NSG

GROUP

NSG Group
FY2021 Quarter 1 Results
(from 1 April 2020 to 30 June 2020)

Nippon Sheet Glass Company, Limited
6 August 2020

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Agenda

1. FY2021 Quarter 1 Financial Results
2. FY2021 Quarter 1 Business Update
3. Business Impact of COVID-19 Update
4. FY2021 Forecast
5. Action for the Future
6. Summary

FY2021 Quarter 1 Results Highlights

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FY2021 Q1 results significantly affected by COVID-19 pandemic

Revenue	JPY 91.9 bn (55.2) bn	38% yoy decline due to shipment reduction caused by COVID-19, while solar glass shipment remaining robust. 34% decline at constant exchange rates.
Operating loss *	JPY (0.6) bn (9.4) bn	Significant fall due to revenue reduction, partly offset by cost reduction
Operating loss after COVID-19-related exceptional items	JPY (12.1) bn (20.9) bn	Impact of COVID-19-related exceptional costs including those for idle facilities, mainly recognized in April and May
Loss attributable to owners of the parent	JPY (16.4) bn (19.3) bn	Net loss reflecting a significant fall in revenue and operating loss
Free cash flow	JPY (46.7) bn (19.9) bn	Outflow due to net loss and seasonal working capital movements

Lower line: Variance against prior year

* After amortization arising from the acquisition of Pilkington plc

Slide 5 is the highlights of FY2021 first quarter.
The Group's financial results were significantly affected by the COVID-19 pandemic.

Revenue decreased by 38% year-on-year to 91.9 billion yen, as volumes decreased as a result of lockdowns implemented by the governments globally. Reduced volumes were prominent in the months of April and May, while a stronger rebound was seen in June.
On the other hand, the shipments of solar energy glass remained robust.
The Group's operating results recorded a loss of 0.6 billion yen as a result of lower revenue, partially offset by the Group's cost reduction efforts.

Please note that the Group has switched from 'trading (loss)/profit' to 'operating (loss)/profit' reflecting the reduction in the materiality of amortization charge arising from the acquisition of Pilkington plc in the context of Group's overall operating performance, as some of the intangible assets have been amortized to nil. The amortization charge was 0.4 billion yen in this quarter.

The Group recognized the COVID-19-related exceptional items, including the unrecovered costs of facilities that were idle as a consequence of the pandemic. The Group has classified the operating loss after COVID-19-related exceptional items separately within the income statement to make the pandemic's business impact clearer.
Loss attributable to owners of the parent was 16.4 billion yen.
Free cash flow recorded an outflow of 46.7 billion yen due to the net loss and the seasonal movement in working capital.

Consolidated Income Statement

Revenue better than previous forecast
helped by a stronger demand rebound in June, while significantly below prior year

¥ bn	FY2020 Q1	**FY2021 Q1**
Revenue	147.1	**91.9**
Operating (loss)/profit *	8.8	**(0.6)**
Exceptional items (COVID-19)	-	**(11.5)**
Operating (loss)/profit after COVID-19-related exceptional items	8.8	**(12.1)**
Exceptional items (Other)	(0.6)	**(0.1)**
Finance expenses (net)	(3.5)	**(2.4)**
Share of JVs and associates	0.5	**(0.4)**
(Loss)/profit before taxation	5.2	**(14.9)**
(Loss)/profit for the period	3.1	**(16.5)**
owners of the parent	2.9	**(16.4)**
EBITDA	17.5	**6.1**

YOY Change in Q1 Revenue (Actual v Forecast)

	Actual YOY	Forecast as at 22 May
Architectural	-25%	-30~40%
Automotive	-50%	-50~60%
Technical	-20%	-10～20%
Total	-38%	-40～50%

