NSG Group
FY2024/3 Quarter 2 Results
(from 1 April 2023 to 30 September 2023)

Nippon Sheet Glass Company, Limited
9 November 2023

Munehiro Hosonuma

Representative Executive Officer President and Chief Executive Officer

Akihito Okochi

Senior Executive Officer and Chief Financial Officer

Agenda

1. Financial Year ending 31 March 2024 Quarter 2 Results
2. Forecast for Financial Year ending March 2024
3. Update of Transformation Initiatives under Revival Plan 24 (RP24)
4. Preparation of Next Medium-Term Management Plan
5. Summary

1. Financial Year ending 31 March 2024 Quarter 2 Results

Consolidated Income Statement

NSG GROUP

Continued revenue and profits increase YoY, exceeding H1 forecasts.
Finance expenses increase reflecting higher prevailing interest rates

(JPY bn)	Q2 (3 months)			Cumulative (6 months)			H1 Forecast
	FY2023/3	FY2024/3	Change	FY2023/3	FY2024/3	Change	
Revenue	197.7	**212.2**	14.5	375.7	**420.2**	44.5	420.0
Operating profit	6.2	**11.5**	5.3	14.4	**26.0**	11.6	19.0
ROS: Return on sales	3.1%	**5.4%**	+2.3pt	3.8%	**6.2%**	+2.4pt	4.5%
Exceptional items (net)	(47.3)	**1.1**	48.3	(44.9)	**0.3**	45.2	0.0
Operating profit after exceptional items	(41.1)	**12.5**	53.6	(30.5)	**26.3**	56.8	19.0
Finance expenses (net)	(3.7)	**(7.7)**	(3.9)	(6.6)	**(14.0)**	(7.5)	(13.0)
Reversal of previous impairment of financial receivables owed by JVs and associates	-	**-**	-	-	**3.7**	3.7	4.0
Share of JVs and associates' profits	1.0	**1.2**	0.2	3.2	**2.2**	(1.1)	2.0
Other gains/(losses) on equity method investments	0.5	**(0.0)**	(0.5)	(0.7)	**1.1**	1.9	1.0
Profit/(loss) before taxation	(43.4)	**6.1**	49.4	(34.5)	**19.3**	53.9	13.0
Profit/(loss) for the period	(40.3)	**3.0**	43.3	(37.0)	**10.5**	47.5	9.0
Net profit/(loss) *	(41.2)	**2.7**	43.9	(38.8)	**9.8**	48.6	8.0
EBITDA	16.1	**22.6**	6.5	34.2	**48.0**	13.8	

Continued revenue and OP increase in Architectural and Automotive
【Revenue and Operating Profit : vs PY】

(JPY bn)	Revenue	Operating profit
Architectural	+10.8	+6.3
Automotive	+33.3	+8.0
Technical	(0.3)	(1.7)
Others	+0.7	(1.0)
Group total	**+44.5**	**+11.6**

Recorded impairment of goodwill and intangible assets regarding European Automotive business in PY

Increased due to higher prevailing interest rates mainly in Europe and USA

Recorded gains on the reversal of previous impairments of balances and investments arising from the disposal of Russian JV business in Q1

* Profit/(loss) attributable to owners of the parent

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

You can see the results for the second quarter (3 months) in the left,
and the first half cumulative results (6 months) in the middle and H1 forecasts to the right.

For the second quarter (3 months), revenue improved to 212.2 billion yen, by 14.5 billion yen year on year, +7%, with improvements mainly in Automotive and Architectural glass businesses.
The Group's cumulative first half (6 months) revenue increased by 44.5 billion yen,
+12% to 420.2 billion yen which was in line with H1 forecast.

Operating profit was 11.5 billion yen which increased by 5.3 billion yen,
+86% from the previous year.
Operating profit continued to increase due to sales prices improvement and lower energy prices compared to the previous year despite sales volume decrease and the impact of material and other costs rise such as labor reflecting worldwide inflation trend.
Cumulative first half operating profit improved by 11.6 billion yen, +80% to 26.0 billion yen exceeding the H1 forecast of 19.0 billion yen.
Return on sales improved by 2.4 points to 6.2% where portfolio diversification by business and region contributed.

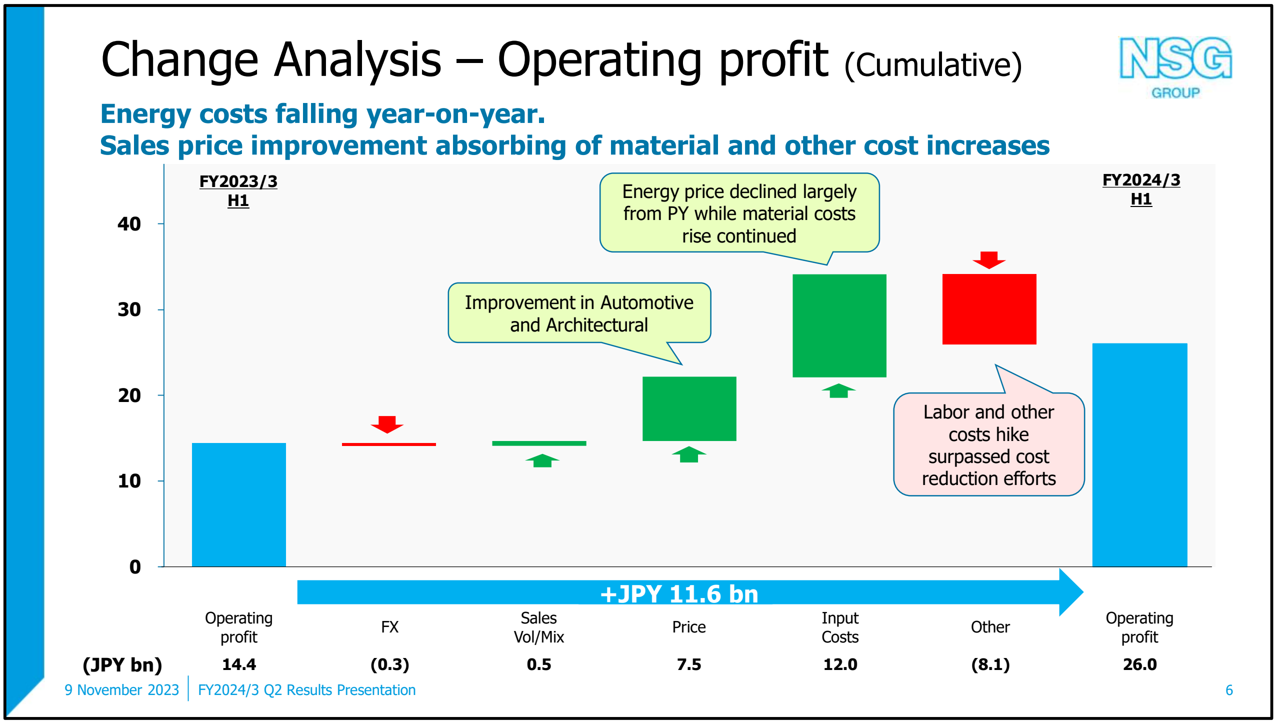
Exceptional items were 0.3 billion yen.

