

Note: This document is a translation for the convenience of non-Japanese speakers. In the event of any discrepancy between this translation and the original Japanese document, the latter shall prevail.



Notice of Convening The 157th Ordinary General Meeting of Shareholders

➤ We will be streaming live via the Internet so that you can watch the General Meeting of Shareholders from the comfort of your home or other locations.

➤ Questions may also be submitted in advance via the Internet.

For details, please refer to pages 6 to 7 of this Notice of the Ordinary General Meeting of Shareholders.

Date and Time:

10:00 A.M., Thursday, 29 June 2023
(Reception to open from 9:00 A.M.)

Venue:

The Grand Hall
Shinagawa Grand Central Tower 3rd floor,
16-4, Konan 2-Chome, Minato-ku, Tokyo

(Please refer to the "Map of the Venue for the Ordinary General Meeting of Shareholders" attached at the end.)

Matters to be Resolved:

Proposal : Election of Seven Directors

**Deadline to exercise the voting rights in writing
or via the Internet:**

5:45 P.M. (Japan time)

Wednesday, 28 June 2023

Nippon Sheet Glass Company, Limited

Securities Code: 5202

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Our Vision” comprises the Mission (core purpose), Aspiration (desired future position) and Core Values (the basis on which we work and conduct ourselves). With “Our Vision,” NSG Group is striving to realize a sustainable society by offering new values and services with glass swiftly and appropriately to meet the growing needs of our customers and society.

Management Principles – “Our Vision”



7 June 2023

(Start date of electronic provisioning measures 31 May 2023)

Shigeki Mori
 Director, Representative Executive Officer, Chairperson of the Company
 Nippon Sheet Glass Co., Ltd.
 5-27, Mita 3-Chome, Minato-ku, Tokyo

Notice of Convening the 157th Ordinary General Meeting of Shareholders

Dear Shareholders,

Thank you for your continuing support and patronage of NSG Group.
 As described below, this is to notify you of the forthcoming 157th Ordinary General Meeting of Shareholders of the Company.

In convening the 157th Ordinary General Meeting of Shareholders, the Company has taken measures for providing the information that constitutes the content of reference materials for the General Meeting of Shareholders, etc., in electronic format as "Notice of the 157th Ordinary General Meeting of Shareholders" and "Items to be provided electronically (matters omitting delivery documents)". To review the information, please access either of the websites below.

NSG website Website for the the 157th Ordinary General Meeting of Shareholders	https://www.nsg.com/en/investors/ir-library/shareholders-meeting
Tokyo Stock Exchange (TSE) website Listed Company Search	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please access the TSE website, and search by "Nippon Sheet Glass" or "Ticker code (5202)", select "Basic information" and then "Document for public inspection/PR information" to review filed information.

The shareholders meeting is live-streamed on the Internet (For details on how to watch the meeting, please refer to "Information on Live Streaming of the General Meeting of Shareholders via the Internet and Acceptance of Questions in Advance" on page 6 to 7).

You remain capable of exercising your voting rights either in writing or by electronic or magnetic means (via the Internet), so even in the case of your absence from the meeting, we would much appreciate it if you could take your time to review and consider the "Reference Materials to Proposals at the General Meeting of Shareholders" below, and then exercise your voting rights according to the explanations and instructions described in page 4 to 5 by no later than 5:45 P.M. (Japan time) of 28 June (Wed.) 2023.

Note:

1. Date and Time	10:00 A.M., Thursday, 29 June 2023
2. Venue	The Grand Hall Shinagawa Grand Central Tower 3rd floor, 16-4, Konan 2-Chome, Minato-ku, Tokyo (Please refer to the "Map of the Venue for the Ordinary General Meeting of Shareholders" attached at the end.)
3. Agenda	Matters to be Noted 1. Business Report, Reports of the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements, for the 157th fiscal period from 1 April 2022 to 31 March 2023 2. Reports of the Financial Statements for the 157th fiscal period from 1 April 2022 to 31 March 2023 Matters to be Resolved Proposal : Election of Seven Directors

End

Other Matters related to this Convening

- ◎ Shareholders who requested the delivery of meeting materials in paper format by the reference date will receive a written document that constitutes the content of the matters provided electronically for the General Meeting of Shareholders. The following matters are not stated on this document based on the laws and Article 14 of the Articles of Incorporation and are posted on the Company's website and TSE website above-mentioned.
 - Business Report "Matters Related to the Stock Acquisition Rights, etc.," "Systems to Secure appropriateness of businesses"
 - Consolidated Financial Statements "Consolidated Statement of Changes in Equity", "Notes to the Consolidated Financial Statements",
 - Financial Statements "Statement of Changes in Net Assets" and "Notes to the Financial Statements"Accordingly, those Business Report, Consolidated Financial Statements and Financial Statements included in the document are a part of the subject documents audited by the Accounting Auditor and the Audit Committee in the course of their conduct of audit in order to prepare for and produce their respective audit reports.
- ◎ If any revision of information that constitutes the content of reference materials provided electronically for the General Meeting of Shareholders, matters before and after amendment will be posted on the the websites of the Company as well as TSE mentioned above.
- ◎ Any changes in the operation of this Ordinary General Meeting of Shareholders shall be notified on the the Company's website mentioned above.
- ◎ Voting results of the meeting will be filed and shown via EDINET (<https://disclosure2.edinet-fsa.go.jp/>) in the form of an Extraordinary Report (in Japanese only), and also disclosed on website at <https://www.nsg.com/> (in English) and at <https://www.nsg.co.jp/> (in Japanese). You are kindly asked to acknowledge and confirm that these actions are intended to operate as substitute for the issue and posting of a resolution notice.

Exercising Voting Rights

➤ When exercising voting rights via the Internet

When exercising voting rights via the Internet, please carefully read “Information concerning exercising voting rights via the Internet” as shown below and then exercise the rights by **no later than 5:45 P.M. (Japan time) of 28 June (Wed.) 2023.**

➤ When exercising voting rights in writing

Indicate your approval or disapproval of the proposals in the enclosed voting rights exercising card and send it so that it reaches us **no later than 5:45 P.M. (Japan time) of 28 June (Wed.) 2023.**

➤ When attending the meeting on the day

Please present the enclosed voting rights exercising card to the reception.

Electronic Voting Platform for Institutional Shareholders

The Electronic Voting Platform operated by ICJ, Inc. is also available for institutional shareholders.

Voting Rights

- When a shareholder exercises his or her voting rights both in writing and via the Internet, the voting rights exercised via the Internet shall take precedence over the one in writing. When a shareholder exercises his or her voting rights multiple times via the Internet, the last valid exercise of voting rights via the Internet shall be considered as the shareholder’s final vote.
- If you do not indicate your approval or disapproval of any of the proposals on the returned voting form, we will treat it as if you indicated your approval.

Password and voting rights code when exercising voting rights via the Internet

- The password is very important information to enable us to identify those who would exercise the voting rights as our shareholders themselves truly, so please treat it very carefully.
- If you mistakenly enter a wrong password more than a certain number of times, this password will become invalid. If you wish the reissue of another password, please follow the instruction shown on the screen.
- The voting rights code written on voting rights exercising card shall be valid only for this General Meeting of Shareholders.

Inquiries regarding Exercising Voting Rights

- Contact the following for any queries regarding your shareholding and its related matters:
 - 1) If you have a shareholder account in a securities company
Please contact the securities company administrating your shareholder account
 - 2) If you do NOT have a shareholder account in a securities company
Please contact the Administration Center of Transfer Agency of Sumitomo Mitsui Trust Bank
Telephone number: **0120-782-031** (Weekdays from 9:00 to 17:00 Japan time, toll free in Japan)

Information concerning Exercising Voting Rights via the Internet

- Exercise of voting rights by "Smart Voting" (available only in Japanese)
Please scan the "Smartphone use voting right exercise website login QR code" on the lower right of the enclosed voting rights exercising card with a smartphone or tablet. The URL that then appears will bring you to the voting right exercise website screen by clicking on it. Please follow the screen instructions to exercise your voting rights.
- Exercise of voting rights by the voting rights code and password (available only in Japanese)
Please access the website for exercising voting rights, <https://www.web54.net>, with a personal computer or other Internet-capable device of yours. Log in by entering the "voting rights code" described in the enclosed voting rights exercising card and enter "password" on the card. Please follow the screen instructions to exercise your voting rights.
 - ※ If you wish to change your vote after exercising your voting rights, you will need to scan the QR Code® again and enter your "voting rights code" and "password" on your enclosed voting rights exercising card. (You can also exercise your voting rights by directly accessing the voting website <https://www.web54.net>.)
 - ※ Connection fees and communication charges for using the website for exercising voting rights shall be borne by the shareholder.
 - ※ You may not be able to use the website for exercising voting rights depending on your Internet environment, the service you have subscribed to, or the device you are using.
- Contact the following for any inquiries regarding the exercise of voting rights via the Internet.
Web support desk of Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
Telephone number: [0120-652-031](tel:0120-652-031) (from 9:00 to 21:00 Japan time, toll free in Japan)

Information on Live Streaming of the General Meeting of Shareholders via the Internet and Acceptance of Questions in Advance

- On the day of the meeting, Live Streaming of the General Meeting of Shareholders will be available for shareholders to view at home or other locations.
- In addition, prior to the meeting, the Company will accept questions from shareholders regarding matters to be reported and resolutions to be made at the meeting via the Internet.

Information on Live Streaming of the General Meeting of Shareholders via the Internet

1. Date and time of Live Streaming

Thursday, June 29, 2023, from 10:00 a.m. until the close of the General Meeting of Shareholders.

2. How to watch

- URL: <https://web.sharely.app/e/nsq157>

Access the live-streaming page using the URL above, enter the following login items (1) and (2) below, and click the "Login" button.

- Login item (1): "Shareholder number" (9-digit number) as shown on the "Voting Rights Exercise Form" *If the number starts and/or ends with zero, please make sure to enter zero as well.
- Login item (2): Postal code of the address registered in the shareholder registry (7 digits)
*Please enter the postal code registered as of March 31, 2023.

3. Requests and Notes

- ◎ Watching or listening the live-streaming of the meeting does not constitute attendance at a general meeting of shareholders as defined by the Companies Act of Japan. Please exercise your voting rights in advance via the Internet or in writing.
- ◎ On the day of the meeting, in consideration of the privacy protection of the attending shareholders, we will try to broadcast mainly the footage of the chairman and directors on the stage.
- ◎ The provision of "shareholder number" and "postal code" to any third party is strictly prohibited.
- ◎ Please refrain from recording the meeting including videotaping for the purpose of disclosing voice or video data.
- ◎ Depending on your computer environment (model, performance, etc.) and Internet connection environment (line status, connection speed, etc.), you may experience problems with video footage or audio, or may not be able to view the video at all.
- ◎ Telecommunication charges for viewing the video streaming shall be borne by the shareholder.

<For inquiries regarding how to watch the live streaming, viewing problems, etc.>

Coincheck Corporation

Phone: +81-3-6416-5287

(from 9:00 a.m. on Thursday, June 29, 2023 until the end of the General Meeting of Shareholders)

Information on Acceptance of Questions in Advance via the Internet

1. Period for advance receipt of questions

Thursday, June 8, 2023 - Wednesday, June 21, 2023, 5:45 p.m.

2. How to ask questions

- URL: https://web.sharely.app/e/nsg157/pre_question

Please access the Acceptance of Questions in Advance page via the URL above, enter the login items (1) and (2) in the same manner as for the "Live Streaming of the General Meeting of Shareholders" , and click the "Login" button.

Please select the agenda item by clicking the "Select OO" button, enter your question within 150 characters in the "Question" field, and click the "Send" button at the bottom right of the screen.

3. Requests and Notes

- ⦿ Only one question may be asked per reception, and only by the shareholder himself/herself.
- ⦿ Please keep your questions as brief and to the point as possible (within 150 characters).
- ⦿ We plan to respond to questions that we believe will be of interest to our shareholders at the General Meeting of Shareholders. However, please note that we do not commit to answering all questions or responding to each question individually.

Reference Materials to Proposals at General Meeting of Shareholders

Proposal and the References thereto

Proposal : Election of Seven Directors

The term of office of all the eight Directors shall expire as of the end of this Ordinary General Meeting of Shareholders. Hence the shareholders are hereby asked to approve of election of seven Directors based on and pursuant to the decision of Nomination Committee of the Company. Those director candidates are as follows. For further information on each director candidate please refer to the pages from 18 to 20 of this Convening Notice:

No	Name	Position	Current Responsibilities at the Company				Record of attendance at Board meeting
			Board	NC	AC	CC	
1	Hiroshi Ishino To be re-elected	External Independent	Chairperson	Chairperson	Member	Member	100% (12/12)
2	Munehiro Hosonuma To be re-elected	Representative Executive Officer, President and CEO		Member		Member	100% (9/9)
3	Jörg Raupach Sumiya To be re-elected	External Independent		Member	Member	Chairperson	92% (11/12)
4	Kunihito Minakawa To be re-elected	External Independent		Member	Chairperson	Member	100% (12/12)
5	Yoshihiro Kuroi To be re-elected	External					100% (12/12)
6	Shinji Asatsuma To be re-elected	External Independent		Member	Member	Member	100% (9/9)
7	Eriko Sakurai To be newly-elected	External Independent					—

Notes:

- Messrs. Hiroshi Ishino, Jörg Raupach Sumiya, Kunihito Minakawa, Yoshihiro Kuroi, Shinji Asatsuma and Eriko Sakurai are all candidates for the External Directors stipulated in Article 2.15 of the Companies Act. In addition, all of them except Mr. Yoshihiro Kuroi have been notified to Tokyo Stock Exchange (hereinafter called "TSE") as Independent Directors. The Company has on its own created and applied more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which above five candidates for External Directors also meet. For the detail of the criteria, please see pages from 18 to 20.
- The Company has entered into an agreement on limitation of liabilities with all the candidates of the External Directors whose tenure is expiring (Messrs. Hiroshi Ishino, Jörg Raupach Sumiya, Kunihito Minakawa, Yoshihiro Kuroi and Shinji Asatsuma) respectively to the effect that the level of the liability of each of the External Directors in having performed their duties in good faith and without gross negligence on their part should be capped by the amount allowed by law. The Company further intends to enter into an agreement on similar limitation of liability with Ms. Eriko Sakurai once elected, to the effect that the level of her liability in having performed her duties in good faith and without gross negligence on her part should be capped by the amount allowed by law.
- The Company contracts the Directors and Officers liability insurance based on the Article 430-3, Paragraph 1 of the Companies Act of Japan with insurance companies, and the policy will compensate any reasonable and necessary legal or other defense costs incurred in defending an action brought against them during the policy period. It also pays any ensuing damages, judgements and settlements that are awarded to the plaintiff or third party against the director or officer. Messrs. Hiroshi Ishino, Munehiro Hosonuma, Jörg Raupach Sumiya, Kunihito Minakawa, Yoshihiro Kuroi, Shinji Asatsuma and Eriko Sakurai as director candidates respectively are included to insured persons, if elected as a director. The premium of the insurance for all insured persons is paid by the Company. The Company plans to renew the contract with the same terms and conditions at the time of the next renewal.
- Ms. Eriko Sakurai has served as an External Director of Sumitomo Mitsui Financial Group ("SMFG") but in October 2022 SMFG and its subsidiary SMBC Nikko Securities Inc. ("SMBC Nikko") became the subject of an administrative order under the Financial Instruments and Exchange Act ("FIE Act") by Financial Services Agency of Japan ("FSA") due to acts of certain former officers and employees of SMBC Nikko alleged to have run afoul of Article 159, Paragraph 3 of the FIE Act (i.e. illegal stabilizing transactions). In

this connection SMBC Nikko itself was also convicted by the Tokyo District Court in February 2023 and the judgment became final. Further in October 2022, SMBC Nikko was also the subject of another administrative order from the FSA pursuant to FIE Act regarding exchange of material non-public information among officers and employees of SMBC Nikko and a subsidiary of SMFG, Sumitomo Mitsui Banking Corporation ("SMBC"). For this incident SMFG and SMBC were also ordered by the FSA to report to it in accordance with the FIE Act and the Banking Act of Japan. Ms. Eriko Sakurai was not aware of any of those situations or incidents and [in fact] she constantly had stressed on, and made propositions to embed in the organization, the importance of compliance with laws and regulations, ensuring fair and appropriate execution of business and risk management on occasions such as meetings of the board of directors and various committees of SMFG. On and after these incidents were found, she has been using the occasions such as deliberations at the board of directors and various committees of SMFG and promoting such actions with a view towards preparation and implementation of effective countermeasure for prevention of any such recurrence, further strengthening of statutory compliance and internal controls of the Group, as well as for fostering of a wholesome corporate culture.