YOY Revenue Change by Month

April	May	June
-52%	-46%	-14%

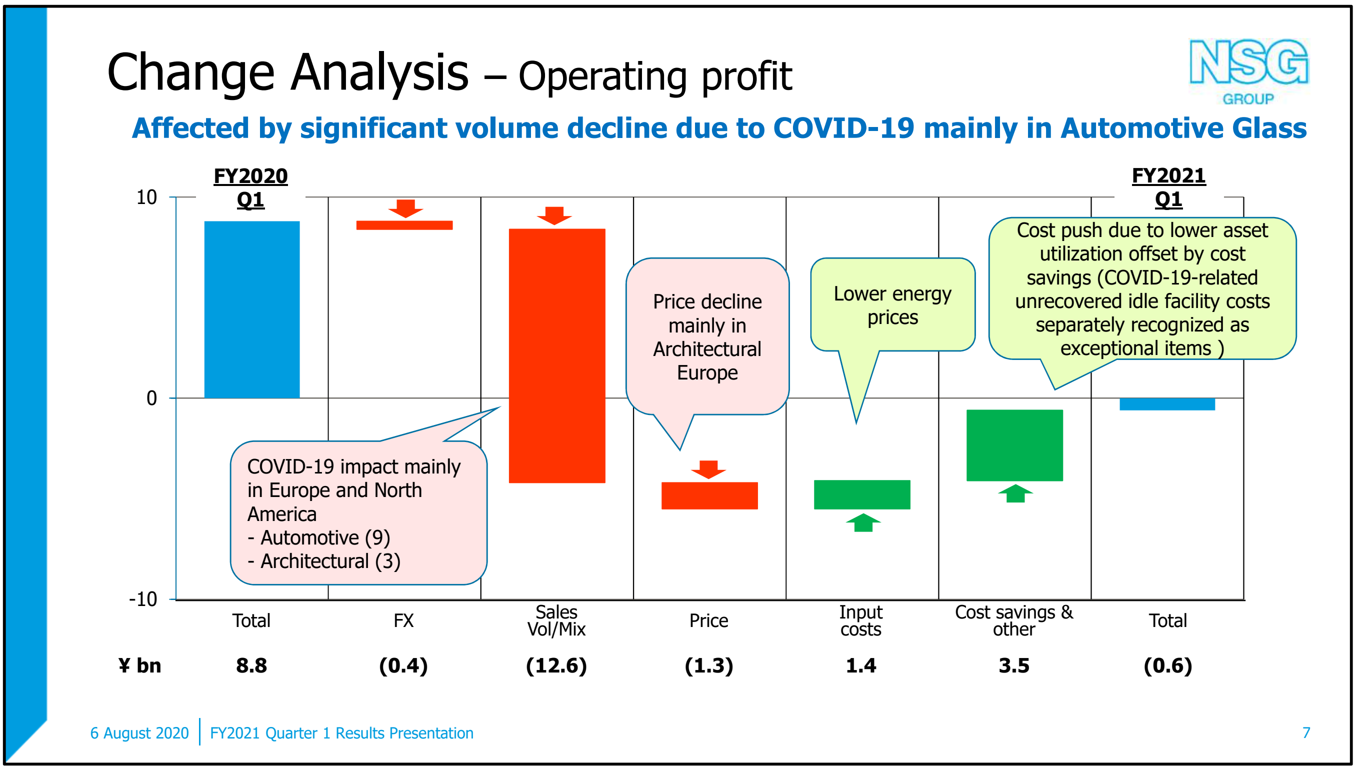
* After amortization arising from the acquisition of Pilkington plc (JPY 0.4bn for Q1)

The Group’s Consolidated Income Statement is presented in Slide 6.

Revenue and operating loss are as explained in the previous slide. Although the Q1 results were disappointing, the reduction in revenue was smaller compared to the previous forecast in May. This was because demand recovery in June exceeded our forecast.

Net finance expenses improved from the previous year, mainly due to reduced interest costs from borrowings and foreign exchange movements.

Shares of joint ventures and associates decreased from the previous year, mainly because the results of Cebrace, the Group’s architectural joint venture in Brazil, were significantly below the previous year.



Slide 7 lays out the analysis of the year-on-year operating profit movement.

Vol/Mix were affected significantly, mainly in Europe and North America. The Group's Automotive businesses suffered more compared to Architectural.

Lower prices were seen in the Group's Architectural Europe businesses.

The Group benefitted from lower energy costs compared to the previous year.

The positive 'cost savings and other column' shows an improvement as the cost push due to lower asset utilization offset by cost savings. COVID-19-related unrecovered idle costs were separately recognized as exceptional items and not included in operating profit/loss in this slide.

Consolidated Balance Sheet

JPY bn	31 March 2020	30 June 2020	Change
Assets	**765.2**	**757.5**	**(7.7)**
Non-current assets	**541.1**	**547.8**	**6.7**
Goodwill & intangible assets	138.6	139.8	1.2
Property, plant and equipment	294.5	296.9	2.4
Other	108.0	111.1	3.1
Current assets	**224.1**	**209.7**	**(14.4)**
Cash & cash equivalents	43.6	36.5	(7.1)
Other	180.5	173.2	(7.3)
Liabilities	**677.0**	**686.8**	**9.8**
Current liabilities	**200.4**	**178.3**	**(22.1)**
Financial liabilities	58.7	70.3	11.6
Other	141.7	108.0	(33.7)
Non-current liabilities	**476.6**	**508.5**	**31.9**
Financial liabilities	376.3	407.7	31.4
Other	100.3	100.8	0.5
Equity	**88.2**	**70.7**	**(17.5)**
Shareholders' equity	73.6	56.0	(17.6)
Non-controlling interests	14.6	14.7	0.1
Total liabilities and equity	**765.2**	**757.5**	**(7.7)**

Slide 8 is the Consolidated Balance Sheet.

Property, plant and equipment increased by 2.4 billion yen mainly as a result of the progress of strategic investment.

Other current assets decreased by 7.3 billion yen mainly due to decrease of inventories and receivables.

Other current liabilities decreased by 33.7 billion yen mainly due to decrease of payables.

Total equity decreased by 17.5 billion yen mainly due to the loss recorded for the period.

