

Note: This document is a translation for the convenience of non-Japanese speakers. In the event of any discrepancy between this translation and the original Japanese document, the latter shall prevail.



Notice of Convening The 156th Ordinary General Meeting of Shareholders

Prevention of the spread of COVID-19

- The shareholders meeting is live-streamed on the Internet. Please exercise your voting rights in advance by mail or via internet, and consider avoiding your attending this general meeting of shareholders in person.
- When you come to the general meeting of shareholders, we kindly ask for your understanding and cooperation regarding bringing and wearing masks, disinfecting hands and fingers, and conducting temperature measurements etc.

Nippon Sheet Glass Company, Limited

Securities Code: 5202

Date and Time:

**10:00 A.M., Wednesday, 29 June 2022
(Reception to open from 9:00 A.M.)**

Venue:

**The Grand Hall
Shinagawa Grand Central Tower 3rd floor,
16-4, Konan 2-Chome, Minato-ku, Tokyo**

(The venue is different from last year, so please be careful not to make a mistake referring the "Map of the Venue for the Ordinary General Meeting of Shareholders" attached at the end.)

Matters to be Resolved:

**Proposal 1: Partial Amendments to the Articles
of Incorporation**

Proposal 2: Election of Eight Directors

**Deadline to exercise the voting rights in writing
or via the Internet:**

5:45 P.M. (Japan time)

Tuesday, 28 June 2022

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Management Principles — “Our Vision”



7 June 2022

Shigeki Mori

Director,

Representative Executive Officer, President and CEO

Nippon Sheet Glass Co., Ltd.

5-27, Mita 3-Chome, Minato-ku, Tokyo

Notice of Convening the 156th Ordinary General Meeting of Shareholders

Dear Shareholders,

Thank you for your continuing support and patronage of NSG Group.

As described below, this is to notify you of the forthcoming 156th Ordinary General Meeting of Shareholders of the Company.

Concerning this general meeting, in order to prevent the spread of COVID-19, please kindly consider avoiding your attending the meeting in person. The shareholders meeting is live-streamed on the Internet.

(For the viewing method, please refer to the enclosed attached sheet, "Information on live-streaming of the general meeting of Shareholders and reception of prior questions".)

You remain capable of exercising your voting rights either in writing or by electronic or magnetic means (via the Internet), so even in the case of your absence from the meeting, we would much appreciate it if you could take your time to review and consider the "Reference Materials to Proposals at the General Meeting of Shareholders" below, and then exercise your voting rights according to the explanations and instructions described in page 2 to 4 by no later than 5:45 P.M. (Japan time) of 28 June (Tue.) 2022.

Note:

1. Date and Time	10:00 A.M., Wednesday, 29 June 2022
2. Venue	The Grand Hall Shinagawa Grand Central Tower 3rd floor, 16-4, Konan 2-Chome, Minato-ku, Tokyo (Please refer to the "Map of the Venue for the Ordinary General Meeting of Shareholders" attached at the end.)
3. Agenda	Matters to be Noted <ol style="list-style-type: none"> Business Report, Reports of the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements, for the 156th fiscal period from 1 April 2021 to 31 March 2022 Reports of the Financial Statements for the 156th fiscal period from 1 April 2021 to 31 March 2022 Matters to be Resolved Proposal 1: Partial Amendments to the Articles of Incorporation Proposal 2: Election of Eight Directors

End

Other Matters related to this Convening

- ◎ Reference Materials to Proposals at the General Meeting of Shareholders and those Business Report, Consolidated Financial Statements, and Financial Statements which need to be attached to this Convening Notice are all as duplicated and shown in pages from 5 to 66 below, with the exclusion of "Matters Related to the Stock Acquisition Rights, etc.", "Consolidated Statement of Changes in Equity", "Notes to the Consolidated Financial Statements", "Statement of Changes in Net Assets" and "Notes to the Financial Statements" which are posted and made available on the Company's website at <https://www.nsg.com/> in accordance with the relevant laws and ordinances, and Article 14 of the Articles of Incorporation.

