NSG

GROUP

NSG Group
FY2021 Quarter 3 Results
(from 1 April 2020 to 31 December 2020)

Nippon Sheet Glass Company, Limited
4 February 2021

Shigeki Mori

Chief Executive Officer

Reiko Kusunose

Chief Financial Officer

Iain Smith

Finance Director – Global Finance

Agenda

1. FY2021 Quarter 3 Financial Results
2. FY2021 Forecast
3. Business Transformation Update
4. Summary

Consolidated Income Statement

NSG GROUP

Benefitting from further demand recovery, profits for Q3 (3 months) improved year on year, although cumulatively impacted by COVID-19

(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Revenue	137.2	**135.9**	(1.3)	425.8	**357.4**	(68.4)
Operating profit	3.1	**4.8**	1.7	18.0	**8.0**	(10.0)
ROS: Return on sales (%)	2.3%	**3.5%**		4.2%	**2.2%**	
Exceptional items (COVID-19 related)	–	**(1.2)**		–	**(14.0)**	
Operating (loss)/profit after COVID-19 related exceptional items	3.1	**3.6**	0.5	18.0	**(6.0)**	(24.0)
Exceptional items (Other)	(2.2)	**1.0**	3.2	(4.4)	**0.2**	4.6
Finance expenses (net)	(3.2)	**(2.1)**	1.1	(9.5)	**(7.5)**	2.0
Share of JVs and associates' profits	0.4	**1.0**	0.6	1.2	**0.8**	(0.4)
(Loss)/profit before taxation	(1.9)	**3.5**	5.4	5.3	**(12.5)**	(17.8)
(Loss)/profit for the period	(0.5)	**3.7**	4.2	1.9	**(13.5)**	(15.4)
(Loss)/profit attributable to owners of the parent	(0.7)	**3.4**	4.1	1.2	**(13.9)**	(15.1)
EBITDA	11.5	**13.5**	2.0	43.2	**32.3**	(10.9)

Positive cumulative results

Positive after COVID-19 related exceptional items and improved year-on-year

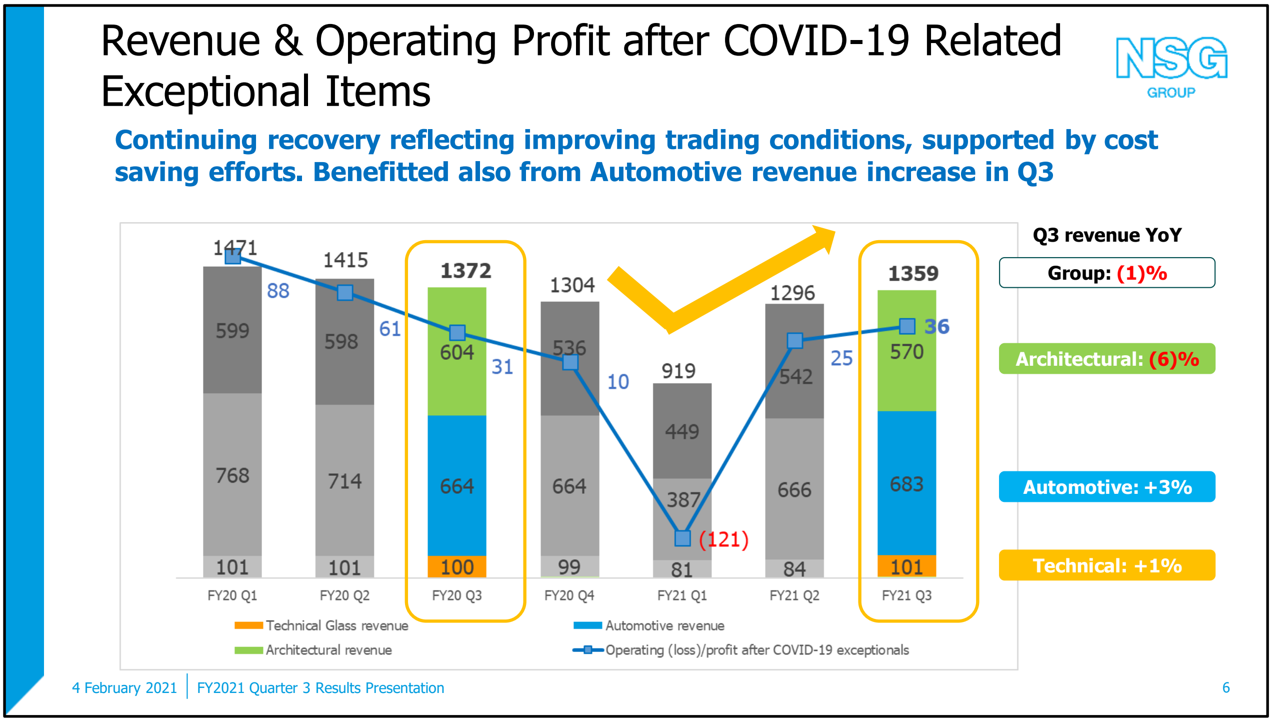
Q3 net profit in positive territory

Slide 5 is the Group's consolidated income statement.

Cumulative revenues and operating profit decreased year-on-year by 16 percent to 357.4 billion yen and by 56 percent to 8.0 billion respectively, affected by the momentous decline in demand during the first quarter caused related to the COVID-19 pandemic.
On the other hand, the Group's revenues of 135.9 billion yen for the three-month period from October to December 2020 rebounded close to the level of the previous year. Reflecting further recovery in demand and also bolstered by urgent cost saving efforts, operating profit of 4.8 billion yen for the quarter was recorded, exceeding the previous year's level. Operating profit after COVID-19-related exceptional items of 3.6 billion yen for the quarter was also better than the previous year.