(For Reference)

In order to develop and enhance the enterprise value of the Group in a sustainable manner on a medium to long term basis, the Board is required to effectively supervise the execution of duties by executive officers, etc., while preparing for a corporate environment which would enable the executive management to take proper degree of risks associated with business. Based on the company situation and the issues to be solved in the execution of the three-year medium-term plan from the fiscal year ending March 2022 to the fiscal year ending March 2024, the areas of experiences and specialized knowledge, which the Nomination Committee considers to be particularly important for the director candidates, are defined as follows, and the composition of directors would be well-balanced as a whole in consideration of diversity.

Name	Global Company Management Experience	Financial Expertise	Risk Management	ESG / Sustainability	Portfolio management / New Business Development	Operational Excellence / Supply Chain Management	Marketing / Commercial
H.Ishino	○					○	○
J.Raupach-Sumiya	○			○	○		
K.Minakawa	○	○	○				
Y.Kuroi	○		○	○			
S.Asatsuma	○	○	○				
E.Sakurai	○			○	○		
M.Hosonuma					○	○	○

Notes: Up to three most highly expected areas of experiences and specialized knowledge are indicated for each candidate. The table does not represent all the specialized knowledge and the experiences possessed by each candidate.

- Global Company Management Experience: The area of experience and/or expertise required from the perspective of supervising the management of the Group which is operating globally based on the management experiences in a global or multinational business environment.
- Financial Expertise: The area of experience and/or expertise required from the perspective of supervising the execution of the key initiative, "Restoration of financial stability" in the medium-term management plan.
- Risk Management: The area of experience and/or expertise required from the perspective of effective and efficient supervision in identifying and evaluating critical risks that the Group should manage.
- ESG / Sustainability: The area of experience and/or expertise required from the perspective of effective and efficient supervision for the initiatives to attain sustainable growth of the Group and contribute to a sustainable society in the medium- to long-term such as climate change issues and initiatives to ensure a highly independent and transparent Corporate Governance system for that purpose.
- Portfolio management / New Business Development: The area of experience and/or expertise required from the perspective of effective and efficient supervision for the initiatives against "Business structure reform" such as new business development and Portfolio transformation to highly profitable business.
- Operational Excellence / Supply Chain Management : As a manufacturing company, improving on-site operational work performance is essential, and from procurement / manufacturing to logistics, cost structure reform that transcends the boundaries of each function and optimal manufacturing / supply chain are important. Therefore, this area of experience and/or expertise should be required from the perspective of effective and efficient supervision for the initiatives against "Cost structure reform" "Business structure reform" and "Restoration of financial foundation".
- Marketing/Commercial: Strategic marketing is needed to develop the business, and this area of experience and/or expertise should be required from the perspective of effective and efficient supervision in implementing the initiatives for "Business structure reform" and customer-oriented "Corporate culture reform".

1 Mr. Hiroshi Ishino

■ Positions/responsibilities at the Company	Director, Chairperson of the Board, Chairperson of Nomination Committee, a member of Audit Committee and Compensation Committee
■ Date of birth	10 April 1951 (72 years old)
■ Length of incumbency as External Director	3 year(as of the end of this General Meeting of Shareholders)
■ Record of attendance at meetings	Board of Directors : 100% (12/12) Nomination Committee : 100% (6/6) Audit Committee : 100% (11/11) Compensation Committee :100% (6/6)
■ Number of the Company's common shares owned	6,332
■ Material Positions concurrently held with third parties	Senior Corporate Advisor, Kansai paint Co.,Ltd.
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Apr. 1975	Joined Mitsubishi Corporation
Mar. 2003	Joined Kansai paint Co., Ltd.
Jun. 2006	Director, Deputy General Manager, International Affairs, Kansai paint Co., Ltd.
Jun. 2008	Managing Director, Sales, Coatings Business, Kansai paint Co., Ltd.
Apr. 2010	Senior Managing Director, Sales, Kansai paint Co., Ltd.
Jun. 2011	Director, Senior Managing Executive Officer, Sales, International Affairs and Procurement, Kansai paint Co., Ltd.
Jun. 2012	Representative Director, Senior Managing Executive Officer, Sales, International Affairs and Procurement, Kansai paint Co., Ltd.
Apr. 2013	Representative Director and President, Kansai paint Co., Ltd.
Jun. 2019	Senior Corporate Advisor, Kansai paint Co., Ltd. (Incumbent)
Jul. 2020	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled-----

Mr. Hiroshi Ishino has been an External Director of the Company since July 2020. He was in charge of overseas operations at a major trading company, and since then has been promoting the Group's global strategy as president and CEO of a major international manufacturer. It is expected that he will contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies as top management and broad knowledge and perspectives with regard to business transformation and business management from manufacturing to sales.

2 Mr. Munehiro Hosonuma

■ Positions/responsibilities at the Company	Director, Representative Executive Officer, President and CEO, a member of Nomination Committee and Compensation Committee
■ Date of birth	27 November 1972 (50 years old)
■ Length of incumbency as Director	1 year(as of the end of this General Meeting of Shareholders)
■ Record of attendance at meetings	Board of Directors : 100% (9/9) *
■ Number of the Company's common shares owned	31,240
■ Material Positions concurrently held with third parties	n/a
■ Special interest the candidate the Company	n/a

Brief career history

Apr. 1998	Joined Nikken Sekkei Ltd.
Jul. 2005	Joined Boston Consulting Group
Oct. 2010	Joined Sumitomo 3M Limited (Currently 3M Japan Limited) Business Development Senior Manager, Display and Graphics Business Group
Sep. 2013	General Manager, Cleaning and Workplace Safety Division, Sumitomo 3M Limited
Apr. 2017	General Manager, Infection Prevention Division, 3M Japan Limited
Aug. 2018	Joined the Company Senior Corporate Officer, CCPO (Chief Corporate Planning Officer)
Jan. 2021	Senior Executive Officer, Head of Architectural Glass SBU
Apr. 2022	Representative Executive Officer, Vice President and COO
Jun. 2022	Director (Incumbent)
Apr. 2023	Representative Executive Officer, President and CEO (Incumbent)

Reasons for recommendation as a Director

After having worked for a leading Japanese design office and a major international management consulting company, Mr. Munehiro Hosonuma joined a major international manufacturer, held important positions in the business division, and then joined NSG in August 2018. After holding important positions of the Group such as Chief Corporate Planning Officer and Head of Architectural Glass SBU, he was appointed Representative Executive Officer, Vice President and COO in April 2022 and he had experiences to lead the whole Group business. Based upon such ample experiences and delivery of results, he was appointed Representative Executive Officer, President and CEO in April 2023 and since then, has taken leadership in the whole Group business. He was also appointed Director in June 2022. It is expected that he will contribute to the decision-making function of the Board based upon such ample experiences and achievements in business strategy and business operations.

* Note: Mr. Munehiro Hosonuma was newly appointed as Director at the 156th Ordinary General Meeting of Shareholders held on 29 July 2022 therefore it shows the total number of the Board of Directors meetings held and attended after his assumption.

3 Dr. Jörg Raupach Sumiya

■ Positions/responsibilities at the Company	Director, Chairperson of Compensation Committee, a member of Nomination Committee and Audit Committee
■ Date of birth	17 January 1961 (62 years old)
■ Length of incumbency as External Director	4 years(as of the end of this General Meeting of Shareholders)
■ Record of attendance at meetings	Board of Directors : 92% (11/12) Nomination Committee : 100% (6/6) Audit Committee : 91% (10/11) Compensation Committee :100% (6/6)
■ Number of the Company's common shares owned	3,199
■ Material Positions concurrently held with third parties	Professor, College of Business Administration Ritsumeikan University
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Jun. 1990	Senior Consultant, Roland Berger Strategy Consultants
Oct. 1995	Senior Executive Managing Director, Trumpf Corporation
Jul. 1999	Research Fellow, German Institute for Japanese Studies
Jun. 2001	General Manager, Administration, NEC Schott Components Corporation (Currently Schott Japan Corporation)
Dec. 2002	President, Representative Director, NEC Schott Components Corporation
Jun. 2011	Manager, Innovation, Schott Electronic Packaging GmbH
Sep. 2011	Professor, FOM University (Germany)
Apr. 2012	Professor, College of Business Administration Ritsumeikan University (Incumbent)
Jun. 2019	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled-----

Dr. Jörg Raupach Sumiya has been an External Director of the Company since June 2019. He has international experience in the field of both business and academia, and is currently a professor at the college of business administration, Ritsumeikan University, one of the Japanese private universities. He is conducting research activities mainly on renewable energy and regional economy. It is expected that he should continue to contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies and broad knowledge on ESG and portfolio-management and perspectives with regard to an academic expert and business management.

4 Mr. Kunihiro Minakawa

■ Positions/responsibilities at the Company	Director, Chairperson of Audit Committee, a member of Nomination Committee and Compensation Committee
■ Date of birth	15 August 1954 (68 years old)
■ Length of incumbency as External Director	3 year(as of the end of this General Meeting of Shareholders)
■ Record of attendance at meetings	Board of Directors : 100% (12/12) Nomination Committee : 100% (6/6) Audit Committee : 100% (11/11) Compensation Committee :100% (6/6)
■ Number of the Company's common shares owned	3,164
■ Material Positions concurrently held with third parties	External Director, Santen Pharmaceutical Co., Ltd. Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Apr. 1978	Joined RICOH CO., LTD.
Oct. 1997	SVP and CFO, Ricoh Americas Corporation
Jun. 2008	Business Planning Manager and Business Management Manager, Business Management Centre, Overseas Division, RICOH CO., LTD.
Apr. 2010	Corporate Vice President and General Manager, Finance and Accounting, RICOH CO., LTD.
Apr. 2012	Corporate Senior Vice President and General Manager, Finance and Accounting, RICOH CO., LTD.
Jun. 2013	Corporate Auditor (Full-time), RICOH CO., LTD.
Jun. 2017	External Director, Sony Corporation (Currently Sony Group Corporation)
Jun. 2018	External Director, Santen Pharmaceutical Co., Ltd. (Incumbent)
Apr. 2019	Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner (Incumbent)
Jul. 2020	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled -----

Mr. Kunihiro Minakawa has been an External Director of the Company since July 2020. He was a Managing Executive Officer and an Audit & Supervisory Board Member at a major international manufacturer, and he is currently serving as Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner. He has global experience, a wide range of insights and practical experience in finance and auditing. It is expected that he will contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies and broad knowledge and perspectives with regard to business management and professional expertise on finance and accounting.

5 Mr. Yoshihiro Kuroi

■ Positions/responsibilities at the Company	Director
■ Date of birth	18 August 1954 (68 years old)
■ Length of incumbency as External Director	3 year(as of the end of this General Meeting of Shareholders)
■ Record of attendance at meetings	Board of Directors : 100% (12/12)
■ Number of the Company's common shares owned	0
■ Material Positions concurrently held with third parties	Advisor, Japan Industrial Solutions Co., Ltd.
■ Special interest existing between the candidate and the Company	An advisor at Japan Industrial Solutions Co., Ltd., which is a general partner of Japan Industrial Solutions Fund II, a holder of Class A Shares issued by the Company.

Brief career history-----

Apr. 1977	Joined Mitsubishi Corporation
Apr. 1994	Managing Director, MCF Financial Services Limited
Jun. 2004	Seconded to Mitsubishi Motors Corporation CSR Promotion Office to rescue the Company
Jan. 2007	General Manager, Investor Relations, Mitsubishi Corporation
Apr. 2010	Senior Vice President, Mitsubishi Corporation
Jul. 2010	Executive Officer, Corporate Planning Office, Mitsubishi Motors Corporation
Jun. 2016	Senior Vice President, Mitsubishi Motors Corporation
Apr. 2018	Senior Managing Executive Officer, Kasai Kogyo Co., Ltd
May. 2020	Advisor, Japan Industrial Solutions Co., Ltd. (Incumbent)
Jul. 2020	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled -----

Mr. Yoshihiro Kuroi has been an External Director of the Company since July 2020. He was a president of an overseas subsidiary at a major trading company, and then, worked for a major automobile manufacturer and a major automobile parts manufacturer as an executive officer in charge of overseas business, investor relations, risk management, etc., which gave him a wealth of practical experiences in business.

Currently, he serves as an advisor to Japan Industrial Solutions Co., Ltd., which underwrites Class A shares issued by the Company. He is elected as an external director of the Company based on the Subscription Agreement for Class A shares and the nomination by the Class A shareholders and after confirming that he satisfied "the Company's Standards for the Appointment of the Director Candidates". Since then, his personality, insight, leadership, expertise, and commitment have been well confirmed especially at the Company's Nomination Committee.

Although he has not been designated as an independent director in accordance with the Company's Criteria of Independency for External Director, it is expected that he will contribute to the supervisory function of the Board including in overseeing the performance of Executive Officers as a non-independent external director based upon his abundant management experiences in global companies and broad knowledge and perspectives with regard to risk management and IR/SR.

6 Mr. Shinji Asatsuma

■ Positions/responsibilities at the Company	Director, a member of Nomination Committee, Audit Committee and Compensation Committee
■ Date of birth	2 February 1961 (62 years old)
■ Length of incumbency as External Director	1 year(as of the end of this General Meeting of Shareholders)
■ Record of attendance at meetings	Board of Directors : 100% (9/9) Nomination Committee : 100% (5/5) Audit Committee : 100% (8/8) Compensation Committee :100% (5/5)
■ Number of the Company's common shares owned	747
■ Material Positions concurrently held with third parties	External Director, Kyushu Railway Company
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Apr. 1984	Joined Kansai paint Co., Ltd.
Apr. 2012	Executive Officer, General Manager Corporate Planning Office, Kansai paint Co., Ltd.
Apr. 2015	Senior Executive Officer, General Manager International Div., Kansai paint Co., Ltd.
Jun. 2016	Director, Senior Executive Officer, General Manager Administration Div., Kansai paint Co., Ltd.
Apr. 2018	Director, Senior Executive Officer, in charge of Business Management, Corporate Planning, IS, Human Resources Planning, General Manager Administration Div., Kansai paint Co., Ltd.
Jun. 2019	External Director, Kyushu Railway Company (Incumbent)
Jun. 2022	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled-----

Mr. Shinji Asatsuma has been an External Director of the Company since June 2022. He was in charge of accounting, finance, business strategy and overseas operations in a major international manufacturer and as a Director and Senior Executive Officer, he is in charge of the overall management division, and has promoted the formulation of business strategies and overseas business expansion. It is expected that he will contribute to the supervisory function of the Board including in overseeing the performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies and broad knowledge and perspectives with regard to finance, accounting and risk management.

* Note: Mr. Shinji Asatsuma was newly appointed as Director at the 156th Ordinary General Meeting of Shareholders held on 29 July 2022 therefore it shows the total number of the Board of Directors and the committee meetings held and attended after his assumption.

7 Ms. Eriko Sakurai

■ Positions/responsibilities at the Company	—
■ Date of birth	16 November 1960 (62 years old)
■ Length of incumbency as External Director	n/a (as a new candidate for Director.)
■ Record of attendance at meetings	—
■ Number of the Company's common shares owned	0
■ Material Positions concurrently held with third parties	External Director, Sumitomo Mitsui Financial Group, Inc. External Director, KAO Corporation External Director, Astellas Pharma Inc.
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Jun. 1987	Joined Dow Corning Corporation (Currently Dow Silicones Corporation)
May. 2008	Director, Dow Corning Toray Co., Ltd. (Currently Dow Toray Co., Ltd.)
Mar. 2009	Chairman and CEO, Representative Director, Dow Corning Toray Co., Ltd. (Currently Dow Toray Co., Ltd.)
May. 2011	Regional President Japan/Korea, Dow Corning Corporation (Currently Dow Silicones Corporation)
Jun. 2014	External Director, Sony Corporation (Currently Sony Group Corporation)
Jun. 2015	External Director, Sumitomo Mitsui Financial Group, Inc (Incumbent)
Jun. 2018	Chairman and CEO, Representative Director, Dow Toray Co., Ltd.
Aug. 2020	President, Representative Director, Dow Chemical Japan Limited
Mar. 2022	External Director, Kao Corporation (Incumbent)
Jun. 2022	External Director, Astellas Pharma Inc. (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled-----

Ms. Eriko Sakurai held important positions in marketing, operating, and corporate management at a major US manufacturer that is expanding its business globally, and since then, she has promoted business development and business transformation as the top management of its Japanese subsidiary for many years. In addition, she has supervised the management of major manufacturers and a financial institution as an external director. It is expected that she will contribute to the supervisory function of the Board including in overseeing the performance of Executive Officers from an independent and objective standpoint as well as based upon her abundant management experiences as an international business executive and broad knowledge including sustainability promotion.

For Reference: Criteria of Independency for External Director at NSG

External Directors of Nippon Sheet Glass Company, Limited ("NSG" or the "Company") falling into any of the following categories are considered to lack independency as an External Director.

