

NSG Group Fundamental Strategic Steps for the New NSG Group

Nippon Sheet Glass Company, Limited
24 March 2026

Strategic Steps for the New NSG Group

NSG Group, a global business in Architectural and Automotive glass as well as Technical glass (Creative Technology), has decided to implement fundamental strategic initiatives to achieve sustainable growth including restructuring its capital. This transaction will be carried out in partnership and with the support of Apollo Funds, a leading global alternative asset manager

Overview of the Transaction

- NSG to receive an investment of 165 billion yen through a third-party allotment of new shares (TPA) by Apollo Funds
 - ✓ Obtain shareholder approval at the AGM
 - ✓ UDS / JIS will convert their preferred shares and support the relevant proposals at the AGM
- NSG will implement a share consolidation, acquire shares from existing shareholders at JPY 500 per share (the cash consideration for the share consolidation), resulting in privatization
 - ✓ Cash consideration of JPY 500 per share: (11.1% premium to TPA price and a premium of 23.5% to the market closing price on the business day before this announcement)
- Quasi debt-equity swap (Quasi-DES) of JPY 140.0 bn by the major financial institutions
- Execution of refinancing of existing domestic borrowings
- Repayment of existing borrowings at the UK subsidiary

Proposal
approved at
AGM
+
Regulatory
clearance...

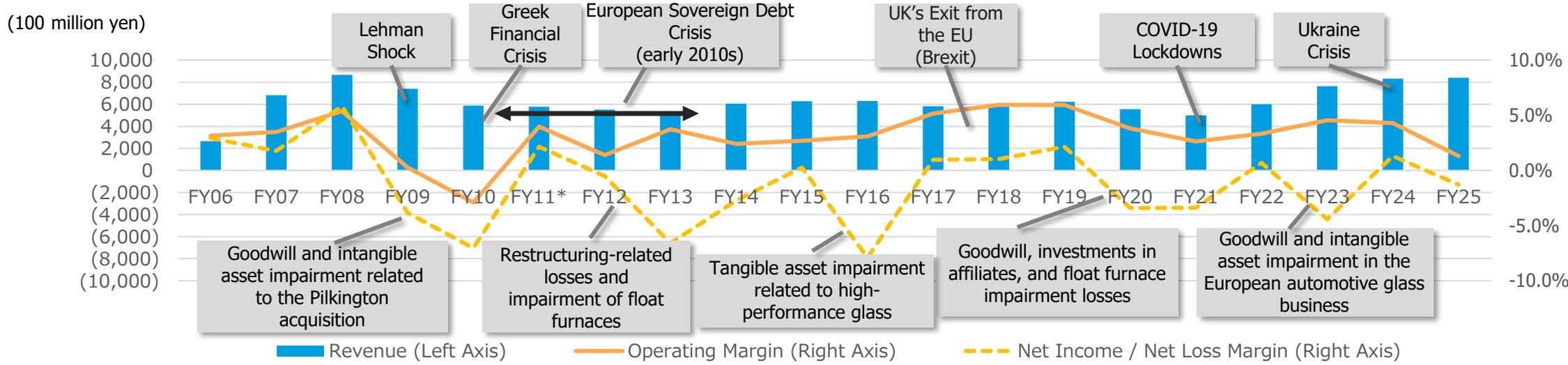
After Transaction completion

- Establishing an organizational structure that supports sustainable growth for the "New NSG Group," following the take-private transaction led by Apollo Funds
- Substantial reduction in leverage
 - ✓ Repayment of existing borrowings of JPY 189.0 bn at the UK subsidiary
 - ✓ JPY 140.0 bn reduction in existing borrowings through a Quasi-DES
- Capital structure and interest burden significantly improved, enabling execution of transformational initiatives and securing liquidity for strategic investments
- With improved cash flow and a strengthened capital structure, we will execute strategic investments in growth areas such as environmental compliance, higher value-added products, and solar energy to secure a long-term growth trajectory