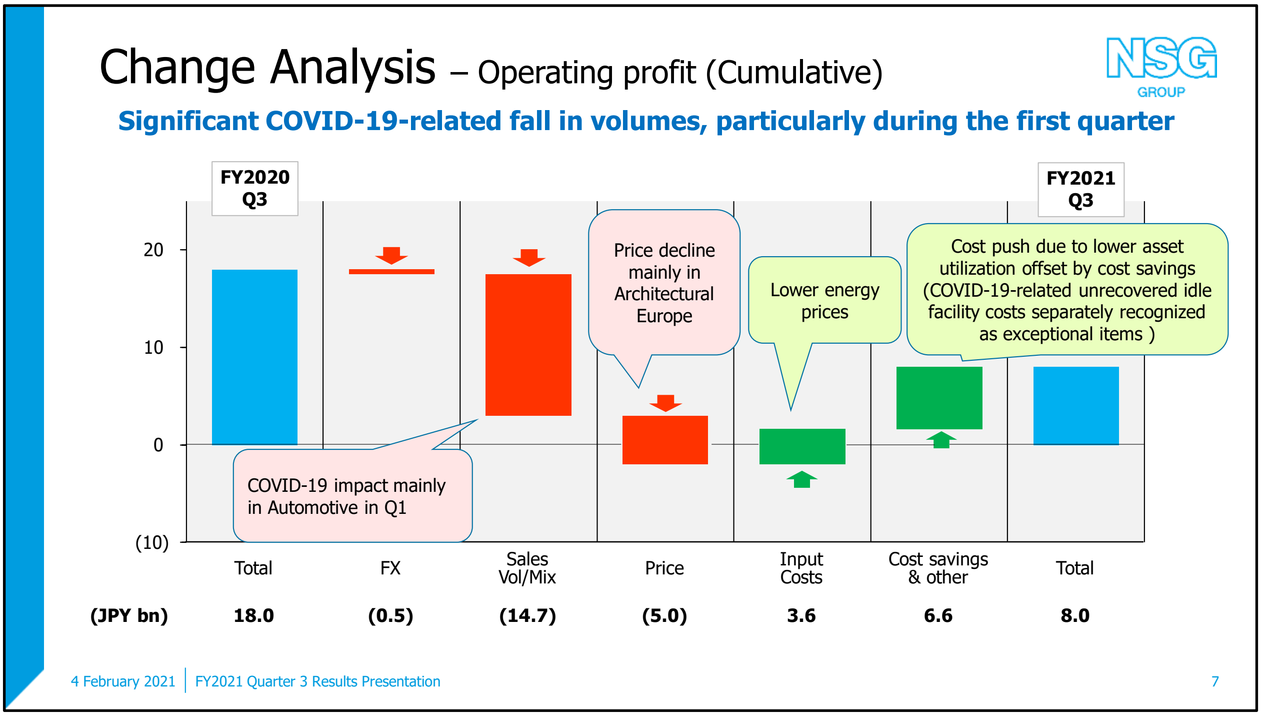
Cumulative net finance costs reduced by 2.0 billion yen from the previous year due to lower interest costs.
The Group's share of joint ventures and associates' profits after tax turned positive cumulatively to 0.8 billion yen, as their results improved steadily, especially at Cebrace, the Group's architectural joint venture in Brazil.

The Group posted a profit attributable to owners of the parent of 3.4 billion yen for the third quarter, although cumulatively a loss attributable to the owners of the parent of 13.9 billion yen was incurred, of which a significant portion had been recorded in the first quarter



Slide 6 shows the quarterly trend of revenues and operating profit after COVID-19 related exceptional items by the business segments.

The COVID-19 pandemic began to affect the Group in the fourth quarter of FY2020 and hit it hardest in the first quarter of FY2021, resulting in a sharp decline in its revenues and profits. From the second quarter and onward, however, revenues and profits have rebounded strongly with a recovery in demand and a realization of benefits from cost savings efforts.



Slide 7 lays out the analysis of the year-on-year operating profit movement for the nine-month cumulative period.

The negative volume and mix variance includes the significant impact of the COVID-19 pandemic in the first quarter. The Group's Automotive businesses suffered most.
Lower prices were seen mainly in the Group's Architectural Europe businesses. However, the pace of price declines which had started in the second half of FY2020 has slowed into this fiscal year and began to show signs of recovery from the second quarter.
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 was 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.

Change Analysis – Operating profit (Quarter 3 only)

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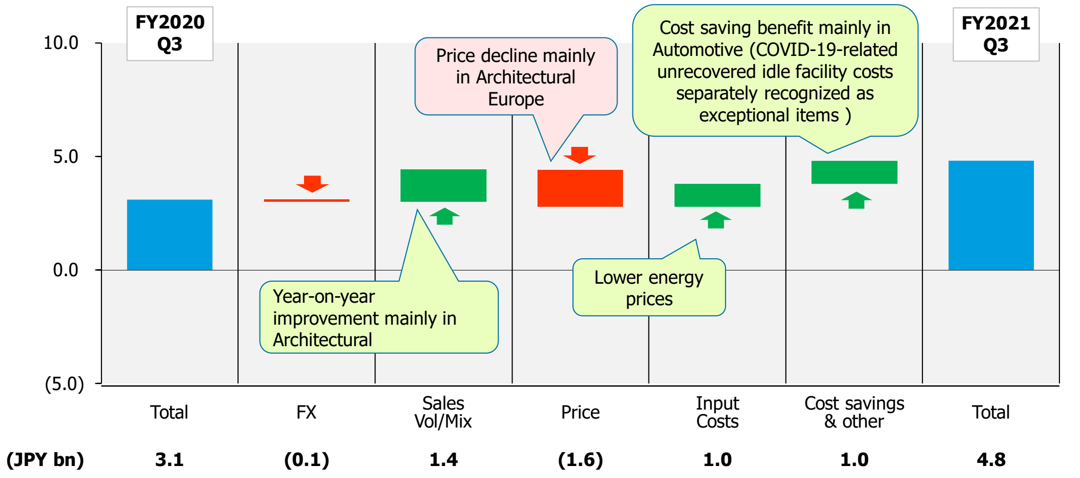
With boost in volumes and further cost savings, profitability improved year-on-year



