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GROUP

NSG Group
FY2022 Quarter 2 Results
(from 1 April 2021 to 30 September 2021)

Nippon Sheet Glass Company, Limited
11 November 2021

Shigeki Mori

Chief Executive Officer

Reiko Kusunose

Chief Financial Officer

Agenda

1. Financial Year ending 31 March 2022 Quarter 2 Results
2. Forecast for Financial Year ending 31 March 2022
3. Update of Transformation Initiatives under Revival Plan 24 (RP24)
4. Actions for Sustainability
5. Summary

1. Financial Year ending 31 March 2022 Quarter 2 Results

Consolidated Income Statement

Favorable Architectural and Technical businesses offset unfavorable Automotive.
Actual results exceeded the H1 forecast, with profit improvement reflecting sales price increase and cost saving efforts which mitigated energy and material cost push

(JPY bn)	Q2 (3 months)			Cumulative (6 months)			2022/3 H1 Forecast
	2021/3	2022/3	Change	2021/3	2022/3	Change	
Revenue	129.6	**143.0**	13.4	221.5	**290.7**	69.2	280.0
Operating profit	3.8	**5.5**	1.7	3.2	**12.7**	9.5	12.0
ROS: Return on sales (%)	2.9%	**3.9%**	+1.0pt	1.4%	**4.4%**	+3.0pt	4.3%
Exceptional items (COVID-19 related)	(1.3)	**-**	1.3	(12.8)	**-**	12.8	-
Operating profit/(loss) after COVID-19 related exceptional items	2.5	**5.5**	3.0	(9.6)	**12.7**	22.3	12.0
Exceptional items (Other)	(0.8)	**4.7**	5.5	(0.8)	**4.5**	5.3	5.0
Operating profit/(loss)loss after exceptional items	1.7	**10.2**	8.5	(10.4)	**17.2**	27.6	17.0
Finance expenses (net)	(3.0)	**(2.9)**	0.1	(5.4)	**(5.8)**	(0.4)	(6.0)
Share of JVs and associates' profits	0.2	**1.9**	1.7	(0.2)	**3.3**	3.5	2.0
Profit/(loss) before taxation	(1.1)	**9.2**	10.3	(16.0)	**14.7**	30.7	13.0
Profit/(loss) for the period	(0.7)	**6.7**	7.4	(17.2)	**9.6**	26.8	9.0
Net profit/(loss) *	(0.9)	**6.1**	7.0	(17.3)	**8.6**	25.9	8.0
EBITDA	12.7	**14.6**	2.0	18.8	**31.1**	12.3	

Architectural and Technical business revenues significantly increased, while Automotive Q2 decreased.
Overall, profit exceeded the H1 forecast

【Revenue : vs PY】

	Q2	Cum.
Architectural	+ 25%	+33%
Automotive	(4)%	+28%
Technical	+23%	+32%
Grp. Total	**+10%**	**+31%**

Including gain on disposal of Battery Separator business

Strong JV results especially in Brazil

* Profit (loss) attributable to owners of the parent

The Group's consolidated income statement is shown on slide 6.
You can see the results for the second quarter in the left, and the first half cumulative results in the middle.

For second quarter, as automotive manufacturers had to curtail their production affected by shortage of components like semiconductor,
the revenue of Automotive business was down by 4% year on year basis.
However, in Architectural and Technical glass, business environments improved continuously, revenues increased by more than 10% compared to the previous year.
In this second quarter, the revenue was 143.0 billion yen and operating profit was 5.5 billion yen which showed a strong recovery from last year, with energy and material cost push offset by sales price increase and cost saving efforts.

The Group's first half revenue was 290.7 billion yen increased by 31% and operating profit was 12.7 billion yen improved 9.5 billion yen compared to the previous year.
These results were exceeded the first half forecast disclosed in August which was revised upwards from May.

For exceptional items, gain on disposal of Battery Separator business was recorded in the second quarter. Details of exceptional items will be explained later at the next slide.

Supported by better JV performance led by Cebrace in Brazil, the Group's net profit line in second quarter turned into positive to 6.1billion yen,
and first half cumulatively to 8.6 billion yen improved 25.9 billion yen year on year basis.

Exceptional Items

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Gain on disposal of Battery Separator business recorded

(JPY bn)	2021/3 H1	2022/3 H1
COVID-19 related items *	(12.8)	-
Government support	2.1	-
Suspension and other costs	(14.9)	-
Restructuring costs	(1.0)	(0.1)
Gain on disposal of business	-	4.4
Gain on disposal of subsidiaries and joint ventures	0.6	-
COVID-19 related items government support	-	0.4
Others	(0.4)	(0.2)
Exceptional items – net	(13.6)	4.5

Gain on disposal of battery separator business

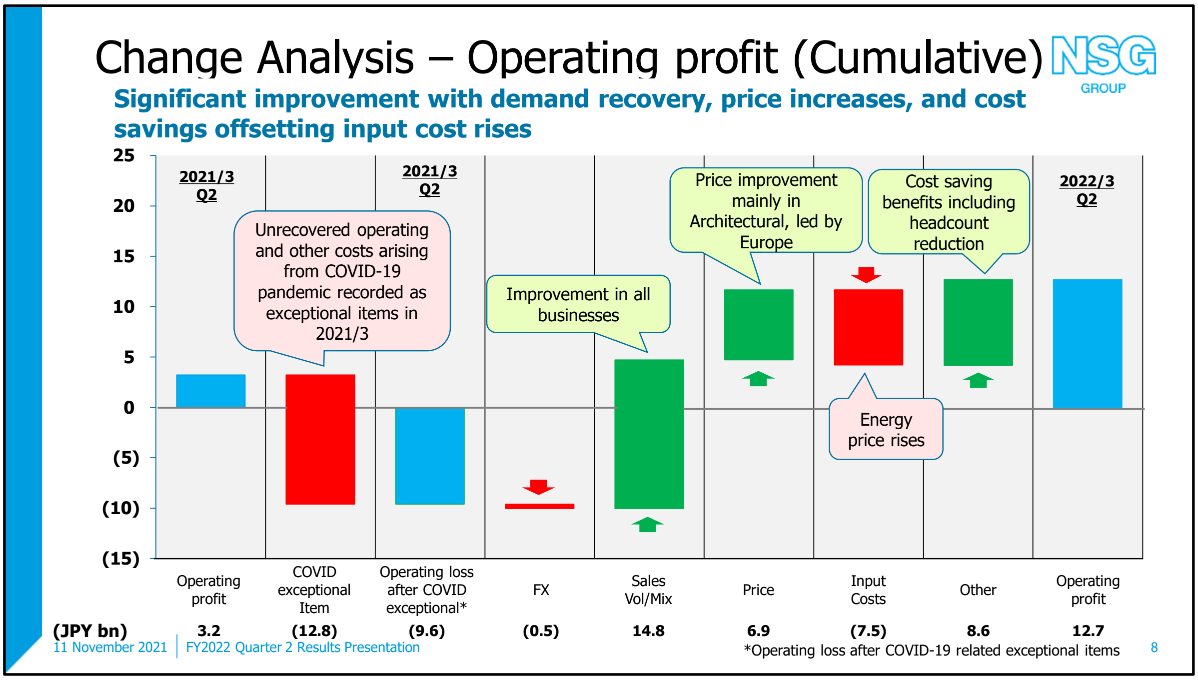
COVID-19 related items are recorded as ordinary exceptional items in 2022/3

* In 2021/3 the Group 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.