It improved by 45.2 billion yen from the previous year
since impairment loss of goodwill and intangible assets of 48.8 billion yen
were recorded regarding the European Automotive business in the previous year.

Net finance expenses increased to 14.0 billion yen by 7.5 billion yen
from the previous year mainly due to prevailing interest rates rise in Europe and USA.

In the share of JVs and associates' profits, the Group disposed Russian JV business
in the first quarter.
Following this transaction, the reversal of previous impairment of financial receivables
owed by JVs and associates of 3.7 billion yen was recorded
and gains on the reversal of previous impairments of investments were recorded
which resulted in other gains on equity method investments of 1.1 billion yen.

As a result of these items, profit before taxation was 19.3 billion yen,
profit for the period was 10.5 billion yen and net profit was 9.8 billion yen,
exceeding the H1 forecast.



Slide 6 lays out change analysis of the year-on-year operating profit movement from April to September 2023.
A comparison is made between the operating profit 14.4 billion yen in the previous year and 26.0 billion yen for this year, being a 11.6 billion yen year-on-year increase.

'Foreign exchange' was negative 0.3 billion yen,
due to the impact of depreciation of an Argentinian Peso against the yen.

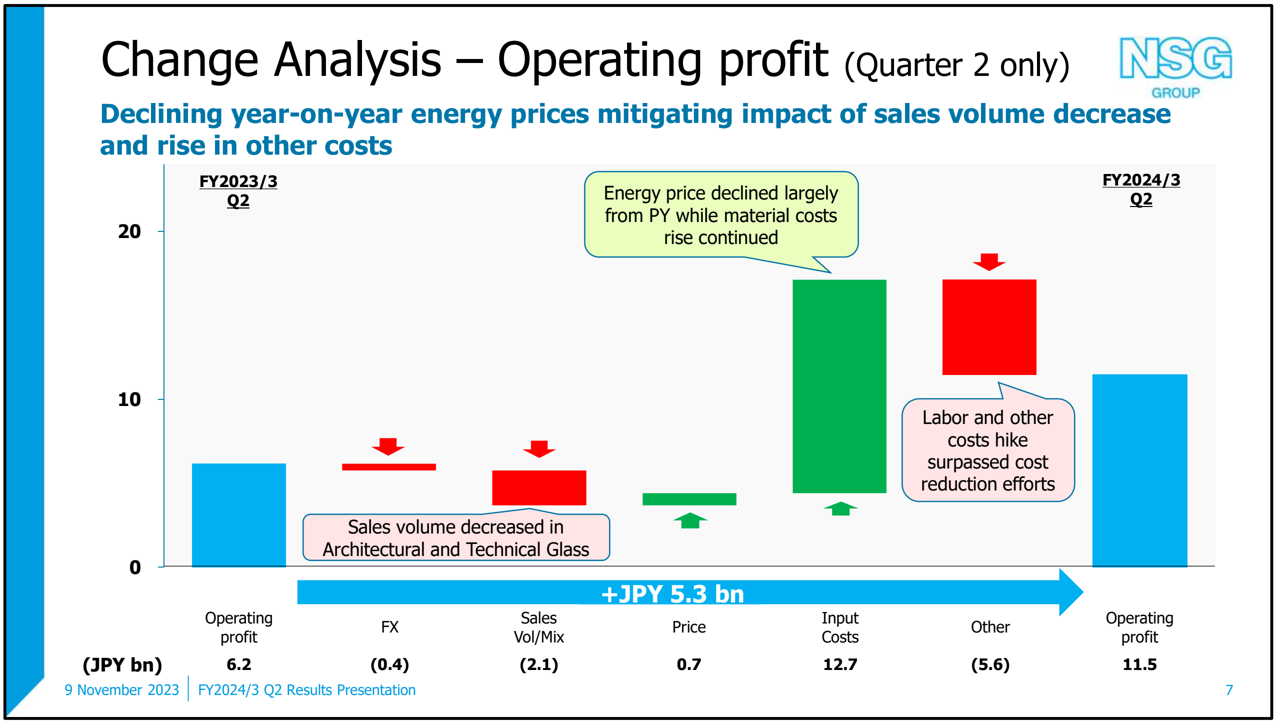
'Sales Volume/mix' improved by 0.5 billion yen,
reflecting sales volume recovery in Automotive which absorbed the sales volume decrease in Technical Glass and Architectural businesses.

The positive 7.5 billion yen in 'Price' is due to the sales prices improvement in Automotive and Architectural businesses.

The positive 'Input costs' of 12.0 billion yen was due to energy price mainly natural gas price in Europe which declined largely from the previous year, especially in the second quarter, while material costs rise continued.

'Others' posted decrease of 8.1 billion yen.
Other costs increase mainly related to labor reflecting worldwide inflation trend

exceeded the benefits of the Group’s cost transformation initiatives under the RP24.



Slide 7 lays out change analysis of the year-on-year operating profit movement from July to September 2023.
A comparison is made between the operating profit 6.2 billion yen in the previous year and 11.5 billion yen for this year, being a 5.3 billion yen year-on-year increase.

'Foreign exchange' was negative 0.4 billion yen
due to the impact of depreciation of an Argentinian Peso against the yen.

'Sales Volume/mix' decreased by 2.1 billion yen,
reflecting sales volume decrease in Architectural and Technical Glass businesses while increase in Automotive.

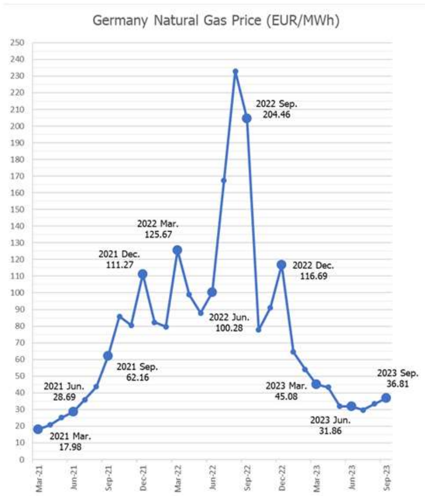
The positive 0.7 billion yen in 'Price'.

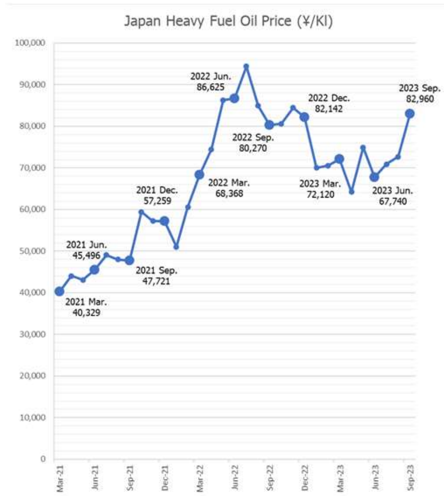
The positive 'Input costs' of 12.7 billion yen was due to energy price
mainly natural gas price in Europe which declined largely from the previous year while material costs rise continued.

'Others' posted decrease of 5.6 billion yen.
Other costs increase mainly related to labor reflecting worldwide inflation trend exceeded the benefits of the Group's cost transformation initiatives under the RP24.

Energy Price Movement

German natural gas price: remained stable after decline in Q1
Japanese heavy fuel oil price: increased again in Q2





Next slide 8 shows the movements of energy prices.