Accordingly, those Consolidated Financial Statements and Financial Statements attached to this Convening Notice respectively constitute such part of Consolidated Financial Statements and Financial Statements as were audited by the Accounting Auditor and the Audit Committee in the course of their conduct of audit in order to prepare for and produce their respective audit reports.

- ◎ If it should become necessary to make any amendments to any of the Reference Materials to Proposals at the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and/or Financial Statements, such amendments shall be notified to you by mail, or on the Company's website at <https://www.nsg.com/>.
- ◎ Any changes in the operation of this Ordinary General Meeting of Shareholders shall be notified on the Company's website at <https://www.nsg.com/>.
- ◎ Voting results of the meeting will be filed and shown via EDINET (<https://disclosure.edinet-fsa.go.jp/>) in the form of an Extraordinary Report (in Japanese only), and also disclosed on the Company's website at <https://www.nsg.com/> (in English) and at <https://www.nsg.co.jp/> (in Japanese). You are kindly asked to acknowledge and confirm that these actions are intended to operate as substitute in place of the issue and posting of a resolution notice.

Exercising Voting Rights

➤ When exercising voting rights via the Internet

When exercising voting rights via the Internet, please carefully read “**Information concerning exercising voting rights via the Internet**” as shown below (page 3) and then exercise the rights by no later than 5:45 P.M. (Japan time) of 28 June (Tue.) 2022.

➤ When exercising voting rights in writing

Indicate your approval or disapproval of the proposals in the enclosed voting rights exercising card and send it so that it reaches us no later than 5:45 P.M. (Japan time) of 28 June (Tue.) 2022.

➤ When attending the meeting on the day

Please present the enclosed voting rights exercising card to the reception.

Electronic Voting Platform for Institutional Shareholders

The Electronic Voting Platform operated by ICJ, Inc. is available for institutional shareholders.

Information concerning Exercising Voting Rights via the Internet

Exercising your voting rights via the Internet can be carried out only through the website above specified by the Company.

■ Exercise of voting rights by “Smart Voting” (available only in Japanese)

Please scan the “Smartphone use voting right exercise website login QR cord” on the lower right of the enclosed voting rights exercising card with a smartphone or tablet. The URL that then appears will bring you to the voting right exercise website screen by clicking on it. Please follow the screen instructions to exercise your voting rights.

■ Exercise of voting rights by the voting rights code and password (available only in Japanese)

Please access the website for exercising voting rights, <https://www.web54.net>, with a personal computer or other Internet-capable device of yours and enter your approval or disapproval for each proposal by using the voting rights code and password described in your enclosed voting rights exercising card and afterwards follow the screen instructions shown in the screen.

■ Contact the following for any inquiries regarding the exercise of voting rights via the Internet

Web support desk of Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
Telephone number: **0120-652-031** (from 9:00 to 21:00 Japan time, toll free in Japan)

Voting Rights

- When a shareholder exercises his or her voting rights both in writing and via the Internet, the voting rights exercised via the Internet shall take precedence over the one in writing. When a shareholder exercises his or her voting rights multiple times via the Internet, the last valid exercise of voting rights via the Internet shall be considered as the shareholder's final vote.
- Though voting rights may be exercised via the Internet till 5:45 P.M. (Japan time) of 28 June (Tue.) 2022, it would be greatly appreciated if you could kindly exercise the rights earlier.

Password and voting rights code

- The password is very important information to enable us to identify those who would exercise the voting rights as our shareholders themselves truly, so please treat it very carefully.
- If you mistakenly enter a wrong password on a certain specified number of occasions, this password will become invalid. If you wish the reissue of another password please follow the instruction shown on the screen.
- The voting rights code written on voting rights exercising card shall be valid only for this General Meeting of Shareholders.