(1) As to the External Director him/herself, where:-

1. He/she is, has become or once served as an executive director, executive officer, corporate officer or employee of the NSG Group (hereinafter collectively referred to as "executive/employee");
- b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended or (in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as executive/employee of the organization), OR NSG Group is a Major Business Partner for him/her/it
 - Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year; OR,
 - ii) he/she has a business relationship with the Company and paid the Company the following sum during the Company's any single financial year of those past three years most recently ended, or he/she is a Major Business partner of the NSG Group (or in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as executive/employee of the organization);
 - Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year

Note: For the purpose of this criteria protocols, the expression "Major Business Partner(s)" means, as between the NSG Group and the group having business relationship with us, those persons which could be, in terms of magnitude of its business relationship, expected to exert the same degree of influence on the decision-making process of the other as would exist among parent-subsidary relationship or affiliated group.

- c) He/she is an Certified Public Accountant retained as Accounting Auditor for the Company (or in case the accounting firm is retained as Accounting Auditor then he/she serves as partner or employee of the firm) or he/she has engaged in any audit activities of the NSG Group businesses at any time during the past three years;
- d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (or in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she belongs to any such organization);
- e) He/she has material business relationship with or is materially interested in the NSG Group (or in case where an organization such as legal entity has such relationship or interest, he/she is an executive/employee of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);
- f) He/she holds cross-directorships or has significant links with other Directors/Executive Officers of the Company through involvement in other companies/bodies;
- g) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (or in case where the organization such as legal entity falls into such a shareholder, then he/she currently is or was employed as an executive/employee of the organization at any time during the past five years); or
- h) He/she is an individual who has fallen into the above d), e) or f) during the Company's any single financial year of those past three financial years most recently ended.

(2) As to the close relative(s) of the External Director (his or her spouse, or those relatives who are within the second degree of kinship or live in the same dwelling as him or her), where:-

- a) He/she is or was in the past five years an executive director/officer or senior employee of the NSG Group (collectively "Senior Manager");
- b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended (in case where the organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager thereof), OR the NSG Group is a Major Business Partner for him/her/it
 - Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year ; OR
 - ii) he/she has a business relationship with the Company and paid the Company the following sum in any single financial year of the Company during its past three years most recently ended, or is a Major Business Partner of the NSG Group (in case where an organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager of the organization);
 - Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year
- c) He/she is a Certified Public Accountant retained as an Accounting Auditor (or in case the accounting firm is retained as Accounting Auditor then he/she is a partner or Senior Manager thereof) or has engaged in any audit activities of the NSG Group businesses at any time during the past three years;
- d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she serves as partner, associate or Senior Manager of the organization);
- e) He/she has material business relationship with or is materially interested in the NSG Group (in case where an organization such as legal entity has such relationship or interest, then he/she is a Senior Manager of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);
- f) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (in case where the organization such as legal entity falls into such a shareholder, then he/she currently serves as Senior Manager of the organization); or
- g) He/she has fallen into either or both of d) and/or e) at any time during the past three financial years of the Company most recently ended.

For Reference: Policies and procedures for the appointment of the nomination of the director candidates

The Nomination Committee appoints the nomination of the director candidates and submits the contents to the ordinary general meeting of shareholders as a proposal. For such appointment, in particular with Independent External Directors, the Group finds candidates from a wide range of pools with the cooperation of executive search companies and others. The standards for the appointment are as follows. On the appointments of directors based on the standards, the company aims to have a well-balanced level of expertise as defined in Clause 7 in the board of directors as a whole, and diversity in terms of gender, internationality, work experience, and age.

[Personality, Insight, leadership]

1. Being a person of good character and high ethical standards.
2. Upholding and promoting compliance with laws and regulations.
3. Being fit to hold office and able to fulfil the duties required.
4. Possessing excellent business acumen and the ability to make judgements objectively.
5. Having abundant leadership experience and being team orientated.

[No material interest]

6. Having no personal interest or business relationship that might affect management decisions in our Group's business areas. ("Criteria of Independency for an External Director" is defined separately at)

[Skill/Expertise]

7. Having broad business experience globally or multi-nationally and/or such specialized knowledge in market, technology, accounting, law, talent development, or other specific fields that are necessary or desirable for directors based on the current situation of the group, strategies, etc.

[Commitment]

8. Having sufficient time to participate in meetings of the Board and the Committees of which he/she would be a

member, and being qualified to fulfil the duties as a member of one of any three committees on which he/she would sit: Nomination Committee, Audit Committee or Compensation Committee.

For Reference: Composition of the Board of Directors and each Committee

If this proposal is approved at this General Meeting as originally proposed, the composition of the Board of Directors and each Committee will be as follows:

Board of Directors

Hiroshi Ishino (Chairperson), Jörg Raupach Sumiya, Kunihito Minakawa, Yoshihiro Kuroi, Shinji Asatsuma
Eriko Sakurai, Munehiro Hosonuma

Nomination Committee

Hiroshi Ishino (Chairperson), Jörg Raupach Sumiya, Kunihito Minakawa, Shinji Asatsuma, Munehiro Hosonuma

Audit Committee

Kunihito Minakawa (Chairperson), Jörg Raupach Sumiya, Hiroshi Ishino, Shinji Asatsuma

Compensation Committee

Jörg Raupach Sumiya (Chairperson), Hiroshi Ishino, Kunihito Minakawa, Shinji Asatsuma, Munehiro Hosonuma

157th Business Report of Nippon Sheet Glass Company, Limited

From 1 April 2022
To 31 March 2023

I. Matters Relating to the Current State of the Company's Group

1. Overview and Results of Business Activities

During the FY2023, the Group experienced mostly stable market conditions in the second half of the year, although experienced mixed market conditions in the first half of the year. Architectural Glass markets continued to be relatively soft in Europe in the second half of the year, although were more positive elsewhere through the year. The high input costs were largely offset by positive selling prices. Demand for solar energy glass was also positive. Automotive Glass markets gradually recovered in the second half of the year from a shortage of semi-conductors in the supply chain. The Group also made further progress in the second half of the year with recovering increased input costs from Automotive customers. Technical glass markets were mostly positive during the year, with demand for the Group's products improving across many areas, although weakened somewhat in the fourth quarter of the year.

Cumulative Group revenues increased by 27 percent to ¥ 763,521 million (FY2022 ¥ 600,568 million), with improvements in revenue in both the Architectural and Automotive businesses. At constant exchange rates, cumulative revenues would have increased by 21 percent. Operating profits were ¥ 34,812 million (FY2022 ¥ 19,980 million). Net exceptional losses of ¥ 45,154 million included an impairment of goodwill and other intangible assets of ¥ 48,776 million, recorded during the second quarter of the year, which represented a full impairment of all remaining goodwill and intangible assets related to the Group's automotive business in Europe, originally arising on the acquisition of Pilkington in 2006.

As a consequence, the Group's year-end results were as shown in the table below.

Consolidated Revenue		Consolidated Operating Profit	
¥763,521m	(up 27.1%)	¥34,812m	(up 74.2%)
Consolidated Profit/(Loss) before Taxation		Consolidated Profit/(Loss) for the Period	
¥(21,933)m	—	¥(31,017)m	—
Consolidated Profit/(Loss) Attributable to Owners of the Parent			
¥(33,761)m	—		

Notes:

Operating profit in the above table is defined as being operating profit stated before exceptional items.

The performance by segment is as follows.

Architectural Glass Business

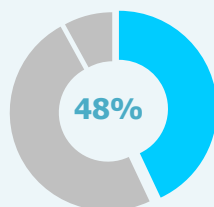
Revenue ¥ 365,947 million

Operating profit ¥ 33,557 million

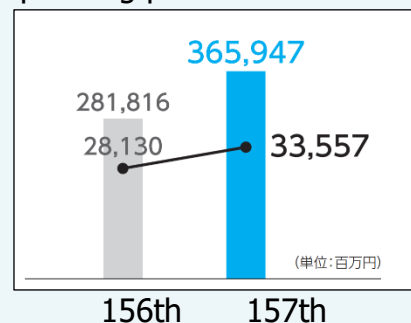
Main Focus of the Business :

- The manufacture and supply of flat glass for Architectural market
- The manufacture and supply of various interior and exterior glazing products within commercial and residential markets
- The manufacture and supply of glass for the Solar Energy

Ratio of sales to Group revenue



Revenue Operating profit (Millions of yen)



The Architectural business recorded cumulative revenues of ¥ 365,947 million (FY2022: ¥ 281,816 million) and an operating profit of ¥ 33,557 million (FY2022: ¥ 28,130 million). Architectural revenues and profits increased from the previous year due to higher selling prices and the translational impact of a weaker Japanese yen.

In Europe, representing 43 percent of the Group's architectural sales, revenues improved significantly as a consequence of increased selling prices and foreign exchange movements. Profits were similar to the previous year, with higher energy-related input costs offsetting the increased selling prices. Energy prices declined during the fourth quarter, although the benefit of this was offset by falling selling prices, including the effect of reduced energy surcharges. Volumes also softened during the fourth quarter, as increased levels of inflation and interest rates negatively affected business and consumer confidence.

In Asia, representing 27 percent of the Group's architectural sales, revenues and profits were ahead of the previous year. Market conditions improved with increases in sales volumes and prices, which, together with a positive operational performance, more than offset the effect of increasing input costs.

In the Americas, representing 30 percent of the Group's architectural sales, revenues and profits were ahead of the previous year. Positive customer demand was mitigated by North American logistics constraints, which affected sales volumes in the first half of the year, although this eased during the second half. The Group commenced production at its second float glass line in Argentina during the third quarter of the year.

Automotive Glass Business

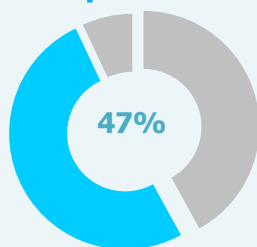
Revenue ¥ 354,693 million

Operating profit ¥ 4,052 million

Main Focus of the Business :

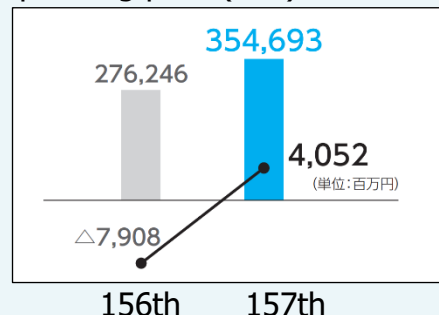
- The manufacture and supply a wide range of automotive glazing for new vehicles
- The manufacture and supply a wide range of automotive glazing for replacement markets

Ratio of sales to Group revenue



Revenue

Operating profit(loss) (Millions of yen)



The Automotive business recorded cumulative revenues of ¥354,693 million (FY2022: ¥ 276,246 million) and an operating profit of ¥ 4,052 million (FY2022: loss of ¥ 7,908 million). Profits in the Automotive business continued to recover with a further improvement in quarterly profit allowing the business to record a positive overall profit for the full year. Volumes continued to gradually improve and price increases with customers were agreed to offset the high level of input costs.

Europe represents 42 percent of the Group's automotive sales. Revenues increased, due partly to foreign exchange movements. Volumes were negatively affected by a shortage of semi-conductor components at the Group's customers, although this eased somewhat during the second half of the year. Profitability continued to be affected by high input costs, although this was increasingly offset by rising sales prices, with the Group successfully concluding price negotiations with a number of customers from the second and third quarters. Volumes in glass replacement markets were positive.

In Asia, representing 20 percent of the Group's automotive sales, revenues and profits improved from the previous year, as price increases were negotiated with customers to mitigate the effect of rising input costs.

In the Americas, representing 38 percent of the Group's automotive sales, revenues increased from the previous year, assisted by foreign exchange movements, whilst profits declined. Demand in North America was generally positive with vehicle manufacturers increasing levels of inventory, although supply chain issues continued to negatively affect demand levels at many of the Group's customers. Demand in South America was relatively strong, with volumes improving in both Brazil and Argentina.

The Group sold subsidiaries of Guilin Pilkington Safety Glass Co., Limited and Tianjin NSG Safety Glass Co., Limited, two companies involved in the processing and distribution of automotive glass in China, to SYP Kangqiao Autoglass Co., Limited, a company in which the Group held a 20 percent investment and which is accounted for by the Group as an associate using the equity method of accounting. As part of this disposal the Group has re-invested the sales proceeds into additional equity of SYP Kangqiao Autoglass Co., Limited, increasing the Group's shareholding in this entity to 28.6 percent.

Technical Glass Business

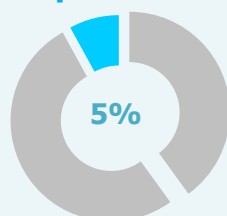
Revenue ¥ 38,754 million

Operating profit ¥ 8,733 million

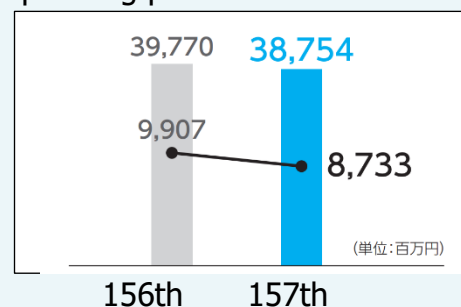
Main Focus of the Business :

- The manufacture and supply of very thin glass for small displays
- The manufacture and supply of lenses and light guides for printers
- The manufacture and supply of glass fiber products, such as glass components for engine timing belts.

Ratio of sales to Group revenue



Revenue Operating profit (Millions of yen)



The Technical Glass business recorded cumulative revenues of ¥ 38,754 million (FY2022: ¥ 39,770 million) and an operating profit of ¥ 8,733 million (FY2022: ¥ 9,907 million). Revenues and profits fell slightly in the Technical Glass business due to the disposal of the Battery Separator division during the previous year. The lost revenue and profits from this disposal was largely offset by positive market conditions experienced by continuing businesses, although Covid lockdowns and a general economic slowdown had a negative effect on results during the second half of the year.

In the fine glass business, sales were impacted by slowing economic conditions. In the information devices business, demand for printer lenses slightly softened due to inflation in North America and Europe. Whilst underlying consumer demand was stable, volumes of glass cord used in engine timing belts continued to be impacted by supply chain issues at the Group's customers. Metashine sales slightly recovered for automotive and cosmetic applications.

Other Operations and Eliminations

The Other Operations and Eliminations recorded revenues of ¥ 4,127 million (FY2022: ¥ 2,736 million) and operating loss of ¥ 11,530 million (FY2022: loss of ¥ 10,149 million).

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above and the amortization of other intangible assets related to the acquisition of Pilkington plc.

2. Capital Expenditure

The capital expenditure of the Group totaled ¥40,917million during the fiscal year under review, broken down by segment as follows:

(Millions of yen)

Business	Expenditure
Architectural	¥ 22,840
Automotive	¥ 14,384
Technical Glass	¥ 1,913
Other	¥ 1,780

3. Financial Situation

Total assets at the end of March 2023 were ¥ 951,387 million, representing an increase of ¥ 12,106 million from the end of March 2022. Total equity was ¥ 124,868 million, representing a decrease of ¥ 44,487 million from the March 2022 figure of ¥ 169,355 million. The decrease in total equity was primarily due to an impairment of goodwill and intangible assets, which generated a loss for the period.

Net financial indebtedness decreased by ¥ 42,751 million from 31 March 2022 to ¥ 407,923 million at the period end. The increase in indebtedness arose largely from foreign exchange movements and a reduction in the value of energy-related derivative assets. Foreign exchange movements generated an increase in net indebtedness of ¥ 15,850 million. Gross debt was ¥ 495,120 million at the period end. As of 31 March 2023, the Group had un-drawn, committed, revolving credit facilities of ¥ 46,159 million and, in addition, the Group also had an undrawn committed term loan of ¥ 8,250 million.

Cash inflows from operating activities were ¥ 48,506 million. Cash outflows from investing activities were ¥ 34,649 million, including capital expenditure on property, plant, and equipment of ¥ 37,710 million. As a result, free cash flow was an inflow of ¥ 13,857 million (FY2022 free cash inflow of ¥ 22,274 million).

4. Issues to be Addressed

(1) NSG Group’s Medium Term Vision and Medium Term Management Plan

In order to fulfill its mission of “changing our surroundings, improving our world”, the Group formulated a Medium Term Vision in May 2021 as a direction the Group should be heading for.

Medium Term Vision: Become a global glass supplier contributing to the world with high value-added glass products and services



Our aspiration for the future direction of the Group

- To never fail to take up challenges and follow through to deliver results
- To continue to provide employees with opportunities to grow and find joy in working

In order to achieve Medium Term Vision, the Group developed “Revival Plan 24 (RP24)” as its Medium Term Plan covering a three-year period from FY2022 to FY2024 aiming at building robust business for sustained growth.

