

TO OUR SHAREHOLDERS

NIPPON SHEET GLASS CO., LTD.
156TH FISCAL PERIOD REPORT
1 APRIL 2021 – 31 MARCH 2022



NSG Botanical™ is a new brand of glass products for the agricultural market. Please refer to the TOPICS (Page 5) for the details.

Message from the President and CEO



On behalf of the NSG Group, I sincerely thank you for your continued support.

First, I would like to extend prayers to those who succumbed to COVID-19. At the same time, I would like to express the hope for a fast recovery of all who are infected with the disease and the well-being of all the shareholders and their family members.

FY2022 was the first year of the Group's Medium Term Plan, "Revival Plan 24 (RP24)". As a result of the group-wide efforts to execute RP24, we delivered for FY2022 on a full-year basis, revenues of 600.6 billion yen, up 20% from FY2021 (FY2021: 499.2 billion yen), operating profits of 20 billion yen, up 53% from FY2021 (FY2021: 13.1 billion yen), profits before taxation of 11.9 billion yen (FY2021: loss of 17.2 billion yen), the profit for the period of 6.8 billion yen (FY2021: loss of 16.3 billion yen),

and the profit attributable to owners of the parent of 4.1 billion yen (FY2021: loss of 16.9 billion yen).

FY2023 is the middle year of RP24. The global economy is becoming increasingly uncertain due to Russia's invasion of Ukraine, and we anticipate that the Group will continue to be affected by the serious impact of rising input costs, particularly energy costs.

Despite such challenging business environment, we are determined to enhance risk management, work toward accomplishing RP24 as we did in the first year, and execute "Three Reforms" (Cost Structure Reform, Business Structure Reform, and Corporate Culture Reform) and "Two Key Initiatives" (Restoration of Financial Stability and Transformation into More Profitable Business Portfolio) so as to build business strength to sustain the cycle of growth.

Regrettably, the Group has decided not to declare dividends for ordinary shares for the fiscal year to 31 March 2022, considering factors such as the Group's current financial position and its level of profitability. The Group recognizes the great importance of dividends to shareholders and therefore will focus on improving its financial performance and strengthen its financial base, with a view to resuming dividend payments as soon as possible.

We look forward to the continuing support and encouragement of our shareholders.

Issues to be addressed

Early recovery of profitability and acceleration of business structure reform

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

In the process of economic recovery from the corona pandemic, the business environment has been changing with the confusion of supply chains and the surging prices of fuels and materials. We must adjust to such changes and recover profitability quickly. We will continue to drive forward the essential "**Cost structure reform**" by streamlining the workforce, reducing fixed cost and procurement cost etc. as the first of Three Reforms set forth in RP24. Digital Transformation (DX) is seen as an integral part of this drive and will be pursued across the entire Group. Restoring the profitability of Automotive business is an urgent issue and we will work to improve asset utilization efficiency.

In order for the Group to keep growing sustainably, it is necessary to accelerate the second reform set forth in RP24, i.e. "**Business structure reform**". To this end, in the Architectural Glass business, Group is shifting its focus from the commodity window glass to VA glass business by expanding the sales of PV panels for mega solar application and developing BPIV (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, as a new type of solution for the growing composite market driven by the decarbonization of society, the Group released a high-modulus and high-strength glass fiber called MAGNAVI™, aiming to capture the application to such areas as electronics and renewable energy. We continue to work on such new initiatives further into the future.

The third reform specified in RP24 is "**Corporate culture reform**", which focuses on changing employees' mindset and talent development to facilitate the cost structure reform and the business structure reform mentioned above. We will expedite business transformation through open communication and talent diversification.

By implementing these reforms, the Group strives to transform into a business structure equipped with robust earnings power capable of achieving net profit and generating free cash flow in a stable manner.

The Group consider that the calls for businesses to tackle climate change and other environmental issues proactively will continue to gather momentum. The Group is committed to reducing CO₂ emissions within the Group while also contributing to the reduction of CO₂ emissions in society at large through the expanded sales of energy-saving and energy-creating glass products so as to attain the ultimate goal of carbon neutrality.

NSG at a Glance

(1 April 2021 – 31 March 2022)

NSG Group operates globally in the fields of Architectural glass, Automotive glass, and Technical glass.

Technical Glass

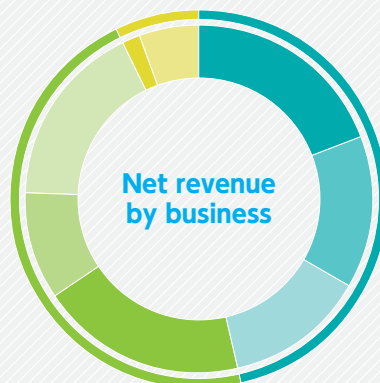
7%

Europe	1%
Asia	5%
Americas	0%



- Major manufacturing sites located in Japan, China, and Europe
- Number One/ Only One in niche markets

FY2022: Performance continued to improve in Fine glass business while in Information and telecommunication device business, printer lenses continued to grow as a result of the spread of working from home.



