

TO OUR SHAREHOLDERS

NIPPON SHEET GLASS CO., LTD.
158TH FISCAL PERIOD INTERIM REPORT
1 APRIL 2023 – 30 SEPTEMBER 2023



"Solar power generation here, too"
The new building features the Group's BIPV (building-integrated photovoltaic) panels on the windows and roof, which are expected to generate power supply that will cover approximately 30% of the building's annual electricity requirement.
(Germany)





Message from the President and CEO

On behalf of the NSG Group, I would like to express my sincere gratitude for your continued support. I would like to present Group's financial results for the first half (from 1 April to 30 September 2023) of the 158th fiscal period (FY2024) as follows.

November 2023

Munehiro Hosonuma

Representative Executive Officer
President and CEO
Nippon Sheet Glass Co., Ltd.

Summary of the First Half of FY2024 and Outlook for the Second Half

In the first half of FY2024, although the Group's business environment continued to be severely affected by rising raw materials costs, labor and other costs while energy costs remained relatively stable after rising in the first half of the previous year, this impact was offset by continuous cost reductions and improvements in selling prices. Architectural glass business performed well as the impact of rising costs was mitigated by price-through against a backdrop of strong demand except in Europe, where the business was impacted by economic slowdown. Demand for solar energy glass was also positive. In the automotive markets, sales volume increased as vehicle production constraints were resolved and also, the Group was able to realize further price pass-through to offset cost increase, resulting in a significant improvement in profitability. Technical glass business remains highly profitable though affected by the market sluggishness. In the meantime, finance costs have increased due to increasing market interest rates in Europe and the United States. In addition, following the disposal of Russian subsidiaries owned by the Group's joint venture in the first quarter of FY2024, the Group recorded a gain on the reversal of previous impairments of balances owed by joint ventures and also recognized a reversal of the previous impairments of the investment in this joint venture. Consequently, in the current interim term, the Group was able to deliver year-on-year improved revenue and profit exceeding our forecast, with revenue of 420.2 billion yen (375.7 billion yen in the same period of FY2023), operating profit of 26.0

billion yen (14.4 billion yen in the same period of FY2023), and profit attributable to owners of the parent of 9.8 billion yen (loss of 38.8 billion yen in the same period of FY2023). With regard to the business environment in the second half of the year, raw materials and other cost increases are expected to continue due to expanding inflation worldwide. While the business conditions remain uncertain due to risks such as potential recession caused by interest rate hikes, the Architectural glass business is expected to remain strong in the foreseeable future, and the Automotive business is expected to see the constraints on vehicle production alleviated furthermore. The Group aims to achieve the highest operating profit since the global financial crisis in 2008 by mitigating the impact of increased costs through improved selling prices.

Progress in "Revival Plan 24 (RP24)" as Medium Term Management Plan

The main progress in the first half of this fiscal year under the Medium Term Management Plan "Revival Plan 24 (RP24)" (from FY2022 to FY2024), which is in its final year, is as follows. Regarding the expansion of value-added businesses along with the "Business structure reform", the Group has completed installation of an online coating capacity to manufacture glass for solar panels in an existing float line in Malaysia and conducted a light-up ceremony on 26 October 2023 (Production is scheduled to start in December 2023). For the "Restoration of financial stability", an ROS in the current interim term improved up to 6.2% and a shareholder's equity ratio remained above its financial target of 10% at 12.6%.

The current year is not only the final year of RP24, but is also a pivotal year for formulating the Next Medium Term Management Plan and creating the future of the Group. We will continue to promote the restoration of a stronger financial base and carry the momentum to the Next Medium Term Management Plan.

Dividends

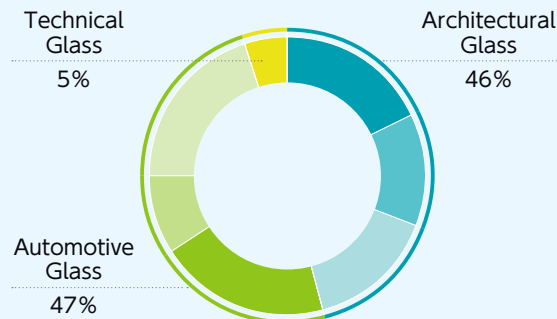
Recognizing the distribution of profit to shareholders as one of its important management objectives, the Group has upheld a basic policy of stably declaring dividend payments on common shares based on sustainable business results. To that end, dividend payments by the Group will be determined in view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

Regretfully, the Group decided not to declare an interim dividend on common shares for this fiscal year, taking into consideration its financial situations comprehensively though its business performance has been improving steadily.