In order to achieve Medium Term Vision, we will take actions in two steps, namely, Step I (RP24: FY2022 to FY2024) for business transformation and Step II (FY2025 and beyond) for sustained cycle of growth. RP24 is deemed as the period for business transformation during which time the Group will focus on drastic reform of profit structure, restoration of financial stability, and transformation of business portfolio so as to accomplish drastic and fundamental initiatives as a basic principle.

Revival Plan 24 (RP24) – Outline

Committed to the three reforms and two key initiatives to build business strength



RP24 Policy	<ul style="list-style-type: none"> ■ The Group will accomplish drastic and fundamental initiatives, revising the business strategy reflecting the changes in the business environment ■ RP24 is the period for business transformation and the Group will focus on drastic reform of profit structure, restoration of financial stability and transformation of business portfolio
RP24 Initiatives	<ul style="list-style-type: none"> ■ Under RP24, the Group commits to the following Three Reforms and Two Key Initiatives <u>Three Reforms</u> <ul style="list-style-type: none"> □ Cost structure reform: cost reduction and productivity improvement □ Business structure reform: expansion of value-added business; development of new growth businesses; emphasis on investment and asset efficiency □ Corporate culture reform: never failing to take up challenges and following through to deliver results <u>Two Key Initiatives</u> <ul style="list-style-type: none"> □ Restoration of financial stability □ Transformation into more profitable business portfolio
Sustainability	<ul style="list-style-type: none"> ■ Work on improvement of existing technology and development of new technology aiming for carbon neutrality in 2050

Financial targets (FY2024/3)

Operating Profit Margin* ¹	8%
Net profit* ²	> JPY 30 bn (cumulatively for 3 years)
Equity ratio	> 10%
Free cash flow	> JPY 10 bn

*1 Operating profit after amortization

*2 Profit attributable to owners of the parent

(2) Progress of RP24

In FY2023, the second year of RP24, the Group implemented the following reforms and key initiatives.

● Three Reforms :

① Cost structure reform	·	Most of direct Headcount reductions in line with the consolidation/closure of sites/production lines mainly in Automotive business in Europe and Americas implemented in FY2022 and will continue after FY2023.
	·	Continued promotion of direct costs savings via Kaikaku and Kakushin activities
② Business structure reform	·	Contribution to profit and CO2 emission by solar energy glass furnace in the USA and Vietnam
	·	Started to install new online coating capacity for solar energy glass to an existing float furnace in Malaysia (Planning start of production from FY2024 Q3)
	·	New capacity expansion for solar energy glass under consideration also in USA
	·	2nd float furnace in Argentina started production in Q3, promoting business expansion in SA where the market continues to grow
	·	Started a new verification test for transparent solar panels for use as windows at a railway station in Tokyo, Japan
③ Corporate culture reform	·	Investment to update a glass furnace to produce rolled glass and float glass simultaneously in UK
	·	Collecting employees' feedback globally with "Your Voice" employee survey and creating "Leadership Behaviour Charter" in response, to promote cultural reform from leaders
	·	Developing "Inclusion & Diversity (I&D)" into "Diversity, Equity & Inclusion (DEI)" to enhance individual employees' career paths and engagement
	·	Nominating a director in response to diversity issue of the Board of Directors

● Two Key Initiatives :

① Restoration of financial stability	·	Maintained equity ratio above 10%
	·	Free cash flow recorded JPY 13.9 bn
② Transformation into a more profitable business portfolio	·	Integration of the Group's Automotive Glass business in China with a major Chinese automotive glass manufacturer contracted

● Financial Results

Financial figures for FY2023 are as follows. Although the Group need to further improve Operating Profit Margin and Net profit, the Group achieved financial targets in Equity ratio and Free cash flow for the second year in a row.

Operating Profit Margin	4.6%
Net profit* ²	Net loss JPY 33.8 bn
Equity ratio	10.2%
Free cash flow	JPY 13.9 bn

*1 Operating profit after amortization

*2 Profit attributable to owners of the parent

(3) Business environment and issues to be addressed

A) Business environment surrounding the Group

In FY2023, we saw input costs rise sharply, especially the price of European natural gas which surged to unprecedented levels, and the market conditions surrounding the Group were mixed across businesses. However, in the second half of the year, energy-related input costs began to fall, and the overall market environment stabilized. Architectural Glass markets were strong elsewhere supported by demand despite a slight softening in demand in Europe from the second half of the year, and high input costs were largely offset by positive selling prices. Automotive Glass markets gradually recovered from shortages of auto parts, particularly semi-conductors, from the second half of the year and reduced the impact of soaring input costs by improving selling prices as a result of progress in price negotiations with customers. Technical glass markets were generally stable during the year, although Covid lockdowns and a slowdown in IT market had a negative effect on results during the second half of the year. Nevertheless, the market environment remains uncertain due to potential recession caused by rising interest rates. There is also a risk that energy-related input costs, although they have once come down, could soar again. Other costs such as raw materials, freight, and labor also keep rising due to global inflation. The Group must continue its efforts to reduce production costs and pass on the cost increase to selling prices in order to keep improving profitability.

B) Issues to be addressed

Major issues to be addressed by the Group include early recovery of profitability and acceleration of business structure reform amongst all.

We experienced a spike in fuel and material prices due to supply chain disruptions in the midst of the economic recovery from the pandemic. Fuel prices have since settled down but we must continue to be cautious. In addition, other costs such as raw materials, transportation, and labor are increasing due to inflation, and there is a potential economic recession caused by rising interest rates. We must adjust to market conditions that are changing constantly and drastically and recover profitability quickly. Regarding the progress in RP24, operating profit margin and net profit are still below targets and the key to improving these financial indicators is to improve the profitability of the Automotive Glass business. The Automotive Glass business delivered an operating profit for the full year as a result of cost reduction, VA products expansion, and price pass-through efforts which led to revenue improvement from the second half of the year, and yet we must continue to work on further profitability improvement in the business.

The new organization of the Group under the new President and CEO (Chief Executive Officer) started in April 2023. However, our focus on the Three Reforms of RP24, i.e., "Cost structure reform", "Business structure reform", and "Corporate culture reform" remain unchanged.

In "Cost structure reform", we will continue to drive forward fundamental cost reduction initiatives such as streamlining the workforce and lowering fixed costs. Digital Transformation is considered an integral part of this drive and will be pursued across the entire Group.

Regarding "Business structure reform", in the Architectural Glass business, the Group is shifting its focus from the commodity window glass to VA glass business by expanding the sale of solar glass for mega solar application and developing BIPV (Building Integrated Photovoltaic Module) for buildings and housings. In the Technical Glass business, efforts are made to promote the application of SELFOC® Lens Array for use in contact image sensors to industrial inspection machine. Also, the Group has received many inquiries for MAGNAVI®, a high-modulus and high-strength glass fiber which was released as a new type of solution for the growing composite market driven by the decarbonization of society, from customers looking for structural component materials for transport equipment.

In "Corporate culture reform", we will put emphasis on the four (3+1) "F" i.e., Flat organization, Frank communication, Fast decision making + Fun at the workplace along with talent diversity to speed up and realize "Cost structure reform" and "Business structure reform".

In light of these Three Reforms of RP24, we will develop our future strategy with the four key words having "D" i.e., Decarbonization, Digital, Development (new business/product development), and Diversity. Decarbonization and Digital are crucial not only for our business growth but also for our operations such as cost reduction. We aim to Develop new technologies, new products, and new business models to capture the market trends of Decarbonization and Digital and

link them to business. In addition, we will further promote Diversity which is a strong source of new ideas that are crucial to the development of our business.

By implementing these reforms and strategies, the Group strives to restore its earning power and transform its business structure at the earliest opportunity in order to build business strength to generate stable net profit and free cashflow and sustain the cycle of growth.

(4) Approach to Sustainability

The Group has adopted the "NSG Group Basic Policy on Sustainability" at the meeting of the Board of Directors to set out a basic stance and policy for sustainability as we aim to realize a sustainable society and world under the management principle "Our Vision". Based on this policy, the Group has adopted five Materiality categories to attain sustainable growth of the Group and contribute to a sustainable society in the medium- to long-term. They are "Ethics and Compliance", "Society Shift and Innovation", "Environment", "Safe and High-Quality Products and Services", and "Human Capital".

A) Efforts to tackle climate change

The Group acknowledges that tackling climate change and other environmental issues is a major management challenge for realizing a sustainable growth of the Group.

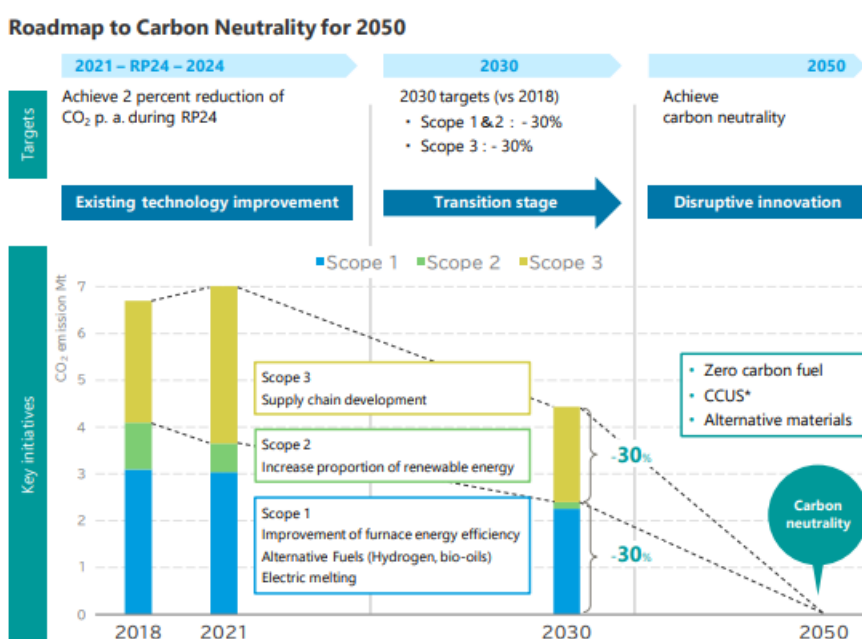
In November 2021, the Group announced the support for the recommendations issued by the TCFD (Task force on Climate-related Financial Disclosures) and joined the TCFD Consortium. In the future, in line with the disclosure framework published by the TCFD, we plan to enhance the disclosure content by quantitatively evaluating the potential impacts of climate-related risks and opportunities using the Climate Scenario Analysis.

Already in October 2019, the Group introduced a target of reducing GHG emissions from the manufacturing processes (Scope 1 and Scope 2) by 21% compared to its 2018 levels by 2030, which was certified as a "Science Based Targets" by SBT Initiative (SBTi)*, and we have been taking initiatives in line with the targets. In addition, we have been working to achieve a 2% annual reduction in carbon emissions (Scope 1 and 2) according to the RP24.

Last year, the Group recognized the achievement of carbon neutrality by 2050 as a goal that we should be committed to inevitably and decided to raise the carbon reduction target by 2030, which is more important for achieving carbon neutrality, from 21% to 30% (Scope 1 and Scope 2) and set forth additional measures that are more concrete and feasible. Moreover, GHG emissions from supply chains (Scope 3) were included for reduction targets. These new targets were certified by SBTi for the first time for a Japan based glass manufacturer in June 2022.

To attain these targets, the Group is actively promoting initiatives such as the world's first trial for flat glass manufacturing using 100% biofuels, which ended successfully in April 2022. Also, the Group will work on disruptive innovations as well as development of existing technologies including optimization of glass manufacturing processes, development of energy saving technologies, introduction of alternative fuels and renewable energies, and development of supply chains.

* SBT (Science Based Targets) are a set of greenhouse gas reduction targets consistent with scientific knowledge



B) Human Capital and Diversity

The Group considers having corporate culture, personnel system, and workplace environment in place so that employees can find opportunities to “grow” and “find joy in working” is the goal of “Human Capital Investment” and should strive to enhance the effectiveness and efficiency of such investment to keep driving its growth under the “Human Capital Management”.

The Group has formulated the Human Resource Strategy consisting of the following pillars and is working on them by setting targets as activity indicators: “Strengthening the senior management and One Team management”, “Open, transparent and interactive organizational management”, “Providing growth opportunities to its people including reskilling”, “Promoting diversity as a “source of new ideas””, “Fostering a sense of community that strengthens the bonds to the Group” and “Establishing an evaluation/compensation scheme that contributes to retention, development, and recruitment of employees”.

“Your Voice” surveys are conducted for all employees globally to evaluate employee engagement and improvement measures will be implemented in view of the survey results to promote Corporate Culture Reform. At the same time, based on one of the Group's core values, “Respect others and unleash their potential”, the Group has decided to enhance “Inclusion & Diversity (I&D)” and pursue “Diversity, Equity & Inclusion (DEI)” to promote employee engagement focusing on the strength and development of each individual. As one of indicators of human resource diversity, the Group adopts the ratio of female managers in the Group.

C) Efforts for the supply chains

The Group shares its management principles, our value with suppliers, and aims to work together with them to realize a better world and society through the highest standard supply chains. We consider “responsible sourcing” as a key issue for the company and commit ourselves to implementing initiatives designed to achieve sustainable supply chains by setting goals and monitoring progress.

Specifically, the Group has been making steady progress so far in achieving its goals of promoting the penetration of the “Supplier Code of Conduct” which covers such areas as environmental, social, governance, risk management, etc., as well as in improving the evaluation of suppliers' sustainability performance.

Especially, in response to the increasing demand from various stakeholders for sustainable supply chains in recent years, the Group established the Sustainable Supply Chains sub-Committee under the Sustainability Committee. Currently, we are developing the Supply Chain Charter as a long-term vision in which eight priority issues are identified concerning supply chains including climate change, labor and human rights. The Group will continue to work together with the suppliers to build sustainable supply chains.

5. Significant subsequent events

After the end of March 2023, the Group’s Joint Venture, SP Glass Holdings BV, a company registered in the Netherlands but owning operating subsidiaries in Russia, concluded an agreement to dispose of those subsidiaries. As of the date of publishing the Business Report, this transaction is awaiting regulatory approval as a condition precedent to legal completion.

6. Assets and Business Results (Consolidated)

(Millions of yen, except per-share figures)

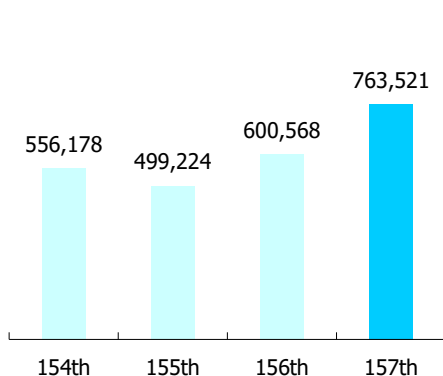
	154rd (FY2020)	155th (FY2021)	156th (FY2022)	157th (FY2023)
Revenue	556,178	499,224	600,568	763,521
Operating Profit	21,177	13,067	19,980	34,812
Profit/(loss) before taxation	(13,549)	(17,171)	11,859	(21,933)
Profit/(loss) for the period	(17,518)	(16,316)	6,759	(31,017)
Profit/(loss) Attributable to Owners of the Parent	(18,925)	(16,930)	4,134	(33,761)
Earnings/(loss) per Share Attributable to Owners of the Parent (yen)	(235.96)	(208.32)	24.07	(393.06)
Total Shareholders' Equity	73,612	62,937	145,291	97,040
Total Shareholders' Equity per Share (yen)	470.88	349.65	1,255.96	723.78
Total Assets	765,197	824,963	939,281	951,387

Notes:

1. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS). Operating Profit in the above table is operating profit before exceptional items.
2. Basic earnings per share attributable to owners of the parent is calculated by dividing the profit attributable to owners of the parent, after deducting dividends and acquisition premium payable related to Class A shares, by the weighted average number of common shares in issue during the year. The dividends related to Class A shares are calculated by the dividend rate defined in the terms and conditions of the shares. The weighted average number of common shares excludes common shares purchased by the Company and held as treasury shares and restricted shares which have not been satisfied the conditions to lift the restriction.
3. Total shareholders' equity per share is calculated by dividing the total shareholders' equity, after deducting the amount to be paid in for the Class A Shares and dividends and acquisition premium payable related to Class A shares, by the number of common shares in issue as at the end of the financial year excluding common shares purchased by the company and held as treasury shares and restricted shares which have not been satisfied the conditions to lift the restriction.

