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[Translation for Reference]
Transfer of Battery Separator Business to Wholly-owned Subsidiary through Company Split (Simple Absorption-type Split) and Sale of Shares in Such Subsidiary

Nippon Sheet Glass Co., Ltd. ("NSG") announces that it will transfer its Battery Separator business ("Business") to Nippon Sheet Glass Compass Co., Ltd. ("NSGC") which was newly established through an absorption-type split ("Company Split"), and then, sell the entire shares in NSGC to a wholly-owned subsidiary of ENTEK Technology Holdings LLC (Head Office in Lebanon, Oregon, USA; "ENTEK") to be established in Japan ("ENTEK Japan") ("Share Sale"; collectively "Transaction" together with Company Split).

The Transaction is subject to the clearances, approvals and/or permissions required under competition and other laws and regulations in the relevant jurisdictions including Japan. As the Company Split is a simplified split between NSG and its wholly-owned subsidiary, this disclosure follows a shortened format.

I. Background

NSG Group has been supplying battery separators for lead-acid batteries mainly in Asia, including Japan, for decades from manufacturing facilities in Japan and China. With the firm trust of customers in its products, the Business has maintained a strong market position in Japan. On the other hand, ENTEK is a world leader with over 35 years of history in battery separator markets globally, supplying separators for both lead-acid and lithium batteries. ENTEK is NSG Group's partner in its battery separator joint venture in Indonesia and both companies have established good relationship over the years.

Considering ENTEK's established business foundation and mutual trust, NSG Group has decided that it is the best option for the Business to be integrated with and managed by ENTEK so that it can develop further and enhance its value.

NSG Group will continue to cooperate with ENTEK in managing and developing the Business by holding a minority equity stake in the Business following the transfer, and will appoint a director of the board of ENTEK's subsidiary in Japan.