The left chart shows the movement of the natural gas price in Germany,
and the right chart shows the heavy fuel oil price in Japan.

In Germany, the price of natural gas declined in the first quarter and remained stable during the second quarter.
In Japan, the heavy fuel oil price increased again in the second quarter.

Glass Market Price Movement

German glass price decreased, reflecting a move to more challenging market conditions

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Slide 9 shows the glass market price movement in Germany.

Although glass prices have decreased reflecting stable movement of natural gas price and a move to more challenging market conditions,
it remained at a price level which could absorb the impact of increased materials and other costs.
As explained in the latter slide, profit improved from the previous year in European Architectural glass business.

Consolidated Balance Sheet

Shareholders' equity ratio increased to 12.6% by 2.4pt.
Maintaining above 10% of RP24 target

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(JPY bn)	31 March 2023	30 September 2023	Change
Total Assets	**951.4**	**1,001.8**	**50.4**
Non-current assets	615.1	658.2	43.1
Current assets	336.3	343.7	7.3
Total Liabilities	**826.5**	**844.2**	**17.7**
Current liabilities	384.4	326.3	(58.1)
Non-current liabilities	442.1	517.9	75.8
Total Equity	**124.9**	**157.6**	**32.8**
Shareholders' equity	97.0	126.5	29.5
Shareholders' Equity Ratio	**10.2%**	**12.6%**	**+2.4pt**
Net Debt	**407.9**	**454.8**	**46.9**

Mainly due to increase in property, plant and equipment reflecting foreign exchange movements

Mainly due to shift from short-term to longer-term financial liabilities

Increase reflecting net profit recognition and depreciated JPY. Shareholders' equity ratio above 12%

Increase in loans mainly due to free cash outflow with working capital increase and weaker JPY

The Group's consolidated balance sheet is presented on slide 10.

As of the end of September 2023, total assets were 1 trillion and 1.8 billion yen, which increased by 50.4 billion yen from the end of March 2023.

The Group's non-current assets increased by 43.1 billion yen from March mainly due to increase of tangible fixed assets reflecting depreciated JPY.

Current liabilities decreased by 58.1 billion yen and non-current liabilities increased by 75.8 billion yen, reflecting the refinancing of maturing indebtedness.

Shareholders' equity increased to 126.5 billion yen by 29.5 billion yen, mainly due to the recording of net profit and impact of foreign exchange movements.

As a result, shareholders' equity ratio increased to 12.6% by 2.4 points which is securing above a financial target of RP24, more than 10%.

Net Debt increased by 46.9 billion yen mainly with increase in loans reflecting free cash outflow arising from working capital increase and weaker JPY.

Consolidated Statement of Cash Flows

NSG GROUP

Free cash outflow due to working capital increase while inflow in Q2.
Aiming to achieve RP24 target of free cash inflow above JPY 10 bn for the full-year

(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	FY2023/3	FY2024/3	Change	FY2023/3	FY2024/3	Change
Net cash flows from operating activities	**14.6**	**20.9**	**6.3**	**11.4**	**3.4**	**(8.1)**
included above: Net change in working capital	4.7	7.1	2.5	(15.4)	(31.3)	(15.9)
Net cash flows from investing activities	**(11.3)**	**(7.9)**	**3.4**	**(20.9)**	**(22.0)**	**(1.0)**
included above: Purchase of property, plant and equipment	(10.0)	(14.0)	(4.0)	(19.1)	(27.8)	(8.7)
Free cash flow	**3.4**	**13.0**	**9.7**	**(9.5)**	**(18.6)**	**(9.1)**
Net cash flows from financing activities	**(0.5)**	**(5.1)**	**(4.5)**	**1.5**	**0.1**	**(1.4)**
Increase/ (decrease) in cash and cash equivalents	**2.8**	**8.0**	**5.1**	**(8.0)**	**(18.5)**	**(10.5)**
Cash and cash equivalents at the end of the period				**55.2**	**55.2**	**(0.0)**

Working capital improvement in Q2

Mainly due to investment increase related to strategic projects and weaker JPY

Cumulative free cash inflow excluding the impact of working capital increase.
Aiming to achieve RP24 target above JPY 10 bn for the full-year

Consolidated statement of cash flows in slide 11.

Cumulative net cash flows from operating activities were inflow of 3.4 billion yen with 8.1 billion yen decrease from the previous year due to working capital increase. However, for the second quarter, they were inflow of 20.9 billion yen with 6.3 billion yen increase and in improving trend. Recording of net profit and working capital improvement in the second quarter led to this result.

Cumulative net cash outflows from investing activities increased to 22.0 billion yen with 1.0 billion yen increase in outflows from the previous year. This mainly came from the increase in investments related to strategic projects including capital expenditures for solar energy glass in Malaysia and partly weaker JPY.

As a result, free cash flow was outflow of 18.6 billion yen for cumulative, however it is on recovery trend with inflow of 13.0 billion yen in the second quarter. The Group continues to aim to achieve its RP24 financial target of more than 10.0 billion yen for the full year, following the successful achievement of this target in both the previous two years.

Segmental Information

(JPY bn)	FY2022/3 Q2 Cum.			FY2023/3 Q2 Cum.			FY2024/3 Q2 Cum.			Change	
	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	Operating Profit
Architectural	**132.0**	**45%**	**13.6**	**182.1**	**48%**	**15.5**	**192.9**	**46%**	**21.8**	**10.8**	**6.3**
Europe	54.9	19%		78.8	21%		73.5	18%		(5.3)	
Asia	40.3	14%		49.0	13%		54.8	13%		5.9	
Americas	36.9	13%		54.3	14%		64.6	15%		10.3	
Automotive	**135.2**	**47%**	**(1.1)**	**171.9**	**46%**	**(1.7)**	**205.2**	**49%**	**6.3**	**33.3**	**8.0**
Europe	59.1	20%		69.9	19%		83.8	20%		13.9	
Asia	28.0	10%		32.4	9%		38.3	9%		5.9	
Americas	48.2	17%		69.6	19%		83.1	20%		13.5	
Technical Glass	**21.7**	**7%**	**5.7**	**20.2**	**5%**	**5.7**	**19.9**	**5%**	**4.0**	**(0.3)**	**(1.7)**
Europe	3.9	1%		4.6	1%		5.0	1%		0.4	
Asia	17.2	6%		14.8	4%		14.0	3%		(0.8)	
Americas	0.6	0%		0.8	0%		0.9	0%		0.0	
Other	**1.8**	**1%**	**(5.6)**	**1.5**	**0%**	**(5.1)**	**2.2**	**1%**	**(6.1)**	**0.7**	**(1.0)**
Total	**290.7**	**100%**	**12.7**	**375.7**	**100%**	**14.4**	**420.2**	**100%**	**26.0**	**44.5**	**11.6**

Slide 12 lays out revenue and profit by the business segments in the first half of last three years.
Each SBU results will be explained from next slide.