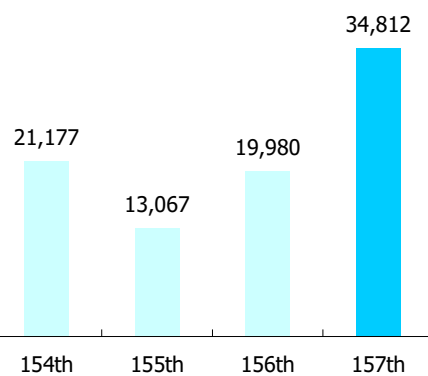
Revenue

(Millions of yen)



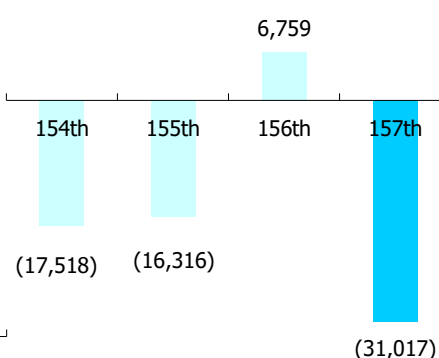
Operating profit

(Millions of yen)



Profit/(loss) for the period

(Millions of yen)



7. Overview of Major Subsidiaries (as of 31st March 2023)

Subsidiary undertakings	Capital stock		% Ownership	Business
Japan				
NSG Building Products Co., Limited	JPY million	350	100	Architectural
Europe				
Pilkington United Kingdom Limited	GBP thousand	428,483	100 (100)	Architectural
Pilkington Automotive Limited	EUR thousand	732,961	100 (100)	Automotive
Pilkington Technology Management Limited	GBP thousand	441,320	100 (100)	Architectural and Automotive
Pilkington Deutschland AG	EUR thousand	69,290	96.3 (96.3)	Architectural
Pilkington Automotive Deutschland GmbH	EUR thousand	18,996	100 (100)	Automotive
Pilkington Automotive Poland Sp. z o.o.	Zloty thousand	30,511	100 (100)	Automotive
Pilkington Italia SpA	EUR thousand	112,996	100 (100)	Architectural and Automotive
NSG Holding (Europe) Limited	JPY million	42,071	100	Holding company
NSG UK Enterprises Limited	GBP thousand	426,962	100 (100)	Holding company
Pilkington Group Limited	GBP thousand	736,866	100 (100)	Holding company
Asia (excluding Japan)				
NSG Vietnam Glass Industries Limited	USD thousand	150,070	100 (52.2)	Architectural
Americas				
NSG Glass North America, Inc.	USD	1	100 (100)	Architectural
Pilkington North America Inc.	USD thousand	17,701	100 (100)	Architectural and Automotive
Vidrieria Argentina S.A.	Arg.Peso thousand	8,238,452	51.0 (51.0)	Architectural
Pilkington Brasil Limitada	Real thousand	333,008	100 (100)	Architectural and Automotive
Vidrios Lirquen S.A.	Chilean Peso thousand	22,443,983	51.6 (51.6)	Architectural

Note:

The % Ownership above in parentheses stands for the percentage owned indirectly through the Company's subsidiary/subsidiaries.

8. Main Offices and Plants (as of 31st March 2023)

The Company	Head Offices	Tokyo head office (Tokyo); Osaka head office (Osaka)
	Branch Offices	Toyota branch office (Aichi); Hiroshima branch office (Hiroshima)
	Plants/Laboratory	Chiba plant (Chiba); Sagamihara plant (Kanagawa); Yokkaichi plant (Mie); Tsu plant (Mie); Kyoto plant (Kyoto); Maizuru plant (Kyoto); Research laboratory (Hyogo)
Major Subsidiaries	Japan	NSG Building Products Co., Limited (Chiba)
	Europe	Pilkington United Kingdom Limited (UK) Pilkington Automotive Limited (UK) Pilkington Technology Management Limited (UK) Pilkington Deutschland AG (Germany) Pilkington Automotive Deutschland GmbH (Germany) Pilkington Automotive Poland Sp. z o.o. (Poland) Pilkington Italia SpA (Italy) NSG Holding (Europe) Limited (UK) NSG UK Enterprises Limited (UK) Pilkington Group Limited (UK)
	Asia (excluding Japan)	NSG Vietnam Glass Industries Limited (Vietnam)
	Americas	NSG Glass North America, Inc. (USA) Pilkington North America Inc. (USA) Vidrieria Argentina S.A. (Argentina) Pilkington Brasil Limitada (Brazil) Vidrios Lirquen S.A. (Chile)

9. Permanent Employees (as of 31st March 2023)

Segments	Number of employees (Consolidated)
Architectural	8,738
Automotive	13,654
Technical Glass	906
Other	1,582
Total	24,880 (down by 352 year on year)

Note: The table above doesn't include the number of temporary employees.

10. Main Lenders (as of 31st March 2023)

Lenders	Amount (Millions of yen)
Sumitomo Mitsui Banking Corporation	101,854
Mizuho Bank, Ltd.	40,619
Development Bank of Japan Inc.	36,510
Sumitomo Mitsui Trust Bank, Limited	36,241
MUFG Bank, Ltd.	18,323
International Finance Corporation (IFC)	17,125
Aozora Bank, Ltd.	15,995
Bank of America	15,535
SBI Shinsei Bank, Limited	15,235
National Westminster Bank	13,845
Banco Santander	13,845

Note: The figures shown in the above table include the amount borrowed from those lenders as parties to syndicated loan agreements.

II. Matters Related to the Shares

(as of 31st March 2023)

1. Authorized Number of Shares to be Issued and Authorized Number of Shares to be Issued by Class:			
(a) Authorized Number of Shares to be Issued			177,500,000 shares
(b) Authorized Number of Shares to be Issued by Class	Common Shares		177,500,000 shares
	Class A Shares		40,000 shares
2. Total Number of Shares Issued:			
	Common Shares		91,167,199 shares
		(Shares held as treasury:	31,064 shares)
	Class A Shares		30,000 shares
3. Number of Shareholders:			
	Common Shares		45,718
	Class A Shares		3

4. Top 10 Shareholders

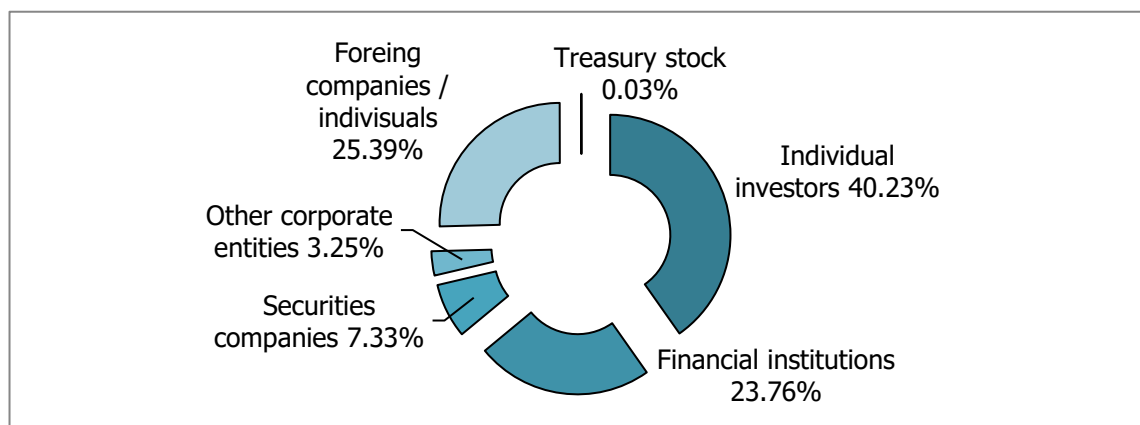
Shareholders	Number of Shares (common share)	Percentage of Shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,788,200	16.22
Custody Bank of Japan, Ltd. (Trust Account)	4,446,400	4.87
Nomura Securities Co., Ltd	3,593,455	3.94
MSIP CLIENT SECURITIES	2,519,200	2.76
BNYM SA/NV FOR BNY M FOR BNYM GCM CLIENT ACCTS M ILM FE	2,013,702	2.20
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	1,861,400	2.04
Client stock ownership of Nippon Sheet Glass	1,525,978	1.67
JP JPMSE LUX RE BARCLAYS CAPITAL SEC LTD EQ CO	1,289,009	1.41
JP MORGAN CHASE BANK 385781	1,227,502	1.34
SUMITOMO LIFE INSURANCE COMPANY	914,800	1.00

Note: Where the percentage of shares is calculated, treasury shares are excluded from the total number of issued shares and it has been rounded down to the second decimal.

5. Stocks issued to Directors and Executive Officers as for Compensation in the fiscal year

The Company issued 117,600 common shares as restricted shares to seven Executive Officers on 22th July 2022 as for Compensation.

■ Distribution of NSG Group Shareholders of common shares



■ Shareholders of Class A Shares

Japan Industrial Solutions Fund II	15,000shares
UDS Corporate Mezzanine No.3 Limited Partnership	6,750shares
UDS Corporate Mezzanine No.4 Limited Partnership	8,250 shares

III. Policy on Return of Our Profits to Shareholders

- Recognizing the distribution of profit to shareholders as one of its important management objectives, the Group has upheld a basic policy of stably declaring dividend payments on common shares based on sustainable business results. To that end, dividend payments by the Group will be determined in view of the enhancement of its financial status and accumulation of the appropriate level of retained earnings for future business growth.

- Considering factors such as the Group's current financial position and its level of profitability, the Board of Directors has regrettably decided not to declare dividends for ordinary shares for the fiscal year to 31 March 2023. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows. The Board of Directors resolved to distribute the designated amount of dividends for Class A Shares.

IV. Matters Related to Directors and Executive Officers

1. Name etc. of Directors and Executive Officers

A) Directors (as of 31st March 2023)

Name	Non-executive position		Material concurrent positions
Hiroshi Ishino	Director (External), Chairperson of the Board	Chairperson of Nomination Committee, and a member of Audit Committee and Compensation Committee	➤ Senior Corporate Advisor, Kansai paint Co., Ltd.
Jörg Raupach Sumiya	Director (External)	Chairperson of Compensation Committee, and a member of Nomination Committee and Audit Committee	➤ Professor at the College of Business Administration, Ritsumeikan University
Kunihito Minakawa	Director (External)	Chairperson of Audit Committee, and a member of Nomination Committee and Compensation Committee	➤ External Director, Santen Pharmaceutical Co., Ltd. ➤ Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner
Yoshihiro Kuroi	Director (External)	—	➤ Advisor, Japan Industrial Solutions Co., Ltd.
Shinji Asatsuma	Director (External)	A member of Nomination Committee, Audit Committee and Compensation Committee	➤ External Director, Kyushu Railway Company
Shigeki Mori	Director	A member of Nomination Committee and Compensation Committee	—
Munehiro Hosonuma	Director	—	—
Tony Fradgley	Director	—	—

Notes:

- Messrs. Hiroshi Ishino, Jörg Raupach Sumiya, Kunihito Minakawa, Yoshihiro Kuroi and Shinji Asatsuma are External Directors as stipulated in Article 2.15 of the Companies Act. All of them except Mr. Yoshihiro Kuroi have been notified to Tokyo Stock Exchange (hereinafter called "TSE") as Independent Directors. In addition to such criteria set by TSE, the Company has on its own created and applied more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which four External Directors also meet.
- Mr. Yasuyuki Kimoto retired as Directors upon the expiration of their terms of office at the conclusion of the 156th Ordinary General Meeting of Shareholders held on 29 June 2022.
- Mr. Kunihito Minakawa, Chairperson of Audit Committee, has the career and experiences of serving as Corporate Senior Vice President (in charge of accounting) and Corporate Auditor of the major international manufacturing company, currently, he is a member of the Financial Services Agency Certified Public Accountant and Auditing Oversight Board Commissioner. equipped with abundant experiences and broad knowledge in the fields of financing and accounting.
- We have no full-time Audit Committee member appointed for the time being, given mainly that as a company with three committees, our Audit Committee has conducted and implemented its audit in an organizational manner including by liaising with the external Accounting Auditor, Group Internal Audit and other internal control functions of the Company. We have also appointed and made available certain employees as dedicated Support Staffs of Audit Committee and they report to and provide necessary information to/for Audit Committee.

Changes in Directors (Effective date: 1 April 2023)

As of 1 April 2023, Mr. Shigeki Mori stepped down from a member of Nomination Committee and Compensation Committee. Mr. Munehiro Hosonuma was appointed a member of Nomination Committee and Compensation Committee.

Name	Non-executive position		Material concurrent positions
Shigeki Mori	Director	—	—
Munehiro Hosonuma	Director	A member of Nomination Committee and Compensation Committee	—

B) Executive Officers (as of 31st March 2023)

Name	Executive position		Material concurrent positions
Shigeki Mori	Representative Executive Officer	President and Chief Executive Officer (CEO)	—
Munehiro Hosonuma	Representative Executive Officer	Vice President and Chief Operating Officer (COO)	
Tony Fradgley	Senior Executive Officer	Chief Transformation Officer (CTrO)	—
Leopoldo Garces Castiella	Senior Executive Officer	Head of Architectural Glass SBU	—
Koichi Hiyoshi	Senior Executive Officer	Chief Legal Officer (CLO), Chief Risk Officer (CRO), Company Secretary and Officer in charge of Ethics and Compliance	—
Reiko Kusunose	Senior Executive Officer	Chief Financial Officer (CFO)	➤ External Director, NIPPO Co., Ltd.
Hisashi Okamoto	Senior Executive Officer	Head of Creative Technology SBU	—
Rob Purcell	Senior Executive Officer	Head of Automotive OE SBU	
Phil Wilkinson	Senior Executive Officer	Head of Automotive AGR SBU	—
Mike Greenall	Executive Officer	Chief Technology Officer (CTO)	—
Shiro Kobayashi	Executive Officer	Sustainability Director	—
Yutaka Nakashima	Executive Officer	Chief Human Resources Officer (CHRO)	—
Iain Smith	Executive Officer	Finance Director	—
Milena Stanisci	Executive Officer	Head of Manufacturing Excellence and Head of Manufacturing, Automotive OE SBU	—

Notes:

1. The name on the family register of Reiko Kusunose is Reiko Ishii.
2. Mr. Hiroshi Nishikawa retired as Executive Officer upon the expiration of his term of office at the conclusion of the Meeting of the Board of Directors held on the same day after the conclusion of the 156th Ordinary General Meeting of Shareholders held on 29 June 2022.
3. As of 31 March 2023, Yutaka Nakashima resigned from the position of Executive Officer, Chief Human Resources Officer (CHRO).

Changes in Executive Officers (Effective date: 1 April 2023)

As of 1 April 2023, Munehiro Hosonuma was appointed Representative Executive Officer, President and Chief Executive Officer (CEO) and Shigeki Mori was appointed Representative Executive Officer, Chairperson of the Company, and Kumi Nakamura and Yohei Nakatsuji were newly appointed Executive Officers.

Name	Executive position		Material concurrent positions
Munehiro Hosonuma	Representative Executive Officer	President and Chief Executive Officer (CEO)	—
Shigeki Mori	Representative Executive Officer	Chairperson of the Company	—
Kumi Nakamura	Executive Officer	Chief Corporate Development Officer (CCDO)	—
Yohei Nakatsuji	Executive Officer	Chief Strategy Officer (CSO) and Head of Corporate Planning	—

2. Outline of an Agreement on Liability Limitation

An agreement has been entered into between the Company and each of the External Directors, to the effect that the liability of each of the External Directors in having performed their duties in good faith and without gross negligence be capped to the amount permitted by law.

3. Outline of the Directors and Officers liability insurance

The Company contracts the Directors and Officers liability insurance based on the Article 430-3, Paragraph 1 of the Companies Act of Japan with insurance companies, and the policy will compensate any reasonable and necessary legal or other defense costs incurred in defending an action brought against them during the policy period. It also pays any ensuing damages, judgements and settlements that are awarded to the plaintiff or third party against the director or officer. Messrs. Insured Persons include past, present and future directors and officers, as well as other employees acting in a managerial or supervisory capacity for NSG and/or its subsidiary companies. The premium of the insurance for all insured persons is paid by the Company. The policy does not cover claims based upon any Insured gained any profit or advantage to which such person or entity had illegal entitlement and any intentionally dishonest or intentionally fraudulent act or omission committed by an Insured.

4. Compensation for Directors and Executive Officers

(1) Principles of Compensation for Directors, and Executive Officers

① Organization & Responsibilities for determining Compensation

The company has in place the statutory Compensation Committee (the "Committee") as adopting a "Company with Committees" structure. No member of the Committee is allowed to be present when matters relating to their specific compensation are being discussed.