Consolidated Cash Flow Summary

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JPY bn	FY2020 1st Quarter	**FY2021 1st Quarter**	Change
(Loss)/profit for the period	3.1	**(16.5)**	(19.6)
Depreciation and amortization	8.7	**8.6**	(0.1)
Net impairment	0.6	**-**	(0.6)
Gain on sale of assets	(1.0)	**(0.6)**	0.4
Tax paid	(3.2)	**(1.2)**	2.0
Others	1.1	**1.2**	0.1
Net operating cash flows before movement in working capital	9.3	**(8.5)**	(17.8)
Net change in working capital	(19.4)	**(22.1)**	(2.7)
Net cash flows from operating activities	(10.1)	**(30.6)**	(20.5)
Purchase of property, plant and equipment			
- Strategic projects	(13.1)	**(6.2)**	6.9
- Ordinary	(6.0)	**(7.0)**	(1.0)
Acquisitions of subsidiaries and associates	-	**(3.3)**	(3.3)
Disposal proceeds	2.0	**1.1**	(0.9)
Others	0.4	**(0.7)**	(1.1)
Net cash flows from investing activities	(16.7)	**(16.1)**	0.6
Free cash flow	(26.8)	**(46.7)**	(19.9)

Slide 9 is the Consolidated Cash Flow Summary.

Free cash flow recorded an outflow of 46.7 billion yen.

Net cash flows from financing activities of 39.9 billion yen partially covering free cash outflows.

At the end of the quarter, cash and cash equivalents were 36.5 billion yen.

Key Performance Indicators

Net debt increased due to net loss and cash outflow

	30 June 2019	**30 June 2020**	31 March 2020
Net Debt (¥ bn)	388.3	**440.7**	390.2
Net Debt / EBITDA	5.3x	**10.1x**	7.1x
Net Debt / Equity Ratio	3.4x	**6.2x**	4.4x
Shareholders' Equity Ratio	13.5%	**7.4%**	9.6%
	FY2020 Q1	**FY2021 Q1**	FY2020
Operating Return on Sales	6.0%	**(0.7%)**	3.8%

Slide 10 shows the Group's Financial Key Performance Indicators.

Net debt increased by 50.5 billion yen from 31 March 2020 to 440.7 billion yen, as the Group's results were affected by the COVID-19 pandemic as well as by the seasonal changes in working capital.

The Net debt/ EBITDA and Net debt/Equity ratios are affected by the increase in net debt, but also by the Group's performance during the quarter.

The shareholders' equity ratio decreased from 9.6% at 31 March 2020 to 7.4%, as the Group recorded a net loss for the quarter.

Operating Return on Sales is based on operating loss after amortization arising from the acquisition of Pilkington plc.

Segmental Information

JPY bn	Q1 FY2020 Revenue	Q1 FY2020 %	Q1 FY2020 Operating profit	Q1 FY2021 Revenue	Q1 FY2021 %	Q1 FY2021 Operating profit	Difference Revenue	Difference Operating profit
Architectural	**59.9**	**41%**	**5.7**	**44.9**	**49%**	**2.7**	**(15.0)**	**(3.0)**
Europe	23.2	16%		16.0	17%		(7.2)	
Asia	22.4	15%		19.2	21%		(3.2)	
Americas	14.3	10%		9.7	11%		(4.6)	
Automotive	**76.8**	**53%**	**4.0**	**38.7**	**42%**	**(2.9)**	**(38.1)**	**(6.9)**
Europe	33.5	23%		16.6	18%		(16.9)	
Asia	17.4	12%		9.9	11%		(7.5)	
Americas	25.9	18%		12.2	13%		(13.7)	
Technical Glass	**10.1**	**6%**	**1.8**	**8.1**	**9%**	**1.4**	**(2.0)**	**(0.4)**
Europe	1.7	1%		1.3	2%		(0.4)	
Asia	8.0	5%		6.5	7%		(1.5)	
Americas	0.4	0%		0.3	0%		(0.1)	
Other Operations	**0.3**	**0%**	**(2.7)**	**0.2**	**0%**	**(1.8)**	**(0.1)**	**0.9**
Total	**147.1**	**100%**	**8.8**	**91.9**	**100%**	**(0.6)**	**(55.2)**	**(9.4)**

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Slide 11 lays out the revenue and profit by the business segment.

As shown here, the temporary closure of customers' production facilities has led to a significant year-on-year drop in revenues and profits of the Automotive Glass businesses.