I am deeply sorry and sincerely apologize to our shareholders. The Group recognizes the importance of dividends to its shareholders and will concentrate its efforts to improve profitability further and reinforce financial foundation with a view to the resumption of dividend payment as early as possible.

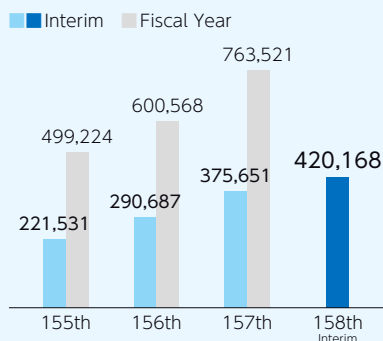
I would like to ask your continued understanding and support.

Net revenue by business

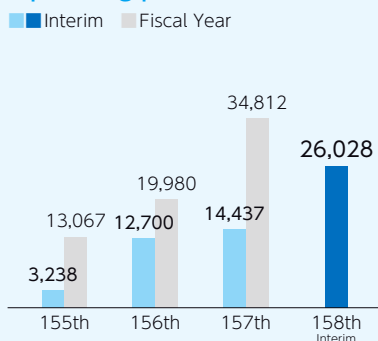


Architectural Glass	Europe	18%
Architectural Glass	Asia	13%
Architectural Glass	Americas	15%
Automotive Glass	Europe	20%
Automotive Glass	Asia	9%
Automotive Glass	Americas	20%
Technical Glass		5%

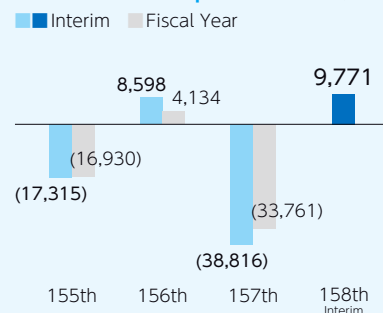
Revenue (Million yen)



Operating profit (Million yen)



Profit attributable to owners of the parent (Million 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.

Technology and Products of the NSG Group

Mission of
the
NSG Group

“Changing our surroundings, improving our world”

×
Pilkington Spacia™ vacuum insulating glass
— a higher level of comfort with “vacuum” —

真空ガラス
スペーシア

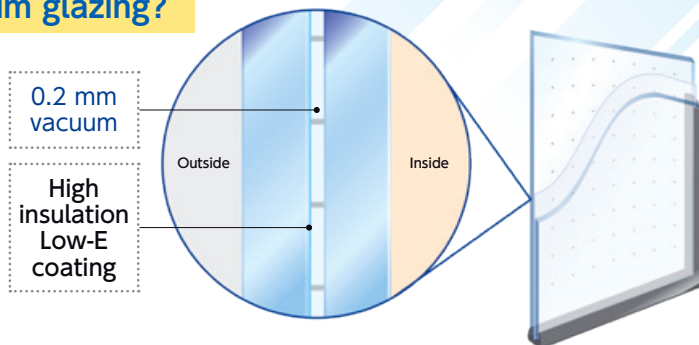
1 Highly insulated, highly comfortable window glass because of “vacuum”!

What is Pilkington Spacia™ vacuum glazing?

Pilkington Spacia™ is the world's first commercially viable advanced vacuum insulated glazing launched by Nippon Sheet Glass (NSG).

It uses special metal film coating technology and a vacuum process to create a 0.2 mm wide vacuum space between two panes of glass. This results in a thin, yet highly insulating vacuum glazing that overturns conventional wisdom about double glazing.

Moreover, compared with regular double-glazing glass, Pilkington Spacia™ is about half as thick but has about twice the insulation performance, making it ideal for renovations, as it can be used to replace the sashes of existing homes. Space-saving and energy-saving Pilkington Spacia™ contributes to the preservation of the global environment and the realisation of a low-carbon society.



Vacuum technology realized for the first time in the world by Nippon Sheet Glass (NSG). The vacuum space between two panes of glass prevents “conduction” and “convection” of heat, while the Low-E coating suppresses heat “radiation”.

High insulation performance of Pilkington Spacia™ based on heat transfer mechanism

Just a 0.2 mm wide vacuum space between two panes of glass prevents “conduction” and “convection” of heat, while the Low-E coating suppresses heat “radiation”.

Heat conduction



“Conduction” is the transfer of heat through an object. In a vacuum, heat does not transfer and conduction does not occur.

Heat convection



“Convection” is the heat transfer caused by the movement of a gas or a liquid. Convection does not occur in a vacuum where there is no gas or liquid.