4 February 2021 | FY2021 Quarter 3 Results Presentation 8

Slide 8 lays out the analysis of the year-on-year operating profit movement for the three-month period of the third quarter.

The volume and mix variance turned positive with improvements mainly in the Architectural glass business. The positive 'cost savings and other column' demonstrates the continuous effect of the Group's cost saving initiatives, especially in Automotive.

Exceptional items

Net cost of JPY0.2bn during Q3, restructuring costs offset by gain recognized related to a legal case on sales-based taxes in Brazil

(JPY bn)	FY2020	FY2021	
	Cumulative	Q3	Cumulative
COVID-19 related items	**–**	**(1.2)**	**(14.0)**
Government support	–	0.2	2.3
Suspension and other costs		(1.4)	(16.3)
Other exceptional items	**(4.4)**	**1.0**	**0.2**
Gain on settlement of litigation matters	–	3.4	3.4
Loss on settlement of litigation matters	(0.2)	(0.1)	(0.3)
Net impairment of non-current assets	(0.1)	0.8	0.8
Gain on disposal of subsidiaries and joint ventures	1.0	–	0.7
Restructuring costs	(3.8)	(2.9)	(4.0)
Suspension of facilities	(1.3)	–	(0.2)
Retirement benefit obligations – past service cost	–	(0.2)	(0.2)
Exceptional items – net	**(4.4)**	**(0.2)**	**(13.8)**

(11.5) bn in Q1

Conclusion of a legal challenge regarding the calculation of sales-based taxes in Brazil

Including 2.2bn provision for early retirement program in Japan

Q3 net loss at (0.2)bn

* 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.

Slide 9 shows a breakdown of exceptional items.

The cumulative net cost of COVID-19 related exceptional items was 14.0 billion yen, of which a significant portion had been recorded in the first quarter. A much lower figure of 1.2 billion yen was recorded in the third quarter.
The Group recorded an exceptional gain of 3.4 billion yen during the third quarter, as a wholly-owned subsidiary in Brazil successfully concluded a legal challenge regarding the calculation of sales-based taxes borne by it in previous years.
In relation to the voluntary retirement program in Japan announced on 29 December 2020, the Group recorded restructuring costs of 2.2 billion yen, including additional retirement allowances.
In total, the net cost of exceptional items recorded for the quarter was just 0.2 billion yen.

Consolidated Balance Sheet

Improvement in shareholders' equity ratio from the end of September

(JPY bn)	31 March 2020	30 Sep 2020	31 Dec 2020	Change	
				vs 31 Mar	vs 30 Sep
Total Assets	**765.2**	**757.6**	**778.0**	**12.8**	**20.4**
Non-current assets	541.1	544.7	561.1	20.0	16.4
Current assets	224.1	212.9	216.9	(7.2)	4.0
Total Liabilities	**677.0**	**693.4**	**701.4**	**24.4**	**8.0**
Current liabilities	200.4	222.4	232.7	32.3	10.3
Non-current liabilities	476.6	471.0	468.7	(7.9)	(2.3)
Total Equity	**88.2**	**64.2**	**76.6**	**(11.6)**	**12.4**
Shareholders' equity	73.6	48.8	61.3	(12.3)	12.5
Shareholders' Equity Ratio	**9.6%**	**6.4%**	**7.9%**	**(1.7)pt**	**1.5pt**
Net Debt	**390.2**	**428.0**	**426.7**	**36.5**	**(1.3)**
Net Debt / EBITDA	**7.1x**	**10.2x**	**9.6x**		
Net Debt / Equity Ratio	**4.4x**	**6.7x**	**5.6x**		

Improved from Q2, reflecting positive effects including net profit and foreign exchange movements during Q3

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

Total assets at the end of December 2020 were 778.0 billion yen, an increase of 12.8 billion yen from the end of March 2020.
Total equity stands at 76.6 billion yen at the end of December, representing a decrease of 11.6 billion yen from the end of March. The decrease in total equity results mainly from the net loss recorded for the period.
Compared to the end of the second quarter, both total equity and the shareholders' equity ratio have improved with positive factors such as the third quarter's profit attributable to owners of the parent and favorable foreign exchange movements.

Increases in current asset and liabilities are mainly due to higher cash and cash equivalents, and current debt including overdraft, respectively.