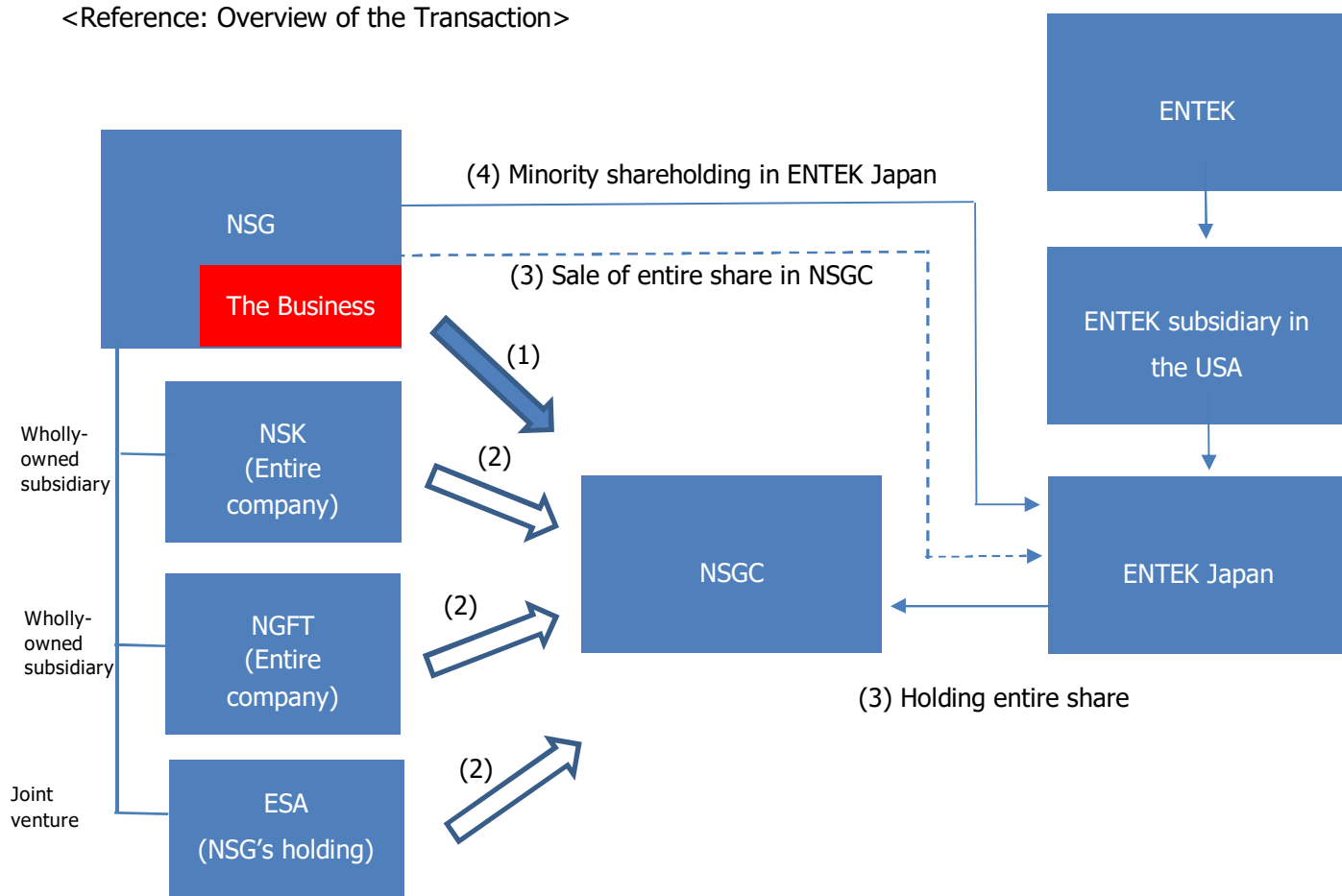
II. Transaction

The Business will be transferred to NSGC by the absorption-type split method (planned effective date: August 2021) and, thereafter, the entire share capital of the NSGC will be sold to ENTEK Japan on the same date. In addition to the elements of the Business owned and operated directly by NSG, the entire share capital of Nissho Kako Co., Ltd. ("NSK"), a wholly-owned subsidiary of NSG in Japan, the entire holding in Tianjin NGF Glass Fiber Co., Ltd. ("NGFT"), a wholly-owned subsidiary of NSG in China, and NSG's holding in PT ENTEK Separindo Asia ("ESA"), a joint venture with ENTEK in Indonesia, are also included in the Business.

NSG will reinvest a part of the proceeds generated from the Share Sale to ENTEK Japan and cooperate with ENTEK in managing the Business as a minority shareholder in ENTEK Japan.

As a result of the Transaction, the Business including NSK, NGFT and ESA, will be excluded from NSG's consolidated accounts and will not be considered to be either a joint venture or associate with effect from the legal completion date of the Transaction. At 31 March 2021, NSG classified in its balance sheet the assets and liabilities that comprise the Business as a Disposal Group Held for Sale.

<Reference: Overview of the Transaction>



- (1) NSG transfers the assets and liabilities associated with the Business to NSGC through the company split.
- (2) NSG transfer the entire share capital in NSK, the entire holding of NGFT, and NSG's holding of ESA, to NSGC.
- (3) NSG sells the entire share capital in NSGC to ENTEK Japan.
- (4) NSG acquires a minority share in ENTEK Japan by investing a part of its proceeds received as a result of the Share Sale. (ENTEK Japan will not be accounted for as joint venture or associate within NSG's consolidated accounts.)