Architectural Glass

47%

Europe	19%
Asia	14%
Americas	13%



- 27 float furnaces around the world
- Leading supplier of Thin film solar energy glass

FY2022: Both revenues and profits improved from the previous year when there were significant impacts of the Covid-19 pandemic.

Automotive Glass

46%

Europe	19%
Asia	10%
Americas	17%



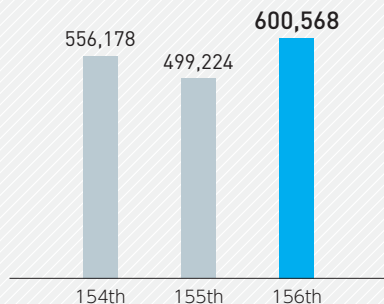
- Major manufacturing sites located in 14 countries
- One of the largest global service providers for Automotive glass replacement distribution and wholesale

FY2022: Sales exceeded the previous year, but an operating loss was recorded due to restrictions on vehicle production caused by a shortage of semiconductors and increased input costs.

Revenue

600,568

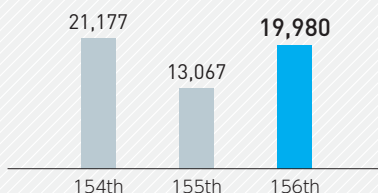
(Millions of yen)



Operating profit

19,980

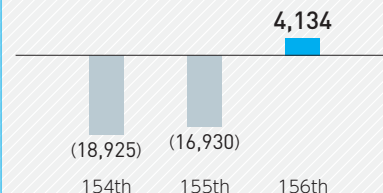
(Millions of yen)



Profit attributable to owners of the parent

4,134

(Millions of yen)



Profit before taxation

11,859

(Millions of yen)

Profit for the period

6,759

(Millions of yen)

Notes: • 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.

The NSG Group's actions against climate change

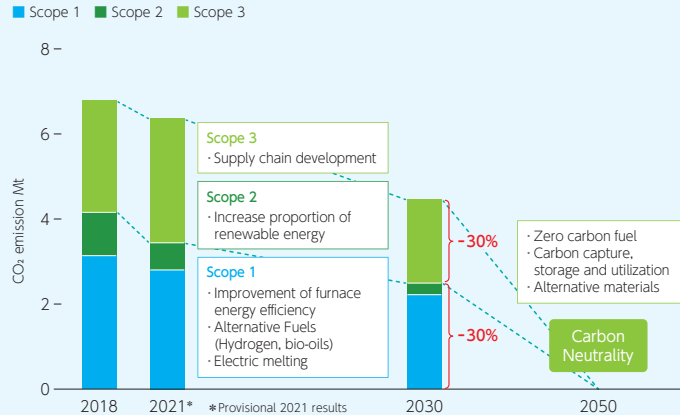
Declaration to achieve Carbon Neutrality by 2050 CO₂ emission reduction target for 2030 raised from 21% to 30% compared to 2018



The NSG Group aims to contribute to the materialization of a sustainable society and achieve sustainable growth over the medium to long term at the same time and as such, addressing environmental issues is one of the most important tasks for the Group.

As part of its efforts to combat climate change, a challenge common to all mankind, the Group has declared that it will reduce its greenhouse gas emissions by 30% by 2030 compared to 2018 (up from the previous target of 21%) and achieve Carbon Neutrality by 2050.

In order to achieve this, we will work on optimising the glass manufacturing process, developing energy-saving technologies, introducing alternative fuels and renewable energy, and developing supply chains, while contributing to the reduction of CO₂ emissions from society through the development and sales expansion of energy-saving and energy-creating products.



Biofuel Trial by St Helens Glass Giant Marks New World-First Towards Decarbonisation

Pilkington United Kingdom Limited of the NSG Group has become the world's first flat glass manufacturer to fire its furnace on 100% biofuel. The trial forms part of the Department for Business, Energy and Industrial Strategy's Energy Innovation Programme. It is one of the initiatives to promote introduction of sustainable low-carbon fuel as an alternative to traditional natural gas used in the sector. The trial has confirmed nearly 80% reduction of CO₂ emission.



▲ Greengate site (UK)

The NSG Group Introduces Renewable Electricity in Poland

NSG UK Enterprises of the NSG Group has signed a power purchase agreement (PPA) for the renewable electricity generated by a wind farm located in Poland. It is the first PPA signed by a glass manufacturer in Poland. NSG will offtake 51% of the output from the wind farm for a duration of 10 years. This is an initiative to drive the spread of renewable energy, reduce exposure to the volatile wholesale electricity prices and secure renewable electricity at predictable costs over the long term.