Role	<p>Compensation Committee is responsible for making decisions on a compensation policy for Directors and Executive Officers as well as individual elements of compensation for Directors and Executive Officers.</p> <p>The Committee may also give recommendation or advice to the Representative Executive Officer, President and CEO on the policies and details with respect to compensation for the Group's senior management other than Directors and Executive Officers, keeping a consistency with the policy of 3. Below.</p>
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Composition	<ul style="list-style-type: none"> • 4 Independent External Directors and 1 Director who concurrently serves as Representative Executive Officer • Chaired by Dr. Jörg Raupach Sumiya, Independent External Director
Secretariat	Company Secretary Department
Remuneration Expert	Human Resources Department

② Activities of the Committee in Compensation related Decision-Making Process

- During FY2023, the Committee met on six occasions, and Attendance rate was 100%, all members attended all Compensation Committee meetings. The Committee resolved the individual amount of basic salary, the performance indicators and method for determining the payment amount of incentives (performance linked compensation), and the actual payment amount based on the achievement against the previous year's indicators. And also the Committee resolved a plan to allot restricted shares to certain qualified Executive Officers under Japanese employment terms as a retirement benefit. Accordingly, the number of restricted shares to be issued to the relevant, individual Executive Officers is determined.
- The Compensation Committee gave its final approval to the individual compensation for Directors and Executive Officers for the year ended in March 2023 after confirming that it is consistent with the basic policy on compensation as detailed in ③ and ④.

③ Compensation Policy for Executive Officers

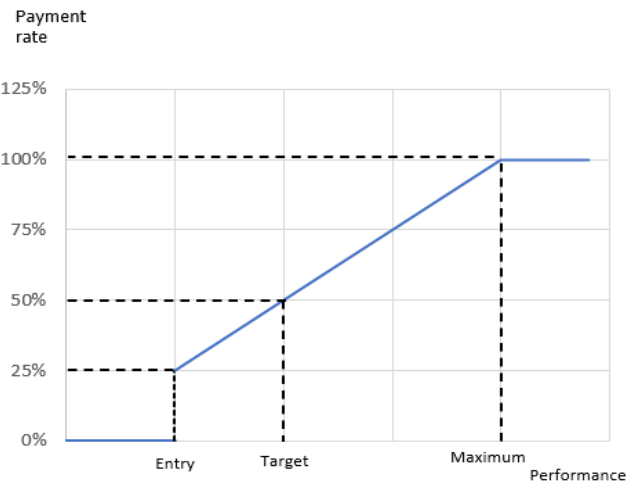
A. Compensation System and Compensation Composition Ratio

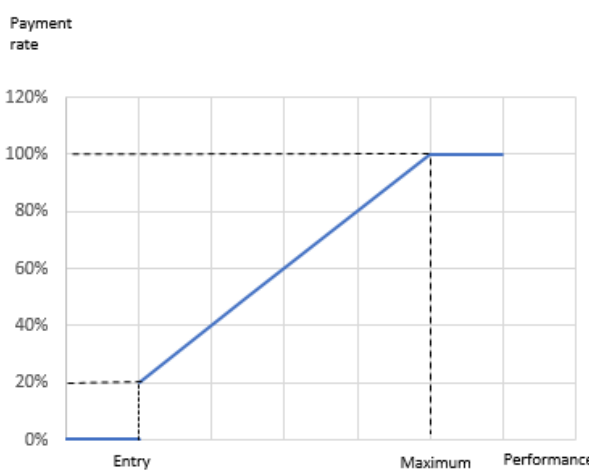
Compensation packages for the Executive Officers principally consist of basic salary, Management Incentive Plan (annual bonus) and Long- term Incentive plan.

The Group operates a global grading structure across the Group, and management grade is determined based on job evaluation by the Group common scale using the HAY management grade methodology, a globally recognised job evaluation methodology. Management grade determines the maximum quantum levels for participants in both the annual and long-term incentive structures.

A) Compensation System

Objectives	<ul style="list-style-type: none"> • To ensure that packages of employment terms and conditions are market competitive and designed in such a way as to attract, retain and motivate Executive Officers of the highest calibre on a worldwide basis in an international business. • To ensure that each individuals basic salary and incentives are aligned with the performance of the Group and the interests of shareholders, as well as reflecting the commitment and achievements of the individuals concerned. 		
Composition and Details	Fixed salary	Basic salary	<ul style="list-style-type: none"> • Salaries are reviewed annually and are broadly aligned with market medians for a global business. • In determining what are the appropriate market rates, account is taken of turnover, market capitalization and the complexity and breadth of internationalization. • In reviewing salaries, account is also taken of the scope and responsibilities of the role, the performance of the individual, the progress the Company is making against its targets and plans and of salary increases planned for other managers.

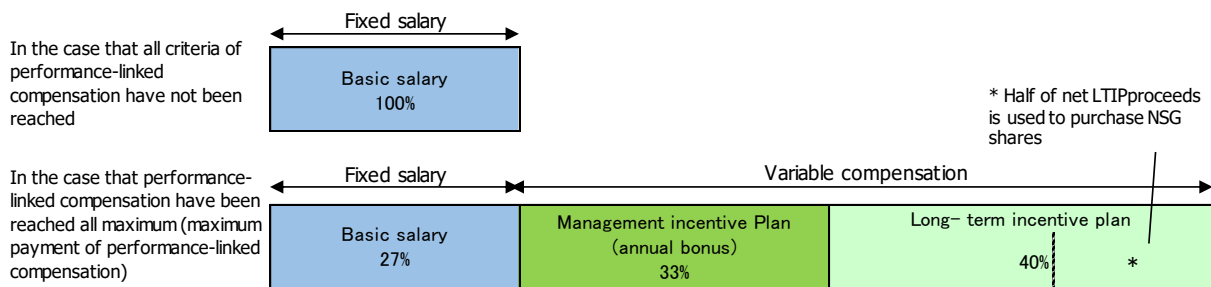
	Performance-related compensation	<p>Management Incentive Plan (annual bonus)</p>	<ul style="list-style-type: none"> • Assessed against the achievement of annual performance indicators which are mainly financial. • Aligned to NSG Group’s Medium-Term Plan • Payment Maximum levels: Ranging between 40% and 125% against each individual’s basic salary dependent upon the management grade • $\text{Payment Level} = \text{Maximum payment amount} \times \text{Payment rate of Performance measures}$ • A Gate mechanism operates for the plan, which is based on a minimum level of Net Income that must be reached, as an affordability threshold before considering payment based on achievement against the different performance measures. • For each performance measure, set the minimum performance level (“Entry”) for ensuring that the business is meeting the minimum standard of financial performance, “Target” and a maximum value for stipulating the upper limit of annual bonus payments “Max”, in line with the annual budget for the financial year. 
		<p>Long-term incentive plan</p>	<ul style="list-style-type: none"> • Assessed against the achievement of long-term performance indicators over a three-year period • Issued annually • Payment Maximum levels: Ranging between 50% and 150% against each individual’s basic salary dependent upon the management grade • $\text{LTIP Payment} = \text{Maximum payment amount} \times \text{Payment rate of Performance measures} \times \text{Share price movement rate}$ • For each measure, “Entry” is set in such a way to ensure that the business is meeting the minimum required performance level and the “Maximum” point on the scale has appropriate stretch.

			 <ul style="list-style-type: none"> • Require the purchase of NSG Shares by using part of the cash award from the plan to lead to further alignment of the Executive Officers with shareholders, allowing Executive Officers to continue to be motivated to help build shareholder value • Shareholding targets set for Executives • Plans contain Malus (ability for the value of award to be reduced after it has been granted but before it has vested) and Clawback clauses (ability for the Group to require the participants to repay the value they received after the award has vested). The Group can exercise these provisions if one of a list of trigger events occurs. Trigger events include the Misstatement of results, an error that causes an award to be paid at too high a level, a serious illegal act, or a material breach of the Group Code of Ethics.
	Stock Compensation 株式報酬		<ul style="list-style-type: none"> • Restricted shares are issued annually to some Executive Officers under Japanese employment terms as a retirement saving plan.

B) Compensation ratio

The ratio of basic salary and incentives is, rather than specifically and equally applied, set according to individuals' management grades.

<CEO's compensation ratio>



Note: For clarification, the above diagram includes only base salary plus annual and Long-term incentive plan compensation, no additional benefits are included. In addition, the impact of the share price movement element of the Long-term incentive plan is not taken into account.

④ Compensation Policy for Independent External Directors

Objectives	<ul style="list-style-type: none"> • To ensure that independent external directors can adequately and effectively fulfill their supervisory roles • To ensure that they have the capability and experience required to fulfill this role
Compensation level	• Set at the appropriate level based on comparisons with other companies using benchmark data provided by specialist external advisers.*
Compensation Structure	<ul style="list-style-type: none"> • Only Basic salary • Not eligible for Management incentive plans (annual bonuses) and Long-term incentive plans • Independent External Directors receive additional reward if they act as Chair at either the Board or any of the Committees.

* In the case that a Non-Independent External Director is elected, compensation will be set at an adequate level for his/her duties in a way commensurate with the duties discharged by Independent External Directors including in terms of whether or not they are appointed as member of any of three Committees and so forth.

(2) Amount of Compensation for Directors and Executive Officers

① Targets and results of performance measures for the performance-linked compensation related to the financial year ended in March 2023 (The FY2023)

A. FY23 Management Incentive Plan (annual bonus)]

In line with the Policy of Directors and Executive Officers Compensation, the Company operates an annual incentive plan. The table below summarises the performance measures, annual targets and results for the financial year FY2023.

A) Performance measures and targets & results

Element	Ratio	Target	Maximum	Results	Payment rate against measure
Group Management Operating Profit	50%	21,350 Million JPY	25,620 Million JPY	39,880 Million JPY	100%
Group Free Cash Flow	50%	10,000 Million JPY	15,000 Million JPY	Entry point not met	0%

Note: Group Free Cash Flow used in the above table represents the net debt movement arising as a consequence of the operating and investing activities in the period. It includes transactions that have impacted the Group's net debt even where there has been no cash movement through an NSG Group bank account, and is therefore different to the Free Cash Flow as derived from the sum of operating and investing activities included within the Group's consolidated statement of cash flows. Group Operating Profit shown in the above table is defined as being operating profit stated post-amortization before exceptional items on a consolidated basis plus share of income from the Cebrece JV. The actuals for these KPIs are the subject-matter of review and confirmation by the Compensation Committee.

B) Determination of Management Incentive Plan (annual bonus) Payment Level

(i) Judgment of the Gate

Although FY2023 resulted in a net loss, the Compensation Committee determined not to take into account the impairment loss of goodwill and intangible assets with respect to the European automotive business in a

calculation for assessing the “gate” for the plan, and thereby confirmed that the gate for the plan has been met. Consequently, the management incentive Plan (annual bonus) will be paid to all Executive Officers based on the outcome of each performance measure in the FY2023. The impairment loss of goodwill and intangible assets with respect to the European automotive business was not related to the results of the current year, and was an accounting treatment as a consequence of a significant increase in discount rates used in the preparation of this impairment test, reflecting interest rate rises in Europe during the second quarter and the group still considers the medium-term prospects of this business to be positive and the impairment loss will reduce the financial risk since the acquisition of Pilkington. Thereby the Compensation Committee has determined that it is appropriate not to include the impairment loss in assessing the gate for making payments based on payment rate against the each performance measure.

(ii) Method of calculation

- Payment Level = Maximum payment amount × Payment rate of Performance measures
- Payment rate of performance measures = Payment rate of Group Management Operating Profit measure × 50% + Payment rate of Group Free Cash Flow measure × 50%

C) Payment level in the FY2023

Group MOP, which is one of the performance measures for FY2023, reached the maximum set and the payment rate against this performance measure was 100%. Group Free Cash Flow, the other performance measure, has not reached the “Entry” and therefore there is no payment for the performance measure. Consequently, the FY2023 total payment levels will be 50% of maximum bonus potential levels based on the achievement against each of the relevant performance measures, the aggregate sum of the annual bonuses payable to all Executive Officers in accordance with the trading results for the FY2023 will amount to 177 million JPY.

B. The long-term incentive plan for the three-year evaluation period (“LTIP”) with the financial year ended in March 2023 (the FY2023)

A) Performance measures and targets & results

Measures	Ratio	Entry	Maximum	Result	Payment rate against measure
EPS during the evaluation period* (April 2021 to March 2023)	50%	170 JPY	370 JPY	208.8 JPY	35.5%
ROS as at the end of FY2023	50%	4.1%	8.0%	4.56%	29.4%

* For this plan only, due to the uncertainty in numbers resulting from the impact of Covid-19 on the business, the aggregate EPS scale is based on the 2 years FY2022 and FY2023.

Note: The net income used for EPS calculation is the adjusted one such that the deduction of the amount equivalent to the preferred share dividends etc. are excluded.

B) Determination of LTIP Payment Level

(i) Method of calculation

- LTIP Payment Level = Maximum payment amount × Payment rate of Performance measures × Share price movement rate
- Payment rate of performance measures = Payment rate of “EPS measure” × 50% + Payment rate of “ROS” measure × 50%

(ii) Consideration of Aggregate EPS

- In calculating the aggregate EPS, one of the performance measure, the Compensation Committee decided not to include the impairment loss of the financial receivable and partial impairment loss of investments relate to joint venture in Russia recorded in the fiscal year ended in March 2022, and the impairment loss of goodwill and intangible assets with respect to the European automotive business recorded in the fiscal year ended in March 2023.

C) Payment level for FY2023

Consequently, the EPS during the evaluation period was 208.8 yen, achieving the "Entry" and the payment rate for the performance measure was 35.5%. ROS as at the end of FY2023, the other performance measure, was 4.56%, achieving the "Entry" and the payment rate for the performance measure was 29.4%.

The total award is subject to upward or downward adjustment according to the share price movement during the performance period of the plan. The share price movement during the period was a positive increase of 13.6% therefore the LTIP payment level is adjusted accordingly leading to a final payment level of 36.9% of maximum LTIP potential.

② Amount of Compensation for Directors and Executive Officers paid by Nippon Sheet Glass Company, Limited (NSG)

The amounts shown in the table below are payments earned in respect of the Groups Financial Year from 1st April 2022 to 31st March 2023, and those paid, or clearly expected to be paid during the said period, by NSG.

Category	Headcount	Compensation (million Yen)					Total
		Basic salary	Performance-linked compensation		Subtotal	Non-monetary compensation	
			Annual bonus	Long-Term Incentive pay		Stock compensation	
Directors who do not concurrently serve as EOs (External Directors)	6	68	-	-	-	-	68
Executive Officers	8	244	88	64	152	46	441

Notes:

(1)The amounts shown for Directors who do not concurrently serve as Executive Officers relate to all compensation paid to Yasuyuki Kimoto, Jörg Raupach Sumiya, Hiroshi Ishino, Kunihito Minakawa, Yoshihiro Kuroi and Shinji Asatsuma.

(2)The amounts shown for Executive Officers relate to all compensation paid or to be paid to Shigeki Mori, Munehiro Hosonuma, Koichi Hiyoshi, Reiko Kusunose, Hisashi Okamoto, Shiro Kobayashi, Yutaka Nakashima and Hiroshi Nishikawa.

(3)In addition to the amounts shown in this table which are amounts paid by NSG, additional amounts were paid to other Executive Officers by subsidiaries of the Company, and these are shown in table 4 below.

(4)Amounts shown relate to the periods for which the office of Director and Executive Officer was held.

(5)The data for Directors and Executive Officers includes those who retired during the Group's Financial Year from

1st April 2022 to 31st March 2023.

(6)The data for Directors includes those who assumed office during the Group’ s Financial Year from 1st April 2022 to 31st March 2023.

(7)The Performance-linked compensation in the table are the Annual Bonus for the year from April 2022 to March 2023 (FY2023) and the Long-Term Incentive Plan covering the three financial years from April 2020 to March 2023.

(8)Non-monetary Compensation for Executive Officers are an amount for a total of 114,000 Restricted Shares allotted to seven Executive Officers.

③ Amount of Compensation for Executive Officers paid by subsidiaries

Category	Headcount	Compensation (million Yen)							Total
		Basic salary, etc.	Performance -linked compensation			Non-monetary compensation			
			Annual bonus	Long-Term Incentive pay	Subtotal	Stock compensation	Other benefits	Subtotal	
Executive Officers	7	324	89	81	171	-	34	34	529

Notes:

(1)The amounts shown relate to all compensation paid or to be paid to Tony Fradgley, Leopold Graces, Rob Purcell, Phil Wilkinson, Mike Greenall, Iain Smith and Milena Stanisci as Executive Officers, by the subsidiaries of the Company which has direct privity of contract with them in the form of a certain services contract. The Company has not directly paid for such compensations, but all of which have been reviewed and approved by the Compensation Committee of the Company.

(2)Amounts shown relate to the periods for which the office of Director and Executive Officer was held.

(3)Basic salary, etc. includes basic salary for Executive Officers and allowances for certain Executive Officers.

(4)The Performance-linked compensation in the table are the Annual Bonus for the year from April 2022 to March 2023 (FY2023) and the Long-Term Incentive Plan covering the three financial years from April 2020 to March 2023.

(5)Other Benefits include pension fund contributions, healthcare provision, transport, accommodation costs and so forth.

(6)Where amounts in UK sterling and EURO have been converted to Japanese Yen this has been done at an average exchange rate for the year of GBP1:163.0JPY, EUR1: 140.52JPY and BRL1: 26.25JPY respectively.

