NSG

GROUP

NSG Group
FY2021 Annual Results
(from 1 April 2020 to 31 March 2021)

Nippon Sheet Glass Company, Limited
13 May 2021

Shigeki Mori

Chief Executive Officer

Reiko Kusunose

Chief Financial Officer

Agenda

1. FY2021 Financial Results
2. Update of Key Initiatives
3. FY2022 Forecast
4. Summary

Consolidated Income Statement

NSG GROUP

Full-year revenue & OP exceeded forecast, although impacted by pandemic. Q4 revenue & OP improved YoY. Restructuring cost partially offset by asset sale gain

(JPY bn)	Q4 (3 months)			Full-year (12 months)			FY2021 Full-year Forecast
	FY2020	FY2021	Change	FY2020	FY2021	Change	
Revenue	130.4	**141.8**	11.4	556.2	**499.2**	(57.0)	490.0
Operating profit	3.2	**5.1**	1.9	21.2	**13.1**	(8.1)	12.0
ROS: Return on sales (%)	2.5%	**3.6%**	+1.1pt	3.8%	**2.6%**	(1.2)pt	2.4%
Exceptional items (COVID-19 related)	(2.2)	**(2.1)**	0.1	(2.2)	**(16.1)**	(13.9)	(14.0)
Operating (loss)/profit after COVID-19 related exceptional items	1.0	**3.0**	2.0	19.0	**(3.0)**	(22.0)	(2.0)
Exceptional items (Other)	(17.4)	**(5.5)**	11.9	(21.8)	**(5.3)**	16.5	—
Operating loss after exceptional items	(16.4)	**(2.5)**	13.9	(2.8)	**(8.3)**	(5.5)	—
Finance expenses (net)	(2.3)	**(3.5)**	(1.2)	(11.8)	**(11.0)**	0.8	—
Share of JVs and associates' profits	(0.1)	**1.3**	1.4	1.1	**2.1**	1.0	—
Loss before taxation	(18.8)	**(4.7)**	14.1	(13.5)	**(17.2)**	(3.7)	—
Loss for the period	(19.4)	**(2.8)**	16.6	(17.5)	**(16.3)**	1.2	—
Net loss*	(20.1)	**(3.0)**	17.1	(18.9)	**(16.9)**	2.0	—
EBITDA	11.8	**14.5**	2.7	55.0	**46.8**	(8.2)	—

Better than forecast

Improved YoY in Q4

Including 7 bn gain from sale of non-current assets and 10.7 bn restructuring costs

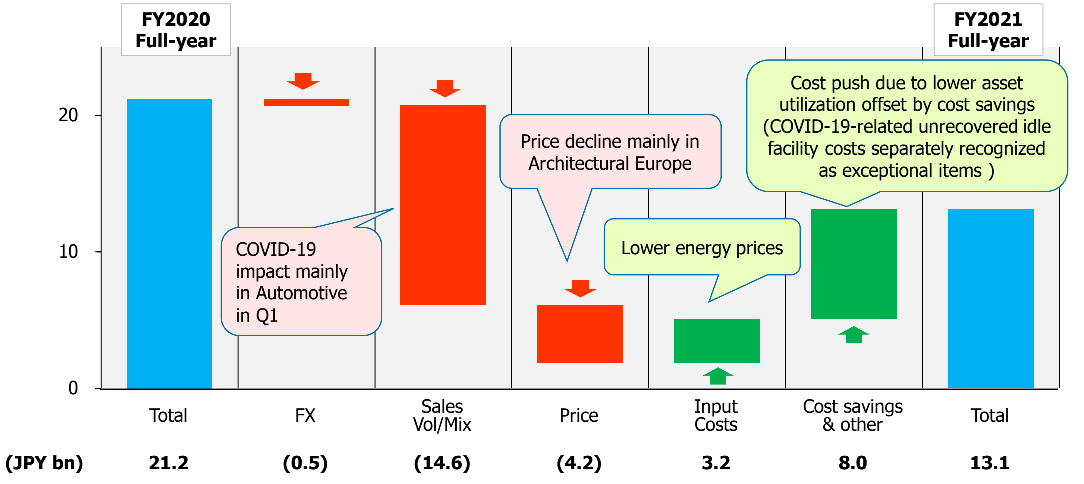
* loss attributable to owners of the parent

The Group's consolidated income statement is shown on slide 5.

You can see the results for the 3-month period between January and March to the left, full-year cumulative results in the middle and the latest forecast which was published at the third quarter results announcement to the right.
Affected by the dramatic decrease in demand in the first quarter, the Group's full year revenue for FY2021 decreased year-on-year by 57.0 billion yen to 499.2 billion yen. Full-year operating profit decreased by 8.1 billion yen to 13.1 billion yen. However, both were better than the Group's latest forecast, of which revenue was 490.0 billion yen and operating profit was 12.0 billion yen.
Looking at the fourth quarter, the Group recorded revenue of 141.8 billion yen and operating profit of 5.1 billion yen, both exceeding the previous year results.
Exceptional items for the quarter was a loss of 5.5 billion yen. The Group recorded a loss of 10.7 billion yen as restructuring costs during the quarter, which were partially offset by a gain of 7.0 billion yen on disposal of land in Japan, which was announced on 30 March. As disclosed separately today, exceptional costs of 10.7 billion yen represent the redundancy and restructuring costs which were incurred in entities other than Nippon Sheet Glass Co., Ltd., as a result of the cost transformation actions taken by the Group.
Operating loss after exceptional items was 2.5 billion yen for the quarter and 8.3 billion yen for the full year.
Net loss was 16.9 billion yen for the full year, most of which was recorded in the first quarter. Net loss for the quarter was 3.0 billion yen.