Architectural – FY2020 Q1 vs FY2021 Q1

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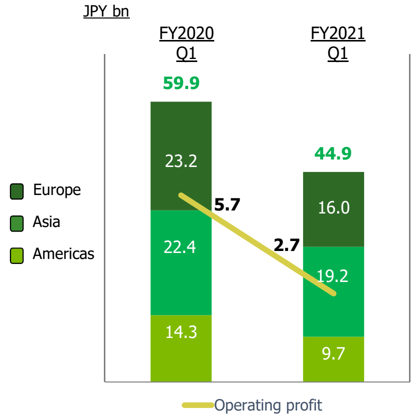
Affected by demand reduction due to COVID-19, especially in Europe and Americas. Robust solar energy glass demand



Europe (Revenue ▼, Profit ▼)

- Affected by volume decrease and suspension of production due to lockdown restrictions
- Most of the lines back to more normal production levels towards the end of the quarter

Asia (Revenue ▼, Profit ▲)

- Less impact of COVID-19 in Japan than other regions
- Robust solar energy glass shipment
- Two furnaces in Chiba & Malaysia suspended as planned

Americas (Revenue ▼, Profit ▼)

- Higher solar energy glass volumes offset by lower architectural demand due to COVID-19 in North America
- Revenues affected by COVID-19 impact and forex in South America

Slide 12 shows the performance of the Group's Architectural Glass businesses. The revenue and profit were affected by reduced demand due to the COVID-19 pandemic, and decreased to 44.9 billion yen and 2.7 billion yen respectively.

In Europe, the Group's results were affected by lower volumes and suspension of production due to the lockdown measures introduced by the governments. There are signs of recovery, as the Group's operations are getting back to more normal production levels towards the end of the quarter.

In Asia, the revenues decreased, but the profits improved. The Group temporarily suspended production at some plants in the region, but the impact of COVID-19 was less significant compared to other regions. Solar energy glass shipments from newly started furnace in Vietnam were robust and largely unaffected by COVID-19. As previously announced, the Group has ceased production at a furnace in Chiba, Japan and another in Malaysia.

In the Americas, revenues and profits were below the previous year due to the impact of the COVID-19 pandemic. As in other regions, the Group suspended production at certain facilities to match output to the prevailing level of demand.
Construction of the Group's new solar glass facility in North America continued during the quarter with a planned start date scheduled for the later in FY2021. Construction of the new architectural glass facility in Argentina has been suspended.

Automotive – FY2020 Q1 vs FY2021 Q1

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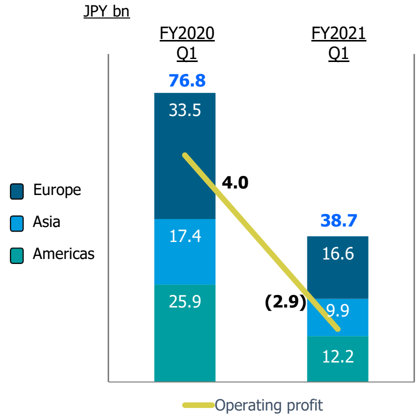
Affected by a sharp decline in new car production in April and May, strengthened markedly in June



Europe (Revenue ▼, Profit ▼)

- OE volumes significantly affected by the closure of customers' production facilities due to COVID-19
- AGR results affected by lockdown restrictions

Asia (Revenue ▼, Profit ▼)

- Production levels well below capacity, although less severe than in other regions

Americas (Revenue ▼, Profit ▼)

- Declined volumes due to COVID-19. Stronger rebound in vehicle production towards the end of the quarter
- Production in South America significantly below normal levels

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Slide 13 is the Group's Automotive businesses.
The Automotive business recorded revenues of 38.7 billion yen and losses of 2.9 billion yen, which was significantly worse than the previous year.

The results of all the regions were affected by the collapse of demand arising from the COVID-19 pandemic. On the other hand, there are signs of recovery in June especially in North America.

In Europe, the OE business was affected by a reduction in demand associated a sharp decline in new car sales and the temporary closure of customers' production facilities due to lockdown measures. In the AGR business, demand reflected a significant reduction in vehicle miles being driven with lockdown measures in force across many regions.

In Asia, revenues and profits were below the previous year due to lower asset utilization, although the demand decline was less severe than in other regions.

In the Americas, the results were affected by lockdown measures. Although vehicle sales generally remained throughout the quarter, the temporary closure of customers' production facilities affected revenues in North America. Production in South America was affected by COVID-19 later than other regions and its production levels were low throughout the quarter.

Technical Glass – FY2020 Q1 vs FY2021 Q1

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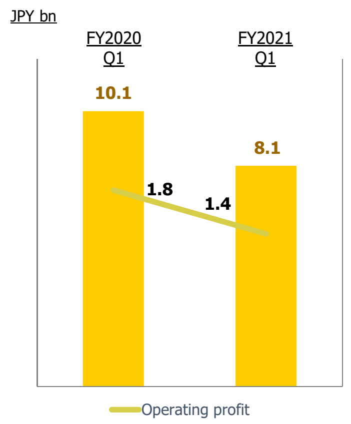
Affected by COVID-19 although to a lesser extent



Technical Glass (Revenue ▼, Profit ▼)

- Impact of COVID-19 on fine glass partially offset by sales mix improvement
- Decline in revenues and profits of printer lenses due to weaker market conditions
- Decline in revenues and profits for glass cord used in engine timing belts, reflecting conditions in the European automotive sector generally
- Continued solid results for battery separators

Turning to Slide 14, Technical Glass.
Affected by COVID-19 to a lesser extent, revenues decreased by 2.0 billion yen to 8.1 billion yen and profits decreased by 0.4 billion yen to 1.4 billion yen.