Slide 7 is showing the breakdown of the cumulative "exceptional item".

For first half of this fiscal year, 4.4billion yen recorded as gain on disposal of Battery Separator business and 0.4 billion yen as government support as COVID-19 related items.

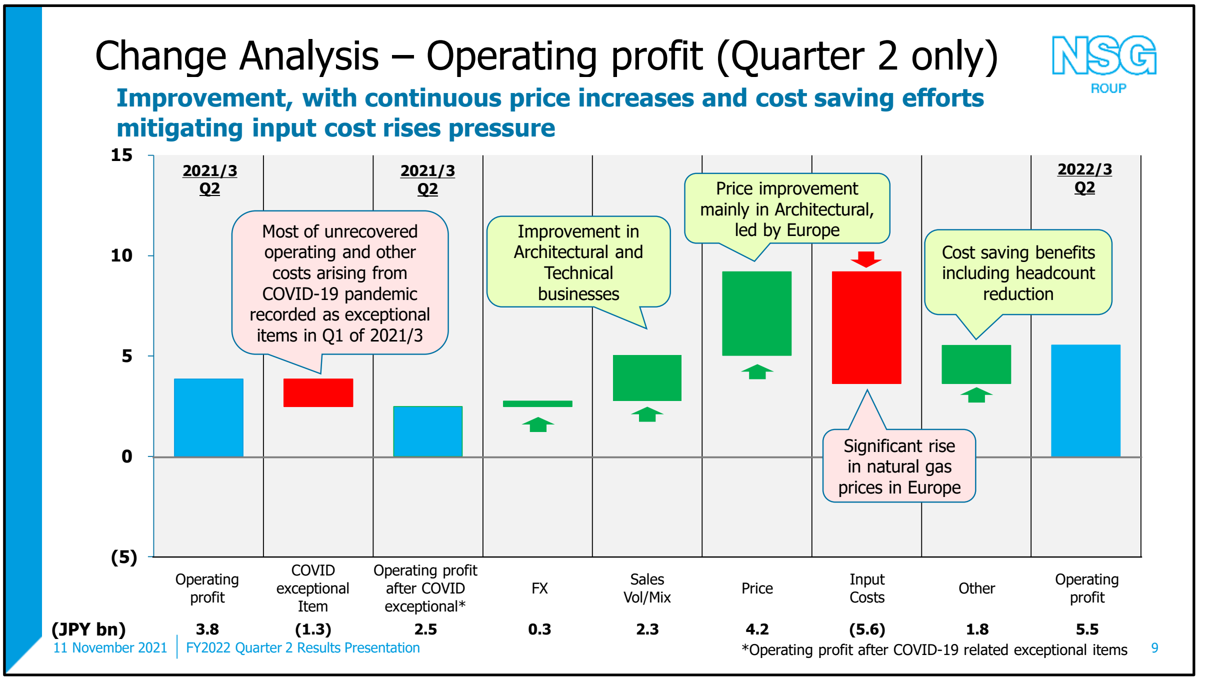
In the previous year, COVID-19-related items are recorded in a specific category of exceptional items (COVID-19 related), however, they have become relatively small in the current year and are therefore recorded as normal operating items, except for this individually material item of government support which is shown in the slide together with other exceptional items. Any further recurring costs of COVID-19 are not expected to be material and will be recorded as normal operating items.



Slide 8 lays out the analysis of the year-on-year operating profit movement.

The Group had recorded unrecovered operating and other costs of 12.8 billion yen arising from COVID-19 pandemic as exceptional items in the previous year, and therefore a comparison is made with operating loss after COVID-19-related exceptional items of 9.6 billion last year.

Negative 0.5 billion yen in ‘FX’ is because weaker Japanese yen would have increased the operating loss recorded last year.
Sales Volume/mix’ improved by 14.8 billion yen, reflecting revenue recovery in all businesses from the previous year, when the Group had been severely hit by the COVID-19 pandemic.
Positive 6.9 billion yen in ‘Price’ is due to the higher sales prices mainly in Architectural Europe with buoyant demand exceeding capacity.
Negative ‘Input costs’ by 7.5 billion yen was impacted mainly by higher energy prices, especially natural gas.
Positive 8.6 billion yen in ‘Other’ represents the results of the Group’s cost transformation initiatives under the Revival Plan (RP24).



Slide 9 lays out change analysis of the year-on-year operating profit movement for July to September 2021.

Positive 0.3 billion yen in ‘FX’ is because weaker Japanese yen would have increased the operating profit 2.5 billion yen recorded after COVID -19 related exceptional items in the second quarter of the previous year.
‘Sales Volume/mix’ improved by 2.3 billion yen, reflecting revenue recovery in Architecture and Technical glass with favorable business environments.
Positive 4.2 billion yen in ‘Price’ is due to the higher sales prices mainly in Architectural Europe with buoyant demand exceeding capacity.
Negative ‘Input costs’ by 5.6 billion yen was impacted mainly by higher energy prices, especially natural gas in Europe.
Positive 1.8 billion yen in ‘Other’ represents the results of the Group’s cost transformation initiatives under the Revival Plan (RP24).

Consolidated Balance Sheet

Improvement in shareholders' equity ratio above 10% with positive factors including net profit generation

(JPY bn)	31 March 2021	30 September 2021	Change
Total Assets	**825.0**	**829.2**	**4.2**
Non-current assets	575.0	583.8	8.8
Current assets	250.0	245.4	(4.6)
Total Liabilities	**745.2**	**723.6**	**(21.6)**
Current liabilities	287.8	295.2	7.4
Non-current liabilities	457.4	428.4	(29.0)
Total Equity	**79.8**	**105.6**	**25.8**
Shareholders' equity	62.9	86.5	23.6
Shareholders' Equity Ratio	**7.6%**	**10.4%**	**+2.8pt.**
Net Debt	**411.7**	**403.2**	**(8.5)**

Mainly increase in value of financial derivative assets

Shift of loans in long term to short term
Decrease in payables, provisions

Recovered above 10% with net profit and positive revaluation of energy hedge derivatives

Decreased with increase in value of financial derivative assets

The Group's consolidated balance sheet is presented on slide 10.

