

TO OUR SHAREHOLDERS

NIPPON SHEET GLASS CO., LTD.

158TH FISCAL PERIOD REPORT

1 APRIL 2023 – 31 MARCH 2024

Securities Code: 5202

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 158th fiscal period (FY2024) (from 1st April 2023 to 31st March 2024) as follows.

June 2024

Munehiro Hosonuma

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



During the fiscal year ended March 31, 2024 (FY2024), despite such favorable factors as the depreciation of our key currency yen and lower fuel prices, the Group's business was significantly affected by rising raw materials and labor costs along with global inflation, the economic slowdown in Europe and the rising interest rates in Europe and the United States especially in the second half of the year. In such business environment, the Group continued its efforts to reduce costs, expand VA product ranges, and increase selling prices in the final year of the "Revival Plan 24 (RP24)", resulting in a significant improvement of the OE business from the previous year.

Consequently, the Group delivered for FY2024 on a full-year basis, a revenue of 832.5 billion yen, an increase of 9% year-on-year (FY2023: 763.5 billion yen) and an operating profit of 35.9 billion yen, an increase of 3% year-on-year (FY2023: 34.8 billion yen). Also, the Group recorded a profit before taxation of 17.6 billion yen (FY2023: loss of 21.9 billion yen), a profit for the period of 10.9 billion yen (FY2023: loss of 31 billion yen) and a profit attributable to owners of the parent of 10.6 billion yen (FY2023: loss of 33.8 billion yen), a significant improvement from the previous year when impairment losses on goodwill and intangible assets were recognized as exceptional items. That said, as to financial KPIs set forth in RP24, while the Group attained the equity ratio and free cash flow targets, it failed to achieve ROS and net profit.

In the fiscal year ending March 31, 2025 (FY2025), challenging business conditions are expected to continue as in the latter half of FY2024. Despite that, in Architectural glass business, demand

for solar energy glass remains positive and the new facility in Malaysia, which came on stream in December 2023, is expected to contribute to business improvement throughout the year while the existing facility in North America will be converted for production of solar glass. In Automotive glass business, sales volume is expected to recover as vehicle production constraints are resolved although at a slower pace, and we will also continue negotiations to increase selling prices. Technical glass business is expected to remain highly profitable.

The Group strives to mitigate the impact of fluctuations in the business environment on its performance further, and based on the new Medium Term Plan "2030 Vision: Shift the Phase" announced in May this year, we will transform into a profitable company, reduce debt drastically with enhanced cash generation capability, and bolster the equity capital by pursuing the strategy focused on the 4D's (Business Development, Decarbonisation, Digital Transformation, Diverse Talent).

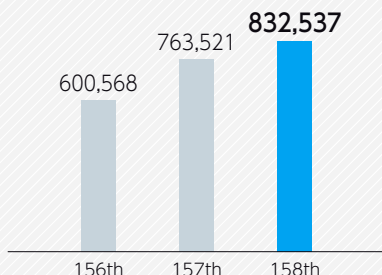
The Group's basic policy regarding the distribution of profit to shareholders is to declare stable dividends on common shares based on sustainable business results. Regrettably, however, the Group decided not to declare dividends on common shares for the fiscal year to 31st March 2024, taking into consideration its financial situations comprehensively. 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 and shore up its financial base with a view to the resumption of dividend payment as early as possible. I would like to ask your continued understanding and support.

Financial Performance Highlights

Revenue

832,537

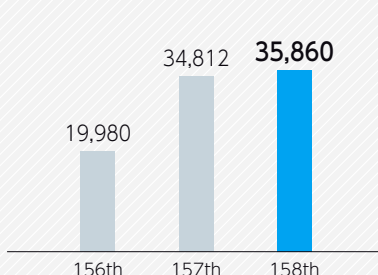
(Million yen)



Operating profit

35,860

(Million yen)

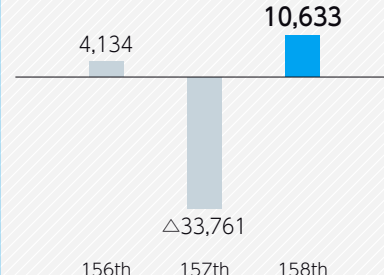


Profit/(loss)

attributable to
owners of the parent

10,633

(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.