Consolidated Statement of Cash Flows

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Substantial positive free cash flow generated in Q3 with recovering underlying profits and strict cash management

(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Net cash flows from operating activities	**(6.0)**	**12.5**	**18.5**	**(4.6)**	**4.7**	**9.3**
included above: Net change in working capital	(9.6)	2.0	11.6	(23.1)	(4.6)	18.5
Net cash flows from investing activities	**(14.5)**	**(6.9)**	**7.6**	**(44.7)**	**(33.3)**	**11.4**
included above: Purchase of property, plant and equipment	(13.9)	(7.8)	6.1	(45.0)	(30.5)	14.5
Free cash flow	**(20.5)**	**5.6**	**26.1**	**(49.3)**	**(28.6)**	**20.7**
Net cash flows from financing activities	**17.8**	**(2.6)**	**(20.4)**	**41.2**	**28.3**	**(12.9)**
(Decrease)/increase in cash and cash equivalents	**(2.7)**	**3.0**	**5.7**	**(8.1)**	**(0.3)**	**7.8**
Cash and cash equivalents at the end of the period				**42.7**	**41.3**	**(1.4)**

Cumulatively Positive cash flow as a result of working capital reduction project

Continued capital expenditure reduction except for Strategic Projects

Positive free cash flow for two consecutive quarters

Please move on to slide 11, which lays out the Group's consolidated statement of cash flow.

Cash inflows from operating activities for the cumulative nine months period was 4.7 billion yen as a result of recovering underlying profits from the second quarter and the Group's working capital reduction project.
Cash outflows from investing activities of 33.3 billion yen improved from the previous year by 11.4 billion yen due to strict capital expenditure control.
As a result, free cash outflows for the cumulative nine-month period improved from the previous year to 28.6 billion yen. An inflow of 5.6 billion was recorded during the third quarter, continuing the trend from the previous quarter.

Segmental Information

(JPY bn)	FY2020 Q3 cumulative			FY2021 Q3 cumulative			Change	
	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	Operating profit
Architectural	**180.1**	**43%**	**14.0**	**156.1**	**44%**	**11.5**	**(24.0)**	**(2.5)**
Europe	66.3	16%		60.6	17%		(5.7)	
Asia	71.7	17%		58.3	16%		(13.4)	
Americas	42.1	10%		37.2	11%		(4.9)	
Automotive	**214.6**	**50%**	**5.3**	**173.6**	**49%**	**(1.1)**	**(41.0)**	**(6.4)**
Europe	90.7	21%		72.1	20%		(18.6)	
Asia	51.1	12%		43.4	12%		(7.7)	
Americas	72.8	17%		58.1	17%		(14.7)	
Technical Glass	**30.2**	**7%**	**5.4**	**26.6**	**7%**	**4.5**	**(3.6)**	**(0.9)**
Europe	5.1	1%		4.6	1%		(0.5)	
Asia	24.0	6%		21.2	6%		(2.8)	
Americas	1.1	0%		0.8	0%		(0.3)	
Other	**0.9**	**0%**	**(6.7)**	**1.1**	**0%**	**(6.9)**	**0.2**	**(0.2)**
Total	**425.8**	**100%**	**18.0**	**357.4**	**100%**	**8.0**	**(68.4)**	**(10.0)**

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

Architectural – FY2020 Q3 vs FY2021 Q3

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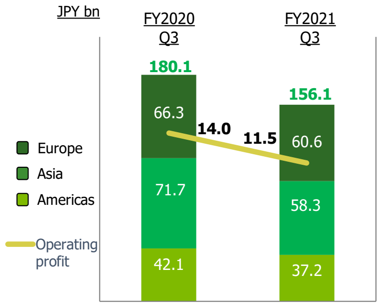
Profitability improvement during FY2021 with further demand recovery in Q3 especially in Europe and South America, as well as cost saving efforts.



(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Revenue	**60.4**	**57.0**	**(3.4)**	**180.1**	**156.1**	**(24.0)**
Europe	21.0	22.4	1.4	66.3	60.6	(5.7)
Asia	24.7	20.5	(4.2)	71.7	58.3	(13.4)
Americas	14.7	14.1	(0.6)	42.1	37.2	(4.9)
OP	**4.2**	**4.2**	**0.0**	**14.0**	**11.5**	**(2.5)**

Europe (9M: Rev ▼, Profit ▼; 3M: Rev ▲, Profit ▲)

- Improving volumes and prices during current year with demand recovery
- Profitability continuing to recover with cost savings and stable operational performance

Asia (9M: Rev ▼, Profit ▲; 3M: Rev ▼, Profit ▲)

- Improved profit helped by lower fixed cost after the suspension of furnaces in Chiba and Malaysia, despite revenue decline
- Robust solar energy glass shipment largely unaffected by COVID-19

Americas (9M: Rev ▼, Profit ▼; 3M: Rev ▼, Profit ▼)

- Sluggish volumes for domestic commercial buildings, but solid shipments with robust solar energy glass volumes in North America; start of warming up the new float line in Luckey, Ohio, on 9 November
- Strong volumes in South America since Q2, rebounding to previous year's level

Please move to slide 13.
The performance of the Group's businesses will be discussed from this slide.
The Group's Architectural business recorded cumulative revenue of 156.1 billion yen and operating profit of 11.5 billion yen which were below the previous year, affected by reduced demand due to the COVID-19 pandemic in the first quarter. On the other hand, operating profit for the three-month period of the third quarter improved, as demand continued to recover from the second quarter especially in Europe and South America, and was also supported by the Group's cost saving initiatives.

In Europe, although nine-month cumulative revenues and profits were lower than the previous year, revenues and profits for the third quarter increased year-on-year. Volumes and price levels improved from the second quarter as demand recovered further. Cost savings and a stable operational performance also contributed to the improved profitability.

In Asia, revenues decreased from the previous year as the businesses were affected by the COVID-19 pandemic and production at furnaces in Chiba and Malaysia were suspended. Profits increased from the previous year due to lower fixed cost after the suspension of furnaces, and robust solar energy glass shipments, which were largely unaffected by COVID-19.

Cumulative revenues and profits declined year-on-year in the Americas.
In North America, although volumes for domestic commercial buildings were sluggish, shipments of solar energy glass were solid. The new float furnace for solar energy glass at Luckey, Ohio started warming up on 9 November and the preparation for commercial shipments are in progress steadily.
Demand in South America has been strong and revenues in the third quarter returned to the previous year's level.