There is no major movement from the previous year-end as a whole, so the items with relatively large movement will be discussed.

The Group's current assets increased by 8.8 billion yen from the previous year-end mainly due to increase of derivative financial asset.

Current liabilities increased from the previous year-end due to shift from long- term loans to short-term, partly offset by decrease of payables and provisions.

Shareholders' equity increased by 23.6 billion yen from the previous year-end, affected by net profit for the half, positive revaluation of energy hedge derivatives.

As a result, shareholders' equity ratio increased by 2.8 points from the previous year-end to 10.4%.

Net Debt decreased by 8.5 billion yen due to increase of derivative financial asset.

Consolidated Statement of Cash Flows

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Large improvement in cumulative free cash flows from 2021/3 with recovering underlying profits, strict cash management, and business disposal income. Good progress for the positive in full-year

(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	2021/3	2022/3	Change	2021/3	2022/3	Change
Net cash flows from operating activities	**22.8**	**15.2**	**(7.6)**	**(7.8)**	**14.5**	**22.2**
included above: Net change in working capital	15.5	3.3	(12.2)	(6.6)	(8.7)	(2.1)
Net cash flows from investing activities	**(10.3)**	**(7.0)**	**3.3**	**(26.4)**	**(15.9)**	**10.6**
included above: Purchase of property, plant and equipment	(9.5)	(12.0)	(2.5)	(22.7)	(20.3)	2.4
Free cash flow	**12.5**	**8.2**	**(4.3)**	**(34.2)**	**(1.4)**	**32.8**
Net cash flows from financing activities	**(9.0)**	**(8.7)**	**0.3**	**30.9**	**(11.9)**	**(42.8)**
(Decrease)/increase in cash and cash equivalents	**3.5**	**(0.5)**	**(4.0)**	**(3.3)**	**(13.2)**	**(10.0)**
Cash and cash equivalents at the end of the period				**37.5**	**40.7**	**3.3**

Significant year-on-year improvement with increased profit and strict cash management

Inventory increased in Automotive

Proceeds from Battery Separator business disposal (JPY 6.2 bn)

Significant improvement from 2021/3

Consolidated statement of cash flows is discussed in slide 11.

Net cash flows from operating activities for second quarter were inflow of 15.2 billion yen, although they were worse by 7.6 billion yen compared to the previous year due to the working capital movements.
However, they were improved by 22.2 billion yen from the previous year to 14.5 billion yen in the first half cumulatively due to improved profit and strict cash management.

Working capital increased by 8.7 billion yen cumulatively due to inventory increase in Automotive business.

Net cash flows from investing activities improved by 10.6 billion yen from the previous year where proceeds from the Battery Separator business disposal contributed.

As a result, Free cash flows were outflows1.4billion yen, but improved significantly from the previous year with the good progress for the positive cash flows in full year.

Segmental Information

(JPY bn)	2020/3 H1			2021/3 H1				2022/3 H1			Change	
	Revenue	%	Operating profit	Revenue	%	Operating profit	OP aft. COVID*	Revenue	%	Operating profit	Revenue	Operating profit
Architectural	**119.7**	**41%**	**9.8**	**99.1**	**45%**	**7.3**	**1.9**	**132.0**	**46%**	**13.6**	**32.9**	**6.4**
Europe	45.3	16%		38.2	17%			54.9	19%		16.7	
Asia	47.0	16%		37.8	17%			40.3	14%		2.5	
Americas	27.4	9%		23.1	10%			36.9	13%		13.8	
Automotive	**148.2**	**52%**	**5.2**	**105.3**	**48%**	**(2.4)**	**(9.9)**	**135.2**	**47%**	**(1.1)**	**29.9**	**1.3**
Europe	62.9	22%		43.3	20%			59.1	20%		15.8	
Asia	34.6	12%		25.8	12%			28.0	10%		2.2	
Americas	50.7	18%		36.2	16%			48.2	17%		11.9	
Technical Glass	**20.2**	**7%**	**3.5**	**16.5**	**7%**	**2.5**	**2.2**	**21.7**	**7%**	**5.7**	**5.2**	**3.2**
Europe	3.5	1%		2.7	1%			3.9	1%		1.2	
Asia	15.9	6%		13.3	6%			17.2	6%		3.9	
Americas	0.8	0%		0.5	0%			0.6	0%		0.1	
Other	**0.5**	**0%**	**(3.6)**	**0.6**	**0%**	**(4.2)**	**(3.8)**	**1.8**	**0%**	**(5.6)**	**1.2**	**(1.5)**
Total	**288.6**	**100%**	**14.9**	**221.5**	**100%**	**3.2**	**(9.6)**	**290.7**	**100%**	**12.7**	**69.2**	**9.5**

*Operating profit/(loss) after COVID-19 related exceptional items

Slide 12 lays out the cumulative revenue and profit by the business segments.

Architectural (Cum. Rev▲, Profit▲ : Q2 Rev▲, Profit▲)

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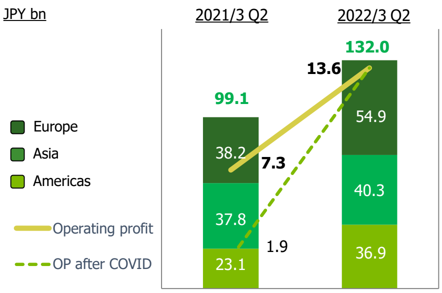
Good results continues in Europe, strong revenue recovery in Asia and Americas. Significantly improved operating profit exceeding 2020/3, despite energy price increases



	Cumulative (6 months) 2020/3	Q2 (3 months) 2021/3	Q2 (3 months) 2022/3	Q2 (3 months) Change	Cumulative (6 months) 2021/3	Cumulative (6 months) 2022/3	Cumulative (6 months) Change
Revenue	**119.7**	**54.2**	**67.5**	**13.3**	**99.1**	**132.0**	**32.9**
Europe	45.3	22.2	27.1	4.9	38.2	54.9	16.7
Asia	47.0	18.6	21.0	2.4	37.8	40.3	2.5
Americas	27.4	13.4	19.5	6.1	23.1	36.9	13.8
OP	**9.8**	**4.6**	**7.5**	**2.9**	**7.3**	**13.6**	**6.4**
OP after COVID*	**9.8**	**4.1**	**7.5**	**3.4**	**1.9**	**13.6**	**11.7**

Europe (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

- Improved sales volume and prices with demand above capacity
- Input cost increase due to higher energy, raw materials and logistics costs, partially mitigated by strong operational performance and cost saving efforts

Asia (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

- Signs of sales volume and price recovery in Japan. Good performance maintained in other countries
- Robust demand for solar energy glass

Americas (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

- Sales volume increased, although shipments constrained due to cold repair and shortages of transportation capacity in North America. Continued strong sales of solar energy glass
- Higher shipment volumes reflecting strong demand in South America

*Operating profit/(loss) after COVID-19 related exceptional items

Please move to slide 13 – from this slide the results of each businesses will be discussed.