NSG at a Glance

From 1st April 2023 to 31st March 2024

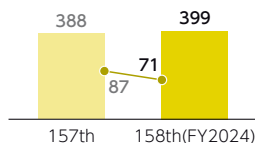
Technical Glass

5%

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

- Market conditions varied depending on the business and although demand for some products decreased, sales increased slightly.
- Operating profit declined mainly due to the slowdown in the IT market and higher input costs.

■ Revenue ● Operating profit



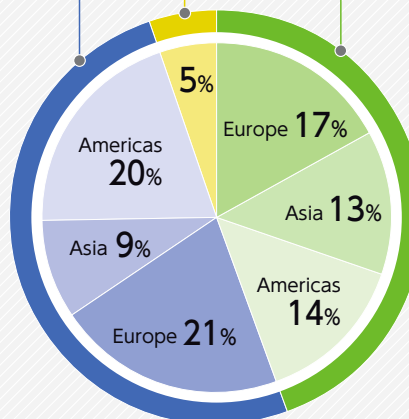
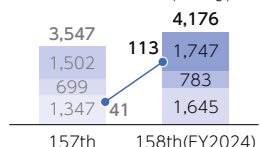
Automotive Glass

50%

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

- Higher sales volumes across Europe, Asia and the Americas, with an easing of supply chain constraints at the Group's customers.
- Revenue and Operating profit increased significantly reflecting further progress in negotiations for price increases despite higher input costs.

■ Revenue ● Operating profit



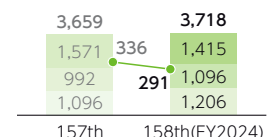
Architectural Glass

45%

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

- Sales increased slightly despite a slowdown in Europe and other markets, driven by robust demand of solar energy glass as well as favourable markets in Japan and South America.
- Operating profit declined for the full year due to the significant impact of the economic slowdown in Europe and other regions in the second half of the year.

■ Revenue ● Operating profit



Medium Term Vision of NSG Group

2030 Vision: The Envisioned State of NSG Group

Focusing on our strengths, glass and related technologies, we aim to expand profits in high-value areas that contribute to the sustainable development of society.

Goal

To shift our company's phase and become vital in advancing a sustainable society

Commitment

- We commit to creating value that realizes a sustainable society for all stakeholders and with stakeholders.
- We commit to developing and providing glass and its related technologies and services that play a crucial role in our customers' solutions.
- We commit to deeply understanding our customers' potential needs and delivering solutions that are suitable for them by leveraging both tangible and intangible assets.
- We commit to continuing our investment in our people, taking pride in a global, diverse team passionate about glass and brimming with talent.

Review of the previous Medium-Term Plan "Revival Plan 24 (RP24)"

Key measures were implemented and we were able to achieve certain results in building a foundation for sustainable growth. As a result, we achieved the targets for equity ratio and free cash flow for three consecutive years but we failed to attain the targets for ROS and net profit.

●Policy Measures

Three Reforms

Cost Structure Reform
Business Structure Reform
Corporate Culture Reform

Two Key Measures

Restoration of Financial Stability
Transformation into More Profitable Business Portfolio

●Status of Financial Goals Achievement

Financial Goals Achievement	FY2022/3	FY2023 /3	FY2024/3	RP24 (Targets)
Operating Profit Margin *1	3.3%	4.6%	4.3%	8%
Net Profit *2 (billion yen)	4.1	(33.8)	10.6	3-year cumulative total of 30 or more
Shareholders' equity ratio	15.5%	10.2%	12.3%	10% or more
Free cash flow (billion yen)	22.3	13.9	15.3	10 or more

*1 Operating margin after amortization of intangible assets *2 Profit/(loss) for the year attributable to owners of the parent

New Medium-Term Plan “2030 Vision: Shift the Phase”

By pursuing the strategy focused on the 4D's, we will transform into a profitable company, reduce debt drastically with enhanced cash generation capability, and bolster the equity capital.