Architectural (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

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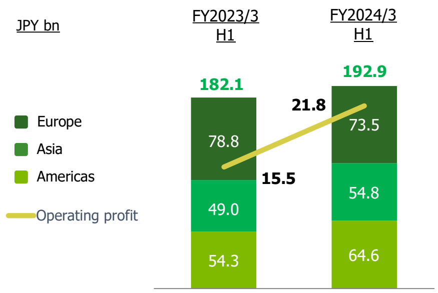
Revenue increased with strong demand except Europe where sales volume decreased. OP increased with energy prices decline and sales prices improvement offsetting material and other costs rise



(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	FY2023/3	FY2024/3	Change	FY2023/3	FY2024/3	Change
Revenue	**96.5**	**97.2**	**0.7**	**182.1**	**192.9**	**10.8**
Europe	40.6	35.4	(5.2)	78.8	73.5	(5.3)
Asia	26.1	28.0	1.9	49.0	54.8	5.9
Americas	29.8	33.8	4.0	54.3	64.6	10.3
OP	**6.6**	**9.9**	**3.3**	**15.5**	**21.8**	**6.3**

Europe (Cum. Rev▼, Profit▲: Q2 Rev▼, Profit▲)
- Sales volumes decreased reflecting economic slowdown
- Energy price decline mitigating the impact of materials and other costs rise and sales volume decrease

Asia (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)
- Sales prices and volumes increased further in Japan reflecting favourable demand-supply situation
- Sales prices decreased due to continued competition in other South East Asian countries
- Continuous robust demand for solar energy glass

Americas (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)
- Sales prices improved although demand softening during Q2 reflecting deteriorating market conditions in North America
- Strong demand continuing in South America, with a new furnace in Argentina contributing to sales volumes increase
- Continued strong demand for solar energy glass

Please move to slide 13 – from this slide the results of each business will be explained.

Architectural revenues improved from the previous year reflecting continuous strong demand in Asia and the Americas, while sales volume decreased in Europe.
Operating profit also increased with significant energy prices decline from the previous year and sales prices increase offsetting the impact of materials and other costs rise.

In Europe, revenues decreased but operating profits increased from the previous year.
Although solid demand is expected in both new construction and renovation markets in the medium to long term, demand softened as the economic slowdown continued reflecting persistent high inflation and interest rates increases.
Operating profit increased since energy prices fell largely from the previous year and absorbed material and other costs rise mainly labor caused by inflation trend.

In Asia, revenues and profits showed better results than the previous year.
In Japan, further sales price and volume increase reflecting improved demand and supply situation with the boost by the implementation of governmental subsidy programs for insulated glass purchase.
On the other hand, in the other South East Asian countries, sales prices declined due to continuous intensifying competition.

Demand of glass for solar panels remains strong.
A new capacity construction in Malaysia to produce glass for solar panels has been completed with a plan to start production in December 2023.

In the Americas, revenues and profits were better than the previous year.
In North America, sales prices improved due to energy surcharge system and inflation, although demand softened during Q2, reflecting deteriorating market conditions.
In South America, strong demand is continuing.
Sales volume increase by the second new float furnace in Argentina which started production in the third quarter of the previous year also contributed to profit.
Solid demand for solar energy glass continued.

Automotive (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

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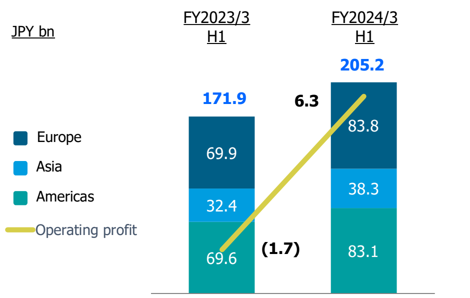
Revenue and OP increased in all regions due to sales volumes and prices improvement



(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	FY2023/3	FY2024/3	Change	FY2023/3	FY2024/3	Change
Revenue	**90.3**	**104.3**	**13.9**	**171.9**	**205.2**	**33.3**
Europe	36.2	41.3	5.1	69.9	83.8	13.9
Asia	17.9	20.4	2.6	32.4	38.3	5.9
Americas	36.2	42.6	6.3	69.6	83.1	13.5
OP	**(1.0)**	**3.1**	**4.1**	**(1.7)**	**6.3**	**8.0**

Europe (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

Asia (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

Americas (Cum. Rev▲, Profit▲: Q2 Rev▲, Profit▲)

- Higher sales volumes across most regions, with an easing of supply chain constraints at the Group's customers
- Sales prices improved reflecting further progress in concluding price improvement agreements with vehicle manufacturers to offset high material and other costs
- Progressing continuously cost reduction efforts, expansion of VA products, and sales prices improvement

Slide 14, the results of the Automotive business.

Revenue and operating profit continued to improve from the previous year.
They have been showing the steady progress.

Restriction of vehicle build due to component shortages was eased
and sales volumes increased across most regions accordingly.

Also, sales prices improved by the negotiation with automotive manufacturers,
with further progress being made during the quarter,
to offset higher materials, labor and other costs.
We will focus on further profitability improvement with continuous cost reduction efforts,
expansion of value-added products and sales prices improvement.

Technical Glass (Cum. Rev▼, Profit▼ : Q2 Rev▼, Profit▼)

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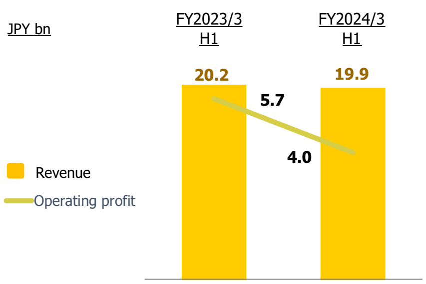
Revenue decreased affected by IT market slowdown.
OP also decreased due to material and other costs rise with a worse sales mix



(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	FY2023/3	FY2024/3	Change	FY2023/3	FY2024/3	Change
Revenue	**10.2**	**9.9**	**(0.3)**	**20.2**	**19.9**	**(0.3)**
OP	**2.5**	**1.9**	**(0.6)**	**5.7**	**4.0**	**(1.7)**

- Fine glass sales affected by IT market slowdown and also worsened sales mix
- Demand for printer lenses decreased due to fewer opportunities of work from home and school from home
- Sales volumes in glass cord recovered, benefitting from improving conditions in automotive markets
- Demand for Metashine® increased for automotive markets and cosmetic applications

Slide 15 lays out the results of the Technical Glass business.

Revenue decreased, being affected by IT market slowdown.
Profitability also worsened due to higher material and other costs rise together with worse sales mix.

In Fine glass business, profitability worsened due to sales volume decrease,
Being largely affected by IT market slowdown and worse sales mix.

Regarding the printer lenses business, demand declined
due to less opportunities of work from home and school from home.

Sales volume in Glass cords recovered
benefitting from improving conditions of supply chain issue in automotive markets.

Revenue for Metashine® increased for automotive paint and cosmetic applications.