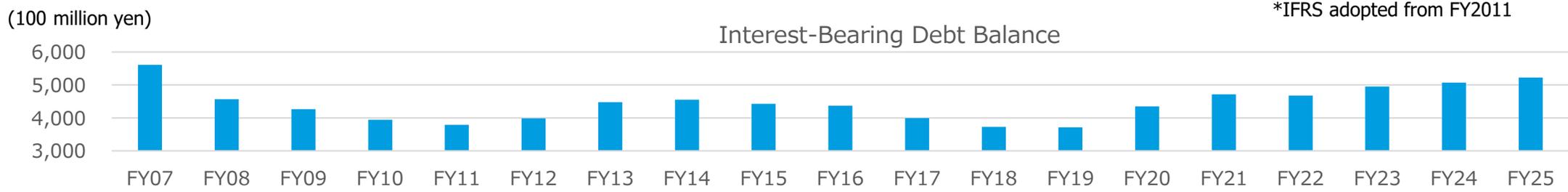
*Actual as of December 2025

Performance after the Pilkington Acquisition

■ Following the Pilkington acquisition, performance fluctuated due to macroeconomic conditions



■ Borrowings decreased during FY17–FY19, but later increased partly due to yen depreciation. Reducing borrowings remains a critical challenge



Financial Targets of “2030 Vision: Shift the Phase”

As part of the current mid-term plan, we had planned to focus heavily on improving profitability, enhancing cash generation, and strengthening our capital structure. However, we are currently being impacted by the economic slowdown in Europe.

		FY2024/3	FY2027/3	FY2026/3 (Apr-Dec) Actual
Profitability (P/L)	Operating Profit	35.9 billion yen	64 billion yen	18.5 billion yen
	Return on Sales (ROS)	4.3%	7%	2.9%
Cash Generation (C/F)	Free Cash Flow	15.3 billion yen	27 billion yen	▲32.2 billion yen
Stabilization of Financial Base (B/S)	Interest-Bearing Debt	500.6 billion yen	442 billion yen	570.2 billion yen
	Equity Ratio	12.3%	15%	11.6%
Capital and Investment Efficiency	ROE	9.6%	20%	

The financial targets outlined in the 2030 Vision “Shift the Phase” remain difficult to achieve

Transaction Necessity to Address our Key Issues

The issues our company is currently facing

- ① **Declining Profitability:** The business environment has deteriorated due to the stagnation of the European economy, rising raw material prices, and U.S. tariffs. As a result, we have accumulated loss of ¥37 billion over the past three years, making a business turnaround an urgent priority
- ② **Excessive Leverage:** Total debt has reached over ¥570 billion and continues to rise. As global interest rates rise, the interest burden associated with our high leverage is becoming increasingly more onerous

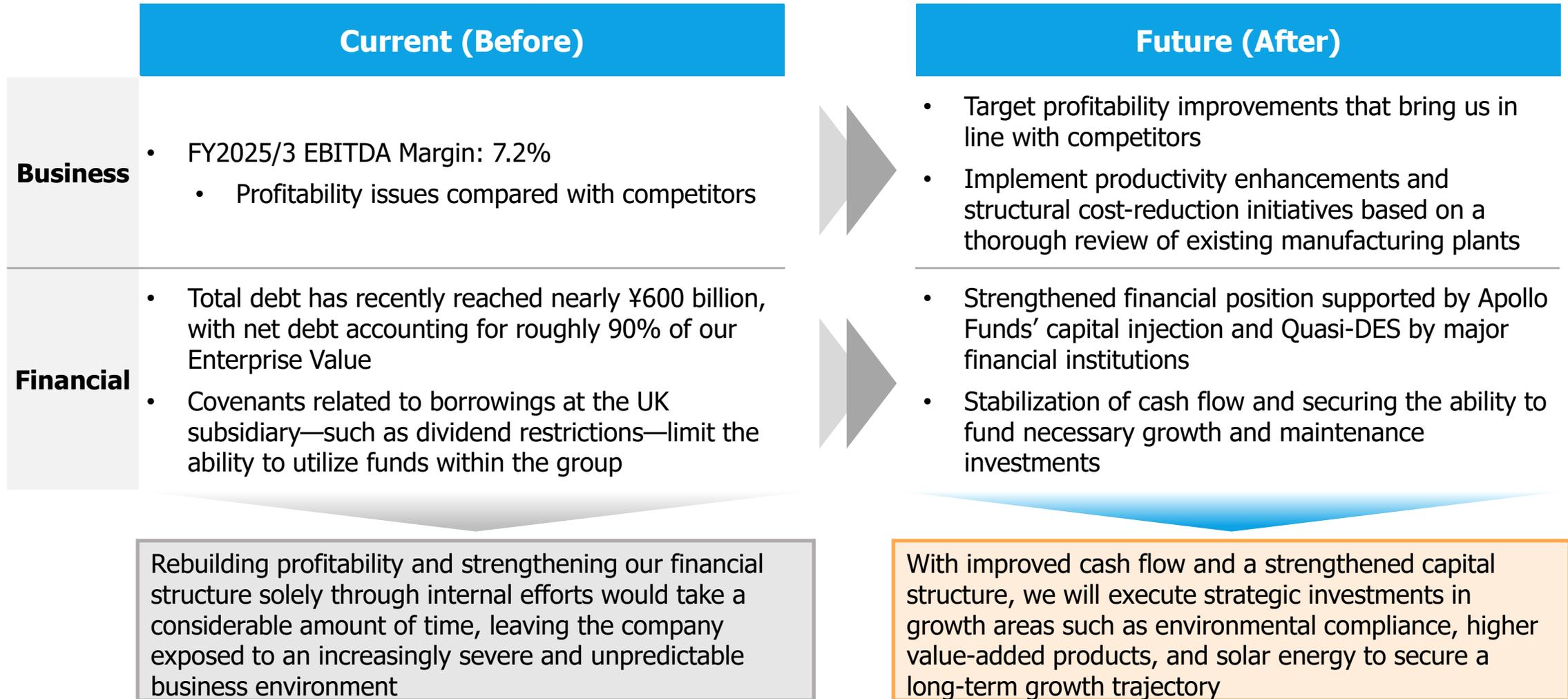
As a result, we lag behind our competitors in profitability, remain heavily burdened by elevated leverage, and cannot sustain operations without additional remedial measures