Automotive – FY2020 Q3 vs FY2021 Q3

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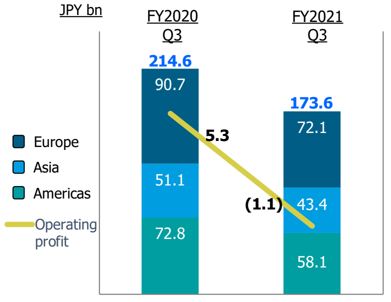
Q3 results improved YoY with demand recovery since June, while cumulative revenues and profits lower YoY



(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Revenue	**66.4**	**68.3**	**1.9**	**214.6**	**173.6**	**(41.0)**
Europe	27.8	28.8	1.0	90.7	72.1	(18.6)
Asia	16.5	17.6	1.1	51.1	43.4	(7.7)
Americas	22.1	21.9	(0.2)	72.8	58.1	(14.7)
OP	**0.1**	**1.3**	**1.2**	**5.3**	**(1.1)**	**(6.4)**

Europe (9M: Rev ▼, Profit ▼ ; 3M: Rev ▲, Profit ▼)

- Recovery of OE volumes as car production restarted

Asia (9M: Rev ▼, Profit ▼ ; 3M: Rev ▲, Profit ▲)

- Increased production levels from Q2, with new car production recovery

Americas (9M: Rev ▼, Profit ▼ ; 3M: Rev ▼, Profit ▲)

- Improving with YoY volume increase since Q2 and cost saving benefits
- Signs of improvement in demand in South America, though still weak

Slide 14 is the results of the Group’s Automotive business.
The Group’s Automotive business recorded cumulative revenues of 173.6 billion yen and losses of 1.1 billion yen, which were significantly worse than the previous year due to the collapse of demand during the first quarter of the year. For the third quarter, revenue and profits were above the previous year, as demand steadily continued the recovery which had started in June.

In Europe, customers’ facilities restarted production towards the end of the first quarter and steadily increased the volumes since.

In Asia, the Group’s automotive facilities, which had been operational in the first quarter with lower utilization level, benefitted from increasing volumes from the second quarter.

In North America, results improved year-on-year, driven by the replenishment of inventory by vehicle manufacturers and improving vehicle sales, and cost saving benefits. Production in South America also staged a recovery although remains at a relatively low level.

Technical Glass – FY2020 Q3 vs FY2021 Q3

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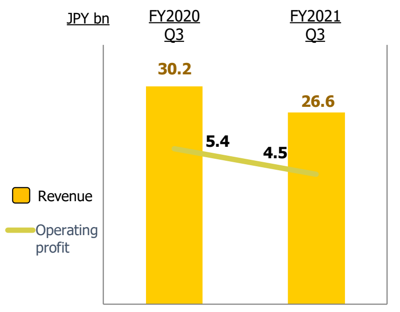
Q3 results recovered to previous year's level while cumulative revenues and profits impacted by COVID-19



(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Revenue	**10.0**	**10.1**	**0.1**	**30.2**	**26.6**	**(3.6)**
OP	**1.9**	**2.0**	**0.1**	**5.4**	**4.5**	**(0.9)**

Technical (9M: Rev▼, Profit▼; 3M: Rev▲, Profit▲)

- Limited impact of COVID-19 on fine glass volumes
- Improved volumes of printer lenses due to work from home demand
- Demand for glass cord used in engine timing belts reflected conditions in the European automotive sector, but showed signs of recovery towards the end of quarter
- Continued stable results for battery separators

Slide 15 discusses the results of the Group's Technical Glass business.

Cumulative revenues and profits decreased year-on-year by 3.6 billion yen to 26.6 billion yen and by 0.9 billion yen to 4.5 billion respectively. For the third quarter, revenues and profits recovered to the previous year's level.
COVID-19 had only a limited impact on the fine glass business.
In the information devices business, volumes of printer lenses were boosted by work from home demand.
Demand for glass cord used in engine timing belts fell, reflecting conditions in the automotive sector, although demand was strong towards the end of the period.
Results in the battery separator business remained stable.

FY2021 Forecast Assumptions

Group	• Revenue and profit forecast revised upward again, reflecting Q3 results exceeding previous forecast as well as improving demand and cost saving efforts • Trading conditions in Q4 expected to return to last year's level, while may be affected by possible demand decline by increasing COVID-19 infections
Architectural	• Assuming stable demand recovery with normalization of economic activities • Continued robust demand for solar energy glass, while profit to be temporarily affected by start up cost of new solar glass line in the USA
Automotive	• Assuming substantial recovery in demand in line with vehicle sales, while reduction of vehicle production could be caused by such factors as increasing COVID-19 infections and shortage of semiconductor
Technical Glass	• Assuming recovery to previous year's level in most segments

YoY Revenue Assumption

<table>
<tr><th></th><th>Prev Q3 Fcst</th><th>Q3 Act</th><th>Prev Q4 Fcst</th><th>Q4 Fcst</th><th>Prev FY</th><th>Latest FY</th></tr>
<tr><td>Architectural</td><td rowspan="3">-</td><td>-6%</td><td rowspan="3">-</td><td rowspan="3">Slight YoY improvement in all businesses</td><td>-10%</td><td rowspan="3">+1~2pt on prev forecast in all businesses</td></tr>
<tr><td>Automotive</td><td>+3%</td><td>-15%</td></tr>
<tr><td>Technical</td><td>+1%</td><td>-10%</td></tr>
<tr><td>Group</td><td>-5%</td><td>-1%</td><td>0%</td><td>3%</td><td>-15%</td><td>-12%</td></tr>
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Slide 16 shows the full year forecast for FY2021, which has been revised from the one announced previously in November.