2. Forecast for Financial Year ending March 2024

Forecast for Financial Year ending March 2024

NSG GROUP

Upward revision of full-year profit forecasts reflecting relatively solid H1 results.
Forecasting highest operating profit since the Lehman shock in 2008

(JPY bn)	FY2024/3 H1 Fcst (Previous)	FY2024/3 H1 Act	FY2024/3 Full-year Fcst (Previous)	FY2024/3 Full-year Fcst (Revised)	Change	FY2023/3 Full-year Act (Reference)
Revenue	**420.0**	**420.2**	**840.0**	**840.0**	**-**	**763.5**
Operating profit	**19.0**	**26.0**	**35.0**	**42.0**	**7.0**	**34.8**
Exceptional items (net)	0.0	0.3	0.0	0.0	-	(45.2)
Operating profit/(loss) after exceptional items	**19.0**	**26.3**	**35.0**	**42.0**	**7.0**	**(10.3)**
Finance expenses (net)	(13.0)	(14.0)	(26.0)	(29.0)	(3.0)	(17.4)
Reversal of previous impairment of financial receivables owed by JVs and associates	4.0	3.7	4.0	4.0	-	-
Share of JVs and associates' profits	2.0	2.2	6.0	5.0	(1.0)	7.3
Other gains/(losses) on equity method investments	1.0	1.1	1.0	1.0	-	(1.5)
Profit/(loss) before taxation	**13.0**	**19.3**	**20.0**	**23.0**	**3.0**	**(21.9)**
Profit/(loss) for the period	**9.0**	**10.5**	**13.0**	**14.0**	**1.0**	**(31.0)**
Net profit/(loss) *	**8.0**	**9.8**	**11.0**	**12.0**	**1.0**	**(33.8)**

*Profit/(loss) attributable to owners of the parent

The following slides are regarding the forecast for financial year ending March 2024.
Slide 17 shows the forecast for FY2024/3.

From the left, the previous forecast for the first half and actual results, the previous full-year forecast, revised full-year forecast, the variances and the actuals of FY2023/3 to the right.

The Group has revised its full-year operating profit, profit before taxation, profit for the period and net profit upwards respectively.

Operating profit forecast is 42.0 billion yen with 7.0 billion yen increase which is above the level before COVID-19 pandemic, and the highest since the Lehman shock in 2008.
This reflected mainly the favorable performance of H1 mainly in Architectural and Automotive, exceeding previous H1 forecast.
Finance expenses are expected to increase in line with prevailing interest rates rise to 29.0 billion yen for the full-year.
Net profit is forecasted 12.0 billion yen which is 1.0 billion yen increase from the previous forecast.

The assumptions for this forecast will be discussed in the next slide.

Assumptions for FY2024/3 Forecast

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Group	**Full-year profits forecasts revised upward reflecting H1 performance.** **Continue to promote 'Restoration of Financial Stability' in the final year of RP24** • Weaker JPY to continue • Continuous material costs and other costs increase with worldwide inflation trend while stable energy costs assumed • Uncertain business environment anticipated with potential recession caused by rising interest rates • Increase in finance expenses
Architectural Glass	**Overall favorable demand-supply situation expected, while potential recession concern mainly in Europe and USA** • Europe : economic slowdown impacting volume, with price pass-through to recover cost push continuing. Energy prices expect to remain stable • Asia : volumes and price improving in Japan. Challenging market condition remain in other SE Asian countries • NA : prices remain at good level, but macro economic conditions expected to impact volumes • SA : Demand expected to remain firm in the region. Full-year contribution from new float furnace in Argentina • Solar energy glass : continued robust demand. A new line in Malaysia start production from December 2023
Automotive Glass	**Sales volume improvement expected while impact of higher input costs continue** • Car inventory replenishment expected to lead to continued strong vehicle demand in all regions • Supply chain constraints continue to ease supporting sales volumes recovery • Price negotiations continuing with all customers to recover input cost increases • Aiming for further profitability improvement with cost reduction efforts, expansion of VA products and price increase
Technical Glass	**Worse profitability due to costs increase and some demand weakness caused by IT market slowdown** • Market conditions in fine glass remain challenging, cost reduction efforts continuing to mitigate impact • Further weakening of demand for printer lenses impacting sales volumes • Demand for glass cord gradually recovering driven by an easing of supply chain issues previously impacting customers

Slide 18 shows the assumptions for the forecast.

Regarding the assumption for the whole Group, depreciation of JPY is expected to continue,
and materials and other costs including labor costs are forecasted to increase,
reflecting the worldwide inflation trend while energy prices are assumed to be stable.
We still predict uncertain business environment with potential recession
and increase in finance expenses caused by rising interest rates mainly in Europe and USA.

Considering the factors affecting each business:

In Architectural business;
In Europe, high material costs are assumed while stable energy prices
mainly natural gas price movement.
We will mitigate their impacts with price pass-throughs,
but sales volumes are assumed to decrease.

Regarding Asia, in Japan, incremental sales volumes and prices improvements are
expected to continue under the favorable demand-supply situation,
while the competitive situation should be monitored continuously
in other South East Asian countries.
In North America, sales prices are assumed to be remained at a good level, on the other hand,

domestic demand is expected to continue to soften with concerns about an economic recession due to interest rate hikes.
In South America, the tight supply and demand environment will continue, and full-year contribution by a new furnace in Argentina is expected.
In solar energy glass, continued strong demand is assumed.
Installation of a new capacity in Malaysia has been completed and planning to start production of solar energy glass from December 2023.

In Automotive business;
Strong market demand is expected to continue since strong vehicle demand and car inventory replenishment in all regions are anticipated.
The Group plans to continue negotiating sales price improvement with customers.
We aim to enhance profitability further with continuous cost reduction efforts, expansion of value-added products and sales prices increase.

In Technical Glass business;
Assumed to be impacted by input costs rise and demand weakness caused by IT market slowdown.
The business will still be able to maintain the relatively high operating profit margin, although profitability is forecasted to be worse due to material and other costs increase such as labor, despite the continuous price pass-through efforts to absorb their impacts.

In the final year of RP24, we will continue to focus on enhancing profitability and achieving the forecasts through cost reduction efforts, expansion of value-added products and price increase across the whole Group to mitigate the impacts of potential risk factors.

3. Update of Transformation Initiatives under Revival Plan 24 (RP24)

Transformation Initiatives under Revival Plan 24

Continued RP24 initiatives to create business structure for sustainable growth

Three Reforms

- **Business structure reform**
  - 2nd new float furnace in Argentina contributing to profit
  - Completed construction to install online coating capacity for solar energy glass in Malaysia and started warm up (Planning start of production from Dec. 2023)
  - New capacity expansion for solar energy glass under consideration in USA

Capacity for solar energy glass in Malaysia

Two Key Initiatives

- **Restoration of financial stability**
  - ROS : 6.2% with cost reduction effort, expansion of VA sales and sales price improvements despite material costs hike
  - Net profit: JPY 9.8 bn due to solid H1 results including recognition of impairment reversal by disposal of JV business in Q1
  - Shareholders' equity ratio : improved to 12.6% by 2.4pt from PY end, above the target of 10%
  - FCF: inflow in Q2. Cumulative positive FCF inflow, excluding seasonal working capital movement, aiming to achieve RP24 target of above JPY 10 bn for the full-year

RP24: https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtprp24presentation2021_e02.pdf

Slide 20 and 21 explains the main progress of transformation initiatives taken under the Revival Plan 24 (RP24).

We are continuing and promoting initiatives in the last year of the medium-term management plan RP24.
In RP24, the Group set 'Three reforms' and 'Two key initiatives' to realize business structure for sustainable growth.

