-Term Vision of continuous growth by strengthening R&D as a driving force, and has formulated and announced its Medium-Term Management Plan as a new management guideline for FY2022 through FY2024.

Long-Term Vision

Continuously Growing Company Driven by New Technologies and New Products Created through R&D



Establish a Profitable Business Model and Convert to a Highly Profitable Company

Basic Measures to Realize the Long-Term Vision

- Strengthen R&D as a growth driver
- Clarify roles of each business and optimize the business portfolio

1. Businesses to grow and foster 2. Core businesses Fostering and growth of businesses Increase in earnings capability through investment through aggressive investment and Basic Chemicals (*HFO products) establishment of supply chain Specialty chemicals · Electronic materials · Commercialization of priority · Energy materials research areas **Business Portfolio** 4. Businesses to be Matured and cash-cow restructured businesses Structural reform and rebirth of Further increase in business the ability to generate cash efficiency and the ability to · Architectural glass, automotive glass create cash Fertilizer · Medical chemicals · Glass fibe Profitability

Basic Policies of Medium-Term Plan

1. Achieve new growth by strengthening our business foundations and original technologies

- Return to a growth path
- Concentrate managerial resources to the businesses to be grown in order to accelerate establishment of profitable business models and business expansion to growth markets
 - In the Chemicals business, harvest the fruits of previous investments and continue further investment for the future
 - In the Glass business, complete the structural reform and evolve toward profitable business
 - In other business, further increase earning capability and maximize free cash flow
- Continue strengthening R&D to ensure future growth
- Provide stakeholders with reassurance and reliability by increasing all employees' quality awareness

2. Maintain a healthy financial base

 Distribute cash flows based on a well-balanced consideration of shareholder returns, investments, and financial discipline

3. Contribute to the global environment

- Reduce greenhouse gas emissions
- Provide products and technologies that contribute to reducing environmental burden

Financial Goal (FY2024)

ROE goal in the Medium-Term Management Plan: Aim for achievement of 8% ROE

	Indicator	FY2024 Target
Major item	Operating profit	14.0 billion yen
	Operating profit ratio	8%
Financial indicator	ROE	8%
Shareholder	Total return ratio	At least 30%
returns	Dividend on Equity (DOE)	2.4%

Capital investments

41.0 billion yen (3-year cumulative total

Cost for R&D

24.0 billion yen (3-year cumulative total)

Trend in operating profit (by segment)



Capital Policy

Seek a capital structure focusing on optimization of investment and funding with the aim of maximization of enterprise value

Basic Policy for Capital Policy

Funding	between funding cost and continuity (risk) gement Inject capital to selected sources generating profits exceeding	
Management (Investment)		
Distribution Distribute generated cash based on a well-balance consideration of shareholder returns, investments a financial discipline		

(Unit 100mill	lion yen)	3-year cumulative total
Operating Cl	F	480
Investment	Capital Investments	-410
CF	Sales of assets	170
	Total	-240
Free CF		240
Financial	Dividend	-100
CF	Funding/repayment	-40
	Acquisition of treasury shares	-100
	Total	-240

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Policy for Shareholder Returns

- Total Return Ratio: At least 30%
 DOE (Dividend on Equity Ratio) 2.4%
- Acquisition of treasury shares
- Fundamentally based on the dividend criterion DOE and the dividend amount based on total shareholder return ratio and adjusted as needed
- Allocate about 50% of funds raised by sales of shares in the FY 2022 plan to acquisition of treasury shares

Major investments

- Chemicals
- Invest in commercialization of priority research areas (Power semiconductor materials: From research to mass production facility)
- Electronic materials: Construct new product facilities and increase capacity
- Energy materials: Secure the ability to purchase raw materials (Invest in supply chain), Expand manufacturing bases
- Glass

Invest mainly in maintenance and renewal within operating cash flow (Keep free cash flow positive)

^{*} HFO: Hydrofluoroolefin (Products that have low global warming potential (GWP) and comply with regulations on fluorocarbon)

R&D Policy

- Focus areas: Electronic materials, energy materials, and priority areas of corporate research* * Corporate research refers to the long-term research exploring for new areas in foundation research.
- Aggressively inject R&D resources toward solution proposition for customer needs (such as potential needs, performance improvement and environmental burden reduction)
- Strengthen functional materials business by improving application development technologies (performance assessment and data science) (expansion of applications of our original compounds)

materials * Create new functional materials realizing the next-generation process in cooperation with cutting-edge research institutions for meeting requests of semiconductor and equipment manufacturers in the world. National Cheng GENTRAL GLASS imec Kung University (Belgium) (Taiwan research center) Semiconductor and Central Glass Co., Ltd. equipment manufacturers (Research centers) South Korea and China)