In Fine Glass, sales mix improvement partially offset the negative impact of COVID-19.

The demand for glass components used in printers and scanners declined.

Reflecting the conditions of the European automotive sector, revenues and profits for glass cords used in engine timing belts also declined.

Battery separator results continues to be solid.

Business Impact of COVID-19

With reopening of economy, operations restarted and returning to normal including those in Europe and Americas

Architectural	Gradually returning to normal operation in all regions • Europe: All lines but one back in operation, few with reduced utilization • Asia: One furnace each suspended in Chiba and Malaysia as planned. Others under normal operation while some lines with reduced utilization. Solar lines fully utilized • North America: All lines back in operation while some lines with reduced utilization • South America: Argentina operating fully to normal, while Brazil (Cebrace JV) and Chile operating with reduced utilization
Automotive	All plants restarted in Europe and Americas in line with vehicle manufacturers' restart • Europe: Utilization improving but most lines still operating with reduced utilization. Stop and go production cycle in place with further summer shutdowns planned • Asia: Continuing operation with reduced utilization. Summer shutdowns planned • Americas: North America rebounded strongly with no summer shutdown planned. South America operating with reduced utilization and later virus impact on productivity
Technical	Some lines operating with reduced utilization due to lower automotive-related demand
Group	• No major issue in supply of fuel and input materials • Safe and flexible restart of production based on careful preparations

Slide 15 is an update on the Group's operations.

Overall, the Group's plants are getting back to more normal operations across the businesses and regions.

In the Architectural and Automotive businesses, almost all the lines are back in operation including Europe and Americas, where lockdowns had a significant impact. Although the utilization of manly lines are still low, especially in the Automotive business, it is gradually improving.

The recovery in Automotive operations in North America is notably strong and no summer shutdown is planned, as the car production is quickly rebounding fueled by demand recovery and replenishing of inventories by vehicle manufacturers.
The lines producing solar energy glass are fully utilized, as the demand is not affected by the pandemic.

The Group had been carefully preparing for reopening of plants and lines during the lockdown period and, as a result, successfully recommenced the operations in a safe and flexible way in response to fluctuating demand. Since the onset of Covid-19 infection, the Group has been taking thorough actions to protect the health and safety of its people and elevated safety measures are in place at each site.

Actions for FY2021

Focused on minimizing cash outflow and cost

Additional liquidity secured

- Capital expenditure including strategic projects to be managed below depreciation; working capital control
- Additional commitment lines of JPY40 billion secured by the end of June
- JPY36.5 billion of cash and JPY73.2 billion unused commitment lines at the end of June 2020

Urgent Cost Saving Project

- About JPY10bn saved in direct cost and overhead in Q1 including labor cost such as furlough, reduced overtime, hiring freeze, travelling, utilization of government subsidies, 10% cut in executive and senior managers' pay as well as other discretionary spending such as maintenance, outsourcing and contracting, consumables

Work Style Reform and Efficiency Improvement

- Encouraging working from home for those who can
- All key meetings including Management Committee and Board of Directors meetings conducted online since as early as March, based on well-established IT tools and infrastructure including reinforced network capacity, switching to laptops and tablets and enhanced online meeting systems.

Slide 16 shows a series of counteractions the Group is taking to bolster the performance of FY2021 in the backdrop of significant impact of COVID-19 from mid March this year, particularly in Europe and Americas.

The highest priority is minimizing cash outflow and secure liquidity.
The Group has been redoubling its efforts to control working capital and revisited the capital expenditure plan to manage expenditure, including those related to strategic investment, below depreciation. While the investment to build a new furnace for solar energy glass, enjoying robust demand, continues, the project for a new furnace in Argentina has been suspended temporarily.

Further, additional commitment lines of total 40 billion yen had been secured by the end of June. As a result, the amount of unused commitment lines at the end of the quarter increased to 73.2 billion yen.

Another critical action the Group has been taking is to mitigate the impact of sharp drop in revenue is cost saving. A new Group-wide urgent cost saving project has been launched and a thorough cost review is underway without any exception, including labor costs as shown in the slide. The benefit achieved in the first quarter amounted to JPY10 billion.

Further, the Group sees opportunities to reform and improve efficiency further in the ongoing considerable changes at workplace brought about by the pandemic.

More flexible working style such as working from home had been promoted by the Group even before the pandemic but was accelerated globally with lockdowns and other restrictions on movement.

In Japan, as early as the beginning of March, all employees in the office were encouraged to work from home and internal meetings including those of the Management Committee and the Board of Directors were switched to online meetings immediately. Once implemented, the benefits of these changes were felt prominently in improving efficiency and reducing unnecessary tasks. The Group will continue to reform and streamline its workplace processes further across the globe.