In 'Business structure reform', the Group is expanding value-added businesses and developing new businesses for sustainable growth.
A new float furnace in Argentina started production from the third quarter of the previous year and has been contributing to profit.
As solar energy glass has been already contributing to the Group's profit and environment, we have successfully completed construction of a new online coating facility at existing float line in Malaysia, in response to the capacity increase in Asia by First Solar Inc.
Lighting up of the new facility was completed in October, aiming to start production in December 2023.
In addition, we are considering expansion for solar energy glass in USA in accordance with First Solar's capacity expansion there.

To promote the 'Restoration of financial stability,' we have RP24 financial target for an operating profit margin of 8%, net profit of over 30.0 billion yen for 3 years cumulatively, shareholders' equity ratio above 10% and free cash flow over 10.0 billion yen.

Return on sales was 6.2%, with cost reduction, expansion of value-added products and sales prices improvement offsetting the impact of materials and other costs increase.
Regarding net profit, the Group recorded 9.8 billion yen in this first half
due to the solid performance including the benefit of the gains from impairment reversal recognition related to the disposal of Russian JV business in the first quarter.
Shareholders' equity ratio recovered to 12.6% by 2.4 points from the previous year end which is above the target figure.
Free cash flow was inflow in the second quarter and also inflow in cumulative
excluding the impact of working capital increase.
The Group aims to achieve the target above 10.0 billion yen in full-year.

Transformation Initiatives under Revival Plan 24

Continue to promote 'Sustainability' in the final year of RP24

Approach to Sustainability

- Published the 'NSG Group Sustainable Supply Chain Charter' to enhance and accelerate actions together with supply chain partners to meet the Group's sustainability objectives

- Launched a new architectural glass product 'Pilkington Mirai™', which offers 50% less CO_2*
  *vs our standard products

- Conclude loan linked with the Group's sustainability targets, leading to promotion of sustainability management and aiming for integration of financial and non-financial targets

Key Visual of
Pilkington **Mirai™**

RP24: https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtprp24presentation2021_e02.pdf

In this slide 'Approach to Sustainability' will be discussed.
The Group recognizes that addressing climate change and other environmental issues are the major management challenges for the Group to achieve sustainable growth and promote majors in RP24.

The Group is targeting carbon neutrality by 2050 including GHG emission from supply chain (Scope 3) and in order to attain this targe, it is necessary to address supply chains development.
We have published the 'NSG Group Sustainable Supply Chain Charter' to enhance and accelerate actions together with the Group's supply chain partners to meet the Group's current sustainability objectives, including addressing climate change.

Also, the Group launched a new architectural glass product 'Pilkington Mirai™' which offers 50% less CO_2 compared to our standard products in Europe.
This product representing the lowest carbon product of its kind on the market.
The name Mirai, meaning 'future' in Japanese,
o mark the start of the next generation of low-carbon glass products.

In addition, we have concluded loan agreements linking to achievement of sustainability target.
The sustainability targets which was set with the two loan agreements are in line with the Group's greenhouse gas reduction target and carbon neutrality goal.

We will aim this sustainability target to work towards achievement
of execution of our business strategy and development of sustainability.

The Group aims to contribute to ‘Eco Society’
which is one of the three focus areas in the medium term vision
as a ‘global glass supplier contributing to the world with high value-added glass products
and services’.

4. Preparation of Next Medium-Term Management Plan

Preparation of Next Medium-Term Management Plan

NSG GROUP

Current Medium-Term Management Plan (RP24)
~FY2024/3
Structure reform leading to profit growth

'Cost structure reform'
+
'Business structure reform'

↓

Operating profit forecasted highest since Lehman shock

FY2022/3 (actual) : JPY20.0 bn
FY2023/3 (actual) : JPY34.8 bn
FY2024/3 (forecast) : JPY42.0 bn

Next Medium-Term Management Plan (Image)
FY2025/3~
Aiming for further profit strength and financial stability improvement with keywords of 4 'D' (Decarbonization, Digital, Development, Diversity)

- **Generating cash flows**
  - Expanding profitable growth business (Decarbonization, Digital)
    - Architectural : solar energy glass, capture of demand for renovation
    - Automotive : VA products for CASE and EV
    - Technical : products for decarbonization and highly information-oriented society
  - Enhancement of R&D and business development system (Development)
- **Enhancing volatility tolerance**
  - Making the Group's management base stronger and more efficient (Digital Transformation)
  - Promotion of supply chains improvement and excess capacity reduction
- **Sustainability**
  - Carbon neutrality by 2050 (Decarbonization)
  - Human capital management, DEI (Diversity, Equity & Inclusion)
- **Finance**
  - Management conscious of shareholders' value and capital cost including PBR and ROE
  - Reducing debt, dealing with the class A shares, approach to resumption of dividend

The preparation of the next medium-term management plan will be explained in slide 23.

This FY2024/3 is not only the last year of the current medium-term management plan (RP24) but also a very important year to create the Group's future as developing the new medium-term management plan which starts from the next year. The next medium-term management plan is still under development, however, we will share some of its image.

In the current RP24, structure reforms such as cost structure reform and business structure reform have led to profit growth. Operating profit has been improving year by year and as explained in the full-year forecast slide, operating profit forecast for the full-year is the highest since the Lehman shock in 2008.

On top of these results, the Group aims for further profitability enhancement and financial stability improvement with 4 keywords beginning with the letter 'D' in the next medium-term management plan.
To strengthen profitability, the Group focuses on cash flows generation by investing in profitable growth businesses which are judged to be hopeful in accordance with the future market trend.
'Decarbonization' and 'Digital' are the important factors for the profitable growth businesses.
We will aim to strengthen our profitability by supplying high-value-added products such as glass for solar panels and double glazing for renovation demand in Architectural,

infrared reflecting glass and head-up display glass for CASE and EV in Automotive
and high modulus, high strength glass fiber MAGNAVI® and low dielectric flake glass
in Technical Glass which contribute to the reduction of carbon dioxide emissions
and information and communication.

We will enhance our research and development and business development systems
as the 'Development' of new technology, products and businesses is essential
to grow those profitable growth businesses.

To improve financial stability, the Group will strengthen its management base
and improve its efficiency by promoting 'DX (Digital Transformation)' further.
We will continue to improve our supply chains and reduce excess capacity
in order to reduce fixed costs and improve our tolerance for economic volatility.
In terms of sustainability,
we will continue to promote '2050 Carbon Neutrality (Decarbonization),'
human capital management, and DEI (Diversity, Equity & Inclusion).
'Diversity' is also important as a source of new ideas which is indispensable
for 'Development.'

In terms of finance, we aim for the management
which is conscious of shareholders' value and capital cost, such as PBR and ROE,
as requested by the TSE.
The Group recognizes that debt reduction, deal with Class A shares
and approach to a resumption of dividends would have a significant impact
on shareholders' value and cost of capital, and we will consider these issues fully.

