

FY2021 ANNUAL RESULTS AND NEW MANAGEMENT PLAN, "REVIVAL PLAN 24 (RP24)"

FY2021 ANNUAL RESULTS AND FY2022 ANNUAL FORECAST

- FY2021 full-year revenue and operating profit exceeded forecast.
Although results were impacted by demand decline due to COVID-19 in Q1, the following quarters recorded operating profit, reflecting demand recovery and cost saving efforts
- Reform actions have been taken across the Group to ensure meaningful net profit in FY2022, including headcount reduction of more than 2,000 globally with the total expected costs fully recorded during FY2021
- FY2022 revenue and operating profit are planned to increase for all businesses, leading to meaningful net profit, with cost saving benefits and solid demand recovery, although uncertainties such as continued COVID-19 impact and semiconductor shortages remain

NEW MEDIUM TERM MANAGEMENT PLAN, "REVIVAL PLAN 24 (RP24)" (FY2022~FY2024)

- NSG Group's new medium term management plan, "Revival Plan 24 (RP24)" has been announced. RP24 is the period for business transformation and the Group will focus on drastic reform of profit structure, restoration of financial stability and transformation of business portfolio

1. FY2021 Annual Results

- FY2021 full-year revenue and operating profit exceeded forecast.
Although results were impacted by demand decline due to COVID-19 in Q1, the following quarters recorded operating profits, reflecting demand recovery and cost saving efforts
- Q4 revenue and operating profit improved YoY for all businesses, as the same period last year was affected by COVID-19. Restructuring costs were partially offset by asset sale gains
- Total assets increased with exchange rate movements. Shareholders' equity ratio declined due to net loss
- Positive free cash flow was generated in Q4 following Q2 and Q3

<Consolidated Income Statement>

(JPY bn)	Q4 (3 months)			Full-year (12 months)			FY2021 Full-year Forecast
	FY2020	FY2021	Change	FY2020	FY2021	Change	
Revenue	130.4	141.8	11.4	556.2	499.2	(57.0)	490.0
Operating profit	3.2	5.1	1.9	21.2	13.1	(8.1)	12.0
ROS: Return on sales (%)	2.5%	3.6%	+1.1pt	3.8%	2.6%	(1.2)pt	0
Exceptional items (COVID related)	(2.2)	(2.1)	0.1	(2.2)	(16.1)	(13.9)	(14.0)
Operating (loss)/profit after COVID-19 related exceptional items	1.0	3.0	2.0	19.0	(3.0)	(22.0)	(2.0)
Exceptional items (Other)	(17.4)	(5.5)	11.9	(21.8)	(5.3)	16.5	—
Operating loss after exceptional items	(16.4)	(2.5)	13.9	(2.8)	(8.3)	(5.5)	—
Finance expenses (net)	(2.3)	(3.5)	(1.2)	(11.8)	(11.0)	0.8	—
Share of JVs and associates' profits	(0.1)	1.3	1.4	1.1	2.1	1.0	—
Loss before taxation	(18.8)	(4.7)	14.1	(13.5)	(17.2)	(3.7)	—
Loss for the period	(19.4)	(2.8)	16.6	(17.5)	(16.3)	1.2	—
Net loss*	(20.1)	(3.0)	17.1	(18.9)	(16.9)	2.0	—
EBITDA	11.8	14.5	2.7	55.0	46.8	(8.2)	—
Free cash flow	22.8	24.1	1.3	(26.4)	(4.5)	21.9	—

* Profit (loss) attributable to owners of the parent

(JPY bn)	31-Mar 2020	31-Dec 2020	31-Mar 2021	Change	
				vs 31 Mar	vs 31 Dec
Total Assets	765.2	778.0	825.0	59.8	47.0
Shareholders' equity	73.6	61.3	62.9	(10.7)	1.6
Shareholders' Equity Ratio	9.6%	7.9%	7.6%	(2.0)pt	(0.3)pt

<Revenue and Operating Profit by Business>

(JPY bn)	FY2020		FY2021		Change	
	Q4	Cumulative	Q4	Cumulative	Q4	Cumulative
Revenue						
Architectural	53.6	233.7	59.4	215.5	5.8	(18.2)
Automotive	66.4	281.0	71.6	245.2	5.2	(35.8)
Technical	9.9	40.1	10.2	36.8	0.3	(3.3)
Other	0.5	1.4	0.6	1.7	0.1	(0.3)
Revenue Total	130.4	556.2	141.8	499.2	11.4	(57.0)
Operating profit						
AG	3.3	17.3	4.2	15.7	0.9	(1.6)
Automotive	0.8	6.1	2.9	1.8	2.1	(4.3)
Technical	1.7	7.1	2.2	6.7	0.5	(0.4)
Other	(2.6)	(9.3)	(4.2)	(11.1)	(1.6)	(1.8)
Operating profit Total	3.2	21.2	5.1	13.1	1.9	(8.1)

2. Update of Key Initiatives

- Reform actions have been taken across the Group to ensure meaningful net profit in FY2022. Headcount reduction of more than 2,000 globally is progressing as planned with the total expected costs fully recorded during FY2021
- Disposal of Battery Separator business was decided as part of the business portfolio review. The transaction is planned to be completed in August 2021

3. FY2022 Forecast

- Stable demand recovery is anticipated overall, although uncertainties such as continued COVID-19 impact and semiconductor shortages remain
- Revenue and operating profit are planned to increase with solid demand recovery and cost saving, leading to meaningful net profit
- As the first year of Revival Plan 24 (RP24), the Group will focus on business transformation, cost saving and cash generation, to ensure net profit and positive cash flow, aiming to restore financial foundation

