

September 20, 2022
Central Glass Co., Ltd.

**Notice concerning the Fiscal 2022 to 2024 Medium-Term Management Plan and Impact on
Financial Indicators**

Central Glass Co., Ltd. (the “Company”) hereby provides notice that at a board meeting held today, the Board of Directors resolved to conduct a tender offer for its treasury shares (the “Tender Offer”) with 14,285,600 shares as the maximum number of shares to be purchased and 50 billion yen as the maximum aggregate purchase price, as announced in the release titled Notice of Acquisition of Treasury Shares and Tender Offer for Treasury Shares, dated September 20, 2022.

The Company is working to increase its corporate value in order to achieve the Fiscal 2022 to 2024 Medium-Term Management Plan (the “Medium-Term Management Plan”) adopted on May 11, 2022 and believes that the Tender Offer will make a considerable contribution to early achievement of the ROE (Return on Equity) target set forth in the Medium-Term Management Plan. On the other hand, this will constitute an unprecedented restructuring of the Company’s capital composition, and the impacts on financial indicators including the impact on ROE and shareholder return targets in the Medium-Term Management Plan and the improvement effects on EPS (Earning per Share) and other indicators premised on the completion of settlement of the Tender Offer are summarized below in an effort to deepen the understanding of the Company’s shareholders and other stakeholders concerning these impacts; accordingly, the Company hereby gives notice of these matters

1. Impact of the Tender Offer on financial targets in the Medium-Term Management Plan

	Indicator	Fiscal year ending March 2025 at the time of announcement of the Medium-Term Management Plan	Fiscal year ending March 2025 after execution of the Tender Offer
Financial indicator	ROE (Return on Equity)	8%	12%
Shareholder return policy	Total shareholder payout ratio	30% or more	No change
	DOE (Dividend on Equity Ratio)	2.4%	3.6%

Even after execution of the Tender Offer, there will be no change to the Company’s fundamental policy on capital measures as described in the Medium-Term Management Plan, i.e., profits will be distributed appropriately, based on an allocation of the cash flow generated from operations that is balanced among shareholder returns, investment, and financial discipline. Furthermore, we will maintain the targets for operating income and operating income rate in the Medium-Term Management Plan, and if the Company acquires 14,285,600 treasury shares, which is the number of shares planned to be purchased through the Tender Offer, we expect to achieve and exceed the ROE target of 8% set forth in the Medium-Term Management Plan early in conjunction with the reduction in the Company’s shareholder equity of approximately 50 billion yen, and accordingly, we will revise the ROE target for the fiscal year ending March 2025 to 12%.

With regard to the total shareholder payout ratio, we will maintain the target of 30% or more set forth in the Medium-Term Management Plan, and in conjunction with the upward revision of the ROE target indicated above, we will revise the DOE target for the fiscal year ending March 2025 to 3.6%. Therefore, with the reduction in the number of shares due to the Tender Offer, as announced in the release titled Notice of Revision of Dividend Forecast, dated September 20, 2022, we will increase the year-end per-share dividend for the fiscal year ending March 2023, subject to the completion of settlement of the Tender Offer. Further, as a result of that increase, we project that the cumulative dividend amount for the three years covered by the Medium-Term Management Plan will be approximately 10 billion yen.

With regard to the acquisition of treasury shares, under the Medium-Term Management Plan, we planned to acquire 10 billion yen of treasury shares, and as of September 20, 2022, approximately 4.4 billion yen of shares has been acquired. Moreover, in conjunction with execution of the Tender Offer, the Company plans to acquire a maximum of 50 billion yen of treasury shares, and since this amount greatly exceeds the original plan, going forward, we will make comprehensive determinations taking into consideration the balance of shareholder returns, investment, and financial discipline as well as business results, market share prices, and other factors and will consider acquisitions of treasury shares as necessary and at the appropriate times

The projected impacts on cash flows under the Medium-Term Management Plan from execution of the Tender Offer are as set forth below.

Reference: Impact on cash flows from execution of the Tender Offer

		Cumulative three-year total at the time of announcement of the Medium-Term Management Plan	Cumulative three-year total after execution of the Tender Offer
Free cash flows		24 billion yen	No change
Financial cash flows	Dividends	(10 billion yen)	(10 billion yen)
	Procurement/repayment	(4 billion yen)	34 billion yen
	Acquisition of treasury shares	(10 billion yen)	(55 billion yen)
	Total	(24 billion yen)	(31 billion yen)

2. Impact on financial indicators from execution of the Tender Offer

Based on the business plan for the period covered by the Medium-Term Management Plan, the projected impacts on financial indicators from execution of the Tender Offer are as follows.

Indicator	Projections for the Final Day of March 2023	Projections for the Final Day of March 2023 after execution of the Tender Offer (see note)	Projections for the Final Day of March 2025
Shareholder equity ratio	57.1%	38.5%	42.6%
Net D/E ratio	0.19 times	0.84 times	0.69 times

Note: Calculated by subtracting 50 billion yen from shareholder equity projected to be reported on the balance sheet as of March 31, 2023 and adding 50 billion yen to the projected amount of interest-

bearing debt.

Indicator	Forecast for Term Ending March 2023	Forecast for Term Ending March 2023 after execution of the Tender Offer (see note)
EPS (Earnings per share)	652.71 yen	720.88 yen

Note: Calculated by accounting for 14,285,600 shares, which is the number of shares plan to be purchased in the Tender Offer.

We believe that even if a maximum of 50 billion yen is allocated to funds for the acquisition of treasury shares and the Tender Offer is executed, financial soundness and security will be maintained as described above and there will be no hindrance to the implementation of the stated business strategies and growth investment plans described in the Medium-Term Management Plan. We further believe that even if it is necessary to bring growth investment forward or to increase investment amounts in response to changes in the business environment, we will have the financial strength to respond flexibly and agilely.

In addition, as a result of the Tender Offer, EPS, which is calculated by dividing net profit by the total number of issued shares (excluding treasury shares), is expected to increase from 652.71 yen to 720.88 yen in the fiscal year ending March 2023.

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