

NSG

GROUP

The 154th Ordinary General Meeting

Nippon Sheet Glass Company, Limited

Kindly be noticed;



Please wear a face mask at all times at the venue.

Please switch off your mobile phone or set it silent mode and refrain from talking on the phone.

Please refrain from using your camera, video camera and recorder at the venue.

We highly appreciated your understanding and cooperation.

The 154th Ordinary General Meeting

Nippon Sheet Glass Company, Limited

Audit Reports

Matters to be Noted

- 1. Business Report**
- 2. Consolidated Financial Statements**
- 3. Financial Statements**

Overview and Results of Business Activities

Overview and Results of Business Activities

The Group experienced increasingly difficult trading conditions in its core markets and COVID-19 impact in FY2020.

- **In the Automotive business, the Group's main automotive customers temporarily ceased production, particularly at plants in Europe and the Americas.**
- **In the Architectural business, construction activity weakened significantly towards the end of the year in response to COVID-19 lockdown restrictions, particularly in Europe and South America. Demand for Solar Energy glass remain robust.**
- **In the Technical Glass business, conditions were negatively impacted by COVID-19, although conditions began to stabilize somewhat by the end of the year.**
- **The Group recorded 240oku-yen as exceptional items. (including 117oku-yen as the impairment of goodwill and other intangible assets for the Automotive Europe and Rest of World)**

Overview and Results of Business Activities

The Group experienced increasingly difficult trading conditions in its core markets and COVID-19 impact in FY2020.

Consolidated Revenue

¥556,178m

(down 9.2%)

Consolidated Operating Profit

¥21,177m

(down 42.5%)

Consolidated Profit Attributable to Owners of the Parent (Loss)

¥(18,925)m

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Notes: Operating profit in the above table is defined as being operating profit stated before exceptional items.

Issues to be Addressed

Challenges and mitigation plan against the coronavirus pandemic

Urgent measures are follows,

- **Safety measures for employees and their family**
- **Funding activities**
 - The Group's balance of cash and deposits stands at 436oku yen and the unused amount of existing commitment line amounts to 655oku yen at the end of Mar. 2020 and if necessary, additional funding
 - Freezing new capital expenditure except most critical projects
 - Minimizing discretionary spending, including voluntarily declining part of their compensation by Directors and Executive Officers and maximize utilization of government subsidies
- Preparation for **flexible restart of operation** as demand recovers

Enhancement of financial foundation

The Group recognizes that the improvement of its financial stability is critical and urgent. It will continue to make efforts such as below to recover its equity ratio, which declined in FY2020.

- **Recovery and improvement of profitability**
 - Reform the cost structure of underperforming businesses drastically
 - Accelerating new business development with the reinforcement of R&D and Business Innovation Center activities.

⇒ To improve the profitability and to generate cash through these activities
- **Reduction of interest-bearing debt**
 - Control capital expenditure
 - Dispose non-core businesses and assets

New medium-term management plan and long-term direction

- The Group has decided to postpone the announcement of a new medium-term management plan, which was planned to start in FY2021, considering the current uncertainties of our business environment due to the novel coronavirus pandemic.
- The Group believes its overall long-term direction remains valid.

Innovation Company, Changing our Surroundings with Advanced Ideas

- Establish stable financial base
- Core business as basis for a certain level of profitability
 - Contribution from the strategic investment plan
 - Continuous drive for VA shift
 - Improvement of underperforming businesses
- New business development led by BIC to drive the Group's growth
- Portfolio transformation based on profitability, capital efficiency and growth
- Promotion of lean and agile organization and culture

New medium-term management plan and long-term direction

Business fields where our strengths will continually enable us to make a contribution in the society and economy also after the current coronavirus pandemic will subside

- **Environment** glass for solar panels, energy saving glass for ZEB and ZEH
- **Health and welfare** PCR test device PicoGene® and antivirus glass
- **Telecommunication demands** optical telecom devices



Management Principles - Our Vision



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- **Other Operations and Eliminations**
- **Matters Related to the Shares**
- **Policy on Return of Our Profits to Shareholders**
- **Matters Related to the Stock Acquisition Rights, etc.**
- **Matters Related to Directors and Executive Officers**
- **Accounting Auditor**
- **Status of Corporate Governance**

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Nippon Sheet Glass Company, Limited

Matters to be Resolved

Proposal: Election of Nine Directors

From page 5 to page 14 in Notice of Convening the 154th Ordinary General Meeting of Shareholders

Matters to be Resolved

Proposal: Election of Nine directors

Shigeki Mori

Clemens Miller

Kenichi Morooka

Toshikuni Yamazaki
(External Director)

Yasuyuki Kimoto
(External Director)

Jörg Raupach Sumiya
(External Director)

Hiroshi Ishino
(External Director)

Kunihito Minakawa
(External Director)

Yoshihiro Kuroi
(External Director)

Q&A Session

If any questions,

- **Wearing a mask**
- **With registered number and name**

Please let us know your question.

After your question, please have your seat again.

Matters to be Resolved

Proposal: Election of Nine directors

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