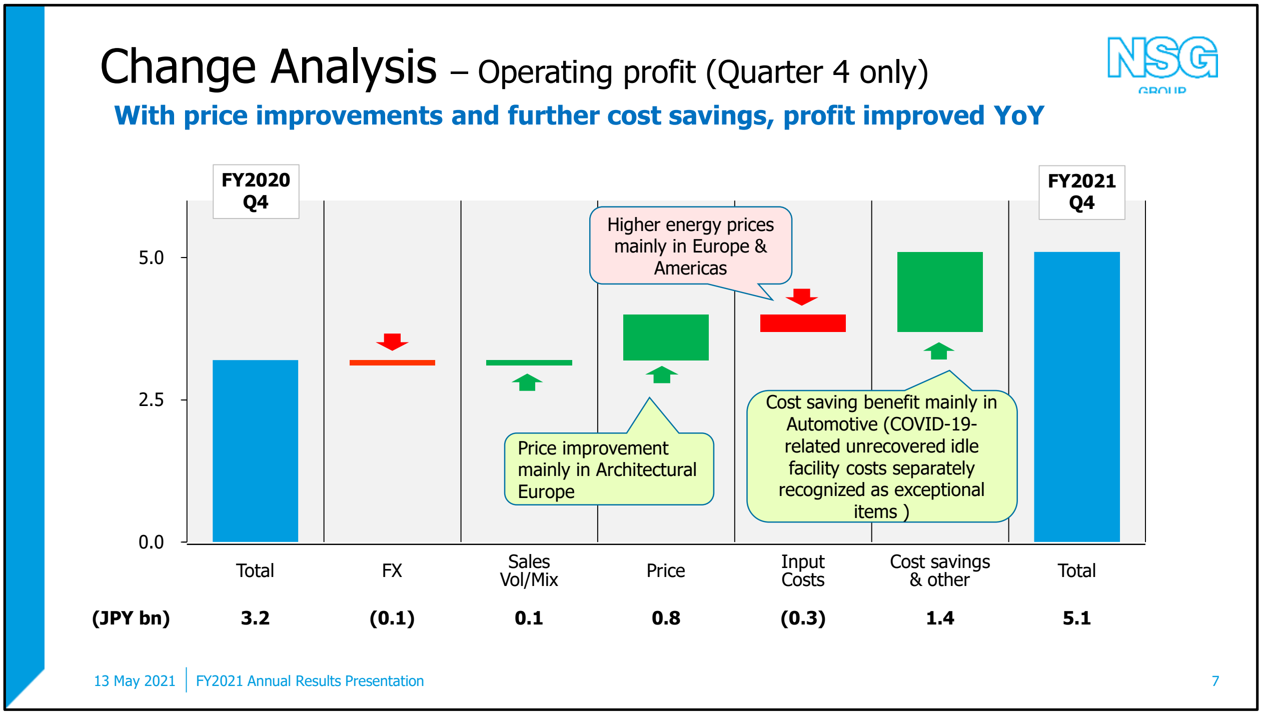
Change Analysis – Operating profit (Cumulative)

Significant COVID-19-related fall in volumes, particularly during the first quarter



Slide 6 lays out the analysis of the year-on-year operating profit movement.

Most of the negative movement of 14.6 billion yen in 'Sales Volume/Mix' was incurred in the first quarter, as the Group was severely hit by the COVID-19 pandemic. Automotive businesses were affected especially.
Negative 4.2 billion yen in 'Price' is mainly due to the lower prices in Architectural Europe.
'Input costs' improved by 3.2 billion yen, as the Group benefitted from lower energy prices.
Positive 8.0 billion yen in 'Cost savings and other' represents the results of the Group's cost reduction initiatives, which offset the adverse effects from lower asset utilization. Please take note that idle facility costs related to COVID-19 is charged as exceptional losses, therefore they are not included in the operating profit.



Slide 7 is the analysis of the year-on-year operating profit movement, but only for the 3-month period from January to March.

Price decreases which had begun in the second half of FY2020 in Architectural Europe, started to reverse from earlier this fiscal. Positive 0.8 billion yen in 'Price' reflects this trend, and this variance has turned positive finally in the fourth quarter.
Affected by the recent increase in energy prices, 'Input Costs' is negative 0.3 billion yen.
'Cost savings and others' is positive 1.4 billion yen, as benefits from cost saving initiatives in the Group's Automotive businesses continue to realise.
Overall, the Group's results for the three months from January to March showed an improvement year-on-year.

Exceptional items

JPY10.7 bn restructuring cost recorded in Q4 partially offset by JPY7 bn gain on land sale

(JPY bn)	FY2020	FY2021	
	Cumulative	Q4	Cumulative
COVID-19 related items	**(2.2)**	**(2.1)**	**(16.1)**
Government support	—	0.3	2.6
Suspension and other costs	(2.2)	(2.4)	(18.7)
Restructuring costs	**(6.4)**	**(10.7)**	**(14.7)**
Net impairment of non-current assets	**(16.1)**	**(2.1)**	**(1.3)**
Disposal of non-current assets	**1.1**	**7.0**	**7.1**
Gain on settlement of litigation matters	**—**	**—**	**3.4**
Gain on disposal of subsidiaries and joint ventures	**1.3**	**—**	**0.7**
Others	**(1.7)**	**0.3**	**(0.5)**
Exceptional items – net	**(24.0)**	**(7.6)**	**(21.4)**

Large part, (11.5) bn, was recorded in Q1

Cost transformation actions

Architectural and Automotive in South East Asia and Europe

Gain on sale of land

* The Group has recorded the direct costs and also unrecovered operating costs arising from the COVID-19 pandemic as exceptional items, together with any related income from governments. Such costs include payments to employees not engaged in productive activities due to the COVID-19 pandemic, costs of maintaining idle facilities, and direct costs such as the deep cleaning of facilities to promote a safe operating environment.

Please move on to slide 8 – this slide lays out the details of exceptional items.

The Group recorded cumulative net exceptional loss related to COVID-19 of 16.1 billion yen, most of which was recorded in the first quarter. Net loss during the fourth quarter was 2.1 billion yen.
Also, during the fourth quarter, the Group recorded restructuring costs of 10.7 billion yen as discussed earlier, impairment of non-current assets in South East Asia and other regions of 2.1 billion yen and gain on disposals of land in Japan of 7.0 billion yen, as exceptional items.

Consolidated Balance Sheet

NSG GROUP

Total assets increased with exchange rate movements. Shareholders' equity ratio declined due to net loss

(JPY bn)	31 Mar 2020	31 Dec 2020	31 Mar 2021	Change	
				vs 31 Mar	vs 31 Dec
Total Assets	**765.2**	**778.0**	**825.0**	**59.8**	**47.0**
Non-current assets	541.1	561.1	575.0	33.9	13.9
Current assets	224.1	216.9	250.0	25.9	33.1
Total Liabilities	**677.0**	**701.4**	**745.2**	**68.2**	**43.8**
Current liabilities	200.4	232.7	287.8	87.4	55.1
Non-current liabilities	476.6	468.7	457.4	(19.2)	(11.3)
Total Equity	**88.2**	**76.6**	**79.8**	**(8.4)**	**3.2**
Shareholders' equity	73.6	61.3	62.9	(10.7)	1.6
Shareholders' Equity Ratio	**9.6%**	**7.9%**	**7.6%**	**(2.0) pt**	**(0.3) pt**
Net Debt	**390.2**	**426.7**	**411.8**	**21.6**	**(14.9)**
Net Debt / EBITDA	**7.1x**	**9.6x**	**8.8x**		
Net Debt / Equity Ratio	**4.4x**	**5.6x**	**5.2x**		

Largely due to FX impact

Cash increase and FX impact

Increase in loan payables and FX impact

While increased in value from Q3, decline in equity ratio

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The Group's consolidated balance sheet is presented on slide 9.