Heat radiation



“Radiation” is the transfer of thermal energy emitted from an object to another object. Low-E coating suppresses radiation.

2 Anti-condensation, soundproofing, and energy saving are also possible! Evolving Pilkington Spacia™.

History of Pilkington Spacia™ technology (product) development

Since its launch in 1997, Pilkington Spacia™ has expanded its product line-up to meet diversifying consumer needs. Especially, in recent years, in response to growing awareness of the need to prevent global warming and soaring energy prices, Pilkington Spacia™, which significantly reduces heating and cooling costs, has been increasingly well received.

We will continue to refine our unique vacuum glazing technology and meet the various expectations of our customers.



Users' voices



I'm happy that the temperature in the room is now constant and there is no condensation at all. Especially in winter, it is warmer by about 5 to 8°C.

Windows were replaced at the time of renovation to prevent condensation, but they also have excellent soundproofing properties. There was heavy rain the other day, but I didn't notice any noise from the eaves. It is more than I expected.

3 High evaluation of environmental contribution Pilkington Spacia™ received the 50th Anniversary Special Award of the Environmental Awards

Pilkington Spacia™ won the “50th Anniversary Special Award” of the Environmental Award (co-sponsored by the National Institute for Environmental Studies and Nikkan Kogyo Shimbun, and supported by the Ministry of the Environment) and was presented with the award at an award ceremony held on 27 June 2023.

The 50th Anniversary Special Award is presented to companies and organisations that have received the award in the past, evaluating their environmental contribution after receiving the award and recognising those that have made a particularly outstanding contribution.

The NSG Group received the Award of Excellence at the 29th Environmental Awards in 2002, and has been highly commended for its contribution to environmental protection through its efforts to reduce CO₂ emissions by improving the insulation properties of openings in buildings and further improve performance by developing new products since then.



環境賞

TOPICS

1 The World's Lowest Carbon Product of Its Kind: Glass with 50% Less Embodied Carbon Launches in New Milestone for Decarbonising Buildings

NSG Group's new glass range, Pilkington Mirai™ has delivered a 50% reduction in embodied carbon emissions compared to the Group's standard float glass with no difference in performance or quality—representing the lowest carbon product of its kind on the market. It's been pioneered using a combination of alternative fuel, high recycled glass content, and green electricity sources.

The name Mirai, meaning “future” in Japanese, was chosen to mark the start of the next generation of low carbon glass products amid a global push towards decarbonization in the architectural sector.



2 NSG Group at JAPAN MOBILITY SHOW 2023

NSG Group exhibited at the JAPAN MOBILITY SHOW 2023 (formerly known as the Tokyo Motor Show) held at Tokyo Big Sight from October 26 to November 5, 2023. Including participants from outside the automotive industry, the trade show attracted a record number of 475 companies and organizations and offered a variety of events for visitors to enjoy. Under the theme of “make change”, NSG Group displayed glass products of the future that will contribute to the realization of next-generation mobility systems that create a comfortable space, just like relaxing in one's own room.



3 NSG Group has adopted a new “NSG Group Sustainable Supply Chain Charter”

NSG Group purchases raw materials and other goods and services from more than 15,000 suppliers worldwide. In order to build a sustainable supply chain with the Group's supply chain partners, we have adopted a new “NSG Group Sustainable Supply Chain Charter”. It outlines the Group's ambitions in eight selected Key Sustainability Impact areas in our supply chain and also highlights joint aspirations with our supply partners. Together with the Group's supply chain partners, we will enhance and accelerate actions to achieve our goals.



Eight Key Sustainability Impact areas	Reducing Greenhouse Gases	Protecting the Environment	Protecting Labour and Human Rights	Reducing Waste
	Conserving Water	Improving Transparency	Promoting Diversity, Equity and Inclusion	Supporting Communities

4

NSG Group's "UFF[®]" and "glanova[®]" Recognized for SCS Recycled Content Certification

"UFF[®]" ultra-fine flat glass and "glanova[®]" chemically strengthened glass have received Recycled Content Certification from SCS Global Services*. These glass products are used for a wide range of applications such as smartphone cover glass, Touch Panel Glass, and auto interiors. With this certification, it is now recognized by an independent organization that more than 35% of materials in "UFF[®]" and 38% of it in "glanova[®]" are made from pre-consumer

recycled glass. We will continue our efforts to enhance the recycling ratio in order to realize a sustainable society.



MINIMUM 35% RECYCLED CONTENT
PRE-CONSUMER

"UFF[®]" certification mark

※SCS Global Service: A leading third-party certification and auditing company in the fields of sustainability and environment.