III. Schedule

Execution of Transfer Agreement	10 May 2021
Approval of the Company Split Agreement by NSG	May 2021 (planned)
Execution of the Company Split Agreement	May 2021 (planned)
Approval of the Company Split Agreement by the general meeting of shareholders of NSGC	May 2021 (planned)
Planned Effective Date of the Company Split	August 2021 (planned)

Effective Date of the Share Sale	August 2021 (planned)
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(notes)

1. Since the simple absorption-type split as stipulated in Article 784 Paragraph 2 of the Companies Act is used for the Company Split, NSG is not required to convene a general meeting of shareholders to seek its approval.
2. It is assumed that the acquisition of necessary clearances, approvals and/or permissions required under competition and other laws and regulations in the relevant jurisdictions including Japan will be completed. Depending on the timing of such acquisitions, the timing of the Share Sale may be different from those of the transfer of the shares in NSK and the holding in NGFT.

IV. Company Splits

1. Method
It is an absorption-type company split, by which NSG will split the Business.
2. Allotment of shares
At the time of the Company Split, NSGC will increase its capital from initial 1 million yen (100 shares) to 350 million yen (35,000 shares) and allot all the shares to NSG.
3. Stock option and convertible bonds
Not applicable.
4. Capital increase or decrease
There will be no capital increase or decrease.
5. Rights and obligations assumed by NSGC
NSGC will assume all the assets, liabilities, and contracts and the rights and obligations thereunder, associated with the Business in accordance with the terms and conditions of the Company Split Agreement.
6. Prospect of obligation performance
NSG believes that there is no concern as to the capability of NSGC to performance its financial obligations to be assumed after the Company Split.
7. Overview of the companies involved in the Company Split
(1) Splitting company

Trade name	Nippon Sheet Glass Co., Ltd.	
Location	5-27, Mita 3-Chome, Minato-ku, Tokyo	
Representative's name and position	Shigeki Mori, Representative Executive Officer, President & CEO	
Main business activities	Research, development, manufacture, and sale of flat glass	
Capital (As of 30 September 2020)	116,636 million yen	
Date of establishment	22 November 1918	
Number of shares issued (As of 30 September 2020)	90,782,899	
End of fiscal year	31 March	
Major shareholders and their shareholding ratios (As of 30 September 2020)	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.70%
	Custody Bank of Japan, Ltd. (Trust Account)	2.19%
	Custody Bank of Japan, Ltd. (Trust Account 5)	2.19%
	JUNIPER	1.93%
	JP MORGAN CHASE BANK 385781	1.75%
	STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS – UNITED KINGDOM	1.56%

	Client stock ownership of Nippon Sheet Glass	1.41%
	DFA INTL SMALL CAP VALUE PORTFOLIO	1.29%
	Custody Bank of Japan, Ltd. (Trust Account 6)	1.17%
	Custody Bank of Japan, Ltd. (Trust Account 1)	1.09%

Consolidated financial results of the splitting company

(Millions of yen unless otherwise stated)

Period	FY2018	FY2019	FY2020
Total equity	143,715	132,506	88,194
Total assets	788,592	761,869	765,197
Total shareholders' equity per share (yen)	1,042.72	978.50	470.88
Revenue	598,897	612,789	556,178
Operating profit	35,632	36,855	21,177
Profit attributable to owners of the parent	6,164	13,287	(18,925)
Earnings per share - basic (yen)	48.27	115.16	(235.96)

(2) Succeeding company

Trade name	Nippon Sheet Glass Compass Co., Ltd.	
Location	630 Tarui-cho, Fuwa-gun, Gifu	
Representative's name and position	Daigo Furuichi	
Main business activities	Manufacture and sale of battery separators	
Capital	1 million yen (at the time of establishment)	
Date of establishment	27 April 2021	
Number of shares issued	100 (at the time of establishment)	
End of fiscal year	31 December	
Major shareholders and their shareholding ratios	Nippon Sheet Glass Co., Ltd.	100%

8. Overview of the Business

(1) Description of the Business

Business related to manufacture and sale of battery separator products

(2) Financial performance (FY2020)

	Business
Revenues	7,957 million yen

(3) Assets and liabilities to be split

Item	Book value
Assets	3,646 million yen
Liabilities	1,168 million yen

(notes)

3. Calculated based on the balance sheet as of 31 March 2021. The amounts to be actually transferred will be adjusted taking into consideration the increases and decreases in the above amounts that will arise by the date of effectuation.