The Group's total assets were 825.0 billion yen as at 31 March 2021, which is an increase of 59.8 billion yen from the previous year-end and 47.0 billion yen from 31 December 2020. This is mainly due to the foreign currency movements, where the Japanese Yen was weaker against currencies such as US Dollars, Pound Sterling and Euro.
Shareholders' equity as at 31 March 2021 was 62.9 billion yen, while decreasing by 10.7 billion yen from the previous year-end, shows an improvement of 1.6 billion yen from 31 December 2020. Affected by net loss for the year, shareholders' equity ratio decreased by 2 points from the previous year to 7.6% and was also slightly lower compared to the end of December.

Consolidated Statement of Cash Flows

NSG GROUP

Substantial positive free cash flow generated consecutively since Q2 with strict cash management. Q4 benefited from seasonal factors and disposal of assets

(JPY bn)	Q4 (3 months)			Full-year (12 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Net cash flows from operating activities	**35.0**	**16.4**	**(18.6)**	30.5	**21.1**	**(9.4)**
included above: Net change in working capital	31.8	9.7	(22.1)	8.7	5.1	(3.6)
Net cash flows from investing activities	**(12.2)**	**7.7**	**19.9**	**(56.9)**	**(25.6)**	**31.3**
included above: Purchase of property, plant and equipment	(15.9)	(8.7)	7.2	(60.9)	(39.2)	21.7
Free cash flow	**22.8**	**24.1**	**1.3**	**(26.4)**	**(4.5)**	**21.9**
Net cash flows from financing activities	**(23.0)**	**(14.8)**	**8.2**	**18.2**	**13.5**	**(4.7)**
(Decrease)/increase in cash and cash equivalents	**(0.2)**	**9.3**	**9.5**	**(8.2)**	**9.0**	**17.2**
Cash and cash equivalents at the end of the period				**40.5**	**53.5**	**13.0**

Improved working capital with continued strict management (FY20 benefited from sales drop in March due to COVID-19)

Positive with asset sale proceeds

Positive free cash flow since Q2; significantly positive in Q4

Consolidated statement of cash flows is discussed in slide 10.

Year-on-year comparison of cash flows for the fourth quarter is shown on the left side of the chart, while the year-on-year cumulative comparison is shown on the right. The slide mainly discusses the quarter's cash flows.
Operating cash inflow for the last three months of the year was 16.4 billion yen, which includes improvement of 9.7 billion as a result of Group's working capital reduction initiatives. Net change in working capital for the fourth quarter have worsened year-on-year, but this is because revenues and receivables decreased significantly last year due to the COVID-19 pandemic.
Net cash flows from investing activities for the last 3 months showed an inflow of 7.7 billion yen which is a result of gains from disposals of non-current assets.
Free cash inflow for the last quarter was 24.1 billion yen. The Group was able to maintain positive quarterly free cash flows, following the second and third quarters, resulting from improved profitability and benefits from the Group's working capital reduction initiatives. Cumulative free cash flow was an outflow of 4.5 billion, due to the significant outflow experienced in the first quarter of the year.

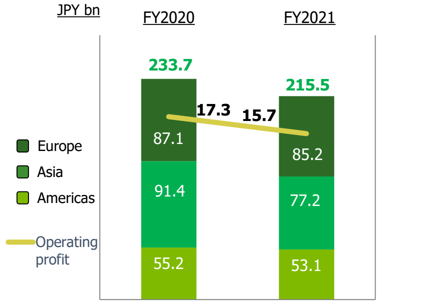
Segmental Information

(JPY bn)	FY2020 Full-year			FY2021 Full-year			Change	
	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	Operating profit
Architectural	**233.7**	**42%**	**17.3**	**215.5**	**44%**	**15.7**	**(18.2)**	**(1.6)**
Europe	87.1	16%		85.2	17%		(1.9)	
Asia	91.4	16%		77.2	16%		(14.2)	
Americas	55.2	10%		53.1	11%		(2.1)	
Automotive	**281.0**	**51%**	**6.1**	**245.2**	**49%**	**1.8**	**(35.8)**	**(4.3)**
Europe	119.8	22%		103.6	21%		(16.2)	
Asia	67.1	12%		60.6	12%		(6.5)	
Americas	94.1	17%		81.0	16%		(13.1)	
Technical Glass	**40.1**	**7%**	**7.1**	**36.8**	**7%**	**6.7**	**(3.3)**	**(0.4)**
Europe	7.1	1%		6.4	1%		(0.7)	
Asia	31.7	6%		29.3	6%		(2.4)	
Americas	1.3	0%		1.1	0%		(0.2)	
Other	**1.4**	**0%**	**(9.3)**	**1.7**	**0%**	**(11.1)**	**0.3**	**(1.8)**
Total	**556.2**	**100%**	**21.2**	**499.2**	**100%**	**13.1**	**(57.0)**	**(8.1)**

Slide 11 lays out the cumulative revenue and profit by the business segments.