Architectural revenues recovered significantly from the previous year especially in Europe where favorable condition continued, and in Asia and Americas as well.
Operating profit also improved significantly, as energy price increases were mitigated by sales price increase reflecting strong demand and cost saving efforts.
Revenue and operating profit exceeded the same period of March 2020 before COVID-19 pandemic.
Revenues and profits in Europe were higher compared to the previous year.
Sales volume and prices increased as the strong demand above supply.
Input cost increase due to higher energy, raw materials and logistics costs, partially mitigated by strong operational performance and cost transformation initiatives under RP24.

In Asia, revenues and profits showed higher results than previous year. Signs of volume and price recovery is seen in Japan and positive performance continued in other countries during the second quarter.
Also, robust demand for Solar Energy glass continued.

In Americas, revenues and profits were higher than the previous year.
In North America, sales volume increased, while shipments constrained to some extent by low inventory levels due to cold repair and shortages of transportation capacity in North America.
Strong sales of solar energy glass continue.
In South America, strong demand is continuing.

Automotive (Cum. Rev▲, Profit▲ : Q2 Rev▼, Profit▼)

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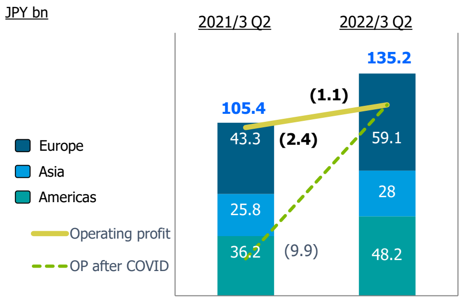
Considerable improvement from the previous year cumulatively, despite negative impact of curtailed levels of vehicle build due to shortage of component parts



		Cumlative (6 months)	Q2 (3 months)			Cumulative (6 months)		
		2020/3	2021/3	2022/3	Change	2021/3	2022/3	Change
Revenue		**148.2**	**66.6**	**64.3**	**(2.3)**	**105.4**	**135.2**	**29.8**
	Europe	62.9	26.7	27.9	1.2	43.3	59.1	15.8
	Asia	34.6	15.9	12.9	(3.0)	25.8	28.0	2.2
	Americas	50.7	24.0	23.6	(0.4)	36.2	48.2	12.0
OP		**5.2**	**0.5**	**(2.3)**	**(2.8)**	**(2.4)**	**(1.1)**	**1.3**
OP after COVID*		**5.2**	**(0.6)**	**(2.3)**	**(1.7)**	**(9.9)**	**(1.1)**	**8.8**

Europe (Cum. Rev▲, Profit▼: Q2 Rev▲, Profit▼)
Asia (Cum. Rev▲, Profit▲: Q2 Rev▼, Profit▼)
Americas (Cum. Rev▲, Profit▲: Q2 Rev▼, Profit▼)

- Q2 sales volume reduced significantly in Asia including Japan and North America, impacted by constrained vehicle build due to shortage of component parts such as semiconductors
- Cumulative sales volume recovered especially in Europe and North America, where widespread lockdowns had been imposed in April and May in 2020
- Cumulative profit increased continuously as a whole, while Q2 decreased impacted by higher energy and material cost

*Operating profit/(loss) after COVID-19 related exceptional items

Slide 14 discusses the results of the Group's Automotive business.

In Automotive business, revenue and profit decreased for second quarter due to volume reduction with the car manufacturers facing restricted production caused by a shortage of semiconductor and other components, with impacts by higher energy and material cost.

However, cumulative revenue recovered especially in Europe and North America, where widespread lockdowns had been imposed in April and May in 2020, so cumulative profit increased continuously as a whole.

Technical Glass (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

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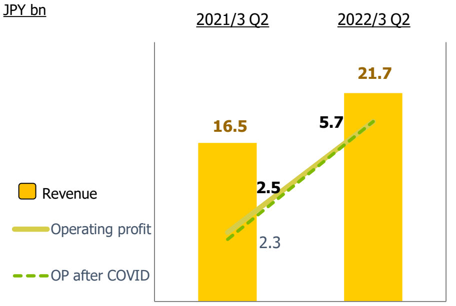
Improved revenue and profit, reflecting continuous generally favorable market conditions, recovering from COVID-19 impact in 2021/3 and exceeding 2020/3 levels



	Cumlative (6 months)	Q2 (3 months)			Cumulative (6 months)		
	2020/3	2021/3	2022/3	Change	2021/3	2022/3	Change
Revenue	20.2	8.4	10.3	1.9	16.5	21.7	5.2
OP	3.5	1.1	2.9	1.8	2.5	5.7	3.2
OP after COVID*	3.5	1.1	2.9	1.8	2.3	5.7	3.4

Technical Glass

- Further improvement in fine glass based on continued cost reduction efforts and better sales mix
- Continued volume improvement of printer lenses by work from home and school from home demand
- Strong demand for glass cord particularly in China. Signs of recovery in Metashine® demand for cosmetic applications
- Continued stable results for battery separators (Disposal completed on 1st September)

*Operating profit/(loss) after COVID-19 related exceptional items

Slide 15 lays out the results of the Technical Glass business.

Revenue and profit improved, by reflecting generally favorable market conditions, from the previous year with COVID-19 impact.

Both revenue and operating profit exceeded same period of financial year ended March 2020.

Fine glass business improved further based on continued cost reduction efforts and better sales mix.

Printer lenses sales volume improved continuously by work from home and school from home demand.

Glass cord had strong demand in China. Signs of recovery was seen in Metashine® demand for cosmetic applications.

Continued stable results for battery separators, whose disposal was completed on 1st of September.