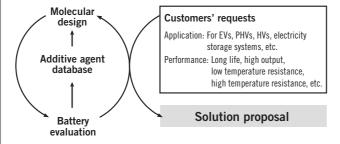
Electronic materials field

• Development of next-generation semiconductor

- Development of environment-friendly semiconductor materials
- * Proposal for environment-friendly next-generation materials and process
- · Low GWP etching gas

Energy materials field

- Development of custom-made electrolytes for Li-ion
- * Create custom-made electrolytes meeting customers' requests



- Development of post-Li-ion batteries
- * Explore for Li-ion battery alternatives to support the environment and diversification
- Li-metal batteries
- · Co- and Ni- free batteries
- Na-ion batteries



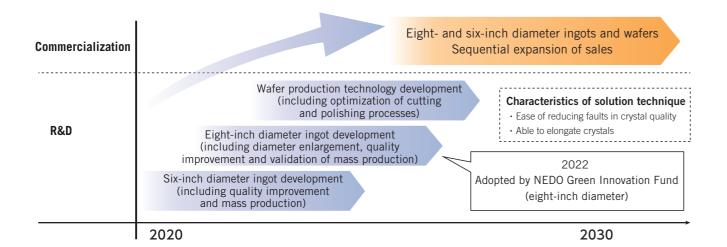


Product Business Model Based on R&D "Commercialization of SiC"

Under our corporate research system where new areas are widely explored, we focus on next generation power semiconductor materials and SiC, which contribute to improvement in performance of rapidly popularizing EVs. We have advanced R&D of solution techniques with superior quality, and we are close to establishing mass production techniques for six-inch ingots. Eight-inch ingots were adopted by the NEDO Green Innovation Fund, and development was started. Also, for wafers, we are accelerating R&D towards commercialization.

Characteristics of SiC power semiconductors: Possible to significantly reduce the loss of energy at conversion of power

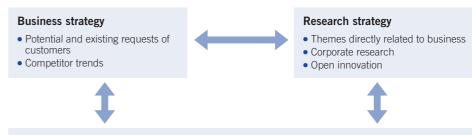
Can contribute to realization of a carbon-neutral society



Intellectual Property Strategy

Advance a three-pronged strategy along with business and research and maximize earnings

- Intellectual property department plays the role of creating and using intellectual property rights and respecting the intellectual property rights of other companies.
- Intellectual property department contributes to present and future profits of the Company through intellectual property rights in cooperation with business and research departments.



Intellectual property strategy

- Evaluation of business trends and intellectual property rights (of the Company and other companies)
- Establishment of patent strategy in line with the Business strategy
- Surveys to prevent violations of intellectual property rights
- · Periodic survey on uses of intellectual property rights
- Contracts that take into account the Patent Act and related acts

Measures toward the Global Environment Reduce greenhouse gas (GHG) emissions

Challenge to realize net-zero GHG emissions in 2050 (Scope 1 + 2)

Milestone reduction goal for GHG emissions in 2030 (vs. 2013)

Our goal (our Group total volume): reduction goal of 40%

* For automotive glass businesses in United States and Europe (agreed to be) transferred, all has been deducted after 2013, the criterion year for comparison.

2013 2030 2050

GHG-reducing technologies in manufacturing processes

- · Fuel conversion (including LNG and total oxygen combustion)
- · Waste heat recovery
- · Production efficiency by effectively using by-products

GHG-reducing products on the market

(outside the scope of emission reduction within the Company)

- · Architecture glass (heat insulation) and automotive weight-reducing thin laminated flat glass
- Products with low global warming potential (including next-generation fluorinated cleaning agents)
- Power semiconductor materials

Measures toward Improving Quality Awareness

Become an organization giving reassurance and reliability to stakeholders by ensuring provision of products and services meeting the needs of customers and society

Permeation of quality culture

Quality promotion meeting **Group Quality Compliance Committee Emergency** Corrective

action meeting

response

Quality management (system)

Quality management (operation)

- · Strengthen and maintain the quality assurance system through multilayer audits (including audits of suppliers)
- · Immediately deal with issues through operation of the quality issue reporting line

Priority measures in the Medium-Term Management Plan

- · Improve quality activities through thorough daily management and promotion of improvement activities
- Develop human resources supporting quality activities by enhancing quality education

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