Architectural – FY2020 Q4 vs FY2021 Q4

Profitability improvement since Q2 with demand recovery particularly in Europe and South America and supported by cost saving actions, while cumulatively revenue and profit declined YoY due to COVID-19 impact in Q1



(JPY bn)	Q4 (3 months)			Full-year (12 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Revenue	**53.6**	**59.4**	**5.8**	**233.7**	**215.5**	**(18.2)**
Europe	20.8	24.6	3.8	87.1	85.2	(1.9)
Asia	19.7	18.9	(0.8)	91.4	77.2	(14.2)
Americas	13.1	15.9	2.8	55.2	53.1	(2.1)
OP	**3.3**	**4.2**	**0.9**	**17.3**	**15.7**	**(1.6)**

Europe (12M: Rev ▼, Profit ▼ ; 3M: Rev ▲, Profit ▲)
- Further volume and price improvement in Q4 with demand recovery
- Profitability improvement as well with stable operational performance and cost saving

Asia (12M: Rev ▼, Profit ▲ ; 3M: Rev ▼, Profit ▲)
- Improved profit helped by lower fixed cost after the suspension of furnaces in Chiba and Malaysia as well as lower input cost and price recovery, despite revenue decline
- solar energy glass shipment largely unaffected by COVID-19

Americas (12M: Rev ▼, Profit ▼ ; 3M: Rev ▲, Profit ▼)
- Sluggish volumes for domestic commercial buildings, but solid shipments with stable solar energy glass volumes in North America; one off start-up cost incurred related to the new float line started in Q3 at Luckey, Ohio
- YoY revenue and profit improvement in South America reflecting strong demand

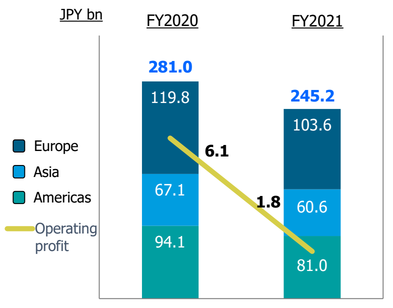
Please move to slide 12 – from this slide the results of each businesses will be discussed.

Architectural full-year revenues and profits fell from the previous year, as the businesses were affected by lower demand caused by the COVID-19 pandemic. However, revenues and profits for the fourth quarter showed a year-on-year improvement, as the demand in Europe and South America has continued to recover since the second quarter, and also with the benefits from the Group’s cost reduction initiatives.
Cumulative full-year revenues and profits in Europe were lower compared to the previous year, but both revenues and profits for the fourth quarter showed a year-on-year improvement. Sales volume and prices increased as the demand recovered, and furthermore the stable operational performance and cost savings contributed to the better performance.
In Asia, revenues decreased but profits showed an improvement year-on-year. Both lower revenues and higher profits were as a result of the suspension of furnaces in Chiba and Malaysia, as fixed costs were reduced. Shipments of solar energy glass were largely unaffected by the COVID-19 pandemic, which also contributed to profit improvement.
In Americas, cumulative revenues and profits were lower than the previous year.
In North America, volumes of glass for domestic commercial buildings were sluggish, but the shipments of solar energy glass were solid. The new float line dedicated to solar energy glass in Ohio started operation in November 2020. Due to the start-up costs of this furnace, profitability during the last quarter was adversely affected.
Demand in South America is strong and revenues and profits during the last quarter showed a year-on-year improvement.

Automotive – FY2020 Q4 vs FY2021 Q4

NSG GROUP

Q4 results improved YoY with demand recovery since June, despite the impact of semiconductor shortages, while cumulatively lower YoY due to COVID-19



(JPY bn)	Q4 (3 months)			Full-year (12 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Revenue	**66.4**	**71.6**	**5.2**	**281.0**	**245.2**	**(35.8)**
Europe	29.1	31.5	2.4	119.8	103.6	(16.2)
Asia	16.0	17.2	1.2	67.1	60.6	(6.5)
Americas	21.3	22.9	1.6	94.1	81.0	(13.1)
OP	**0.8**	**2.9**	**2.1**	**6.1**	**1.8**	**(4.3)**

Europe (12M: Rev ▼, Profit ▼; 3M: Rev ▲, Profit ▲)
Asia (12M: Rev ▼, Profit ▼; 3M: Rev ▲, Profit ▲)
Americas (12M: Rev ▼, Profit ▲; 3M: Rev ▲, Profit ▲)

- Gradual recovery of OE volumes during the year as car production restarted
- Significant YoY increase in new car production in Q4, despite semiconductor shortages and continued lockdown in some countries, as vehicle manufacturers had shut down production almost completely at the end of the same quarter last year
- Evident revenue recovery in Europe, China and South America. Profitability improvement in all regions, with volume recovery and cost saving, supported also by productivity improvement mainly in North America and Japan

Slide 13 discusses the results of the Group's Automotive business.

Full-year revenues and profits of the Group's Automotive business fell from the previous year as demand decreased significantly during the first quarter of the year. Glass production increased as demand recovered from June and the Group recorded year-on-year revenue and profit improvement during the last quarter in all the regions.
The year-on-year improvement during the fourth quarter is due to the significant recovery compared to the shutdown of vehicle manufacturers' production in March last year, despite the shortages of semiconductors and continued lockdown in some countries experienced during the fourth quarter.
Recovery of revenue is evident in Europe, China and South America. Recovery in production volumes and benefits from cost reduction initiatives, along with production efficiency improvements in North America and Japan contributed to the year-on-year improvement of profit during the last quarter.

Technical Glass – FY2020 Q4 vs FY2021 Q4

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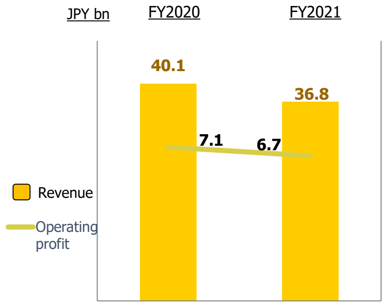
Q4 results improved YoY, while cumulative revenues and profits impacted by COVID-19



(JPY bn)	Q4 (3 months)			Full-year (12 months)		
	FY2020	FY2021	Change	FY2020	FY2021	Change
Revenue	9.9	10.2	0.3	40.1	36.8	(3.3)
OP	1.7	2.2	0.5	7.1	6.7	(0.4)

Technical (12M: Rev▼, Profit▼; 3M: Rev▲, Profit▲)

- Limited impact of COVID-19 on fine glass, volumes recovery later in the year
- Improved volumes of printer lenses due to work and school from home demand
- Demand for glass cord used in engine timing belts reflected conditions in the automotive sector, recovering during the second half of the year
- Continued stable results for battery separators

Slide 14 lays out the results of the Technical Glass business.

Although full-year cumulative results were lower than the previous year, revenues and profits during the fourth quarter showed a year-on-year improvement.
As the impact of COVID-19 on the Fine Glass business was limited, volumes recovered in the second half of the year.
Volumes of printer lenses continued to increase due to work and school from home demands. The Group's Selfoc Lens Arrays is being used as a component in Fuji Film's instant camera "Cheki" (branded "Instax Mini" outside of Japan) and this product has also become popular in Europe and North America, as people are spending more money on appliances while staying at home. This is one example which explains why the demand for the lenses are strong.
Glass cord used in engine timing belts were affected by the downturn in the European automotive markets, but demand is improving towards the end of the year.
Battery Separator's results were stable during the year.
The Group made an announcement on 10 May about the transfer of its Battery Separator business, the completion of which is planned to take place in August. Details of this transaction will be discussed later in this presentation.