Cover photo

Without compromising the beauty of the view and the exterior, the building contributes to the realization of a sustainable society (Germany).



Enerparc's new headquarters building was constructed in the HafenCity district of Hamburg, Germany. The building, whose exterior is toned in red-brick colour in harmony with the existing cityscape, has the glass roof, the front façade, and the terrace on the top floor that incorporate the Group's semi-transparent BIPV (Building Integrated Photovoltaics) panels, which blend in with the cityscape in the best possible way. The building's interior is softly lit through the glass roof, and the renewable energy generated by the BIPV panels is expected to cover 30% of the building's annual electricity requirements.

Management (as at 30 September 2023)

NSG adopts a Company with Three Committees structure.

Board of Directors

Independent External Director Chairperson of the Board	Hiroshi Ishino	Chairperson of Nomination Committee	Audit Committee	Compensation Committee
Independent External Director	Jörg Raupach Sumiya	Nomination Committee	Audit Committee	Chairperson of Compensation Committee
Independent External Director	Kunihito Minakawa	Nomination Committee	Chairperson of Audit Committee	Compensation Committee
External Director	Yoshihiro Kuroi			
Independent External Director	Shinji Asatsuma	Nomination Committee	Audit Committee	Compensation Committee
Independent External Director	Eriko Sakurai			
Director	Munehiro Hosonuma	Nomination Committee		Compensation Committee

Executive Officers

Representative Executive Officer President and CEO	Munehiro Hosonuma
Executive Officer, Chairperson of the Company	Shigeki Mori
Senior Executive Officer	Leopoldo Garces Castiella
Senior Executive Officer	Koichi Hiyoshi
Senior Executive Officer	Hisashi Okamoto
Senior Executive Officer	Akihito Okochi
Senior Executive Officer	Rob Purcell
Senior Executive Officer	Phil Wilkinson
Executive Officer	Mike Greenall
Executive Officer	Denise Haylor
Executive Officer	Michael Kiefer
Executive Officer	Shiro Kobayashi
Executive Officer	Kumi Nakamura
Executive Officer	Yohei Nakatsuji
Executive Officer	Iain Smith

Corporate Data (as at 30 September 2023)

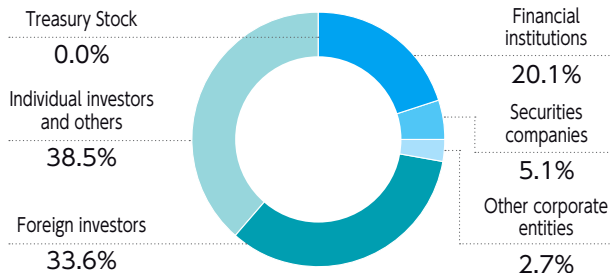
Company Name	Nippon Sheet Glass Co., Ltd.
Head Office	Sumitomo Fudosan Mita Twin Building West Wing, 5-27, Mita 3-chome, Minato-ku, Tokyo 108-6321 Japan
Established	22 November 1918
Number of Permanent Employees (consolidated)	25,238
Paid-in Capital	JPY116,829 million
Accounting Auditor	Ernst & Young ShinNihon LLC
Stock Listing	Tokyo Prime market (Code: 5202)
Contact	https://www.nsg.com/en/contact-us

Stock Information (as at 30 September 2023)

Number of Shares/Shareholders

Authorized Number of Shares to be Issued	177,500,000 shares				
Authorized Number of Shares to be Issued by Class	<table><tr><td>Common Shares</td><td>177,500,000 shares</td></tr><tr><td>Class A Shares</td><td>40,000 shares</td></tr></table>	Common Shares	177,500,000 shares	Class A Shares	40,000 shares
Common Shares	177,500,000 shares				
Class A Shares	40,000 shares				
Issued Shares	<table><tr><td>Common Shares</td><td>91,349,799 shares</td></tr><tr><td>Class A Shares</td><td>30,000 shares</td></tr></table>	Common Shares	91,349,799 shares	Class A Shares	30,000 shares
Common Shares	91,349,799 shares				
Class A Shares	30,000 shares				
Number of Shareholders	<table><tr><td>Common Shares</td><td>43,966</td></tr><tr><td>Class A Shares</td><td>3</td></tr></table>	Common Shares	43,966	Class A Shares	3
Common Shares	43,966				
Class A Shares	3				

Distribution of NSG Shareholders (Common Share)



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

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 Dividends: 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)

If you need to record any changes in your address, personal details or any other relevant matter, please contact the securities company administrating your shareholder account. If you do not use a securities company, please notify our transfer agent as shown above.

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>