2. Forecast for Financial Year ending 31 March 2022

Assumptions for 2022/3 Forecast

Group	**No revision of full-year forecast, despite the H1 actual results exceeding the H1 forecast** • Continuous large input cost push due to higher energy and other prices anticipated • No revision of full-year forecast, considering business environment uncertainties especially in Automotive • Outlook of year-on-year improvement in revenue and profit remaining unchanged, bolstered by transformation initiatives
Architectural	**Continued favorable demand and supply situation, while impact by higher energy cost assumed especially in Europe** • Europe: price improvement reflecting tighter demand and supply balance mitigates impact by higher natural gas price • Asia: volume and price improving in Japan and robust results continues • NA: sustained recovery in domestic market with reopening of economy SA: continued tight demand and supply • Solar energy glass: volume increase assumed
Automotive	**While affected by component shortage, demand recovery expected** • Anticipating increase of vehicle demand and car inventory replenishment, still uncertain as to when component shortages should be resolved • Aiming profit in full year with additional cost reduction
Technical Glass	**Overall business environment continues to improve** • Continued cost reduction efforts and better sales mix contributes in fine glass • Demand for printer lens to remain robust with working from home demand

The following slides discuss the full year forecast for financial year ending March 2022.

Slide 17 shows the assumptions used for the forecast.

The first half results exceeded the forecast revised upward on August 5th, however, there is no revision of full year forecast this time.
This decision was made based on the uncertain business environments such as anticipation of continuous input cost increase and semiconductor and other components shortage for automotive.
Still, the group will achieve higher revenue and operating profit in all business compared to previous year.

In Architectural business, demand recovery is assumed to be continued, while energy costs hike are anticipated especially in Europe.
In Europe, price improves by reflecting tighter demand and supply balance, while energy costs rise mainly due to steep rise in natural gas prices.
In Asia, volume and price are improving in Japan and strong performance will continue.
In North America, recovery in domestic market continues with reopening of economy, and in South America, tight demand and supply will continue.
In Solar Energy Glass, volume increase is assumed with continued strong demand.

In Automotive business, car components shortage will continue for a while, and it is still uncertain when the issue will be solved.
The Group has started additional cost saving project to be profitable in this financial year.

In Technical Glass business, performance is improving further as a whole.

Forecast for Financial Year ending 31 March 2022

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No revision of full-year forecast, despite H1 actual exceeding the H1 forecast revised upward previously

(JPY bn)	2022/3 H1 Fcst (Previous)	2022/3 H1 Act	2022/3 Full year Fcst (No change)	2021/3 Full year Act
Revenue	280.0	**290.7**	**560.0**	499.2
Operating profit	12.0	**12.7**	**24.0**	13.1
Operating profit after COVID-19 related exceptional items	12.0	**12.7**	**24.0**	(3.0)
Exceptional items (Other)	5.0	**4.5**	**5.0**	(5.3)
Operating profit after exceptional items	17.0	**17.2**	**29.0**	(8.3)
Finance expenses (net)	(6.0)	**(5.8)**	**(13.0)**	(11.0)
Share of JVs and associates' profits	2.0	**3.3**	**3.0**	2.1
Profit before taxation	13.0	**14.7**	**19.0**	(17.2)
Profit for the period	9.0	**9.6**	**12.0**	(16.3)
Net profit *	8.0	**8.6**	**10.0**	(16.9)

*Profit attributable to owners of the parent

Slide 18 shows the forecast for 2022/3 based on the assumptions.

From left, there are the first half forecast revised in August, the actual results and full-year forecast.
As explained in the previous slide, there is no change in full-year forecast.

3. Update of Transformation Initiatives under Revival Plan 24 (RP24)

Transformation Initiatives under Revival Plan 24

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Initiatives underway for business to grow sustainably according to RP24

Three Reforms

Cost structure reform

- Headcount: Consolidation/Closure of sites/production lines mainly in Automotive business in Europe and Americas. Over 500 reductions in 2022/3 (JPY 5.8 bn cost reduction vs 2020/3), resulting in over 2,000 since 2020/3 end (JPY 13.0 bn reduction at 2022/3 end vs 2020/3) (Severance cost provided in 2021/3)
- Non headcount: Direct costs savings of JPY 2.3 bn so far and JPY 4.3 bn in 2022/3 via Kaikaku and Kakushin activities. Electricity usage and CO2 emission through battery storage system in a Canadian site
- Additional cost reduction initiatives of around JPY 5 bn in Automotive business

Business structure reform

- Contribution to profit and CO2 emission by solar energy glass furnace in the USA and Vietnam
- New float furnace construction in Argentina aiming for full operation in early 2023/3
- New products such as BIPV (Building Integrated Photovoltaics) and antiviral glass with on-line coating technology. Printer lens applied to office-use printer and glass code to industrial machines or robots
- New division : Creative Technology Business Development Division
- Test of hydrogen power and ttransparent solar panels for use as windows aiming for carbon neutrality

Test of transparent solar panels for use as windows

Corporate culture reform

- Enhancing "Inclusion & Diversity (I&D)" activities globally to improve manager gender diversity and accelerate development of next generation
- Identifying new competencies to quantify specific talents and skills and develop strategy needed to deliver RP24

Two Key Initiatives

Restoration of financial stability (2022/3 Q2 actual)

- Continued net profit significantly improved by JPY 26 bn year-on-year. Shareholder's equity ratio also improved above 10%
- JPY43.4 bn of cash and JPY78.0 bn unused commitment lines at the end of Sep. 2021

Transformation into more profitable business portfolio

- Disposal of Battery Separator business completed on 1st September

 RP24: https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtprp24presentation2021_e02.pdf

Please move to Slide 20.

It shows the main progress of transformation initiatives taken under the Revival Plan 24 (RP24) starting from this financial year ending March 2022.

'Three reforms' and 'Two key initiatives' are committed in RP24, aiming for the business to grow sustainably.

As for 'Cost structure reform', strict cost reduction and production efficiency improvement including headcount reduction are planned and implemented as 'Cost structure reform'.

Closures or integrations of the sites or production lines for headcount reduction have been carried out mainly in Automotive business in Europe and Americas.
Over 500 headcounts reduced in the first half cumulatively with the cost reduction of 5.8 billion yen compared to March 2020, resulting in over 2,000 headcount reduction since March 2020 end with estimated 13.0 billion yen of cost reduction at the end of March 2022.
The provision for redundancy has already been recorded at the end of March 2021.
In addition to that, other direct cost reduction is ongoing as "kaikaku and kakushin" activities and saved 2.3 billion yen so far and will save 4.3 by March.
One example of the activities is that we've introduced a battery storage system in a Canadian site which contributes to significant reductions in electricity costs and carbon emission as in the news release on 8th October.
Additional cost saving projects around 5.0 billion yen has started to offset demand decrease, aiming for profit in full year.