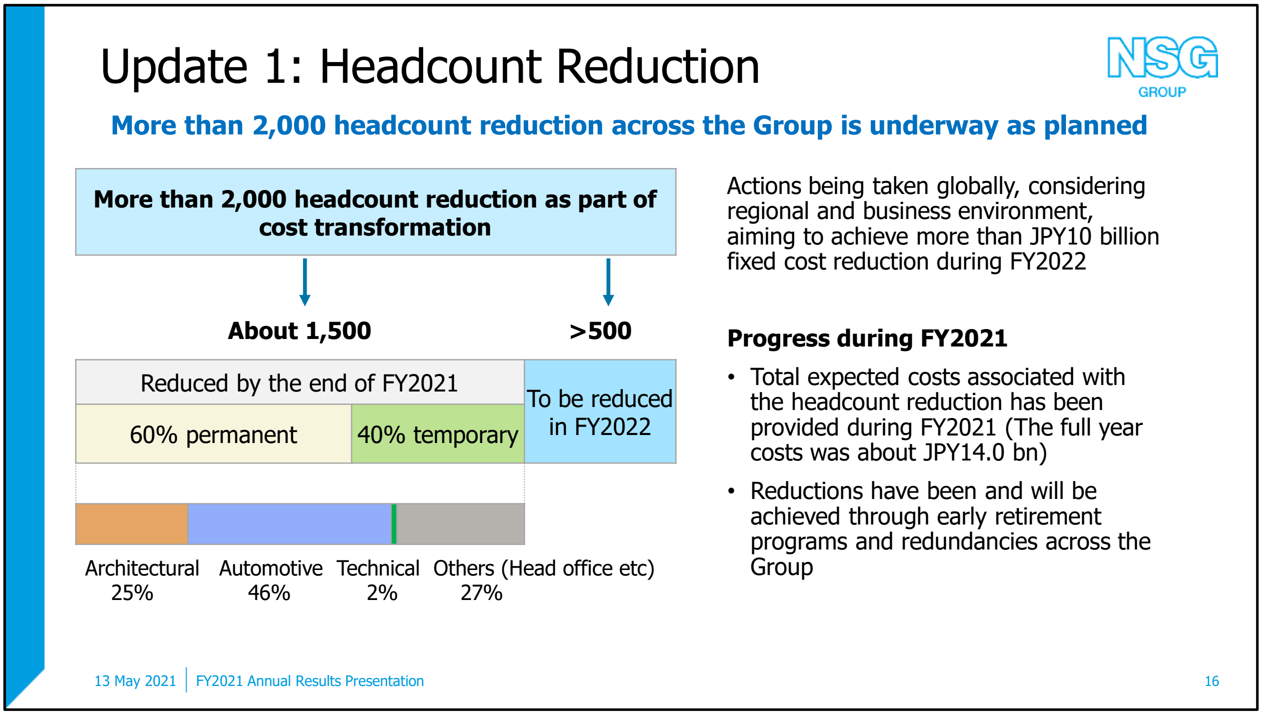
Update of Key Initiatives

In parallel with emergency measures for FY2021 profitability, actions taken to ensure meaningful net profit in FY2022

Urgent Cost Saving Project	• Cumulatively the target of more than JPY20bn YoY saving achieved
Stable Liquidity	• Cash flow improved with continued strict management of capital expenditure and working capital • Stable liquidity with JPY58.7 billion of cash and JPY74.9 billion unused commitment lines at the end of March
Cost Transformation	• Headcount Reduction: Actions identified and many in progress to reduce more than 2,000 employees globally as planned. More detail in Slide 16 • Production and procurement cost reduction: Projects and targets defined for each business and function based on group-wide thorough review
Disposals	• Disposals of tangible assets implemented, mitigating the costs and cash outflow associated with headcount reduction programs • Disposal of Battery Separator business decided. More detail in Slide 17

Please move to Slide 15.

It shows the progress of key initiatives taken by the Group in FY2021.
Regarding the emergency cost saving measures, the Group successfully achieved savings of targeted more than 20 billion yen as planned.
The Group’s strict management of capital expenditure and working capital contributed to the improvement in cash flow. With these efforts, liquidity remained stable.
As more longer-term measures, the Group launched the group-wide cost transformation initiatives in the second half of the year, including headcount reduction and production and procurement cost reduction, with the aim of securing meaningful net profit in FY2022. This initiative will be discussed more in Slide 16.
Disposals of tangible assets were executed, and the transfer of the Battery Separator business were decided, as separately announced. More information is in Slide 17.



Please move to Slide 16.

The slide shows the progress of previously announced headcount reduction initiative of more than 2,000 across the Group, aiming to achieve more than 10 billion yen benefit in FY2022. As shown in the chart a reduction of about 1,500 has been achieved in FY2021. Although more than 500 reduction will be implemented in FY2022, the cost covering the total reduction has been provided by the end of FY2021. The total cost of headcount reduction provided in FY2021 is approximately 14 billion yen.

Update 2: Disposal of Battery Separator Business

NSG GROUP

Business portfolio review is in progress as part of transformation initiatives

NSG Group Battery Separator Business		ENTEK
• Supplying separators for lead-acid batteries for decades • Strong market position in Japan, with manufacturing facilities in Japan and China	Disposal of business and provision of support →	• Global leader in battery separator, based in the USA • Good relationship with NSG Group as the partner in a joint venture in Indonesia

Background

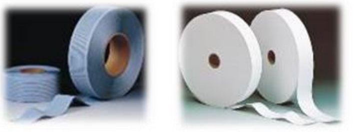
- For further development and enhancement of the value of Battery Separator business, the best option is to be integrated with and managed by ENTEK who has established business foundation and mutual trust with NSG Group

Next step

- The business disposal is scheduled to be completed in August 2021*
- Exceptional gain of JPY4.6 bn is expected during the first half of FY2022

* It is subject to the acquisition of necessary clearances, approvals and/or permissions required under competition and other laws and regulations in the relevant jurisdictions including Japan.

Battery separators



PE separator   AGM

Please move to Slide 17.