FY2021 Forecast

Uncertain business outlook – difficult to determine split of operating result and COVID-19 related exceptionals. Full-year forecast to be published when reasonable assumptions below operating profit are available

¥ bn	FY2020 Actual	FY2021 Q1 Actual	FY2021 Forecast Half year	FY2021 Forecast Full year
Revenue	556.2	91.9	**210.0**	**460.0**
Operating (loss)/profit	21.2	(0.6)	-	-
Operating (loss)/profit after COVID-19-related exceptional items	19.0	(12.1)	**(15.0)**	**(20.0)**
Exceptional items	(21.8)	(0.1)	**(1.0)**	-
Finance expenses (net)	(11.8)	(2.4)	**(6.0)**	-
Share of JVs and associates	1.1	(0.4)	**0.0**	-
(Loss)/profit before taxation	(13.5)	(14.9)	**(22.0)**	-
(Loss)/profit for the period	(17.5)	(16.5)	**(24.0)**	-
(Loss)/profit attributable to owners of the parent	(18.9)	(16.4)	**(24.0)**	-

	Q1 Actual	Q2/Q3 Forecast	Q4 Forecast	Full year
Revenue vs PY	-38%	-15%	-5%	-20%

	Q1 Actual	Full-year forecast
Architectural	-25%	-15%
Automotive	-50%	-20%
Technical	-20%	-15%
Group	-38%	-20%

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Slide 17 shows forecast for FY2021.

First, the business and economic environment the Group used for providing the forecast is as follows.

The Architectural Glass markets are assumed to gradually improve, following the advance indices such as GDP and construction activities in each region. The sales and profit plan reflects the suspension of production at the two furnaces in Asia. The demand for solar energy glass is expected to remain robust.

For the Automotive Glass business, car production is forecasted to increase towards the end of the year in all regions. However, a more than 20 percent year-on-year decline in car production is anticipated in the key markets where the Group is doing business, such as Europe, Japan and Americas.
On the other hand, a faster recovery is expected for aftermarket applications.

Some products in the Technical Glass business are anticipated to be affected by the weak automotive demands with a certain time lag from the automotive glass, of which the Group is not a tier 1 supplier.

The overall Group revenue is expected to recovery gradually over the time, with some seasonal fluctuations, back to the level close to the previous year's at the end of the year. With the cost saving project previously explained, the Group aims to improve business performance for the year.

Based on these assumptions, the Group forecast 210 billion yen and 460 billion yen revenue and 15 billion yen and 20 billion yen operating loss after COVID-related exceptional items for the first half and full year respectively.

Due to the difficulty in estimating such exceptional losses separately, the division of the COVID-19 impact between operating and exceptional costs may vary considerably. Consequently, the Group has not published an operating (loss)/profit forecast.

The full year forecast for (loss)/profit before taxation, (loss)/profit for the period and (loss)/profit attributable to owners of parent will be provided when the Group is able to do so with a greater degree of confidence in its accuracy including the detail of other exceptional costs and other items which may be incurred additional improvement measures under consideration by the Group.

The Group intends to keep its forecast under constant review and update it as appropriate during the remainder of the year.

Based on the assumption of a significantly negative impact of the COVID-19 pandemic on its consolidated financial forecast for FY2021, the Company has regrettably decided its forecast of dividends on ordinary shares to be nil.

Actions for the Future

Restoring business performance to generate sustainable profit and cash flow

Directions for Businesses

- Architectural: While impacted by COVID-19, demand expected to be relatively stable; ensure quick contribution of new solar investment; further promotion of VA strategy by taking advantage of new business opportunities such as anti-virus glass, glass for electrochromic and BIPV applications
- Automotive: Years before full demand recovery; aligning operations to reduced demand as soon as possible
- Technical: Developing new applications as soon as possible such as new SLA for machine vision, anti-virus glass for touch screen, products for high-durability industrial batteries
- BIC: Business development of **PicoGene™ 1100** and optical devices for new-generation telecommunication
- R&D: Hydrogen fuel for glass making and anti-virus glass based on UK government grants, automotive glass for CASE applications

Continued identification and execution of disposals of non-core businesses and assets

Fundamental improvement plan under development with a view to longer-term demand structure

- Aiming for earlier execution to ensure a longer-term improvement in profitability and financial position

The Group's immediate priority is the rigorous execution of short-term improvement actions. At the same time, actions with a view ahead of the current turmoil remain important all the same for its businesses.

The Architectural Glass business, while currently affected by the pandemic, expects a relatively stable demands for a longer term. It is of the utmost importance for the Group to ensure a quick return on investment on the new solar energy glass furnaces as well as further expansion of the sales of value-added products.

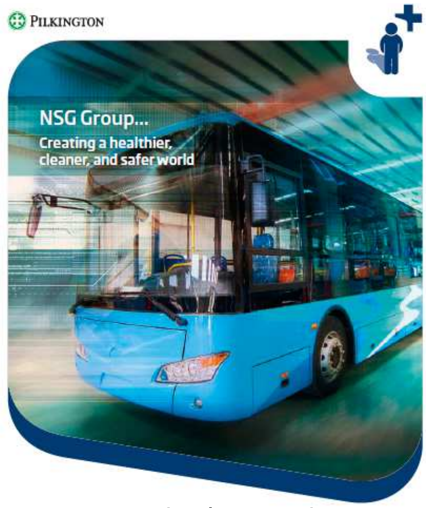
The Automotive Glass business is facing the gravest impact of COVID-19 and the demand recovery to the pre-pandemic level is expected to take years. Therefore, the first actions will be aligning the Group's operation to the changed demand level.