(3) Targets of performance measures for performance-linked compensation

A. FY2024 Management Incentive Plan (annual bonus)

A) Performance measures and weight

Element	CEO and Kaicho	Executive Officers other than CEO and Kaicho, who are mainly responsible for specific Global SBUs	Executive Officers other than CEO and Kaicho, who are mainly responsible for specific group functions

Group Management Operating Profit	50%	35%	35%
Group Free Cash Flow	50%	35%	35%
Global SBU Management Operating Profit	—	In relation to the results of specific SBUs they are responsible for, constituting 15% in total	In relation to the results for every of SBU of the Group, constituting 15% in total
Global SBU Cash Flow from Operations	—	In relation to the results of specific SBUs they are responsible for, constituting 15% in total	In relation to the results for every SBU of the Group, constituting 15% in total

*Note: SBU means each "Strategic Business Unit" of the Group

B) Reasons for selected the measures

Measures	Reasons
Group Management Operating Profit	Ensure alignment with delivery of the target numbers assigned to Group operating profit and cash flow which are the financial performance indicators specifically important to the annual budget
Group Free Cash Flow	
Global SBU Management Operating Profit	For Executive Officers who are mainly responsible for specific SBU or group function, ensure working together to achieve the targets numbers of the entire group as an Executive and also exercising the leadership within each SBU/Function to deliver annual target numbers of each SBU
Global SBU Cash Flow from Operations	

Note: Group Free Cash Flow used in the above table represents the net debt movement arising as a consequence of the operating and investing activities in the period. It includes transactions that have impacted the Group's net debt even where there has been no cash movement through an NSG Group bank account, and is therefore different to the Free Cash Flow as derived from the sum of operating and investing activities included within the Group's consolidated statement of cash flows. Group Operating Profit shown in the above table is defined as being operating profit stated post-amortization before exceptional items on a consolidated basis plus share of income from the Cebrace JV. The actuals for these KPIs are the subject-matter of review and confirmation by the Compensation Committee.

C) Determination of Management Incentive Plan (annual bonus) Payment Level

- Payment Level = Maximum payment amount × Payment rate of Performance measures
- Payment rate of performance measures

(i) CEO and Kaicho

payment rate of performance measures = Payment rate of Group Management Operating Profit measure x 50% + Payment rate of Group Free Cash Flow measure x 50%

(ii) EO other CEO and Kaicho

payment rate of performance measures = Payment rate of Group Management Operating Profit measure x 35% + Payment rate of Group Free Cash Flow measure x 35% + Payment rate of Global SBU Management Operating Profit measure x 15% + Payment rate of Global SBU Cash Flow from Operations measure x 15%

- If the Gate is met, payment is made based on payment rate against the performance measures. Even if the Gate is not met, if the target level of the Global SBU's operating profit is achieved, 50% of the payment rate achieved is paid only for the Global SBU Management Operating Profit and the Global SBU Cash Flow from Operations

B. Long-term incentive

A) Performance measures, weight and reasons for selected the measures of plans currently in operation

(i) Performance Measures of Plan commencing in FY2022 (Target period : FY2022, FY2023 and FY2024)

Performance Measures	Ratio	Reasons for selected the measures
EPS	50%	Two performance measures ensure clear link with the Medium-Term Plan, incentivising executives to further strengthen earning power and enhance shareholder value.
ROS	50%	

(ii) Performance Measures of Plan commencing in FY2023 (Target period : FY2023, FY2024 and FY2025)

Performance Measures	Ratio	Reasons for selected the measures
EPS	75%	Two performance measures ensure clear link with the Medium-Term Plan, incentivising executives to improve restoration of financial stability and enhance shareholder value. Set the ratio of EPS measure to 75% to further enhance shareholder value
Free Cash Flow	25%	

B) Determination of LTIP Payment Level

• LTIP Payment = Maximum payment amount × Payment rate of Performance measures × Share price movement rate

• Payment rate of performance measures

(i) Plan commencing in FY2022= Payment rate of "EPS measure" x 50% + Payment rate of "ROS" measure x 50%

(ii) Plan commencing in FY2023= Payment rate* of "EPS measure" x 75% + Payment rate of "Free Cash Flow" measure x 25%

* Incorporating the degree of achievement of the targets to be achieved in the first and the second years to achieve the performance target for the three years

• The share price movement rate is a coefficient that is linked to the price movements of the Company's share price for the three-year period covered by each plan, and is adjusted based on the price movement of the monthly average share price in the month before the start of the plan and the monthly average share price of the last month of the plan.

5. Matters related to External Directors

(1) Material Concurrent Positions held by External Directors (those positions if any concurrently held by them with or for other organizations in their capacity as executive positions such as an executive director and executive officer or an external director)

Name	Concurrent Position
Hiroshi Ishino	➤ Senior Corporate Advisor, Kansai paint Co., Ltd.
Jörg Raupach Sumiya	➤ Professor at the College of Business Administration, Ritsumeikan University
Kunihito Minakawa	➤ External Director, Santen Pharmaceutical Co., Ltd. ➤ Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner
Yoshihiro Kuroi	➤ Advisor, Japan Industrial Solutions Co., Ltd.
Shinji Asatsuma	➤ External Director, Kyushu Railway Company

Notes: Japan Industrial Solutions Co., Ltd., where Mr. Yoshihiro Kuroi retains such concurrent position, is the general partner of Japan Industrial Solutions Fund II., one of Investment LPS to which Class A Shares are issued. In relation to all other External Directors we have no special relationship in business with any of the companies listed above as those where they have such concurrent offices.

(2) Major Activities of External Directors during Fiscal Year

Name	Remark status and Outline of duties performed regarding the roles expected of External directors	Attendance status,
Hiroshi Ishino	Made contribution to the deliberation mainly from a specialized viewpoint of an experienced business manager. In FY2023, well performed as Chairperson of the Board of Directors and led the meeting of the Board of Directors with half of independent external directors to enhance constructive discussion. At the board, he led discussions, especially on strategic marketing and supply chain management, based on its in-depth knowledge of global management strategy. In FY2023, well performed as Chairperson of the Nomination Committee and led the committee about the selection of a successor to the President and CEO and Group's human resource strategy mainly based on deep knowledge from abundant international experience.	Board of Directors : 100% (12/12) Nomination Committee : 100% (6/6) Audit Committee : 100% (11/11) Compensation Committee : 100% (6/6)
Jörg Raupach Sumiya	Made contribution to the deliberation mainly from a specialized viewpoint of an experienced academic expert and business manager. At the board, he led discussions on sustainability (environment, climate change, etc.) , especially from the standpoint of management experience in a global company and academic experience. In FY2023, well performed as Chairperson of the Compensation Committee and led the committee about the design of the executive compensation system and evaluation system.	Board of Directors : 92% (11/12) Nomination Committee : 100% (6/6) Audit Committee : 91% (10/11) Compensation Committee : 100% (6/6)

Kunihito Minakawa	Made contribution to the deliberation mainly from a specialized viewpoint of an experienced business manager. At the Board, he led discussions on finance, accounting, auditing, internal control, etc., based on his deep knowledge of finance and accounting. In FY2023, well performed as Chairperson of the Audit Committee and led the committee about building a highly transparent governance system by appropriately auditing business execution and supervising executives.	Board of Directors : 100% (12/12) Nomination Committee : 100% (6/6) Audit Committee : 100% (11/11) Compensation Committee : 100% (6/6)
Yoshihiro Kuroi	Made contribution to the deliberation mainly from a specialized viewpoint of an experienced business manager. At the Board, based mainly on his extensive experience and insight in overseas business, IR and risk management, he led discussions on IR,PR and risk management in particular and contributed to the establishment of a highly transparent governance system.	Board of Directors : 100% (12/12)
Shinji Asatsuma	Appointed as a Director on June 29, 2022, and made contribution to the deliberation mainly from a specialized viewpoint of an experienced business manager. At the Board , he led discussions on global business management and risk management , based on his extensive experience and insight in overseas business, finance and accounting.	Board of Directors : 100% (9/9) Nomination Committee : 100% (5/5) Audit Committee : 100% (8/8) Compensation Committee : 100% (5/5) *Note:The above table shows the meetings of the Board of Directors and each committee since June 29, 2022, when he was newly appointed as a director, as well as his attendance at such meetings.

V. Accounting Auditor

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. Fees, etc., to Accounting Auditor with respect to the Fiscal Year

Fees, etc., to Accounting Auditor with respect to the fiscal year under review	¥ 141 million
Monetary and/or other property benefits payable by the Company and its subsidiaries to Accounting Auditor	¥ 141 million

Notes:

1. The audit contract entered into between the Company and the Accounting Auditor does not differentiate the fees payable to it from their audit in their capacity as Accounting Auditor pursuant to the Companies Act and those payable to from their audit pursuant to the Financial Instruments and Exchange Act. It is not practically possible to differentiate them, either. As such, the "Fees, etc., to Accounting Auditor for the fiscal year" referred to in the above table show the total sum payable for these services.
2. Ernst & Young also acts as principal auditors for material subsidiaries of the Group.

3. The Reason for which Audit Committee Consented to the Fees, etc. to the Accounting Auditor

Audit Committee consented to the amount of the fees, etc. payable to the Accounting Auditor as set forth in Article 399.1 of the Companies Act, after, among others, having reviewed their audit plan, last year's performance and the rationale of fee estimate including audit time based on the received documents as necessary and hearing from the Executive Officers, relevant departments and Accounting Auditor themselves.

4. Policies on Dismissal or Non-reappointment of Accounting Auditor

In addition to the dismissal of the Accounting Auditor by the Audit Committee where the Accounting Auditor is considered to fall into any of the causes described in Article 340.1 of the Companies Act, the Audit Committee would, in principle, propose an agenda for dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders when the Audit Committee considers that it would be difficult for the Accounting Auditor to perform its duties properly, due to their violation of law or other matters impairing its eligibility or independence.

3. Board Effectiveness Evaluation

The Company conducted an effectiveness review and evaluation of the Board as well as the Nomination, Audit and Compensation Committees in FY2022. As for this review, the independent directors were entrusted to lead and supervise the whole process of analysis and evaluation under the leadership of the Chairperson of the Board so that sufficient adequacy and independence was maintained throughout. The effectiveness review endorsed that the Board and the Committees were all properly and soundly operated to ensure their effectiveness. On the other hand, the following points were confirmed individually.

- To deepen discussions on the medium- to long-term management strategy and important management issues with a view to enhancing the corporate value of the Group in a sustainable way.
- Executives' initiatives to address the challenges incorporated in MTP (RP24) need to be specified further and their implementation needs to be accelerated in response to various changes occurring in the external environment.
- In order to properly deal with medium- to long-term important management issues, promote in-depth discussions on the skills and experiences required for the Board and enhance the effectiveness of the process of selecting Director candidates.
- Promote the appointment of a female Director who is currently absent.

With the aid and on the basis of the evaluation results and views, the Board adopted the following priority implementation items through the exchange of views at sessions consisting exclusively of Independent External Directors and discussions at the Board meetings, with a view to ensuring the execution of the Revival Plan (RP24) and the improvement of the Group's corporate value over a medium to long term in a sustainable manner through the Board and the Committees.

- In addition to in-depth discussions of the medium- to long-term management strategy and important management issues, regarding key measures set forth in MTP (RP24), request the Executive Team to further specify implementation items to achieve the plan and monitor the progress to ensure their swift implementation in view of the ongoing changes in the business environment.
- Pursue the significance of diversity in the Board, work on realizing an appointment of a female Director, which is an ongoing issue.
- In order to properly deal with medium- to long-term important management issues, promote in-depth discussions on the skills and experiences required for the Board and the current composition of the Board, and select Director candidates.

4. Summary of the Operation Status of “Systems to Ensure that Execution of Duties by Executive Officers are Compliant with Laws and Articles of Incorporation and to Secure Appropriateness of Businesses”

(1) Actions with regard to the Group’s Ethics and Compliance

- ① The NSG Group Code of Ethics broadly covers the ethical behavior expected of our employees in the work place, including compliance with the law and all major Group policies, procedures, and guidelines. The Code is available in all 19 Group languages on its intranet.
- ② The Group has in place the Reporting of Concerns system including the Ethics and Compliance (E&C) Hotline. The confidential hotline, available in multiple languages, is operated by a qualified third party allowing anyone to report E&C related concerns anytime, even anonymously except as prohibited legally. Group E&C Function periodically reviews and properly controls the Group policies and procedures related to the Reporting of Concerns system, communicating them to the employees. Hotline reports are handled consistently in accordance with the relevant Group policies and procedures, being appropriately investigated where warranted. Any form of retaliation against an individual who has reported in good faith is expressly prohibited. In FY2023, 175 allegations were reported via the Reporting of Concerns system.
- ③ Under the Group E&C Director’s leadership, E&C regional managers are responsible for embedding E&C culture into the whole organization within the major regions of the Group as well as covering risks in each region.
- ④ Since FY2022, the group-wide Ethics & Compliance Week has annually took place for further embedding ethical culture into the organizations throughout the Group. During the Week, Group E&C provides some programs such as relevant survey, communications and educations regarding basics and requirements of ethics and compliance. Additionally, in FY2023, each E&C regional manager visited major production sites to reach out to the shop-floor workers there trying to make more direct and better communication with them about ethics and compliance (“Gemba Walk”).
- ⑤ The Group requires its employees to report or obtain prior permission from Group E&C regarding certain high risk areas such as competition law compliance (CC) and Anti-Bribery and Anti-Corruption (ABAC) via the designated online system. In addition, Group employees are required to report conflict of interests to the company.
- ⑥ The Group is monitoring third parties such as agents, consultants and joint venture partners that meet certain risk criteria of the ABAC policy.
- ⑦ Globally, Group E&C screens business partners against all necessary sanctions lists on a daily basis.
- ⑧ Group E&C facilitates participation in trade-related programs such as C-TPAT (Customs-Trade Partnership Against Terrorism), and, AEO (Authorized Economic Operator) at multiple locations around the Group. These programs demonstrate the Group’s commitment to supply chain and facility security as well as strong adherence to Customs regulations.
- ⑨ The Group annually provides relevant online trainings to CC and/or ABAC key roles. Further, additional areas such as Code of Ethics, General Data Protection Regulation (GDPR), IS Security, Fraud and Diversity, Equity & Inclusion are covered accordingly in annual training campaign and/or onboarding.
- ⑩ Group E&C periodically issues E&C briefings, which are translated in 14 languages and available on the Group’s intranet. In addition, each E&C regional manager publishes regional E&C newsletters for E&C communication and education for local employees. In FY2022, the group-wide Ethics & Compliance Week also took place for further embedding ethical culture into the organizations throughout the Group. During the Week, Group E&C provided some programs such as relevant survey, communications and educations regarding basics and requirements of ethics and compliance.
- ⑪ Group E&C regularly shares material E&C issues with the relevant SBU/Function heads as well as reports to Audit Committee on its performance and action plans.
- ⑫ The Group measures the effectiveness of Group E&C program against specific metrics and KPIs with statistical data in several areas regarding E&C activities.

(2) Actions with regard to the Group’s Risk Management

- ① We annually identify and assess material risks which should be controlled on a group basis in accordance with the NSG Group Risk Management Policy.

- ② We have in place Strategic Risk Committee (SRC) whose member consists of CEO, other Executive Officers and relevant senior managers; Chief Risk Officer ("CRO") is appointed from among the Executive Officers. SRC defines overall framework for the enterprise risk management of the Group and identifies and assesses the high-level risks which potentially could have a material adverse effect on the Group businesses. SRC reviews, endorses and monitors any action for mitigation of these high risks taken by the relevant Strategic Business Units (SBUs) and Functions. CRO chairs SRC meetings and, as the representative of the Committee, regularly made reports to the Management Committee and Audit Committee on the effectiveness of the Group's internal control system, risk management structure and so forth.
- ③ SRC was held three times in FY2022 where the material risks were confirmed, the above framework discussed for ongoing review and any action to address the risks including global insurance program monitored for optimization and improvement, as well as the "bottom up" SBU risk management process.
- ④ Each SBU and Function manages and controls risks associated with its own responsibilities, regularly and or as needed, to SRC.
- ⑤ Internal Audit Function is tasked with providing independent assurance to efficacy of such overall enterprise risk management of the Group.
- ⑥ In addition to the risk management and control implemented by SBUs and Functions, we have also the NSG Group Entities Management Policy enabling us to comprehensively identify and manage and control material risks particularly in light of each legal entity constituting the Group. The Executive Officer in charge is responsible for regularly reporting such entity related risks to Management Committee and the Board of Directors.
- ⑦ We have "NSG Group Insurance Policy," measuring risks such as potential losses due to natural disasters, under the supervision of the Strategic Risk Committee, reviewing and implementing comprehensive insurance coverage at the group level every fiscal period within the global insurance program.
- ⑧ Preparing for potential major incidents and calamities, we place a major incident management team at each operating site where major incident management plan is prepared and in operation, based on NSG Group Business Continuity Policy and Major Incident Guidelines. In FY2023, the Group created the "Major Incident – Escalation and Communication Guidelines" so that it can react to any major incidents in a timely, consistent, and balanced manner as the Group.
- ⑨ Executive Officers of the Company preserve, maintain and control such information or data as may be relevant to their performance of the duties in their capacity in accordance with the NSG Group Record Retention Policy and IS Security Policy.