As announced on 10 May, the transfer the Battery Separator Business was decided.
Reviewing its business portfolio as part of the transformation initiatives, the Group decided it would be the best option for the Battery Separator business to be integrated with and managed by ENTEK, who has established business foundation and mutual trust with NSG Group, so that the business can further develop and enhancement its value
As a minority shareholder, the Group will continue to support the business.
The transfer is planned to be completed in August 2021. An exceptional gain of JPY4.6 billion is expected to be recorded during the first half of FY2022 and it has been incorporated in the FY2022 forecast.

FY2022 Forecast Assumptions

NSG GROUP

Group	**Initiatives under Revival Plan 24 to be taken toward achieving its targets. Revenue and operating profit planned to increase for all businesses*** • Anticipating overall stable demand and reflecting more than JPY10 bn cost saving benefit, significant improvement in profit is planned • Uncertainty with COVID-19 and input cost increase remain concerned • Gain on disposal of Battery Separator business included as exceptional gain
Architectural	**Stable demand assumed** • Europe: price improvement assumed with better demand and supply balance • Asia: market recovery, although remaining at low levels • NA: market recovery with reopening of economy SA: resumption of new float line construction due to tight demand and supply • Solar energy glass: volume increase
Automotive	**Although affected by semiconductor shortage in H1, robust demand expected** • Car production increase due to market recovery and car inventory replenishment • Recovery also helped by new model introduction delayed to FY2022 in Europe
Technical Glass	**Overall improvement*** • Products for automotive applications to recover along with car production • Demand for printer lens to remain robust with working from home demand

* On like for like basis

Please move to Slide 18.

The following two slides discuss the full year forecast for FY2022. Slide 18 shows the assumptions used for the forecast.
FY2022 is the first year of the Group's new medium term management plan, "Revival Plan 24" and the Group will focus on vigorously driving the key initiatives towards the achievement of its targets.
Revenues are planned to increase reflecting the overall stable market environment. Profit improvements incorporate a cost benefit of more than 10 billion yen as a result of transformation initiatives including the headcount reduction, as well as the demand recovery. Risks of continued impact of COVID-19 and input cost increases are assumed, but some concerns remain.
The exceptional cost includes the gain on disposal of the Battery Separator business.
Markets for the Architectural business are assumed to be stable. In Europe, further price improvements are expected reflecting a more favorable demand and supply balance. In South America, the suspended construction of the new float line in Argentina has resumed against the backdrop of glass shortages in the region.
Shipments of solar energy glass are expected to grow.
The Automotive glass will be affected by the continuing semiconductor shortages in the first half but the new car production for the full year is expected to increase. A significant volume rebound in the first quarter is assumed, as the same period of FY2021 experienced an unprecedented volume drop globally due to the shutdown of car production in many parts of the world.
The Technical Glass business performance is planned to improve on the like-for-like basis.

FY2022 Forecast

Revenue and operating profit to improve YoY with solid demand recovery and cost saving. Aiming to achieve meaningful net profit, supported also by business disposal

(JPY bn)	FY2021 Actual		FY2022 Forecast		Change	
	H1	Full year	H1	Full year	H1	Full year
Revenue	221.5	499.2	**250.0**	**530.0**	28.5	30.8
Operating profit	3.2	13.1	**10.0**	**22.0**	6.8	8.9
Operating profit (loss) after COVID-19 related exceptional items	(9.6)	(3.0)	**10.0**	**22.0**	19.6	25.0
Exceptional items (Other)	(0.8)	(5.3)	**5.0**	**5.0**	5.8	10.3
Operating profit (loss) after exceptional items	(10.4)	(8.3)	**15.0**	**27.0**	25.4	35.3
Finance expenses (net)	(5.4)	(11.0)	**(7.0)**	**(14.0)**	(1.6)	(3.0)
Share of JVs and associates' profits	(0.2)	2.1	**1.0**	**2.0**	1.2	(0.1)
Profit (loss) before taxation	(16.0)	(17.2)	**9.0**	**15.0**	25.0	32.2
Profit (loss) for the period	(17.2)	(16.3)	**8.0**	**11.0**	25.2	27.3
Net profit (loss)*	(17.3)	(16.9)	**7.0**	**9.0**	24.3	25.9

* Profit (loss) attributable to owners of the parent

Slide 19 shows the forecast for FY2021 based on the assumptions set out on Slide 18.

You can see the results for the first half and full year of FY2021 to the left, the forecast for the first half and full year of FY2022 in the middle and the variances to the right.
As explained in the previous slide, the forecast assumes significant year-on-year revenue and profit improvement, mainly because of solid demand recovery and cost saving benefits.
Full year revenues are expected to increase by 30.8 billion to 530 billion yen and operating profits by 25 billion to 22 billion yen on the operating profit line after COVID-19 related exceptional items.
The exceptional items include the gain on disposal of Battery Separator business during the first half.
As a result, the Group aims to generate net profit of 9 billion yen, returning to profitability with a significant year-on-year improvement of 25.9 billion yen.

Summary

NSG GROUP

1. FY2021 Full-year Results

- Full-year revenue and operating profit exceeded forecast published at Q3. Although results were impacted by demand decline due to COVID-19 in Q1, the following quarters recorded operating profits reflecting demand recovery and cost saving efforts
- Q4 revenue and operating profit improved YoY, as the same period last year was affected by COVID-19. Restructuring cost were partially offset by asset sale gains
- Total assets increased with exchange rate movements. Shareholders' equity ratio declined due to net loss
- Positive free cash flow was generated in Q4 following Q2 and Q3

2. Update of Key Initiatives

- Reform actions have been taken across the Group to ensure meaningful net profit in FY2022. Headcount reduction of more than 2,000 globally is progressing as planned with the total expected costs fully recorded during FY2021
- Disposal of Battery Separator business was decided as part of the business portfolio review

3. FY2022 Forecast

- Stable demand recovery is anticipated overall, although uncertainties such as continued COVID-19 impact and semiconductor shortages remain
- Revenue and operating profit are planned to increase with solid demand recovery and cost saving, leading to meaningful net profit
- As the first year of Revival Plan 24 (RP24), the Group will focus on business transformation, cost saving and cash generation, to ensure net profit and positive cash flow aiming to restore financial foundation

Slide 20 is a summary.

As the first year of Revival Plan 24, the Group will focus on business transformation, cost saving and cash generation, to ensure net profit and positive cash flow aiming to restore its financial foundation.