For the Technical Glass business, the demand structure is changing and the priority is developing the new applications and businesses.

R&D and Business Innovation Center are supporting these initiatives by developing new products and technologies such as the PCR testing devices.
In addition, the Group will continue to review and identify the potential disposals of non-core assets and businesses. Further, the Group is considering more fundamental improvement plan to restore business performance and cash flow for achieving sustainable profitability and financial position in a medium term.

Opportunities for the Future

Aim for growth by responding to societies' changing needs



Health

- Hand-held PCR device, **PicoGene™**: Growing interest globally, due to its uniqueness in size and speed with evaluation underway
- Anti-virus products: New applications including office usage being developed **for Virus Clean™**; new product development underway in Japan, Europe and the US for various applications including bus windows and driver enclosures in North America

Environment

- Glass for thin-film solar: Continued robust demand
  New line in Vietnam fully utilized
  New line in the US under construction for startup in H2
- Glass for electrochromic and BIPV applications:
  Developing markets in Japan, Europe and North America in cooperation with multiple start-up companies

Telecommunication

- Development projects underway for optical devices and coating and processing technologies to be used for large-capacity high-speed communication infrastructure

Slide 19 shows the promising products in the areas of health, environment and telecommunication – the key three areas for the Group where it has advantages, in the new world 'with Covid-19' or 'after-Covid-19'.

Summary

FY2021 Q1 Results

- Results affected by a reduction in demand associated with COVID-19 pandemic globally. Nearly 40% year-on-year revenue decline, while a stronger rebound seen in June
  - Architectural: Europe and Americas more seriously affected. Robust solar energy glass demand
  - Automotive: Significant impact of the closure of customers' production facilities. Demand recovering with reopening of car production
  - Technical: Automotive applications affected, to a lesser extent than the other businesses
- Safe and flexible restart of production based on careful preparations
- Additional commitment lines secured for liquidity. Focused on cost and cash savings across the Group

FY2021 Forecast and Counteractions

- Based on gradual demand recovery from Q1 throughout the year and the execution of an urgent cost saving project, aiming to restore business profitability
- Fundamental improvement actions for transforming the business structure to generate sustainable profit and cash flow for a longer-term improvement in profitability and financial position under consideration
- Seeking growth by responding to changing needs of new normal in the society 'with or after COVID-19'

Slide 20 is the summary.

As explained earlier, the Group had an unprecedentedly challenging first quarter but demands rebounded in June, more strongly than expected.
While there are still uncertainties going forward, currently the Group is assuming a gradual demand recovery throughout the year.

However, even with a recovery, the annual sales are expected to be significantly below the previous year and the Group is redoubling efforts to save cost urgently across the Group.

Further, it is considering more fundamental improvement plan to transform its business structure so that sustainable net profit and cash can be generated.

Notice

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The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic and competitive environment in major markets, product supply and demand shifts, currency exchange and interest rate fluctuations, changes in supply of raw materials and fuel and changes and laws and regulations, but not limited.

Nippon Sheet Glass Company, Limited

Appendices

FY2021 Q1 Results

- Revenue & Operating Profit – Quarterly Trend
- Exceptional items
- FY2021 Forecast Assumptions for Reference
- Exchange Rates
- Depreciation & Amortization, CAPEX, R&D Expenses

Revenue & Operating Profit – Quarterly Trend

(JPY bn)

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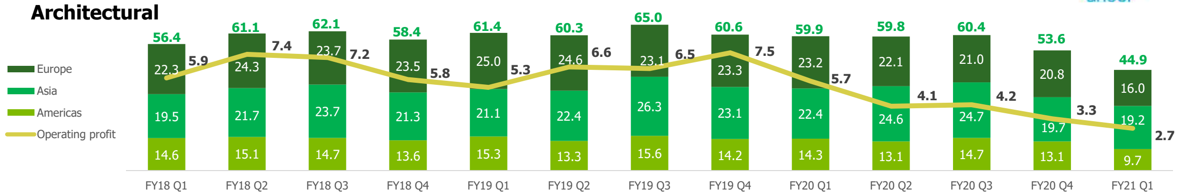
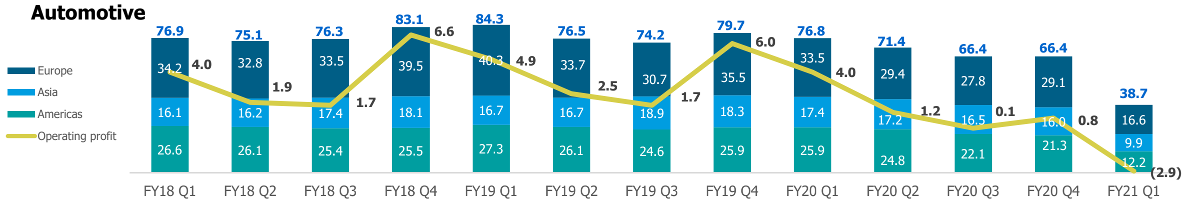
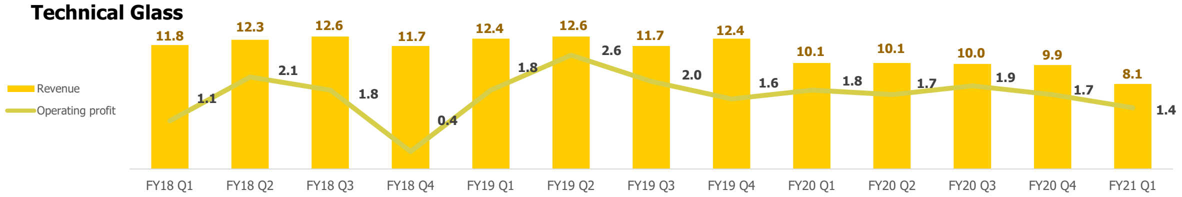
Architectural