(100 million yen)	FY2023/3	FY2024/3	FY2025/3	FY2025 Dec (3Q)*
Sales	7,635	8,325	8,404	8,510
EBITDA	299	819	607	726
Operating Profit	▲103	360	112	208
Net Income Attributable to Owners of the Company	▲338	106	▲138	▲89
Net D/E Ratio	4.35x	3.62x	4.23x	4.22x
Net Debt/EBITDA	14.14x	5.49x	7.54x	7.22x
Debt (Ref)	4,915	5,006	5,227	5,702
C&CE (Ref)	693	512	653	457
Equity Ratio (Ref)	970	1,243	1,081	1,243

**3-Year
Cumulative:
▲¥37 bn**

Pathway to Sustainable Growth

Apollo Funds’ capital injection, together with the support of major financial institutions through Quasi-DES, will strengthen our capital structure and secure a long-term growth trajectory driven by enhanced competitiveness.



Why This Transaction Is in the Best Interest of Our Shareholders

- Rebuilding profitability and strengthening our financial structure solely through internal efforts would take a considerable amount of time, with no clear visibility of success
- We would continue to face a severe and unpredictable business environment with weak profitability and a fragile financial structure



If the transaction is not implemented

- If a large-scale capital injection cannot be secured and fundamental measures are not implemented in a timely manner, our business performance and financial position may deteriorate, potentially resulting in a decline in share price
- Additionally, if profitability weakens in the short term due to these fundamental measures, or if remedial initiatives fail to achieve their intended results, there is a possibility of further financial deterioration and we may face certain challenges in obtaining financing.

Why This Transaction Represents the Best Option for Enhancing our Enterprise Value

- To achieve growth from a medium-to long-term perspective, going private allows us to establish a management structure that enables agile and transformative decision-making
- With Apollo's support, our management team and employees will work together as one to drive any business initiatives

Why Executing the Transaction at This Timing Is the Best Option

- Given increasing volatility in the business environment, we cannot rule out the possibility that the company may face difficulties in maintaining business continuity in the future
- Cash consideration of JPY 500 per share offered to shareholders represents an 11.1% premium over the TPA price of JPY 450 and a premium of 23.5% to the market closing price on the business day before this announcement
- The per-share consideration has been determined to be reasonable and represents the best terms that can be offered to shareholders, considering the Company's current circumstances