Notice

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic and competitive environment in major markets, product supply and demand shifts, currency exchange and interest rate fluctuations, changes in supply of raw materials and fuel and changes and laws and regulations, but not limited.

Nippon Sheet Glass Company, Limited

Appendices

FY2021 Q4 Results

- Consolidated Income Statement – Quarterly Trend
- Revenue & Operating Profit – Quarterly Trend
- Segmental Information by Quarterly
- Revenue & Operating Profit – by Regions
- Foreign Currency Exchange Rates and FX Sensitivity
- Depreciation & Amortization, Capital Expenditures, R&D Expenditures
- News Releases (November 2020 to May 2021)

Consolidated Income Statement – Quarterly Trend

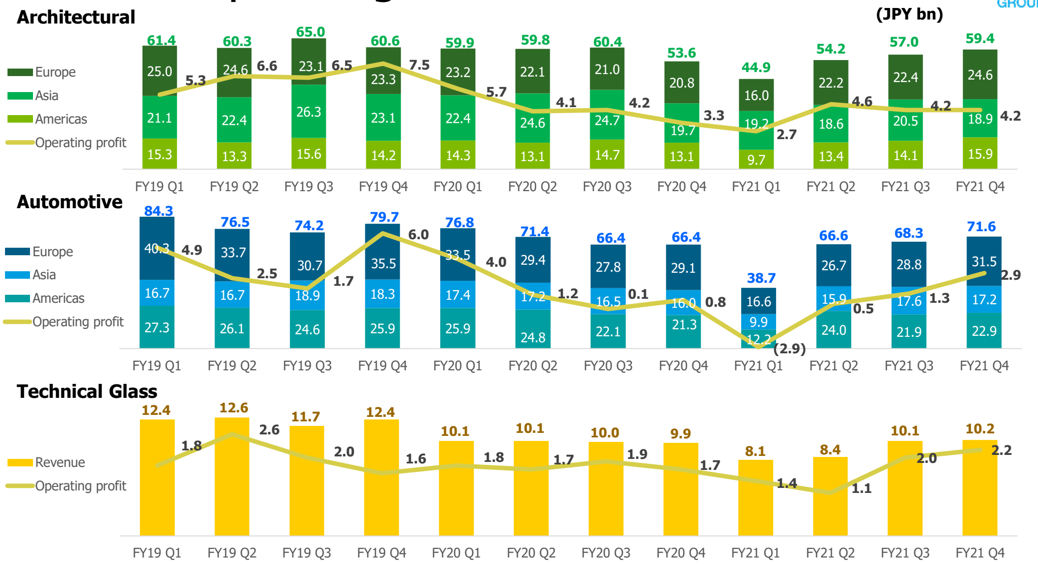
NSG GROUP

(JPY bn)	FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	147.1	141.5	137.2	130.4	91.9	129.6	135.9	**141.8**
Operating profit (loss)	8.8	6.1	3.1	3.2	(0.6)	3.8	4.8	**5.1**
ROS: Return on sales (%)	6.0%	4.3%	2.3%	2.5%	―	2.9%	3.5%	**3.6%**
Exceptional items (COVID-19 related)	―	―	―	(2.2)	(11.5)	(1.3)	(1.2)	**(2.1)**
Operating profit (loss) after COVID-19 related exceptional items	8.8	6.1	3.1	1.0	(12.1)	2.5	3.6	**3.0**
Exceptional items (Other)	(0.6)	(1.6)	(2.2)	(17.4)	―	(0.8)	1.0	**(5.5)**
Operating profit (loss) after exceptional items	8.2	4.5	0.9	(16.4)	(12.1)	1.7	4.6	**(2.5)**
Finance expenses (net)	(3.5)	(2.8)	(3.2)	(2.3)	(2.4)	(3.0)	(2.1)	**(3.5)**
Share of JVs and associates' profits (losses)	0.5	0.3	0.4	(0.1)	(0.4)	0.2	1.0	**1.3**
Profit (loss) before taxation	5.2	2.0	(1.9)	(18.8)	(14.9)	(1.1)	3.5	**(4.7)**
Profit (loss) for the period	3.1	(0.7)	(0.5)	(19.4)	(16.5)	(0.7)	3.7	**(2.8)**
Net profit (loss) *	2.9	(1.0)	(0.7)	(20.1)	(16.4)	(0.9)	3.4	**(3.0)**
EBITDA	17.5	14.2	11.5	11.8	6.1	12.7	13.5	**14.5**