(3) Actions to Ensure the Group's Efficient and Effective Management

- ① The Group has in place the Management Committee (MC) as advisory board for the President/Chief Executive Officer (CEO) in order for the policies and goals established by the Board of Directors to be efficiently and adequately carried out. 15 MC meetings were held during FY2023.
- ② The Group Sustainability Committee (SC) builds the sustainability strategies, presides over all of the Group's sustainability related activities, and ensures effective communication with various stakeholders under the "NSG Group Basic Policy on Sustainability" which was authorized by the Board of Directors. SC meetings were held twice in FY2023 reviewing the progress of such activities.
- ③ We have promoted the initiative of separation of oversight and executive role whereby we strengthen the supervisory role and duties of the Board over the executives whilst making necessary delegation of powers and authorities to the executives, thus seeking to enhance transparency and agility of whole management process.
- ④ The Company Secretary will be appointed by the resolution of the Board of Directors. The Company Secretary is responsible for all governance duties, providing support to the Board of Directors and the Committees in an integrated manner by one office for the proper functioning of the Board of Directors and Committees. Therefore, the Company Secretary who occupies a unique position between the Board of Directors and the Executive Division is responsible for ensuring effective communication between them.
- ⑤ We set in place the internal rule clarifying the roles and decision-making authorities of each layer of management from Representative Executive Officers to each regional SBU heads. As such the Group operates the organization in which we can make business decisions appropriately and timely addressing changes of market and business environment etc.

- ⑥ We have introduced and effected IT-operated authorization flow process for efficient and effective business management, including in relation to performance management against progress or results of management plans such as long and medium-term plan or annual plan and approval process for capital expenditures requisition.
- ⑦ We operate the organization with its reporting lines clarified by having the specific organization charts by each SBU and function which supports SBUs.
- ⑧ Various meetings were reorganized with the aim of establishing a more agile and resilient management structure, minimizing costs for meeting and maximizing its effectiveness.

(4) Actions to Ensure the Effectiveness of the Group's Audit

- ① Group Internal Audit implements audits on a group basis in accordance with annual audit plan agreed by Audit Committee, and reports such audit results to Audit Committee, Executive Officers and external Accounting Auditor. Group Internal Audit is responsible for ensuring the effectiveness and efficiency of the Group's risk management system by conducting audits independently of each executive department.
- ② Any appointment and dismissal of the Head of the Internal Audit Function, shall require the prior consent of the Audit Committee.
- ③ Two dedicated Support Staffs of the Audit Committee are appointed for assistance of Audit Committee, and report to and provide necessary information to Audit Committee.
- ④ A member of Audit Committee and Support Staff of Audit Committee attends internal material meetings such as MC in order to ensure the effectiveness of their audit. They have rights to access necessary important documents and so on for their audit.
- ⑤ Audit Committee periodically meets with Group Internal Audit and other internal control functions and hear reports from them regarding the execution of duties by Executive Officers and others, the status of internal audits, and the status of the establishment and operation of internal control systems and exchange views with them.
- ⑥ Audit Committee meets with the Accounting Auditor on a periodical and as-necessary basis, keeping close communication with them on important audit issues and challenges..
- ⑦ Audit Committee conducts on-site or online audits at the major business establishments of the Group that it deems particularly necessary.

The above Business Reports are prepared by rounding off any fraction of one million yen to the nearest one million yen. Any future and prospective matters contained above are described by reference to the then status existing as of the end of FY2023.

Consolidated Balance Sheet (as of 31 March 2023)

(In JPY millions)

ASSETS		LIABILITIES	
Non-current assets	615,068	Current liabilities	384,377
Goodwill	74,081	Borrowings	161,610
Intangible assets	39,480	Derivative financial instruments	2,102
Property, plant and equipment	370,460	Trade and other payables	183,612
Investment property	120	Contract liabilities	14,896
Investments accounted for using the equity method	25,349	Taxation liabilities	3,838
Retirement benefit assets	28,185	Provisions	16,194
Contract assets	378	Deferred income	710
Trade and other receivables	12,970	Liabilities related to assets for sale	1,415
Assets held at Fair Value through other Comprehensive Income	22,227		
Derivative financial instruments	13,011	Non-current liabilities	442,142
Deferred tax assets	28,613	Borrowings	329,933
Tax receivables	194	Derivative financial instruments	1,475
		Trade and other payables	704
Current assets	336,319	Contract liabilities	18,260
Inventories	156,918	Deferred tax liabilities	14,523
Contract assets	3,191	Taxation liabilities	4,799
Trade and other receivables	93,450	Retirement benefit obligations	50,676
Derivative financial instruments	4,873	Provisions	18,772
Cash and cash equivalents	69,313	Deferred income	3,000
Tax receivables	3,407		
Assets held for sale	5,167	Total: Liabilities	826,519
		EQUITY	
		Capital and reserves attributable to the Company's equity shareholders	97,040
		Called up share capital	116,756
		Capital surplus	155,746
		Treasury stock	(42)
		Stock subscription rights	426
		Retained earnings	(86,675)
		Retained earnings (Translation adjustment at the IFRS transition date)	(68,048)
		Accumulated other comprehensive income	(21,123)
		Non-controlling interests	27,828
		Total: Equity	124,868
Total: Assets	951,387	Total: Liabilities and equity	951,387

Consolidated Income Statement (for the period of 1 April 2022 to 31 March 2023)

(In JPY millions)

Revenue		763,521
Cost of Sales		(591,705)
Gross profit		171,816
Other income	1,664	
Distribution costs	(64,009)	
Administrative expenses	(68,346)	
Other expenses	(6,313)	(137,004)
Operating profit before exceptional items		34,812
Exceptional items(gains)	7,024	
Exceptional items(losses)	(52,178)	(45,154)
Operating (loss)/profit after exceptional items		(10,342)
Finance income	5,239	
Finance expenses	(22,641)	
Share of post-tax profit of joint ventures and associates accounted for using the equity method	7,333	
Other losses on equity method investments	(1,522)	(11,591)
Loss before taxation		(21,933)
Taxation		(9,084)
Loss for the period		(31,017)
Profit attributable to non-controlling interests		2,744
Loss attributable to owners of the parent		(33,761)

Consolidated Statement of Comprehensive Income (Reference only)
(for the period of 1 April 2022 to 31 March 2023)

(In JPY millions)

Loss for the period	(31,017)
Other comprehensive income:	
Items that will not be reclassified to profit or loss:	
Re-measurement of retirement benefit obligations	(2,405)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments	274
Sub total	(2,131)
Items that may be reclassified to profit or loss:	
Foreign currency translation adjustments	(6,108)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments	(1,451)
Cash flow hedges – fair value gains	(21,601)
Sub total	(29,160)
Total: Other comprehensive income for the period, net of taxation	(31,291)
Total comprehensive income for the period	(62,308)
Attributable to non-controlling interests	(4,011)
Attributable to owners of the parent	(58,297)

Consolidated Statement of Cash Flows (Reference only)

(for the period of 1 April 2022 to 31 March 2023)

(In JPY millions)

Cash flows from operating activities	
Loss for the period from continuing operations	(31,017)
Taxation	9,084
Depreciation and amortization	40,212
Impairment	52,728
Finance costs - net	17,402
Share of profit from joint ventures and associates	(7,333)
Other (gains)/losses on equity method investments	1,522
Decrease in provisions and retirement benefit obligations	(3,846)
Net change in working capital	(6,995)
Other	(3,529)
Cash flows generated from operations	68,228
Interest paid	(21,048)
Interest received	8,364
Tax paid	(7,038)
Net Cash inflows from operating activities	48,506
Cash flows from investing activities	
Dividends received from joint ventures and associates	5,466
Purchases of property, plant and equipment and intangible assets	(39,111)
Proceeds on disposal of property, plant and equipment and intangible assets	1,304
Other	(2,308)
Net cash outflows from investing activities	(34,649)
Cash flows from financing activities	
Dividends paid	(4,228)
Repayment of borrowings	(98,687)
Proceeds from borrowings	95,475
Purchase of treasury stock	(1)
Capital contribution for non-controlling interests	(448)
Net cash outflows from financing activities	(7,889)
Decrease in cash and cash equivalents (net of bank overdrafts)	5,968
Cash and cash equivalents (net of bank overdrafts) at beginning of period	60,015
Effect of foreign exchange rate changes	762
Hyperinflation adjustment	1,773
Cash and cash equivalents (net of bank overdrafts) at end of period	68,518

Balance Sheet (as of 31 March 2023)

(in JPY millions)

ASSETS		LIABILITIES	
Current assets	125,162	Current liabilities	170,697
Cash and cash deposits	3,255	Accounts payable-trade	14,773
Notes receivable	910	Bank borrowings	27,439
Accounts receivable-trade	15,936	Current portion of Long-term borrowings	98,835
Products and goods	19,565	Lease obligations	2
Work in process	2,937	Accounts payable - non-trade	9,459
Raw materials and consumables	6,941	Accrued income tax	219
Short-term loan receivable	61,602	Accrued expenses	1,200
Other current assets	14,031	Contract liabilities	700
Allowance for doubtful accounts	(15)	Customers' deposits	14,312
		Provision for loss on business of subsidiaries and affiliates	345
		Provision for employees' bonuses	1,472
		Provision for directors' bonuses	88
		Provision for warranties	765
Fixed assets	568,657	Provision for restructuring expenditure	226
Tangible assets	46,139	Other current liabilities	862
Buildings	6,857	Fixed liabilities	205,278
Structures	946	Long-term bank borrowings	197,768
Machinery & Equipment	17,123	Lease obligations	1
Vehicles	32	Provision for retirement benefits	1,598
Tools & Fixtures	3,817	Provision for rebuilding furnaces	3,655
Land	11,491	Environmental provision	2
Leased assets	3	Asset retirement obligations	1,928
Construction in progress	5,870	Deferred tax liabilities	64
Intangible assets	393	Other fixed liabilities	262
Computer software	120		
Other intangible assets	273	Total: Liabilities	375,975
Investments and other assets	522,125	NET ASSETS	
Investments in securities	1,644	Shareholders' equity	321,498
Investments in subs. & affiliates	503,968	Capital stock	116,756
Long-term loan receivable	12,293	Capital surplus	153,577
Long-term prepaid expenses	2,643	Legal capital surplus	45,078
Other assets	1,592	Other capital surplus	108,499
Allowance for doubtful accounts	(15)	Retained earnings	51,207
		Legal earned surplus	6,377
		Other retained earnings	44,830
		Reserve for adv'ed depreciation	767
		General reserve	24,977
		Retained earnings carried forward	19,086
		Treasury stock	(42)
		Valuation and translation adjustments	(4,080)
		Deferred gains or losses on hedges	(4,080)
		Stock subscription rights	426
		Net Assets	317,844
Total: Assets	693,819	Total: Liabilities and net assets	693,819

Income Statement (for the period of 1 April 2022 to 31 March 2023)

(in JPY millions)

Revenue		96,695
Cost of sales		(74,273)
Gross profit		22,422
Selling, general and administrative expenses		(21,913)
Operating profit		509
Non-operating income		
Interest and dividend income	21,787	
Other income	547	22,334
Non-operating expense		
Interest expense	(7,421)	
Other expense	(3,073)	(10,494)
Ordinary profit		12,349
Extraordinary income		
Gain from sale of fixed assets	333	
Gain on sale of subsidiaries	391	724
Extraordinary loss		
Loss on scrapping of fixed assets	(287)	
Loss on sale of fixed assets	(14)	
Loss on valuation of investments in securities	(2)	
Loss on valuation of investments in subsidiaries.	(2)	
Impairment loss	(4)	
Other extraordinary loss	(8)	(317)
Net profit before tax		12,756
Income tax: Current	(767)	
Income tax: Deferred	192	(575)
Net profit		13,331

The following also attached to the Japanese original of this document (for reference only):

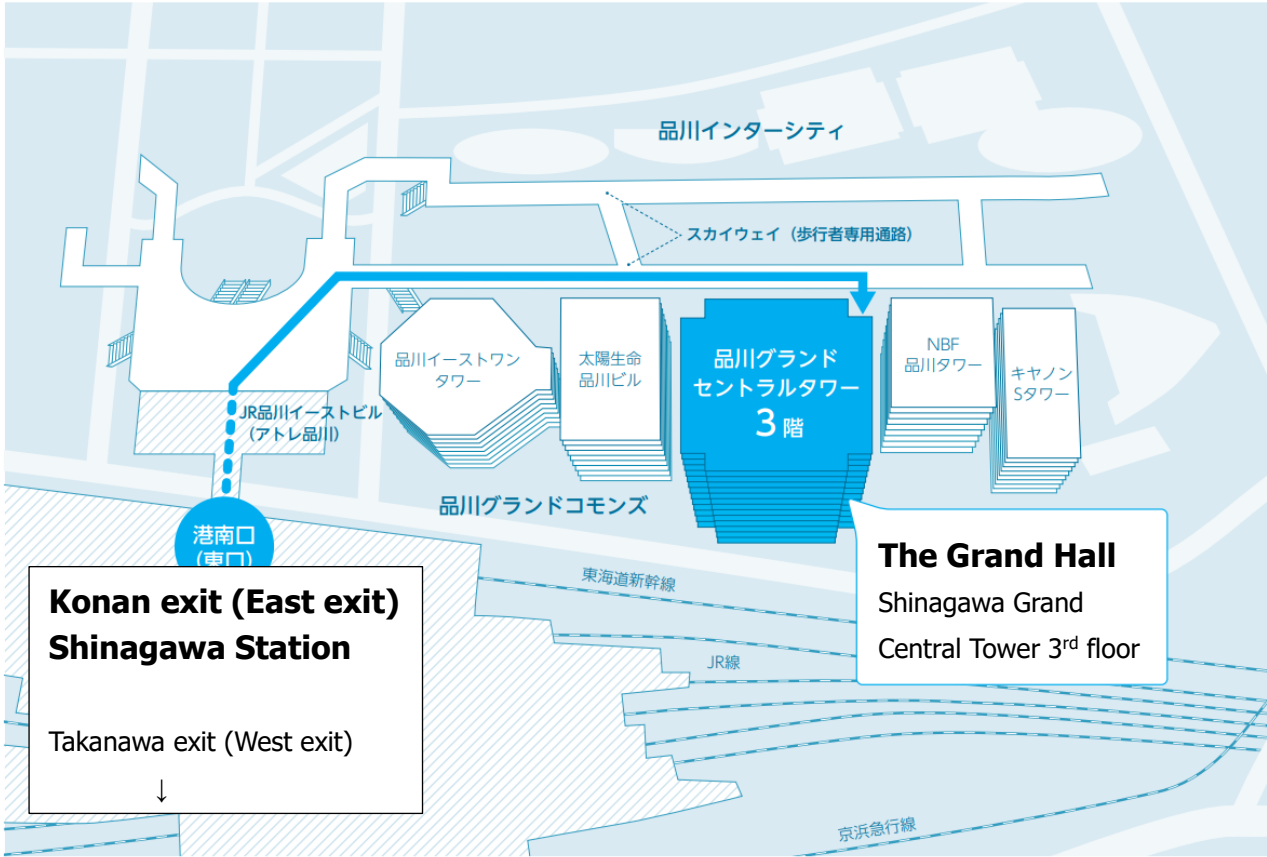
A. Conformed copy of the audit report of the Independent Accounting Auditor

- The related financial statements and its supplementary detail adequately representing the view of the assets and profits of the Company in all material respects.
- Absence of any notifiable interest between the Accounting Auditor and the Company

B. Conformed copy of the audit report of the Audit Committee

- Business Report
 - Business report and its supplementary detail correctly reflecting the position of the Company
 - Absence of unjust behaviour on the part of directors/executive officers or material facts in breach of law or Articles of Incorporation of the Company
 - Validity of the Board resolution re internal controls and absence of the matters to be notified in terms of business report or the performance of duties of directors/executive officers
- Confirming the validity of Accounting Auditor's manner of the audit and result re Consolidated financial statements
- Confirming the validity of Accounting Auditor's manner of the audit and results re financial statements and its supplementary detail (stand-alone basis)

Map of the Venue for the Ordinary General Meeting of Shareholders



Venue: Shinagawa Grand Central Tower 3rd floor, 16-4, Konan 2-Chome, Minato-ku, Tokyo
Access: 5 minute-walk from JR Shinagawa Station, Konan exit (East exit)