The assumptions used for the updated forecast are also shown on this slide.
The forecast has been revised upward again reflecting the third quarter results exceeding the previous forecast, as well as improving demand and cost saving efforts. Overall, the fourth quarter revenues are expected to return to last year's level. However, the demand for the Group's products could decline if COVID-19 infections increase. The Group will keep monitoring the market trends carefully.

The Architectural Glass business is assumed to gradually improve along with normalization of economic activities. The demand for solar energy glass is expected to remain robust, while profits will be temporarily affected by the start-up costs of the new solar glass line in the North America.
Substantial recovery in demand is assumed for the Automotive Glass business, in line with car production increases, while reduction of vehicle production could be caused by such factors as increasing COVID-19 infections and shortage of semiconductor.
For the Technical Glass business, markets are expected to be back to previous year's levels by the end of the fiscal year in most segments.

The table at the bottom of slide shows the year-on-year change of revenues by quarters.
For the fourth quarter, in general, a slight year-on-year increase in revenue is expected across the Group's main businesses, and a three percent increase is consequently expected for the Group as a whole. The full year forecast of each business' revenues has improved by 1-2 points from the previous forecast.

FY2021 Forecast

Revenue and operating profit revised upward again. Full-year forecast below operating profit to be published when exceptional items confirmed. Asset disposals anticipated to mitigate the expected restructuring cost

(JPY bn)	FY2021				FY2020	
	Q3 Cumulative Actuals	Q4 3 months Forecast	Full year Forecast (Latest)	Full year Forecast (Previous)	Q4 3 months Actuals	Full year Cumulative Actuals
Revenue	357.4	**133.0**	**490.0**	480.0	130.4	556.2
Operating profit	8.0	**4.0**	**12.0**	9.0	3.2	21.2
Operating (loss)/profit after COVID-19 related exceptional items	(6.0)	**4.0**	**(2.0)**	(7.0)	1.0	19.0
Exceptional items (Other)	0.2	**–**	**–**	–	(17.4)	(21.8)
Finance expenses (net)	(7.5)	**–**	**–**	–	(2.3)	(11.8)
Share of JVs and associates' profits/ (losses)	0.8	**–**	**–**	–	(0.1)	1.1
(Loss)/profit before taxation	(12.5)	**–**	**–**	–	(18.8)	(13.5)
(Loss)/profit for the period	(13.5)	**–**	**–**	–	(19.4)	(17.5)
(Loss)/profit attributable to owners of the parent	(13.9)	**–**	**–**	–	(20.1)	(18.9)

Slide 17 shows the forecast for FY2021 based on the assumptions set out on Slide 16.

The revised forecast for the full year reflects the improved conditions during the third quarter. The Group forecasts 490 billion yen of revenues, operating profits of 12 billion yen, and a 2 billion yen operating loss after COVID-19 related exceptional items. The full year forecast below operating profit will be published when the exceptional gains from anticipated disposals and also the cost of the Group-wide Business Transformation initiative become reasonably clear.
The Group intends to mitigate the costs of restructuring with disposals as much as possible, although the details cannot be provided yet.

Execution of Business Transformation

NSG GROUP

Reform across the Group to ensure meaningful net profit in FY2022

Urgent Cost Saving Project	• Cumulatively JPY20bn saving YoY achieved
Stable Liquidity	• Continued strict management of capital expenditure and working capital to improve cash flow • Stable liquidity with JPY46.5 billion of cash and JPY84.4 billion unused commitment lines at the end of December, improving from the levels at the end of September
Cost Transformation Aiming for cost improvement of over JPY10bn in FY2022	• Headcount Reduction: Actions identified and many in progress to reduce more than 2000 employees globally as planned. Progress being made through redundancy and retirement programs including those being implemented in Japan • Significant Fixed cost, Production Cost and Procurement Cost Improvement: Actions identified and in progress across the Group, addressing material, energy, logistics, bought-in services, rent and other cost
Disposals	• Progressing toward Q4, aiming to mitigate the costs associated with expected headcount reduction programs

Slide 18 shows the progress of the Business Transformation initiative explained at the second quarter results announcement and other actions that the Group has been taking.

An urgent cost saving project, a short-term action to support profitability of this fiscal year, is in progress as planned, focusing on labor cost and discretionary spending, and the benefit achieved during the three quarters amounted to approximately 20 billion yen.
The Group's strict management of capital expenditure and working capital is improving cash flow, resulting in an improved cash position and an increase in the value of unused commitment lines at the end of December.
Actions for a headcount reduction of more than 2000 employees globally are being implemented as planned, with redundancy and retirement programs, including those being executed in Japan.
The fixed cost and production and procurement cost reduction measures are identified and in progress across the globe.
The Group aims to lower the cost base by more than 10 billion yen in order to ensure a meaningful net profit in FY2022.
Asset disposals are progressing, aiming to mitigate the costs associated with expected headcount reduction programs.