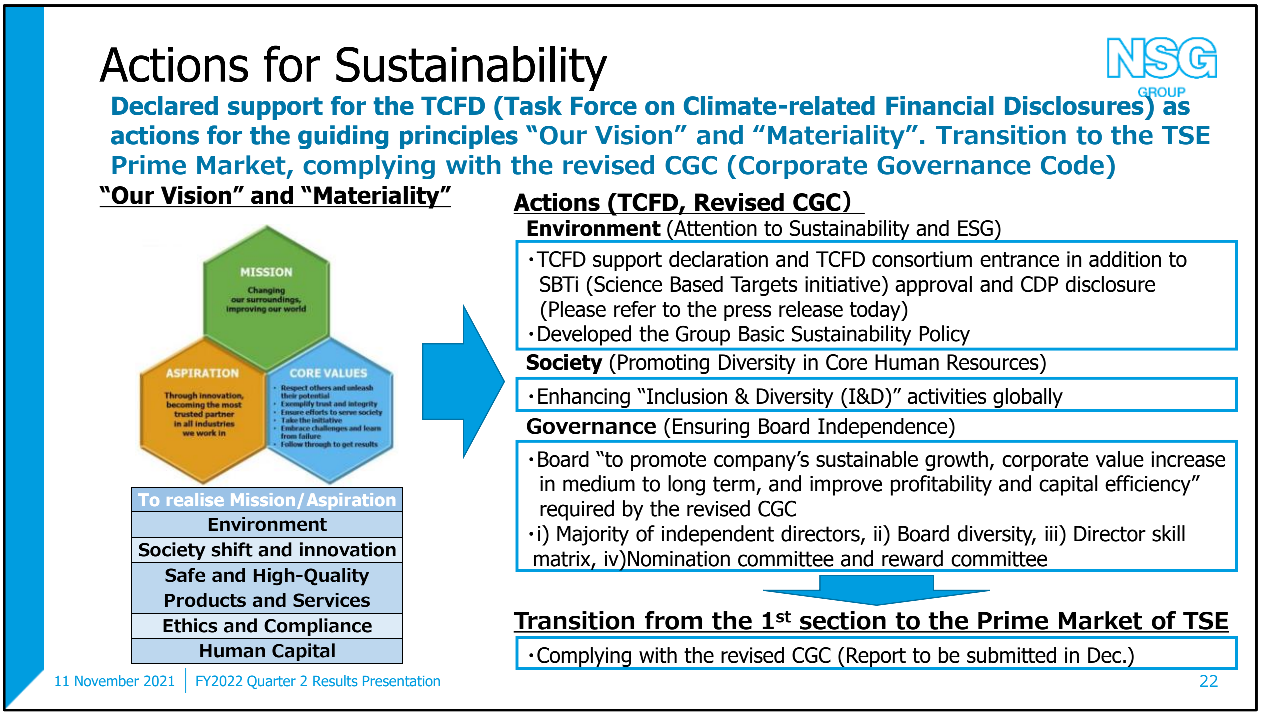
In 'Business structure reform', the Group is expanding value-added businesses and developing new businesses.
Solar energy glass furnace in the USA and Vietnam have been contributing to profit and CO2 emission as well.
New float furnace construction in Argentina have been progressing, aiming for full operation in early financial year ending March 2023.
The group has started supply of new products such as BIPV (Building Integrated Photovoltaics) and antiviral glass with on-line coating technology which is advantageous.
Application of printer lens is expanded to office-use printer and glass code to industrial machines or robots.
The Creative Technology Business Development Division has been established to enhance new products development.
Not only new products, but also initiatives have started such as test of hydrogen power and transparent solar panels for use as windows aiming for carbon neutrality in the future.

For 'Corporate culture reform', the Group is enhancing 'Inclusion & Diversity (I&D)' activities globally to improve manager gender diversity and accelerate development of next generation, and identifying new competencies to quantify specific talents and skills and develop strategy needed to deliver RP24.

In 'Two key initiatives', 'Restoration of financial stability' is progressed as the net profit improved significantly by 25.9 billion year-on-year with the contribution of 'Cost structure reform' and 'Business structure reform', together with the Group's energy cost hedging program resulting in shareholder's equity ratio improvement above 10%.

For 'Transformation into more profitable business portfolio', transfer of Battery Separator business is completed on 1st September.

4. Actions for Sustainability



Slide 22 shows Group's actions for sustainability.

To achieve 'Our Vision', the guiding principles, and 'materiality' based on it, which will lead sustainable growth of the company and sustainable society, the Group has been working on various activities.

For 'Environment' (E), especially climate change is high priority task the for Group, thus we are actively engaged in greenhouse gas emission.
As a result, the Group's goal for greenhouse gas emission was evaluated and approved by Science Based Targets initiative (SBTi), and also, the Group received Climate change A-leadership rating from Carbon Disclosure Project (CDP).
In addition to these, the Group declared its support for Task Force on Climate-related Financial Disclosures (TCFD) and entered TFCFD consortium.
For the details, please refer to the news release issued today.
Also, the board of directors held today resolved the adoption of the NSG Group Basic Sustainability Policy.
The Group will comply with the revised Corporate Governance Code.

Next is 'Society' (S) part, the Group is now enhancing 'Inclusion and Diversity' activities globally to ensure diversity in core human resources.

For 'governance' (G), the revised Corporate Governance Code requires Board 'to promote company's sustainable growth, corporate value increase in medium to long term, and improve profitability and capital efficiency'.
The Group has already appointed majority of independent directors, diversified board of

directors such as nationalities, prepared director skill matrix, and adopted the nomination committee and reward committee with majority of independent directors.

Based on the compliance with the revised Corporate Governance Code, the board of directors held today resolved to select transition from 1st section to the Prime Market of TSE. The Group will submit the application of the selection to TSE by the end of December, together with the corporate governance report in line with the revised corporate governance code.

5. Summary

Summary

1. Financial Year ending 31 March 2022 Quarter 2 Results

- Significant revenue and profit improvement from 2021/3 severely impacted by pandemic in Q1
- Operating profit and net profit exceeding the H1 forecast, with continued profit reflecting sales price increase, cost reduction mitigating energy and material price rises
- Shareholders' equity ratio and cash flows improving with positive factors including net profit

2. Forecast for Financial Year ending 31 March 2022

- No revision of full-year forecast, despite H1 actual results exceeding the H1 forecast
- Anticipating continuous large input cost push due to higher energy and other prices
- Aiming profit in full year with additional cost reduction in Automotive, while affected by component shortages such as semiconductors

3. Update of Transformation Initiatives under Revival Plan 24

- Cost structure reform: Headcount and cost reduction initiatives progressing. Additional cost reduction in Automotive
- Business structure reform: Contribution to profit and CO2 emission by solar energy glass furnace in the USA and Vietnam. New float line construction in Argentina aiming for full operation in early 2023/3
- Transformation into more profitable business portfolio: Disposal Battery Separator business completed on 1st September

4. Progress of Actions for Sustainability

- Declared support for TCFD as actions for the guiding principles "Our Vision" and "Materiality".
- Transition from the 1st section to the Prime Market of TSE, complying with the revised corporate governance code

