



15 May 2014

## **Long-term Strategic Vision and Medium-Term Plan announcement**

Today, Keiji Yoshikawa, CEO, announced the NSG Group's new Strategic Vision and Medium Term Plan. These announcements are part of the NSG Group's strategy for the next four years after completing the rightsizing of the Group.

### **VA Glass Company**

The NSG Group's new vision is to be recognized as a "VA Glass Company".

The growth sector within the glass and glazing markets is for more value-added(VA) products containing greater complexity and functionality. The Group already has a wide range of VA products, not only in our Technical Glass business unit but also in our Architectural and Automotive units.

Our plan is to utilize our strengths in producing VA glass by promoting and expanding the sales of our existing ranges of VA products and developing the next generation as well. Through this shift in focus, to become more of a "VA Glass Company", the Group aims to become a more profitable and financially stronger business, with a lighter asset base, while reducing the cyclical nature of the business at the same time.

### **Medium Term Plan (MTP) - April 2014 to March 2018**

The next 4 years are critical to the establishment of the Group as a "VA Glass Company". The priority being to enhance our financial and operational performance while we shift to selling more value-added products as described in our new long term vision.

Operational performance will focus on our shift to selling a greater proportion of value-added products, fully utilizing our existing capacity and consolidating our reputation for manufacturing excellence.

Financial performance will be focused on increasing our operating profit and the generation of free cash flows to reduce net debt and financing cost to create a more financially stable Group.

## Medium Term Plan (MTP) - Framework

**Direction:** Transition from a restructuring to growth phase. Focused on enhancing operational performance, increasing profitability and creating a more financially stable Group.

**Financial targets:** Net Debt to EBITDA : 3x (FY2014: 7x)  
Return on Sales : 8%

**Strategy:** Shift to value-added products  
Fully utilize existing capacity  
Consolidating our reputation for manufacturing excellence (cost, quality)  
Selective capex (less than depreciation)

**Macroeconomics:** Developed countries: slow and steady recovery  
Emerging countries: moderate growth but at a subdued pace

### FY2018 projected outcomes (JPY bn)

		FY2014
Revenues	: >=670	(606)
Operating Profit	: 60*	(22)
EBITDA	: 100	(54)
Net Debt	: 300	(379)
ROE	: >=10%	

\*Operating profit before amortization and exceptional items

The entire presentation is available from our Group website: <http://www.nsg.com/en/investors>