9. Overview of NSG after the Company Splits
 After the Company Split, the trade name, location, representative's name and position, main business activities, capital, and fiscal year of NSG will remain unchanged.
 Please refer to "IV. Company Splits, 7. Overview of the companies involved in the Company Split, (2) Succeeding company", for the information regarding NSGC.

V. Share Sale

(1) Changes in NSG's subsidiaries

Trade name	Nippon Sheet Glass Compass Co., Ltd.	Nissho Kako Co., Ltd.	Tianjin NGF Glass Fiber Co., Ltd.
Location	630 Tarui-cho, Fuwagun, Gifu	556, Ichishi-cho Oyama, Tsu-shi, Mie	NO.11 Sijing Rd., Dongli Economic Development Zone Tianjin 300300 China
Representative's name and position	Daigo Furuichi	Hirokazu Tajima	Daigo Furuichi
Main business activities	Sale and manufacture of battery separator products	Manufacture of plastic case and cover for lead-acid batteries	Sale and manufacture of battery separator products
Revenues	N/A	334 million yen (as of 31 March 2020)	55 million renminbi yuan (864 million yen) (notes 4) (as of 31 December 2019)
Total assets	1 million yen (at the time of establishment)	280 million yen (as of 31 March 2020)	65 million renminbi yuan (1,025 million yen) (notes 4) (as of 31 December 2019)
Total equity	1 million yen (at the time of establishment)	214 million yen (as of 31 March 2020)	57 million renminbi yuan (889 million yen) (notes 4) (as of 31 December 2019)
Date of establishment	27 April 2021	21 December 1970	30 January 1997
Number of shares issued	100 (at the time of establishment)	1,099	N/A
End of fiscal year	31 December	31 March	31 December
Major shareholders and their shareholding ratios (as of 31 March 2020)	Nippon Sheet Glass Co., Ltd. 100%	Nippon Sheet Glass Co., Ltd. 100%	Nippon Sheet Glass Co., Ltd. 100%

(notes)

4. converted to yen at closing rate as of 31 December 2019

(2) Overview of the buyer

The entire share capital of NSGC will be sold to ENTEK Japan to be established in Japan by ENTEK

Trade name	ENTEK Japan (Tentative name)
Location	To be decided
Representative's name and position	To be decided
Main business activities	Acquisition and holding of securities and related business operations
Capital	To be decided
Date of	To be decided

establishment	
Relationship with NSG	Following the completion of selling the shares in NSGC, NSG will acquire a minority share in ENTEK Japan and appoint a director to its Board of Directors. ENTEK Japan will not be accounted for as joint venture or associate within NSG's consolidated accounts.

<Reference: Overview of ENTEK, a parent company of ENTEK Japan>

Trade name	ENTEK Technology Holdings LLC
Location	Lebanon, Oregon, USA
Representative's name and position	Larry Keith, CEO of ENTEK
Main business activities	Sale and manufacture of battery separator products for lead-acid and lithium batteries
Date of establishment	9 November 2011
Relationship with NSG	There is no notable capital, personnel or business relationship between NSG and ENTEK. ENTEK is the majority of stake holder of ESA.

(3) Price, number of shares and shareholding ratio change

Price	The price of shares, agreed by the parties through a fair process of negotiation, is not disclosed due to the confidentiality obligation with the buyer.
Number of shares held prior to the sale	35,000
Number of shares sold	35,000
Number of shares held after the sale	To be decided * NSG acquires a minority share in ENTEK Japan by investing a part of its proceeds received as a result of the Share Sale.

VI. Future Outlook

Gains from the disposal of approximately JPY4.6 billion will be recognized as exceptional income in FY2022 (notes 5). The Transaction has no financial impact on FY2021 except for a balance sheet reclassification as noted above.

(notes)

5. Price will be adjusted according to the financial condition as of effective date of Share Sale.