5. Summary

Summary

1. **Financial Year ending 31 March 2024 Quarter 2 Results**
   - Continued revenue and profits increase YoY, exceeding H1 forecasts. Finance expenses increase reflecting higher prevailing interest rates
   - Energy prices falling year-on-year, together with increases in sales prices, absorbing impact of increased material and other costs
   - The Group's Return on Sales of 6.2%. Shareholders' equity ratio 12.6% maintaining above 10% of RP24 target
2. **Forecast for Financial Year ending March 2024**
   - Upward revision of full-year profits forecasts reflecting H1 results. Forecasting highest operating profit since the Lehman shock in 2008
   - Continuous material costs and other costs increase with worldwide inflation trend while stable energy costs assumed
   - Uncertain business environment anticipated with potential recession caused by rising interest rates, increase in finance expenses
3. **Update of Transformation Initiatives under Revival Plan 24**
   - <u>Business structure reform</u> : Completed construction to install online coating capacity for solar energy glass in Malaysia and started warm up (Planning start of production from December 2023)
     2nd new float furnace in Argentina contributing to profit
   - <u>Restoration of financial stability</u> :ROS to above 6% and Shareholders' equity ratio above 12% reflecting favorable result.
     Continue to promote 'Restoration of Financial Stability' in the final year of RP24
4. **Preparation of Next Medium-Term Management Plan**
   - Aiming further profitability enhancement and financial stability improvement with 4 keywords starting with the letter 'D'

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

Financial Year ending 31 March 2024 Quarter 2 Results

- Consolidated Income Statement – Quarterly Trend
- Revenue & Operating Profit – Quarterly Trend
- Segmental Information by Quarter
- Revenue & Operating Profit – by Region
- Exceptional Items
- Foreign Currency Exchange Rates and Sensitivity
- Depreciation & Amortization, Capital Expenditures, R&D Expenditures

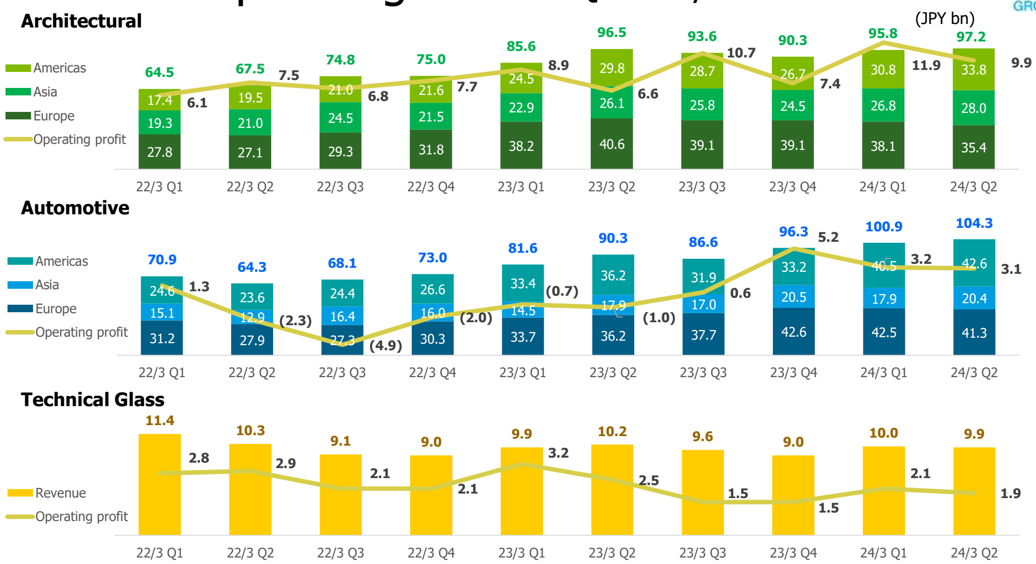
Consolidated Income Statement – Quarterly Trend

NSG GROUP

(JPY bn)	FY2022/3				FY2023/3				FY2024/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	**147.7**	**143.0**	**152.3**	**157.6**	**177.9**	**197.7**	**190.6**	**197.3**	**208.0**	**212.2**
Operating profit/(loss)	**7.2**	**5.5**	**1.8**	**5.5**	**8.3**	**6.2**	**9.7**	**10.7**	**14.6**	**11.5**
Operating profit margin	**4.8%**	**3.9%**	**1.2%**	**3.5%**	**4.6%**	**3.1%**	**5.1%**	**5.4%**	**7.0%**	**5.4%**
Exceptional items (net)	(0.2)	4.7	(0.2)	(0.7)	2.3	(47.3)	1.0	(1.2)	(0.8)	1.1
Operating profit/(loss) after exceptional items	**7.0**	**10.2**	**1.7**	**4.8**	**10.6**	**(41.1)**	**10.7**	**9.4**	**13.8**	**12.5**
Finance expenses (net)	(2.9)	(2.9)	(3.2)	(3.4)	(2.8)	(3.7)	(4.8)	(6.1)	(6.4)	(7.7)
Reversal of previous impairment/ (impairment) of financial receivables owed by JVs and associates	-	-	-	(3.4)	-	-	-	-	3.7	-
Share of JVs and associates' profits	1.5	1.9	2.2	1.9	2.2	1.0	2.1	2.0	1.0	1.2
Other gains/(losses) on equity method investments	-	-	-	(3.4)	(1.2)	0.5	(0.4)	(0.4)	1.1	(0.0)
Profit/(loss) before taxation	**5.5**	**9.2**	**0.7**	**(3.6)**	**8.8**	**(43.4)**	**7.7**	**4.9**	**13.3**	**6.1**
Profit/(loss) for the period	**2.9**	**6.7**	**1.0**	**(3.8)**	**3.3**	**(40.3)**	**2.2**	**3.8**	**7.5**	**3.0**
Net profit/(loss) *	**2.5**	**6.1**	**0.0**	**(4.5)**	**2.4**	**(41.2)**	**1.7**	**3.4**	**7.0**	**2.7**
EBITDA	**16.5**	**14.6**	**11.1**	**14.4**	**18.0**	**16.1**	**20.2**	**20.7**	**25.3**	**22.6**