<FY22 Forecast>

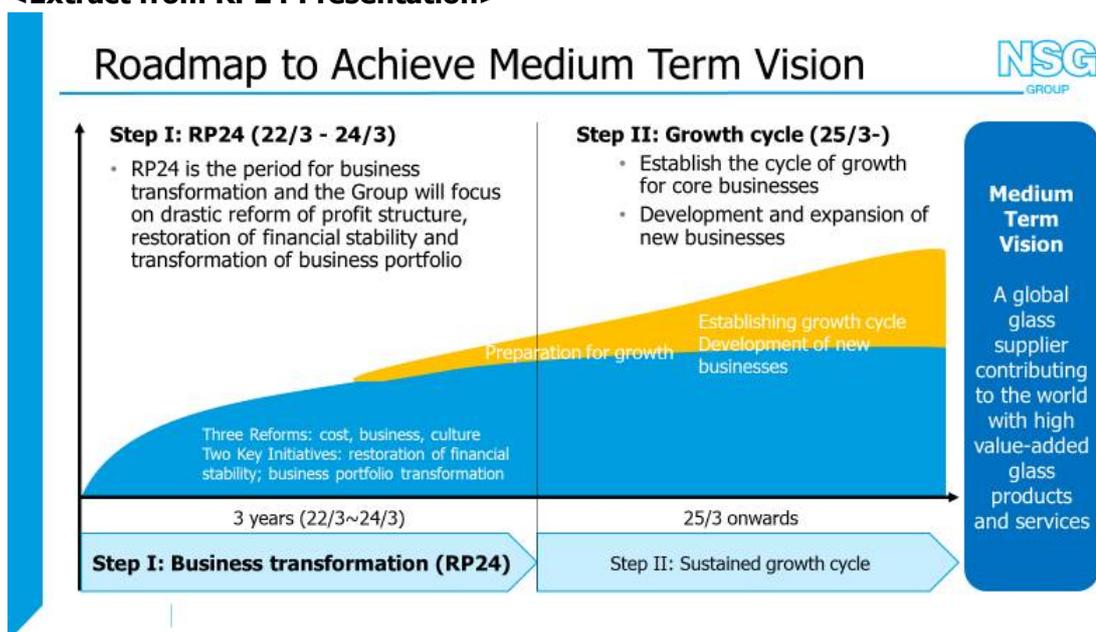
(JPY bn)	FY2021		FY2022		Change	
	H1	Full year	H1	Full year	H1	Full year
Revenue	221.5	499.2	250.0	530.0	28.5	30.8
Operating profit	3.2	13.1	10.0	22.0	6.8	8.9
Operating profit (loss) after COVID related exceptional items	(9.6)	(3.0)	10.0	22.0	19.6	25.0
Exceptional items (Other)	(0.8)	(5.3)	5.0	5.0	5.8	10.3
Operating profit (loss) after exceptional items	(10.4)	(8.3)	15.0	27.0	25.4	35.3
Finance expenses (net)	(5.4)	(11.0)	(7.0)	(14.0)	(1.6)	(3.0)
Share of JVs and associates' profits	(0.2)	2.1	1.0	2.0	1.2	(0.1)
Profit (loss) before taxation	(16.0)	(17.2)	9.0	15.0	25.0	32.2
Profit (loss) for the period	(17.2)	(16.3)	8.0	11.0	25.2	27.3
Net profit (loss)*	(17.3)	(16.9)	7.0	9.0	24.3	25.9

* Profit (loss) attributable to owners of the parent

4. NSG Group's New Medium Term Management Plan "Revival Plan 24 (RP24)"

- RP24 is the period for business transformation and the Group will focus on drastic reform of profit structure, restoration of financial stability and transformation of business portfolio, which is also the first step in the roadmap to the newly-announced NSG Group's Medium Term Vision, A global glass supplier contributing to the world with high value-added glass products and services
- The Group commits to the Three Reforms and Two Key Initiatives. It will start fresh and complete business transformation to build business strength and sustain the cycle of growth
- The financial targets are set, intending to generate stable net profit and free cash flow by strengthening its earning power, and aiming to recover the equity ratio to at least 10 percent at the earliest opportunity

<Extract from RP24 Presentation>



PR24: Aim and Initiatives of Business Transformation

Aim of business transformation	To execute the Three Reforms and Two Key Initiatives decisively and build business strength to sustain the cycle of growth		
Initiatives	Three Reforms		
	Cost structure reform	Business structure reform	Corporate culture reform
	<ul style="list-style-type: none"> • Cost reduction • Productivity improvement 	<ul style="list-style-type: none"> • Expansion of high value-added business • Development of new businesses • Focus on investment and asset efficiency 	<ul style="list-style-type: none"> • Change into an organization that take up challenges and follow through to deliver results
	Two Key Initiatives	Restoration of financial stability	
	Transformation into more profitable business portfolio		

< Financial Target under RP24 >

(JPY)	21/3	24/3 Target
Operating Profit Margin *1	2.6%	8%
Net profit*2	(16.9 bn)	> 30 bn cumulatively for 3 years
Equity ratio	7.6%	> 10%
Free cash flow	(4.5 bn)	> 10 bn

*1: Operating profit after amortization

*2: Profit attributable to owners of the parent

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