Inquiries regarding Exercising Voting Rights

- Contact the following for any other query regarding your shareholding and its related matters
 - 1) If you have a shareholder account in a securities company
Please contact the securities company administrating your shareholder account
 - 2) If you do NOT have a shareholder account in a securities company
Please contact the Administration Center of Transfer Agency of Sumitomo Mitsui Trust Bank
Telephone number: [0120-782-031](tel:0120-782-031) (Weekdays from 9:00 to 17:00 Japan time, toll free in Japan)

Reference Materials to Proposals at General Meeting of Shareholders

Proposal and the References thereto

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will come into force on 1 September 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for General Meeting of Shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 14 provides that information contained in the reference materials for the General Meeting of Shareholders etc. shall be provided electronically. In addition, a provision shall be established to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (2) The provisions related to the Disclosure of Reference Materials for General Meetings of Shareholders and Other Materials via the Internet and Deemed Provision Thereof (Article 14 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (3) In line with the above establishment and deletion of provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the Amendments

The details of the amendments are as follows.

(Underlined parts indicated amended sections.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Disclosure of Reference Materials for General Meetings of Shareholders and Other Materials via the Internet and Deemed Provision Thereof)</u></p> <p><u>Article 14. The Company may, in convocation of a General Meeting of Shareholders, deem to have provided shareholders with information with respect to matters which shall be stated or indicated in the Reference Materials for a General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements by disclosing those by way of using the Internet as provided for in the ordinances of the Ministry of Justice.</u></p>	<p>< Deleted ></p>
<p>< Newly established ></p>	<p><u>(Measures for providing information in Electronic Format, etc.)</u></p> <p><u>Article 14. For convocation of a General Meeting of Shareholders, the Company shall take electronic measures for providing the information of contents contained in the Reference Materials, etc. for a General Meeting of</u></p>

	<p><u>Shareholders.</u></p> <p><u>Among the contents to be provided in Electronic Format, the Company may exclude all or part of the items stipulated in the ordinances of the Ministry of Justice from the documents to be delivered to the shareholders who requested the delivery of such documents by the record date for voting rights.</u></p>
<p>< Newly established ></p>	<p>Supplementary provisions <u>(Supplementary provisions regarding measures for providing information in Electronic Format, etc.)</u></p> <ol style="list-style-type: none"> 1. <u>The deletion of Article 14 of the current Articles of Incorporation (Disclosure of Reference Materials for General Meetings of Shareholders and Other Materials via the Internet and Deemed Provision Thereof) and the establishment of Article 14 in the amended Articles of Incorporation (Measures for providing information in Electronic Format, etc.) shall come into effect from the date of enforcement of the revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Act Partially Amending the Companies Act" (Act No.70 of 2019), 1 September 2022, (hereinafter, "Enforcement Date").</u> 2. <u>Notwithstanding the provisions of the preceding paragraph, Article 14 of the current Articles of Incorporation shall remain effective respect to a General Meeting of Shareholders held on a date within six months from Enforcement Date.</u> 3. <u>These supplementary provisions regarding measures for providing information in Electronic Format, etc. shall be deleted on the date when six months have passed from Enforcement Date or three months have passed from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal 2: Election of Eight Directors

The term of office of all the six Directors shall expire as of the end of this Ordinary General Meeting of Shareholders. Hence the shareholders are hereby asked to approve of election of eight Directors based on and pursuant to the decision of Nomination Committee of the Company. Those director candidates are as follows. For further information on each director candidate please refer to the pages from 9 to 16 of this Convening Notice:

No	Name	Position	Current Responsibilities at the Company				Record of attendance at Board meeting
			Board	NC	AC	CC	
1	Shigeki Mori <u>To be re-elected</u>	Representative Executive Officer, President and CEO		Member		Member	100% (10/10)
2	Jörg Raupach Sumiya <u>To be re-elected</u>	External Independent		Member	Member	Chairperson	100% (10/10)
3	Hiroshi Ishino <u>To be re-elected</u>	External Independent		Chairperson	Member	Member	100% (10/10)
4	Kunihito Minakawa <u>To be re-elected</u>	External Independent		Member	Chairperson	Member	100% (10/10)
5	Yoshihiro Kuroi <u>To be re-elected</u>	External					100% (10/10)
6	Munehiro Hosonuma <u>To be newly-elected</u>	Representative Executive Officer, Vice President and COO					—
7	Tony Fradgley <u>To be newly-elected</u>	Senior Executive Officer CTrO					—
8	Shinji Asatsuma <u>To be newly-elected</u>	External Independent					—