Automotive



Technical Glass



Exceptional items

JPY bn	FY2020 1st Quarter	**FY2021 1st Quarter**
Exceptional items (gains):		
COVID-19 government support	-	**0.8**
Gain on disposal of subsidiaries and joint ventures	1.0	**0.6**
Others	-	**0.0**
	1.0	**1.4**
Exceptional items (losses):		
Suspension and other costs caused by COVID-19	-	**(12.3)**
Restructuring costs, including employee termination payment	(0.8)	**(0.4)**
Suspension of facilities	(0.5)	**(0.1)**
Net impairment of non-current assets	(0.2)	**-**
Others	(0.1)	**(0.1)**
	(1.6)	**(13.0)**

* The Group has recorded the direct costs and also unrecovered operating costs arising from the COVID-19 pandemic as exceptional items, together with any related income from governments. Such costs include payments to employees not engaged in productive activities due to the COVID-19 pandemic, costs of maintaining idle facilities, and direct costs such as the deep cleaning of facilities to promote a safe operating environment. （JPY 12.3 billion costs and JPY 0.8 billion gains from government support)

FY2021 Forecast Assumption for Reference

Group	• Gradual recovery in revenues, with certain seasonal fluctuations, close to the level of prior year at the end of financial year
Architectural	• Assuming gradual normalization of economic activities. • Suspension of two furnaces in Asia incorporated • Demand to follow advance indicators such as GDP and construction activities in each region • Continued robust demand for solar energy glass
Automotive	• Assuming recovery in demand in line with car production in Europe, Japan and Americas • Over 20% vehicle production decline in those markets • AGR markets to recover more quickly
Technical Glass	• Milder COVID-19 impact and a time lag in demand recovery

Foreign exchange rates

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Average rates used

	FY2018				FY2019				FY2020				FY2021
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**
GBP	142	144	146	147	149	147	146	146	141	137	138	138	**133**
EUR	122	126	128	130	131	130	129	129	124	121	121	121	**118**
USD	111	112	111	111	110	111	111	111	109	109	109	109	**107**
BRR	34.6	35.0	34.8	34.4	30.4	29.3	29.3	29.4	28.0	27.6	27.2	26.4	**19.9**
ARS	7.06	6.74	6.65	6.30	4.70	-	-	-	-	-	-	-	**-**

FX Sensitivity

Increase (decrease) if the value of the yen increases by 1% (all other things being equal):

(JPY bn)	FY2019	**FY2020**
Equity	(3.3)	**(3.1)**
Profit/(loss) for the period	(0.2)	**0.1**

Closing rates used

	FY2018				FY2019				FY2020				
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**
GBP	146	151	152	150	145	148	141	144	137	133	144	133	**132**
EUR	128	132	136	132	128	132	127	124	123	118	122	119	**121**
USD	112	113	113	106	111	113	111	111	108	108	109	108	**107**
BRR	34.0	35.4	33.9	32.1	28.6	28.2	28.5	28.3	28.3	26.0	27.1	20.8	**19.9**
ARS	6.81	6.42	6.03	5.30	3.94	2.84	2.93	2.53	2.53	1.88	1.82	1.68	**1.53**

Depreciation & Amortization, CAPEX, R&D Expenditures

(JPY bn)	FY2020 1st Quarter	**FY2021 1st Quarter**	FY2021 Forecast
Depreciation and amortization	8.7	**8.6**	37.0
Capital expenditures (including intangibles)			
Ordinary	5.1	**2.2**	22.0
Strategic projects and other	13.1	**6.2**	15.0
Total	18.2	**8.4**	37.0
R&D expenditures			
Architectural	0.7	**0.5**	
Automotive	0.7	**0.5**	
Technical Glass	0.2	**0.2**	
Other	0.7	**0.9**	
Total	2.3	**2.1**	9.0

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