

NEWS RELEASE

31 May 2022
Nippon Sheet Glass Co., Ltd.

Reform and Integration of Automotive Glass Business in China

NSG Group is proud to announce that we plan to integrate our Automotive glass business in China with SYP Kangqiao Autoglass Co., Ltd. ("**SYP Automotive**"), a major Chinese automotive glass manufacturer. This integration into SYP Automotive will strengthen our ability to meet the growing needs of vehicle manufacturers in China.

It is planned that automotive processing operations fully owned by NSG in Guilin and Tianjin will be transferred to SYP Automotive. NSG Group will undertake to re-invest the sale proceeds back into in SYP Automotive. The sale will take the form of the sale of two wholly owned legal entities owned by NSG in China, being Tianjin NSG Safety Glass Co., Ltd. ("**NSG Tianjin**") and Guilin Pilkington Safety Glass Co., Ltd. ("**NSG Guilin**").

NSG Group currently holds a 20% stake in SYP Automotive. As a consequence of the sale, this stake will increase to approximately 29%.

The largest shareholder in SYP Automotive is Shanghai Yaohua Pilkington Glass Co, Ltd ("**SYP**"). The shares in SYP are listed on the Shanghai Stock Exchange. NSG Group has had a long standing partnership with SYP for over 30 years and has a 13% equity stake in it. In addition to its investment in SYP Automotive, SYP is recognized a high-quality manufacturer of advanced coated float and processed products for the Chinese architectural glass market.

The proposed deal terms are due to be presented to the shareholders of SYP in June and it is expected that, should shareholder approval be obtained, binding definitive agreements will then be signed. Completion of the transaction is expected to take place later this year once Chinese regulatory approvals have been obtained.

Through this integration, NSG Group and SYP Automotive will work in partnership to develop and grow SYP Automotive's automotive processing business in China. As an active participant in the partnership, NSG will help SYP Automotive to enhance its ability to satisfy increasingly complex demands for glazing solutions, including meeting expectations from established global automakers looking to develop advanced glazing supply inside China.

The decision by NSG Group to pursue this transaction is part of the structural reform measures set forth in the medium-term management plan "Revival Plan 24 (RP24)" for the three years from April 1, 2021 to the fiscal year ending March 2024. This is an important step in transforming our business portfolio, as a part of our Shape to Shine transformation program.

There will be no material one-off exceptional impact on the NSG Group's results as a consequence of the above. After completion of the integration, the business performance of NSG Tianjin and NSG Guilin will be included in the results of SYP Automotive which in turn will be included in "the share of post-tax profit of joint ventures and associates accounted for using the equity method" line in the consolidated NSG Group income statement.

<Reference: Main Plants Location in China>



- **About SYP Automotive and SYP**

SYP Automotive has manufacturing operations for automotive glazings in Shanghai, Wuhan, Tianjin, Yizheng and Changshu. These are supported by a wide network of 28 satellite operations across China. The company has very advanced equipment both for the processing and coating of automotive glazings. It also benefits from having a strong and reliable supply of high quality float glass from SYP Group. It is therefore capable of making value add parts for key global customers.

SYP has 4 float lines in Tianjin and Changshu. These make high quality float and coated glass for the automotive and architectural markets. It also has advanced processing and coating operations for architectural glazings in Shanghai, Tianjin, Chongqing, Jiangmen and Changshu.

- **About NSG Tianjin and NSG Guilin**

NSG Tianjin was established in 1995 in Binhai New Area, Tianjin City. It has a branch in Jilin. The company engages in deep processing of automotive glass. The plant mainly produces laminated safety glass and tempered safety glass, having a complete product mix with all the glass products for automobiles including windshield, side glass, backlite, sunroof, etc.

NSG Guilin was established in 1995 in New Technology Industrial Development Zone, Guilin City and it has a branch in Guangzhou. The company engages in deep processing of automotive glass. having a complete product mix including windshield, backlite, sunroof and side glass. Upon development of more than 20 years, and with the technological support from NSG Group, it has grown into an automotive glass manufacturer with independent research and development capability. Through the global sales network of NSG Group, the automotive glass products of the company are sold to North America, Europe, Japan, among others. It has lines of tempered glass, laminated glass and encapsulation glass. Its primary customers include domestic automobile manufacturers and overseas connected parties. The company has a stable customer base, and its long-term customers.

- **For more information about "Revival Plan 24"**

https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtrp24presentation2021_e02.pdf

About the NSG Group (Nippon Sheet Glass Co., Ltd. and its group companies)

The NSG Group is the world's leading supplier of glass and glazing systems in the business areas of Architectural, Automotive and Creative Technology.

Architectural manufactures and supplies architectural glass as well as glass for the solar energy and other sectors. Automotive serves the original equipment (OE) and aftermarket replacement (AGR) glazing markets.

Creative Technology comprises several discrete businesses, including lenses and light guides for printers and scanners, and specialty glass fiber products such as glass cord for timing belts and glass flake. <https://www.nsg.com>

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