Notice

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

Financial Year ending 31 March 2022 Q2 Results

- Consolidated Income Statement – Quarterly Trend
- Revenue & Operating Profit – Quarterly Trend
- Segmental Information by Quarter
- Revenue & Operating Profit – by Region
- Foreign Currency Exchange Rates and Sensitivity
- Depreciation & Amortization, Capital Expenditures, R&D Expenditures
- News Releases (June to October 2021)

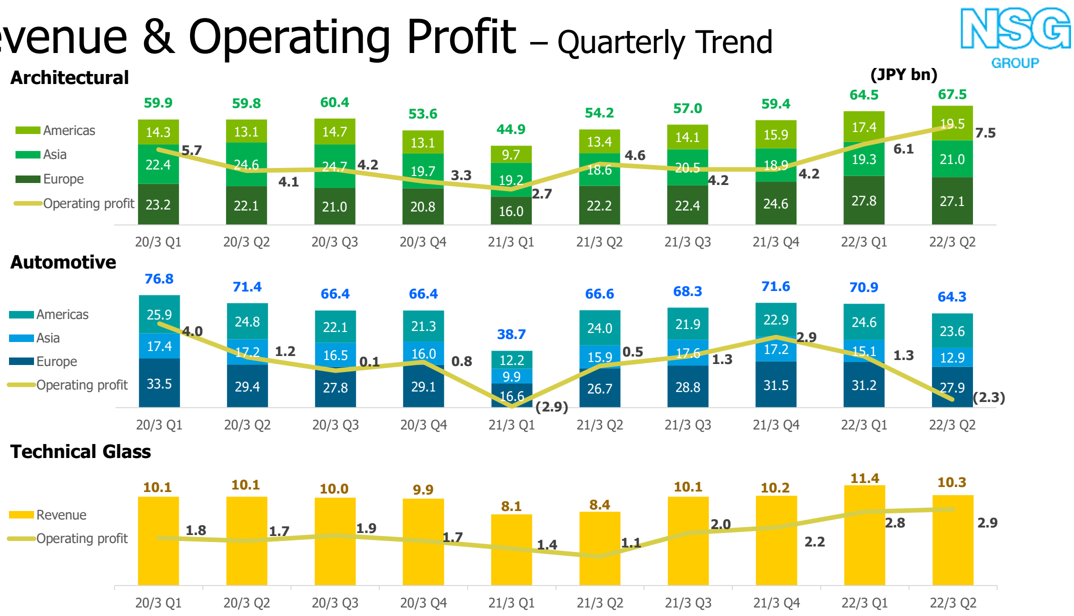
Consolidated Income Statement – Quarterly Trend

NSG GROUP

	2020/3				2021/3				2022/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	**147.1**	**141.5**	**137.2**	**130.4**	**91.9**	**129.6**	**135.9**	**141.8**	**147.7**	**143.0**
Operating profit/(loss)	**8.8**	**6.1**	**3.1**	**3.2**	**(0.6)**	**3.8**	**4.8**	**5.1**	**7.2**	**5.5**
Operating profit margin (%)	**6.0%**	**4.3%**	**2.3%**	**2.5%**	**–**	**2.9%**	**3.5%**	**3.6%**	**4.9%**	**3.9%**
Exceptional items (COVID-19 related)	–	–	–	(2.2)	(11.5)	(1.3)	(1.2)	(2.1)	–	–
Operating profit/(loss) after COVID-19 related exceptional items	**8.8**	**6.1**	**3.1**	**1.0**	**(12.1)**	**2.5**	**3.6**	**3.0**	**7.2**	**5.5**
Exceptional items (Other)	(0.6)	(1.6)	(2.2)	(17.4)	0.0	(0.8)	1.0	(5.5)	(0.2)	4.7
Operating profit/(loss) after exceptional items	**8.2**	**4.5**	**0.9**	**(16.4)**	**(12.1)**	**1.7**	**4.6**	**(2.5)**	**7.0**	**10.2**
Finance expenses (net)	(3.5)	(2.8)	(3.2)	(2.3)	(2.4)	(3.0)	(2.1)	(3.5)	(3.0)	(2.9)
Share of JVs and associates' profits	0.5	0.3	0.4	(0.1)	(0.4)	0.2	1.0	1.3	1.5	1.9
Profit/(loss) before taxation	**5.2**	**2.0**	**(1.9)**	**(18.8)**	**(14.9)**	**(1.1)**	**3.5**	**(4.7)**	**5.5**	**9.2**
Profit/(loss) for the period	**3.1**	**(0.7)**	**(0.5)**	**(19.4)**	**(16.5)**	**(0.7)**	**3.7**	**(2.8)**	**2.9**	**6.7**
Net profit/(loss) *	**2.9**	**(1.0)**	**(0.7)**	**(20.1)**	**(16.4)**	**(0.9)**	**3.4**	**(3.0)**	**2.5**	**6.1**
EBITDA	**17.5**	**14.2**	**11.5**	**11.8**	**6.1**	**12.7**	**13.5**	**14.5**	**16.5**	**14.6**