Rationale Supporting the Price's Fairness

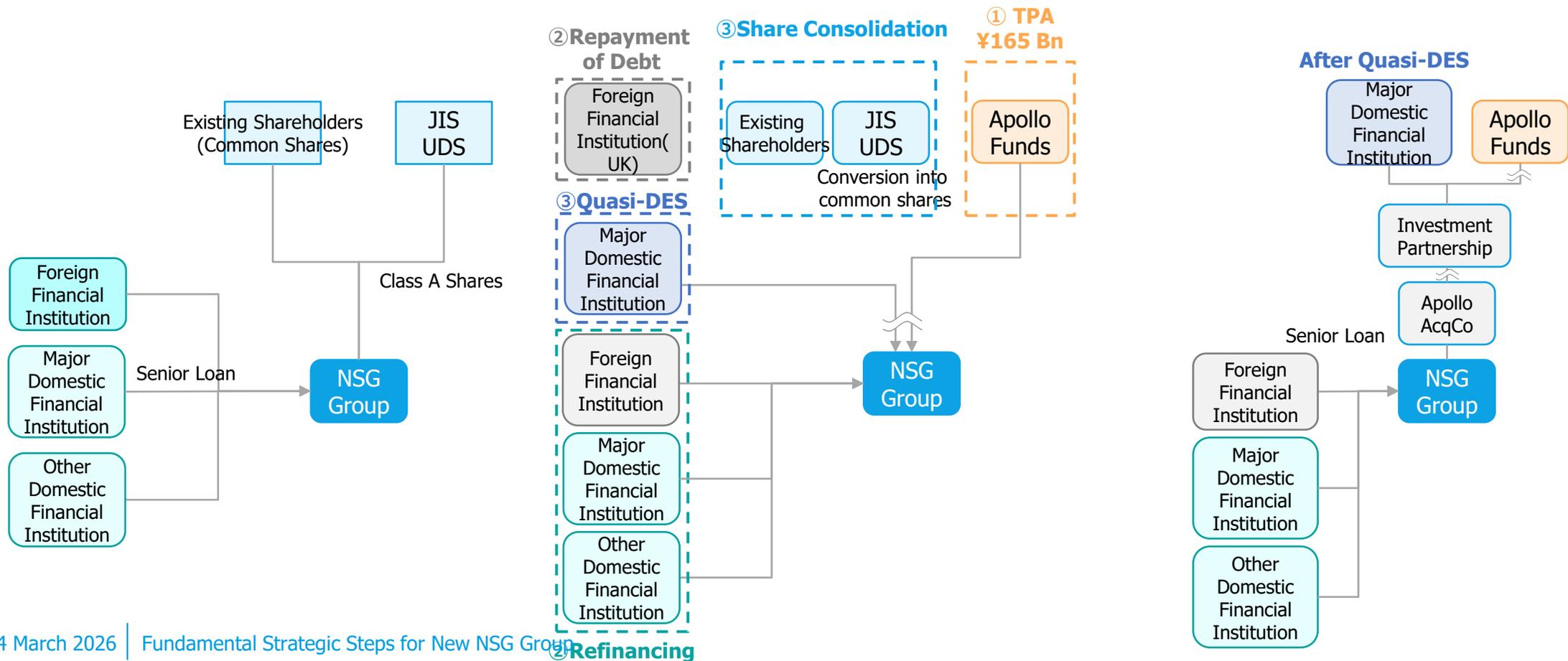
We believe that the price is reasonable and represents the most favorable terms we can offer to our shareholders at this time.