● Strategic Direction

Shift the Phase	Business Development	<ul style="list-style-type: none"> We will create high added value by adapting to changes in society and developing new solutions and technologies together with our customers.
	Decarbonization	<ul style="list-style-type: none"> With the goal of achieving carbon neutrality in 2050, we are dedicated to driving decarbonization across our entire supply chain, embodying our commitment to sustainable social development.
	Digital Transformation	<ul style="list-style-type: none"> We aim to transform our Group operations by leveraging digital technology to its fullest and thereby enhancing our value creation capabilities. By thoroughly standardizing data and processes, we will elevate the level of information integration and thereby accelerate the quality and efficiency of our global management practices.
	Diverse Talent	<ul style="list-style-type: none"> Aiming to build a robust and high-performing workforce and organization, we will invest based on a well-defined HR strategy. we will continue to promote the four “Fs” (Flat, Frank, Fast, and Fun) in communication within the organization.

● Financial Targets

		FY2024/3	FY2027/3
Profitability (P/L)	Operating Profit	35.9 billion yen	64.0 billion yen
	ROS	4.3%	7%
Cash Generation (C/F)	Free cash flow	15.3 billion yen	27.0 billion yen
Stabilization of Financial Status (B/S)	Interest Bearing Debt	506.5 billion yen	442.0 billion yen
	Shareholders' equity ratio	12.3%	15%
Capital and Investment Efficiency	ROE	9.6%	20%

※Nevertheless, ROE as capital and investment efficiency is monitored as a reference indicator

Please scan this QR code with your smartphone or refer to following URL for details of our new Medium-Term Plan.

https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtp2030presentation_e01.pdf



TOPICS

TOPIC 1

Expansion of the Market for Solar Energy Glass

Amid the growing demand for solar panels in the world, a construction work for the production line of solar energy glass was completed at the Johor Baharu site in Malaysia in November 2023, and commenced operation in December. In response to the market expansion of solar glass, the second production line of solar glass has been in operation in Vietnam since 2020 and another new plant came on stream in Luckey, Ohio of the US. There is also a plan to build a new production facility in Rossford, Ohio of the US. We keep expanding our production capacity.



The Johor Baharu site (Malaysia)

TOPIC 2

Europe's First Carbon Capture Trial Started (UK)

We announced that Europe's first carbon capture trial in the flat glass industry started at the Company's float furnace in the UK. CO₂ capturing is an extremely important measure to achieve carbon neutrality. This trial forms part of a national project and be conducted to demonstrate Carbon Capture Solvent Compatibility Units (CCSCUs) deployed at the float furnace can separate CO₂ from the waste flue gas emitted in the process of glass manufacturing.



With project partners

TOPIC 3

Realizing Safer and More Secure Glass Cord —Development of hazardous substance-free adhesive—

Glass Cord is a specially treated reinforcing material for rubber and plastic products made of glass fiber and is widely used in the fields such as automobiles, machinery, and office automation equipment. NSG Group has developed an adhesive used in the Glass Cord manufacturing process that does not contain resorcinol and formaldehyde, chemical substances of concern for the environment, thereby realizing safer and more secure Glass Cords.



Products of Glass Cord

TOPIC 4

Winning "Rookie of the Year" at NIKKEI Integrated Report Award 2023

Among the total 475 companies and organizations' applications, winners of each award were selected after multiple rounds of judging which lasted for more than three months. NSG Group applied for the Award for the first time and received the "Rookie of the Year". The judges highly evaluated our Integrated Report, noting that "the Report is outstanding particularly in its environmental and social disclosures and also provides substantial information on governance".



NSG Group Integrated Report 2023

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
Transfer Agent	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,

<Shareholders having an account with a securities company>

Please contact the securities company where you hold the account.

<Shareholders not having an account with a securities company (having a special account)>

Please contact our transfer agent as shown above.

We contribute to the realization of a sustainable society through our sustainability efforts.



Corporate Data (as at 31 March 2024)

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)	25,356
Paid-in Capital	JPY116,853 million
Accounting Auditor	Ernst & Young ShinNihon LLC
Stock Listing	Tokyo Prime market (Code: 5202)
Contact	https://www.nsg.com/en/contact-us

▶ 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.

For details on the procedures, please contact either the securities company or our transfer agent as indicated on the left.

Our Website

Our website provides a variety of information for investors, including financial results and latest news. Please access our website.

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



Facebook



X(Formerly Twitter)



Follow me!

Official SNS character of NSG Group
NSG Badger (Japanese name: N-Guma-Kun)



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