The amount of clean energy purchased is equivalent to avoiding the carbon emissions from nearly 15,000 passenger vehicles driven for one year, or more than 278 million kilometers driven by an average passenger car.

Expansion of TCO Coated Glass for Solar Panels

Solar power generation is also a crucial technology for the advancement of a 'decarbonised society', and NSG's high-quality glass products are used in key components for converting solar energy into electricity. In particular, the supply of TCO (transparent conductive oxide) coated glass for solar panels, manufactured by using our unique on-line coating technology, continues to expand, contributing to the spread of renewable energy.



TOPICS

TOPIC 1

Year 2022 as the International Year of Glass

On 18 May 2021, the United Nations General Assembly designated 2022 as the International Year of Glass (IYoG). This is to celebrate the past, present, and bright future of glass as a tool that underpins a sustainable modern society. Also, in 2022, Pilkington UK of the NSG Group marks 70 years since the invention of float glass process. We have also launched a



special webpage for IYoG to highlight various fascinating aspects of glass.

<https://www.nsg.com/en/iyog-2022>

TOPIC 2

Glass application for wireless transmission of electricity to power devices

Jointly developed by NSG and Cohda Design Limited (UK), this technology allows electricity or data to be transferred wirelessly through NSG TEC™ (transparent conductive coating glass) to power any device. We can expect a vast array of applications including wireless charging of smartphones and in automotive, transmitting power to the head-up display screens embedded in a vehicle's windscreen, to mention a few.



Photography: Cohda Design Limited

TOPIC 3

Recognized on CDP as a Supplier Engagement Leader



The Group has been recognized on CDP (HQ in UK), an international environmental non-profit organization, as a Supplier Engagement Leader, the highest ranking in its evaluation of supplier engagement. This rating is an indicator that assesses a company's supply chain commitment to climate change issues and promotes collaboration among companies in the supply chain. Only the world's approximately top 500 companies (including 105 Japanese companies) have been selected for the Supplier Engagement Leader in this year's survey.

● Cover photo:

NSG Botanical™, a new brand of glass product for the agricultural market

The NSG Group has launched NSG Botanical™ series, a new brand of glass products for the agricultural market. Greenhouse cultivation is a promising form of agriculture that enables effective use of sunlight to grow crops even in the environments with low solar radiation and low temperatures. Solar radiation is such an important factor in improving the yield of crops that a 1% increase in light transmission can increase the yield of some crops by 1%. Also, plants and crops have diverse properties requiring diverse solutions. NSG Botanical™ series will contribute to increased crop yields by capitalizing on the distinctive properties of glass to improve solar transmittance and achieve a range of other functions.

SHAREHOLDER INFORMATION

Fiscal Period	1 April to 31 March of the following year
Ordinary General Meeting of Shareholders	Held annually in June
Record Dates	Ordinary General Meeting of Shareholders: 31 March Dividend: 30 September and 31 March
Public Notice	https://www.nsg.com/
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Operating Office	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
(Mail Address)	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063, Japan
(Telephone Number)	0120-782-031 (toll free in Japan)

For notification of any change in your record such as your address or for any inquiry, please contact the securities company administrating your shareholder account. If you do not use a securities company, please contact our transfer agent as shown above.

▶ Notice to shareholders holding odd-lot shares

If you hold an odd-lot of shares (1 to 99 shares), which is less than a trading unit of shares (100 shares), you can require the Company to:

1. purchase these shares or
2. sell such exact number of the shares as would constitute one trading unit when added together with your shareholding.

Please contact the securities company administrating your shareholder account for its specific procedures. If you do not use a securities company, please contact our transfer agent as shown above.

CORPORATE DATA (as at 31 March 2022)

Company Name	Nippon Sheet Glass Co., Ltd.
Head Office	Sumitomo Fudosan Mita Twin Building West Wing, 5-27, Mita 3-chome, Minato-ku, Tokyo 108-6321 Japan
Established	22 November 1918
Number of Permanent Employees	25,232 (consolidated)
Paid-in Capital	JPY¥116,709 million
Accounting Auditor	Ernst & Young ShinNihon LLC
Stock Listing	Tokyo (Code: 5202) *Moved to the Prime market on 4 April 2022
Contact	https://www.nsg.com/en/contact-us

General Information

Voting results of the 156th Ordinary General Meeting of Shareholders will be filed and shown via EDINET (<http://disclosure.edinet-fsa.go.jp/>) in the form of an Extraordinary Report (in Japanese Only) and also disclosed on the Company's website.

Our Website

Further information about the Group including its financial results and latest IR information is available at <https://www.nsg.com/en>

Please scan this QR code with your smartphone to access our website



<https://www.nsg.com/en>

**UD
FONT**

Universal design fonts that are easy to understand and easy to read are used.

NSG
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