Notes:

- Messrs. Jörg Raupach Sumiya, Hiroshi Ishino, Kunihito Minakawa, Yoshihiro Kuroi and Shinji Asatsuma are all candidates for the External Directors stipulated in Article 2.15 of the Companies Act. In addition, all of them except Mr. Yoshihiro Kuroi have been notified to Tokyo Stock Exchange (hereinafter called "TSE") as Independent Directors. The Company has on its own created and applied more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which above four candidates for External Directors also meet. For the detail of the criteria, please see pages from 17 to 18.
- The Company has entered into an agreement on limitation of liabilities with all the candidates of the External Directors whose tenure is expiring (Messrs. Jörg Raupach Sumiya, Hiroshi Ishino, Kunihito Minakawa and Yoshihiro Kuroi) respectively to the effect that the level of the liability of each of the External Directors in having performed their duties in good faith and without gross negligence on their part should be capped by the amount allowed by law. The Company further intends to enter into an agreement on similar limitation of liability with Shinji Asatsuma once elected, to the effect that the level of his liability in having performed his duties in good faith and without gross negligence on his part should be capped by the amount allowed by law.
- The Company contracts the Directors and Officers liability insurance based on the Article 430-3, Paragraph 1 of the Companies Act of Japan with insurance companies, and the policy will compensate any reasonable and necessary legal or other defense costs incurred in defending an action brought against them during the policy period. It also pays any ensuing damages, judgements and settlements that are awarded to the plaintiff or third party against the director or officer. Messrs. Shigeki Mori, Jörg Raupach Sumiya, Hiroshi Ishino, Kunihito Minakawa, Yoshihiro Kuroi, Munehiro Hosonuma, Tony Fradgley and Shinji Asatsuma as director candidates respectively are included to insured persons. The premium of the insurance for all insured persons is paid by the Company. The Company plans to renew the contract with the same terms and conditions at the time of the next renewal.

(For Reference)

In order to develop and enhance the enterprise value of the Group in a sustainable manner on a medium to long term basis, the Board is required to effectively supervise the execution of duties by executive officers, etc., while preparing for a corporate environment which would enable the executive management to take proper degree of risks associated with business. Based on the company situation and the issues to be solved in the execution of the three-year medium-term plan from the fiscal year ending March 2022 to the fiscal year ending March 2024, the areas of experiences and specialized knowledge, which the Nomination Committee considers to be particularly important for the director candidates, are defined as follows, and the composition of directors would be well-balanced as a whole in consideration of diversity.

Name	Global Company Management Experience	Financial Expertise	Risk Management	ESG / Sustainability	Portfolio management / New Business Development	Operational Excellence / Supply Chain Management	Marketing / Commercial
J.Raupach-Sumiya	○			○	○		
H.Ishino	○					○	○
K.Minakawa	○	○	○				
Y.Kuroi	○		○	○			
S.Asatsuma	○	○	○				
S.Mori	○		○		○		
M.Hosonuma					○	○	○
T. Fradgley		○				○	○

Notes: Up to three most highly expected areas of experiences and specialized knowledge are indicated for each candidate. The table does not represent all the specialized knowledge and the experiences possessed by each candidate.