Summary

1. FY2021 Q3 Results

- Cumulatively results impacted by demand decline associated with COVID-19 during Q1
- Led by improving Automotive results, Q3 revenue returned to previous year's level and operating profit improved 52% year-on-year, resulting in positive profit attributable to owners of the parent
- Solar energy glass shipments remain robust. A new line in the US started warming up in November
- Substantial positive free cash flow generated in Q3 with recovering underlying profits and strict cash management
- Improvement in shareholders' equity ratio from the end of September

2. FY2021 Forecast

- Full-year forecast of revenue and operating profit revised upward again, reflecting the improved market conditions during the third quarter and the latest outlook for the remainder of the year
- Anticipating revenue run-rate recovery to previous year's levels in Q4 while increasing COVID-19 infections might impact the automotive glass market
- Full-year forecast below operating profit to be published when reasonable assumptions for exceptional items become available

3. Business Transformation Update

- Reform in progress across the Group to ensure meaningful net profit in FY2022
- Headcount reduction and fixed cost, production cost and procurement cost improvement actions identified and in progress
- Asset/business disposals progressing toward Q4, aiming to mitigate the costs associated with expected headcount reduction programs

Slide 19 is a summary.

Revenues for the three-month period of the third quarter rebounded to near the previous year's level reflecting a further recovery in demand. Operating profit increased year-on-year supported also by the benefits of the Group's cost saving efforts.
Considering these improvements, the full-year FY2021 forecast has been revised upward again.
The Business Transformation initiative including head count reduction and other across the Group drastic actions are being implemented with dedication.
The Group intends to mitigate the costs of restructuring with disposals as much as possible. Building on these improvement actions, the Group aims to generate meaningful net profit in FY2022.

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

FY2021 Q3 Results

- Consolidated Income Statement – Quarterly Trend
- Revenue & Operating Profit – Quarterly Trend
- Segmental Information by Quarterly
- Revenue & Operating Profit – by Regions
- Foreign Currency Exchange Rates and FX Sensitivity
- Depreciation & Amortization, Capital Expenditures, R&D Expenditures

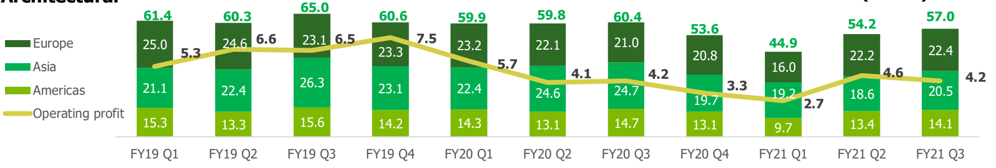
Consolidated Income Statement – Quarterly Trend

(JPY bn)	FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	147.1	141.5	137.2	130.4	91.9	129.6	**135.9**
Operating profit/(loss)	8.8	6.1	3.1	3.2	(0.6)	3.8	**4.8**
ROS: Return on sales (%)	6.0%	4.3%	2.3%	2.5%	–	2.9%	**3.5%**
Exceptional items (COVID-19 related)	–	–	–	(2.2)	(11.5)	(1.3)	**(1.2)**
Operating (loss)/profit after COVID-19 related exceptional items	8.8	6.1	3.1	1.0	(12.1)	2.5	**3.6**
Exceptional items (Other)	(0.6)	(1.6)	(2.2)	(17.4)	–	(0.8)	**1.0**
Finance expenses (net)	(3.5)	(2.8)	(3.2)	(2.3)	(2.4)	(3.0)	**(2.1)**
Share of JVs and associates' (losses)/profits	0.5	0.3	0.4	(0.1)	(0.4)	0.2	**1.0**
(Loss)/profit before taxation	5.2	2.0	(1.9)	(18.8)	(14.9)	(1.1)	**3.5**
(Loss)/profit for the period	3.1	(0.7)	(0.5)	(19.4)	(16.5)	(0.7)	**3.7**
(Loss)/profit attributable to owners of the parent	2.9	(1.0)	(0.7)	(20.1)	(16.4)	(0.9)	**3.4**
EBITDA	17.5	14.2	11.5	11.8	6.1	12.7	**13.5**

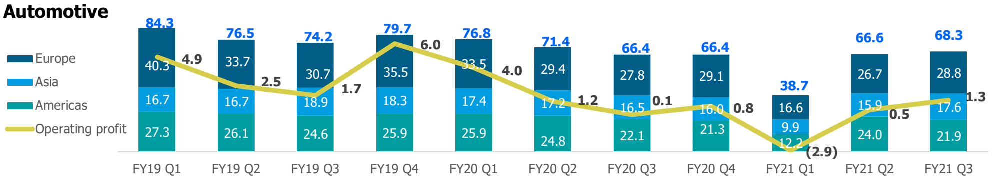
Revenue & Operating Profit – Quarterly Trend

(JPY bn)