*Profit (loss) attributable to owners of the parent

Revenue & Operating Profit – Quarterly Trend



Segmental Information

(JPY bn)	20/3					21/3					22/3		
	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Cum.
Revenue: Architectural	**59.9**	**59.8**	**60.4**	**53.6**	**233.7**	**44.9**	**54.2**	**57.0**	**59.4**	**215.5**	**64.5**	**67.5**	**132.0**
Europe	23.2	22.1	21.0	20.8	87.1	16.0	22.2	22.4	24.6	85.2	27.8	27.1	54.9
Asia	22.4	24.6	24.7	19.7	91.4	19.2	18.6	20.5	18.9	77.2	19.3	21.0	40.3
Americas	14.3	13.1	14.7	13.1	55.2	9.7	13.4	14.1	15.9	53.1	17.4	19.5	36.9
Operating profit	**5.7**	**4.1**	**4.2**	**3.3**	**17.3**	**2.7**	**4.6**	**4.2**	**4.2**	**15.7**	**6.1**	**7.5**	**13.6**
OP after COVID*	**-**	**-**	**-**	**2.7**	**16.7**	**(2.2)**	**4.1**	**3.8**	**3.4**	**9.1**	-	-	-
Revenue: Automotive	**76.8**	**71.4**	**66.4**	**66.4**	**281.0**	**38.7**	**66.6**	**68.3**	**71.6**	**245.2**	**70.9**	**64.3**	**135.2**
Europe	33.5	29.4	27.8	29.1	119.8	16.6	26.7	28.8	31.5	103.6	31.2	27.9	59.1
Asia	17.4	17.2	16.5	16.0	67.1	9.9	15.9	17.6	17.2	60.6	15.1	12.9	28.0
Americas	25.9	24.8	22.1	21.3	94.1	12.2	24.0	21.9	22.9	81.0	24.6	23.6	48.2
Operating profit	**4.0**	**1.2**	**0.1**	**0.8**	**6.1**	**(2.9)**	**0.5**	**1.3**	**2.9**	**1.8**	**1.3**	**(2.3)**	**(1.1)**
OP after COVID*	**-**	**-**	**-**	**(0.6)**	**4.7**	**(9.3)**	**(0.6)**	**0.4**	**1.7**	**(7.8)**	**-**	**-**	**-**
Revenue: Technical	**10.1**	**10.1**	**10.0**	**9.9**	**40.1**	**8.1**	**8.4**	**10.1**	**10.2**	**36.8**	**11.4**	**10.3**	**21.7**
Europe	1.7	1.8	1.6	2.0	7.1	1.3	1.4	1.9	1.8	6.4	2.1	1.8	3.9
Asia	8.0	7.9	8.1	7.7	31.7	6.5	6.8	7.9	8.1	29.3	9.0	8.2	17.2
Americas	0.4	0.4	0.3	0.2	1.3	0.3	0.2	0.3	0.3	1.1	0.3	0.3	0.6
Operating profit	**1.8**	**1.7**	**1.9**	**1.7**	**7.1**	**1.4**	**1.1**	**2.0**	**2.2**	**6.7**	**2.8**	**2.9**	**5.7**
OP after COVID*	**-**	**-**	**-**	**1.6**	**7.0**	**1.2**	**1.0**	**2.1**	**2.2**	**6.5**	**-**	**-**	**-**
Revenue: Other	**0.3**	**0.2**	**0.4**	**0.5**	**1.4**	**0.2**	**0.4**	**0.5**	**0.6**	**1.7**	**0.9**	**0.8**	**1.8**
Operating profit	**(2.7)**	**(0.9)**	**(3.1)**	**(2.6)**	**(9.3)**	**(1.8)**	**(2.4)**	**(2.7)**	**(4.2)**	**(11.1)**	**(3.1)**	**(2.5)**	**(5.6)**
OP after COVID*	**-**	**-**	**-**	**(2.7)**	**(9.4)**	**(1.8)**	**(2.0)**	**(2.7)**	**(4.3)**	**(10.8)**	-	-	-
Revenue: Total	**147.1**	**141.5**	**137.2**	**130.4**	**556.2**	**91.9**	**129.6**	**135.9**	**141.8**	**499.2**	**147.7**	**143.0**	**290.7**
Operating profit	**8.8**	**6.1**	**3.1**	**3.2**	**21.2**	**(0.6)**	**3.8**	**4.8**	**5.1**	**13.1**	**7.2**	**5.5**	**12.7**
OP after COVID*	**-**	**-**	**-**	**1.0**	**19.0**	**(12.1)**	**2.5**	**3.6**	**3.0**	**(3.0)**	-	-	-

*Operating profit/(loss) after COVID-19 related exceptional items

Revenue & Operating Profit – by Region

NSG GROUP

(JPY bn)	2021/3 H1			2022/3 H1			Change	
	Revenue	%	Operating profit/(loss)	Revenue	%	Operating profit	Revenue	Operating profit/(loss)
Europe	**84.2**	**38%**	**0.8**	**117.9**	**41%**	**2.8**	**33.7**	**2.0**
Asia	**76.9**	**35%**	**3.6**	**85.4**	**29%**	**9.7**	**8.6**	**6.1**
Americas	**59.8**	**27%**	**2.9**	**85.7**	**29%**	**5.7**	**25.9**	**2.8**
Other *	0.6	0%	(4.1)	1.8	1%	(5.6)	1.2	(1.5)
Total	**221.5**	**100%**	**3.2**	**290.7**	**100%**	**12.7**	**69.2**	**9.5**

* Revenue and Operating loss of Other Operation are not split by geographical regions.

Foreign Currency Exchange Rates

NSG GROUP

Average rates used

	2020/3				2021/3				2022/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GBP	141	137	138	138	133	135	136	139	153	152
EUR	124	121	121	121	118	121	123	124	132	131
USD	109	109	109	109	107	106	106	106	109	109
BRR	28.0	27.6	27.2	26.4	19.9	19.8	19.7	19.7	20.6	20.8
ARS	4.70	Closing rates are applied – hyperinflation								

Closing rates used

	2020/3				2021/3				2022/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GBP	137	133	144	133	132	135	141	152	153	150
EUR	123	118	122	119	121	124	127	130	132	129
USD	108	108	109	108	107	105	103	111	111	112
BRR	28.3	26.0	27.1	20.8	19.9	18.7	19.8	19.1	22.3	20.6
ARS	2.53	1.88	1.82	1.68	1.53	1.38	1.22	1.20	1.16	1.13

Sensitivity
Increase (decrease) if the value of the yen appreciates by 1% - all other things being equal

	2021/3
Equity	JPY (3.1) billion
Loss for the period	Improve by JPY 0.1 billion

Depreciation & Amortization, Capital Expenditures, R&D Expenditures

NSG GROUP

(JPY bn)	2021/3 H1	2022/3 H1	2022/3 Full-year Forecast
Depreciation & Amortization	**17.4**	**18.4**	**35.0**
Capital expenditures	**17.5**	**10.2**	**29.0**
Ordinary	5.4	9.3	
Strategic projects and other	12.1	0.9	
R&D expenditures	**4.4**	**4.1**	**9.0**
Architectural	1.2	1.2	
Automotive	1.2	1.2	
Technical Glass	0.4	0.5	
Other	1.6	1.2	

News Releases — Jun to October 2021

(https://www.nsg.com/en/media)

24-Jun-21	New SELFOC® Micro Lens as Fine as Optical Fibers
28-Jun-21	Launch of NSG Purity™, Glass Coated with Unique Sol-gel Technology
13-Jul-21	Corporate Governance Report submitted to the Tokyo Stock Exchange
2-Aug-21	NSG Technology Features the World's First Full Augmented Reality Head Up Display for an Automotive Bestseller in the Luxury Class
31-Aug-21	First Time Inclusion in FTSE Blossom Japan Index
1-Sep-21	(Progress of Disclosure Matters) Transfer of Battery Separator Business to Wholly-owned Subsidiary through Company Split (Simple Absorption-type Split) and Sale of Shares in Such Subsidiary
30-Sep-21	Architectural Glass Production Powered by Hydrogen in World First
4-Oct-21	New Page of NSG Purity™ Opened
8-Oct-21	NSG Group Provides First Battery Storage System in Canada
25-Oct-21	NSG Group and Cohda Collaborate to Create Futuristic Electrical Glass Applications

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