Overview of the Price

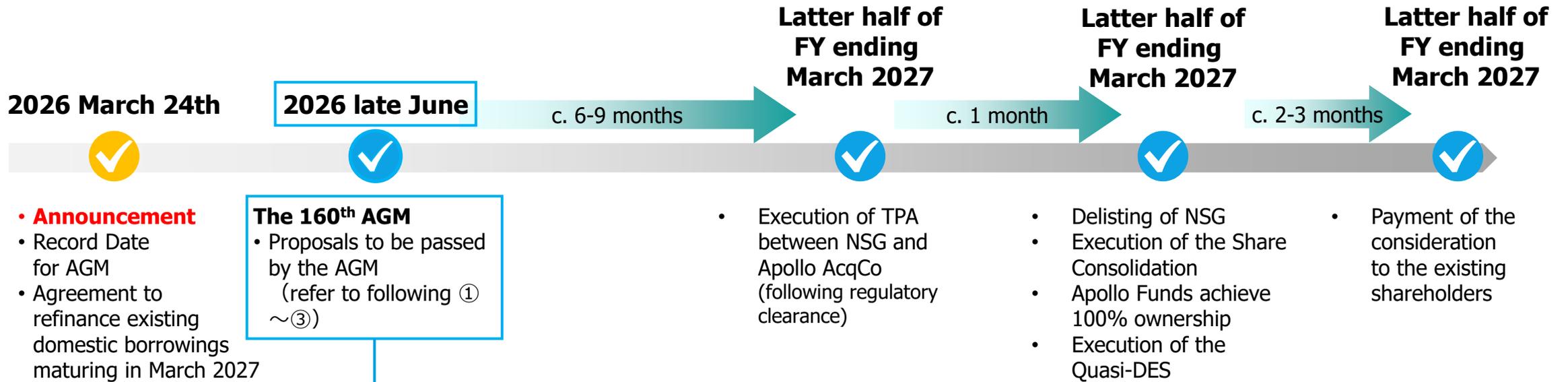
- Cash consideration of JPY 500 per share offered to shareholders represents a premium of JPY 50 (11.1%) to the TPA price of JPY 450 and a premium of 23.5% to the market closing price on the business day before this announcement
 - ✓ The transaction price falls within the valuation range provided by independent valuation firms
 - Our company obtained a valuation report from an independent third-party valuation firm (SMBC Nikko Securities)
 - The Special Committee obtained a valuation report and a fairness opinion from an independent third-party valuation firm (Akasaka International Accounting)
 - ✓ Establishment of a special committee and obtaining its opinion report
 - To ensure fairness, transparency, and objectivity in our decision-making process, a Special Committee was established and its opinion report was obtained. Given that the TPA involves significant dilution and a change in the controlling shareholder, and that the allottee is expected to subsequently make our company a wholly owned subsidiary and delist our common shares, we recognized the substantial impact on minority shareholders and therefore strengthened the governance measures accordingly
 - ✓ Taking into account our need to raise c. JPY 165 billion in funding, the proposed terms reflect most favorable conditions available to the Company at this time
 - ✓ Following constructive discussions and multiple rounds of negotiations with Apollo, a meaningful price increase was achieved before reaching the final agreement
 - ✓ The agreed price is reasonable when viewed against our company's stock price trends over the 12-month and 24-month periods prior to the Board resolution date

Overview of the Transaction Scheme (Summary)

To execute this transaction, steps ① through ③ are required, and the cooperation of our Company's creditors and major shareholders is essential.



Overview of the Transaction Schedule (Summary)



Matters to Be Submitted for Deliberation at the 160th AGM

1. Partial Amendment to the Articles of Incorporation – Change in the Authorized Number of Shares and Issuance of Shares through Third-Party Allotment
2. Implementation of Share Consolidation
3. Partial Amendment to the Articles of Incorporation – Abolition of the Provision on the Number of Shares per Share Unit

Post-Transaction Management Structure

Following completion of this transaction, we will drive the Group’s transformation toward sustainable growth by leveraging our partnership with Apollo Funds, supported by their resources and a reinforced capital structure

Post-Transaction Management Structure

Our aim is to steadily realize growth for the Group after the transaction. Based on further discussions with Apollo, we intend to promptly formalize the future management structure.

Initiatives Under Consideration:

- Establishment of a Value Creation Office (“VCO”)
 - ✓ The VCO will be appointed directly under the CEO to create a management position capable of overseeing value creation across the organization
 - ✓ Business units and key execution functions (vision, portfolio strategy, growth strategy, etc.) will be placed under the VCO
 - ✓ A structure enabling the VCO to manage and execute under appropriate authority will be established promptly
- Board of Directors
 - ✓ A new Japanese member nominated by Apollo will join the Board to support the steady execution of value-creation initiatives

About Apollo

APOLLO

About Apollo

- Apollo is a high-growth global alternative asset manager
- Apollo provides innovative capital solutions to businesses by investing across a broad range of capital structures through a fully integrated platform, offering the full spectrum of risk and return, from Private Equity to Investment Grade Credit
- As of the end of 31 December 2025, the Apollo Group's assets under management amounted to approximately 145 trillion yen (approximately 938 billion dollars)

Strong Track Record of Supporting Leading Japanese/Global Companies

Panasonic
AUTOMOTIVE

 アルゼエ

TENNECO

 verallia

MAFTECTM


TI AUTOMOTIVE

miller homes

**NEW
HOME
CO.**

Apollo's Perspective on This Transaction

- Apollo Funds highly value NSG's legacy of manufacturing excellence, innovation and deep customer relationships
- However, Apollo believes that NSG has been constrained in fully realizing these strengths due to its financial and balance sheet position

- Following the transactions, Apollo Funds will provide strategic support to enable NSG Group to execute a growth strategy focused on strengthening its global competitiveness in product quality and innovation
- Furthermore, Apollo believes that the Third-Party Allotment and privatization of the company will address short-term liquidity and balance sheet constraints, enabling management to act with greater agility and maintain a clearer focus on medium-to-long-term growth potential

NSG

GROUP