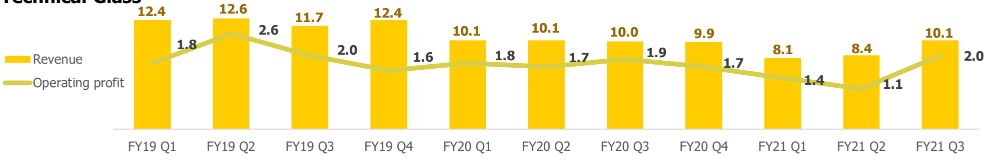
Architectural



Automotive



Technical Glass



Segmental Information

(JPY bn)	FY2020				FY2021				Change			
	Q1	Q2	Q3	Cumulative	Q1	Q2	Q3	Cumulative	Q1	Q2	Q3	Cumulative
Revenue: Architectural	**59.9**	**59.8**	**60.4**	**180.1**	**44.9**	**54.2**	**57.0**	**156.1**	**(15.0)**	**(5.6)**	**(3.4)**	**(24.0)**
Europe	23.2	22.1	21.0	66.3	16.0	22.2	22.4	60.6	(7.2)	0.1	1.4	(5.7)
Asia	22.4	24.6	24.7	71.7	19.2	18.6	20.5	58.3	(3.2)	(6.0)	(4.2)	(13.4)
Americas	14.3	13.1	14.7	42.1	9.7	13.4	14.1	37.2	(4.6)	0.3	(0.6)	(4.9)
Operating profit	**5.7**	**4.1**	**4.2**	**14.0**	**2.7**	**4.6**	**4.2**	**11.5**	**(3.0)**	**0.5**	**0.0**	**(2.5)**
Revenue: Automotive	**76.8**	**71.4**	**66.4**	**214.6**	**38.7**	**66.6**	**68.3**	**173.6**	**(38.1)**	**(4.8)**	**1.9**	**(41.0)**
Europe	33.5	29.4	27.8	90.7	16.6	26.7	28.8	72.1	(16.9)	(2.7)	1.0	(18.6)
Asia	17.4	17.2	16.5	51.1	9.9	15.9	17.6	43.4	(7.5)	(1.3)	1.1	(7.7)
Americas	25.9	24.8	22.1	72.8	12.2	24.0	21.9	58.1	(13.7)	(0.8)	(0.2)	(14.7)
Operating profit	**4.0**	**1.2**	**0.1**	**5.3**	**(2.9)**	**0.5**	**1.3**	**(1.1)**	**(6.9)**	**(0.7)**	**1.2**	**(6.4)**
Revenue: Technical	**10.1**	**10.1**	**10.0**	**30.2**	**8.1**	**8.4**	**10.1**	**26.6**	**(2.0)**	**(1.7)**	**0.1**	**(3.6)**
Europe	1.7	1.8	1.6	5.1	1.3	1.4	1.9	4.6	(0.4)	(0.4)	0.3	(0.5)
Asia	8.0	7.9	8.1	24.0	6.5	6.8	7.9	21.2	(1.5)	(1.1)	(0.2)	(2.8)
Americas	0.4	0.4	0.3	1.1	0.3	0.2	0.3	0.8	(0.1)	(0.2)	0.0	(0.3)
Operating profit	**1.8**	**1.7**	**1.9**	**5.4**	**1.4**	**1.1**	**2.0**	**4.5**	**(0.4)**	**(0.6)**	**0.1**	**(0.9)**
Revenue: Other	**0.3**	**0.2**	**0.4**	**0.9**	**0.2**	**0.4**	**0.5**	**1.1**	**(0.1)**	**0.2**	**0.1**	**2.0**
Operating profit	**(2.7)**	**(0.9)**	**(3.1)**	**(6.7)**	**(1.8)**	**(2.4)**	**(2.7)**	**(6.9)**	**0.9**	**(1.5)**	**0.4**	**(0.2)**
Revenue: Total	**147.1**	**141.5**	**137.2**	**425.8**	**91.9**	**129.6**	**135.9**	**357.4**	**(55.2)**	**(11.9)**	**(1.3)**	**(68.4)**
Operating profit	**8.8**	**6.1**	**3.1**	**18.0**	**(0.6)**	**3.8**	**4.8**	**8.0**	**(9.4)**	**(2.3)**	**1.7**	**(10.0)**

Revenue & Operating Profit – by Regions

(JPY bn)	FY2020 Q3 cumulative			FY2021 Q3 cumulative			Change	
	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	Operating profit
Europe	**162.1**	**38%**	**6.6**	**137.3**	**39%**	**2.4**	**(24.8)**	**(4.2)**
Asia	**146.8**	**35%**	**11.1**	**122.9**	**34%**	**8.3**	**(23.9)**	**(2.8)**
Americas	**116.0**	**27%**	**7.0**	**96.1**	**27%**	**4.2**	**(19.9)**	**(2.8)**
Other *	0.9	0%	(6.7)	1.1	0%	(6.9)	0.2	(0.2)
Total	**425.8**	**100%**	**18.0**	**357.4**	**100%**	**8.0**	**(68.4)**	**(10.0)**

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

Foreign Currency Exchange Rates

NSG GROUP

Average rates used

	FY2019				FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
GBP	149	147	146	146	141	137	138	138	133	135	**136**
EUR	131	130	129	129	124	121	121	121	118	121	**123**
USD	110	111	111	111	109	109	109	109	107	106	**106**
BRR	30.4	29.3	29.3	29.4	28.0	27.6	27.2	26.4	19.9	19.8	**19.7**
ARS	4.70	Closing rates are applied – hyperinflation									

Closing rates used

	FY2019				FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
GBP	145	148	141	144	137	133	144	133	132	135	**141**
EUR	128	132	127	124	123	118	122	119	121	124	**127**
USD	111	113	111	111	108	108	109	108	107	105	**103**
BRR	28.6	28.2	28.5	28.3	28.3	26.0	27.1	20.8	19.9	18.7	**19.8**
ARS	3.94	2.84	2.93	2.53	2.53	1.88	1.82	1.68	1.53	1.38	**1.22**

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

	FY2019	FY2020
Equity	JPY (3.3) billion	JPY (3.1) billion
Profit/(loss) for the period	Decrease by JPY 0.2 billion (Profit)	Improve by JPY 0.1 billion (Loss)

Depreciation & Amortization, Capital Expenditures, R&D Expenditures

(JPY bn)	FY2020 Q3 Cumulative	FY2021 Q3 Cumulative	FY2021 Full-year Forecast
Depreciation & Amortization	**25.8**	**26.3**	**37.0**
Capital expenditures	**46.1**	**25.6**	**37.0**
Ordinary	17.2	9.7	
Strategic projects and other	28.9	15.9	
R&D expenditures	**6.9**	**6.6**	**9.0**
Architectural	2.0	1.8	
Automotive	1.9	1.8	
Technical Glass	0.7	0.7	
Other	2.3	2.3	

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