* Profit (loss) attributable to owners of the parent

Revenue & Operating Profit – Quarterly Trend

NSG GROUP



Segmental Information

NSG GROUP

(JPY bn)	FY2020					FY2021					Change				
	Q1	Q2	Q3	Q4	Cumulative	Q1	Q2	Q3	Q4	Cumulative	Q1	Q2	Q3	Q4	Cumulative
Revenue: Architectural	**59.9**	**59.8**	**60.4**	**53.6**	**233.7**	**44.9**	**54.2**	**57.0**	**59.4**	**215.5**	**(15.0)**	**(5.6)**	**(3.4)**	**5.8**	**(18.2)**
Europe	23.2	22.1	21.0	20.8	87.1	16.0	22.2	22.4	24.6	85.2	(7.2)	0.1	1.4	3.8	(1.9)
Asia	22.4	24.6	24.7	19.7	91.4	19.2	18.6	20.5	18.9	77.2	(3.2)	(6.0)	(4.2)	(0.8)	(14.2)
Americas	14.3	13.1	14.7	13.1	55.2	9.7	13.4	14.1	15.9	53.1	(4.6)	0.3	(0.6)	2.8	(2.1)
Operating profit	**5.7**	**4.1**	**4.2**	**3.3**	**17.3**	**2.7**	**4.6**	**4.2**	**4.2**	**15.7**	**(3.0)**	**0.5**	**0.0**	**0.9**	**(1.6)**
Revenue: Automotive	**76.8**	**71.4**	**66.4**	**66.4**	**281.0**	**38.7**	**66.6**	**68.3**	**71.6**	**245.2**	**(38.1)**	**(4.8)**	**1.9**	**5.2**	**(35.8)**
Europe	33.5	29.4	27.8	29.1	119.8	16.6	26.7	28.8	31.5	103.6	(16.9)	(2.7)	1.0	2.4	(16.2)
Asia	17.4	17.2	16.5	16.0	67.1	9.9	15.9	17.6	17.2	60.6	(7.5)	(1.3)	1.1	1.2	(6.5)
Americas	25.9	24.8	22.1	21.3	94.1	12.2	24.0	21.9	22.9	81.0	(13.7)	(0.8)	(0.2)	1.6	(13.1)
Operating profit	**4.0**	**1.2**	**0.1**	**0.8**	**6.1**	**(2.9)**	**0.5**	**1.3**	**2.9**	**1.8**	**(6.9)**	**(0.7)**	**1.2**	**2.1**	**(4.3)**
Revenue: Technical	**10.1**	**10.1**	**10.0**	**9.9**	**40.1**	**8.1**	**8.4**	**10.1**	**10.2**	**36.8**	**(2.0)**	**(1.7)**	**0.1**	**0.3**	**(3.3)**
Europe	1.7	1.8	1.6	2.0	7.1	1.3	1.4	1.9	1.8	6.4	(0.4)	(0.4)	0.3	(0.2)	(0.7)
Asia	8.0	7.9	8.1	7.7	31.7	6.5	6.8	7.9	8.1	29.3	(1.5)	(1.1)	(0.2)	0.4	(2.4)
Americas	0.4	0.4	0.3	0.2	1.3	0.3	0.2	0.3	0.3	1.1	(0.1)	(0.2)	0.0	0.1	(0.2)
Operating profit	**1.8**	**1.7**	**1.9**	**1.7**	**7.1**	**1.4**	**1.1**	**2.0**	**2.2**	**6.7**	**(0.4)**	**(0.6)**	**0.1**	**0.5**	**(0.4)**
Revenue: Other	**0.3**	**0.2**	**0.4**	**0.5**	**1.4**	**0.2**	**0.4**	**0.5**	**0.6**	**1.7**	**(0.1)**	**0.2**	**0.1**	**0.1**	**(0.3)**
Operating profit	**(2.7)**	**(0.9)**	**(3.1)**	**(2.6)**	**(9.3)**	**(1.8)**	**(2.4)**	**(2.7)**	**(4.2)**	**(11.1)**	**0.9**	**(1.5)**	**0.4**	**(1.6)**	**(1.8)**
Revenue: Total	**147.1**	**141.5**	**137.2**	**130.4**	**556.2**	**91.9**	**129.6**	**135.9**	**141.8**	**499.2**	**(55.2)**	**(11.9)**	**(1.3)**	**11.4**	**(57.0)**
Operating profit	**8.8**	**6.1**	**3.1**	**3.2**	**21.2**	**(0.6)**	**3.8**	**4.8**	**5.1**	**13.1**	**(9.4)**	**(2.3)**	**1.7**	**1.9**	**(8.1)**

Revenue & Operating Profit – by Regions

(JPY bn)	FY2020 Full-year			FY2021 Full-year			Change	
	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	Operating profit
Europe	**214.0**	**39%**	**8.5**	**195.2**	**39%**	**5.3**	**(18.8)**	**(3.2)**
Asia	**190.2**	**34%**	**13.1**	**167.1**	**34%**	**12.8**	**(23.1)**	**(0.3)**
Americas	**150.6**	**27%**	**8.9**	**135.2**	**27%**	**6.1**	**(15.4)**	**(2.8)**
Other *	1.4	0%	(9.3)	1.7	0%	(11.1)	0.3	(1.8)
Total	**556.2**	**100%**	**21.2**	**499.2**	**100%**	**13.1**	**(57.0)**	**(8.1)**

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

Foreign Currency Exchange Rates

NSG GROUP

Average rates used

	FY2019				FY2020				FY2021				FY2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Forecast
GBP	149	147	146	146	141	137	138	138	133	135	136	**139**	135
EUR	131	130	129	129	124	121	121	121	118	121	123	**124**	122
USD	110	111	111	111	109	109	109	109	107	106	106	**106**	105
BRR	30.4	29.3	29.3	29.4	28	27.6	27.2	26.4	19.9	19.8	19.7	**19.7**	19.7
ARS	4.7	Closing rates are applied – hyperinflation											

Closing rates used

	FY2019				FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GBP	145	148	141	144	137	133	144	133	132	135	141	**152**
EUR	128	132	127	124	123	118	122	119	121	124	127	**130**
USD	111	113	111	111	108	108	109	108	107	105	103	**111**
BRR	28.6	28.2	28.5	28.3	28.3	26.0	27.1	20.8	19.9	18.7	19.8	**19.1**
ARS	3.94	2.84	2.93	2.53	2.53	1.88	1.82	1.68	1.53	1.38	1.22	**1.20**

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

	FY2020	FY2021
Equity	JPY (3.1) billion	JPY (3.1) billion
Loss for the period	Improve by JPY 0.1 billion	Improve by JPY 0.1 billion

Depreciation & Amortization, Capital Expenditures, R&D Expenditures

(JPY bn)	FY2020	FY2021	FY2022 Full-year Forecast
Depreciation & Amortization	**34.8**	**35.8**	**35.0**
Capital expenditures	**67.0**	**43.3**	**29.0**
Ordinary	25.7	19.0	
Strategic projects and other	41.3	24.3	
R&D expenditures	**9.0**	**8.3**	**9.0**
Architectural	2.7	2.3	
Automotive	2.6	2.3	
Technical Glass	0.9	0.9	
Other	2.8	2.8	

News Releases — November 2020 to May 2021

12-Nov-20	NSG's solar glass float furnace in the U.S. starts operation
29-Dec-20	Voluntary retirement program in Japan as part of Business Transformation Initiative
13-Jan-21	NSG Group's CDP rating improved to Climate Change A-
15-Jan-21	Donation of antiviral glass, VirusClean™, to Toshima-ku (Tokyo)
4-Feb-21	Recognition of exceptional gain and cost and revision of forecast for full year FY2021
19-Feb-21	Antiviral glass, VirusClean™, certified for SIAA
5-Mar-21	Donation of laminated architectural glass, Lamipane Shelter™, to Sumida-ku (Tokyo)
17-Mar-21	Development of sol-gel antibacterial and antiviral coating for glass
30-Mar-21	Outcome of voluntary retirement program in Japan
30-Mar-21	Sale of non-current assets and recognition of exceptional gains
15-Apr-21	The first fireproof glass in Japan acquiring JIS certification for heat-resistance
6-May-21	Whistleblowing Compliance Management System (WCMS) Certification
10-May-21	Transfer of Battery Separator Business

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