*Profit/(loss) attributable to owners of the parent

Revenue & Operating Profit – Quarterly Trend



Segmental Information by Quarter

(JPY bn)	FY2022/3					FY2023/3					FY2024/3		
	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Cum.
Revenue: Architectural	**64.5**	**67.5**	**74.8**	**75.0**	**281.8**	**85.6**	**96.5**	**93.6**	**90.3**	**365.9**	**95.8**	**97.2**	**192.9**
Europe	27.8	27.1	29.3	31.8	116.0	38.2	40.6	39.1	39.1	157.1	38.1	35.4	73.5
Asia	19.3	21.0	24.5	21.5	86.2	22.9	26.1	25.8	24.5	99.2	26.8	28.0	54.8
Americas	17.4	19.4	21.0	21.6	79.5	24.5	29.8	28.7	26.7	109.6	30.8	33.8	64.6
Operating profit	**6.1**	**7.5**	**6.8**	**7.7**	**28.1**	**8.9**	**6.6**	**10.7**	**7.4**	**33.6**	**11.9**	**9.9**	**21.8**
Revenue: Automotive	**70.9**	**64.3**	**68.1**	**73.0**	**276.2**	**81.6**	**90.3**	**86.6**	**96.3**	**354.7**	**100.9**	**104.3**	**205.2**
Europe	31.2	27.9	27.3	30.3	116.7	33.7	36.2	37.7	42.6	150.2	42.5	41.3	83.8
Asia	15.1	12.9	16.4	16.0	60.4	14.5	17.9	17.0	20.5	69.9	17.9	20.4	38.3
Americas	24.6	23.6	24.4	26.6	99.2	33.4	36.2	31.9	33.2	134.7	40.5	42.6	83.1
Operating profit	**1.3**	**(2.3)**	**(4.9)**	**(2.0)**	**(7.9)**	**(0.7)**	**(1.0)**	**0.6**	**5.2**	**4.1**	**3.2**	**3.1**	**6.3**
Revenue: Technical	**11.4**	**10.3**	**9.1**	**9.0**	**39.8**	**9.9**	**10.2**	**9.6**	**9.0**	**38.8**	**10.0**	**9.9**	**19.9**
Europe	2.1	1.8	2.0	2.0	7.9	2.1	2.5	2.2	2.7	9.5	2.5	2.6	5.0
Asia	9.0	8.2	6.8	6.6	30.6	7.5	7.3	7.0	5.8	27.6	7.1	6.9	14.0
Americas	0.3	0.3	0.3	0.4	1.3	0.4	0.5	0.4	0.4	1.6	0.4	0.5	0.9
Operating profit	**2.8**	**2.9**	**2.1**	**2.1**	**9.9**	**3.2**	**2.5**	**1.5**	**1.5**	**8.7**	**2.1**	**1.9**	**4.0**
Revenue: Other	**0.9**	**0.8**	**0.3**	**0.7**	**2.7**	**0.8**	**0.7**	**0.9**	**1.8**	**4.1**	**1.3**	**0.8**	**2.2**
Operating profit	**(3.1)**	**(2.5)**	**(2.2)**	**(2.4)**	**(10.1)**	**(3.1)**	**(1.9)**	**(3.1)**	**(3.4)**	**(11.5)**	**(2.7)**	**(3.4)**	**(6.1)**
Revenue: Total	**147.7**	**143.0**	**152.3**	**157.6**	**600.6**	**177.9**	**197.7**	**190.6**	**197.3**	**763.5**	**208.0**	**212.2**	**420.2**
Operating profit	**7.2**	**5.5**	**1.8**	**5.5**	**20.0**	**8.3**	**6.2**	**9.7**	**10.7**	**34.8**	**14.6**	**11.5**	**26.0**

Revenue & Operating Profit – by Region

(JPY bn)	FY2023/3 Q2 Cum.			FY2024/3 Q2 Cum.			Change	
	Revenue	%	Operating profit/(loss)	Revenue	%	Operating profit/(loss)	Revenue	Operating profit/(loss)
Europe	**153.3**	**41%**	**1.0**	**162.3**	**39%**	**2.9**	**9.0**	**1.8**
Asia	**96.1**	**26%**	**11.4**	**107.1**	**25%**	**16.3**	**11.0**	**4.9**
Americas	**124.7**	**33%**	**7.1**	**148.5**	**35%**	**12.9**	**23.8**	**5.9**
Other *	1.5	0%	(5.1)	2.2	1%	(6.1)	0.7	(1.0)
Total	**375.7**	**100%**	**14.4**	**420.2**	**100%**	**26.0**	**44.5**	**11.6**

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

Exceptional Items

(JPY bn)	FY2023/3 Q2 Cum.	FY2024/3 Q2 Cum.
Settlement of litigation matters - net	2.7	0.9
Reversal of previous impairments	-	0.2
Restructuring costs, including employee termination payments	(0.1)	(0.0)
Gain on disposal of subsidiaries	1.1	-
Write down of inventories	-	(0.2)
Impairment of non-current assets	-	(0.6)
Impairment of goodwill & intangible assets	(48.8)	-
Others	0.1	(0.0)
Exceptional items - net	(44.9)	0.3

Foreign Currency Exchange Rates and Sensitivity

NSG GROUP

Average rates used

	FY2022/3				FY2023/3				FY2024/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GBP	153	152	153	153	163	163	164	163	172	177
EUR	132	131	131	130	138	139	140	141	150	153
USD	109	109	112	112	129	134	137	135	138	140
BRR	20.6	20.8	20.7	21.0	26.4	26.4	26.5	26.3	27.7	28.6
ARS	Closing rates are applied – hyperinflation									

FY2024/3
Original Forecast
160
134
134
24.8

Closing rates used

	FY2022/3				FY2023/3				FY2024/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GBP	153	150	156	160	165	161	160	165	183	182
EUR	132	129	131	136	142	141	140	145	158	157
USD	111	112	116	122	136	145	132	133	145	148
BRR	22.3	20.6	20.4	25.5	26.2	26.7	25.7	26.2	29.8	29.5
ARS	1.16	1.13	1.12	1.10	1.09	0.98	0.76	0.64	0.57	0.42

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

	FY2023/3
Equity	JPY (3.0) billion
Loss for the period	Improve by JPY 0.4 billion

Depreciation & Amortization, Capital Expenditures, R&D Expenditures

NSG GROUP

(JPY bn)	FY2023/3 Q2 Cum.	FY2024/3 Q2 Cum.	FY2024/3 Full-year Forecast
Depreciation & Amortization	**19.7**	**21.9**	**44.0**
Capital expenditures	**17.6**	**24.5**	**47.7**
Ordinary	15.1	17.6	
Strategic projects	2.5	6.9	
R&D expenditures	**4.6**	**4.9**	**10.0**
Architectural	1.4	1.6	
Automotive	1.3	1.5	
Technical Glass	0.5	0.4	
Other	1.4	1.4	

News Releases — May to November 2023

15-Jun-23	NSG Group Formulated the Diversity, Equity & Inclusion (DEI) Policy
22-Jun-23	Vanity Mirror With NSG's Anti-fouling Coating Technology Adopted in the Executive Lounge Grades for New Toyota Alphard and Vellfire
26-Jun-23	NSG Group - New Solar Array Opened in Aken, Germany
28-Jun-23	Disposal of Joint Venture in Russia and Recognition of Net Gain Relating to Equity Method Investments
4-Aug-23	NSG Group Celebrated the 125th Anniversary of Rossford Plant – A City Built by Glass Pioneer Edward Ford –
25-Aug-23	NSG Group Joined the League of Champions Group of the Sustainable Procurement Pledge (SPP)
25-Aug-23	Axpo and Pilkington Automotive Sign Long-Term PPA for Finnish Manufacturing Sites
27-Sep-23	NSG Group Sustainable Supply Chain Charter
28-Sep-23	Exhibiting at JAPAN MOBILITY SHOW 2023 New Products for Next-Generation Mobility Exhibit for the First Time in Japan
29-Sep-23	Conclude Loan Agreements Linked to Achievement of Sustainability Target
4-Oct-23	NSG Group's "UFF®" and "glanova®" Glass Products for Electronics and Automotive, Recognized for SCS Recycled Content Certification for the First Time
10-Oct-23	Glass With 50% Less Embodied Carbon Launches in New Milestone for Decarbonising Buildings
20-Oct-23	Published Integrated Report 2023
1-Nov-23	NSG succeeds in developing SELFOC® Lens Array SLA 5EG employing 300μm extra-fine lens fibers
9-Nov-23	New Production Line of Solar Glass in Malaysia Starts Operation

(https://www.nsg.com/en/media)

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