- Global Company Management Experience: The area of experience and/or expertise required from the perspective of supervising the management of the Group which is operating globally based on the management experiences in a global or multinational business environment.
- Financial Expertise: The area of experience and/or expertise required from the perspective of supervising the execution of the key initiative, "Restoration of financial stability" in the medium-term management plan.
- Risk Management: The area of experience and/or expertise required from the perspective of effective and efficient supervision in identifying and evaluating critical risks that the Group should manage.
- ESG / Sustainability: The area of experience and/or expertise required from the perspective of effective and efficient supervision for the initiatives to attain sustainable growth of the Group and contribute to a sustainable society in the medium- to long-term such as climate change issues and initiatives to ensure a highly independent and transparent Corporate Governance system for that purpose.
- Portfolio management / New Business Development: The area of experience and/or expertise required from the perspective of effective and efficient supervision for the initiatives against "Business structure reform" such as new business development and Portfolio transformation to highly profitable business.
- Operational Excellence / Supply Chain Management : As a manufacturing company, improving on-site operational work performance is essential, and from procurement / manufacturing to logistics, cost structure reform that transcends the boundaries of each function and optimal manufacturing / supply chain are important. Therefore, this area of experience and/or expertise should be required from the perspective of effective and efficient supervision for the initiatives against "Cost structure reform" "Business structure reform" and "Restoration of financial foundation".
- Marketing/Commercial: Strategic marketing is needed to develop the business, and this area of experience and/or expertise should be required from the perspective of effective and efficient supervision in implementing the initiatives for "Business structure reform" and customer-oriented "Corporate culture reform".

1 Mr. Shigeki Mori

■ Positions/responsibilities at the Company	Director, Representative Executive Officer, President and CEO, a member of Nomination Committee and Compensation Committee
■ Date of birth	22 July 1958 (63 years old)
■ Length of incumbency as Director	7 years (as of the end of this General Meeting of Shareholders)
■ Record of attendance at Board of Directors meetings	100% (10/10)
■ Number of the Company's common shares owned	90,293
■ Material Positions concurrently held with third parties	n/a
■ Special interest the candidate the Company	n/a

Brief career history

Apr. 1981	Joined the Company
Apr. 2003	General Manager of Planning Dept. Architectural Glass Company
Jan. 2005	General Manager of Functional Glass production & Technology, Architectural Glass Company and President of NSG Kanto Co., Ltd. (currently NSG Building Products Co., Limited)
Jul. 2010	Head of Production, Fabrication and Marketing, UK and South Europe, Architectural Glass (UK)
May 2012	Senior Corporate Officer, Head of Architectural Glass Japan
Jun. 2012	Senior Corporate Officer, Head of Technical Glass SBU
Apr. 2015	Representative Executive Officer, President and CEO (Incumbent)
Jun. 2015	Director (Incumbent)

Reasons for recommendation as a Director

After having worked for the functions of human resources and corporate planning in the Group, Mr. Shigeki Mori served for a number of important positions of the Group including the president of a material subsidiary in the Architectural Glass business and the Head of the Technical Glass Strategic Business Unit. For two years from July 2010, he was based in the UK as the Head of Production, Fabrication and Marketing, UK and South Europe, Architectural Glass business. Based upon such ample experiences and delivery of results gained in both of administrative role and plural business lines he was appointed Representative Executive Officer, President and CEO in April 2015 and since then, has taken leadership in the whole Group business. He was also appointed Director in June 2015. It is expected that his knowledge and experience of the Group business should continue to contribute to the decision-making function of the Board.

2 Dr. Jörg Raupach Sumiya

■ Positions/responsibilities at the Company	Director, Chairperson of Compensation Committee, a member of Nomination Committee and Audit Committee
■ Date of birth	17 January 1961 (61 years old)
■ Length of incumbency as External Director	3 years(as of the end of this General Meeting of Shareholders)
■ Record of attendance at Board of Directors meetings	100% (10/10)
■ Number of the Company's common shares owned	2,975
■ Material Positions concurrently held with third parties	Professor, College of Business Administration Ritsumeikan University
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Jun. 1990	Senior Consultant, Roland Berger Strategy Consultants
Oct. 1995	Senior Executive Managing Director, Trumpf Corporation
Jul. 1999	Research Fellow, German Institute for Japanese Studies
Jun. 2001	General Manager, Administration, NEC Schott Components Corporation (Currently Schott Japan Corporation)
Dec. 2002	President, Representative Director, NEC Schott Components Corporation
Jun. 2011	Manager, Innovation, Schott Electronic Packaging GmbH
Sep. 2011	Professor, FOM University (Germany)
Apr. 2012	Professor, College of Business Administration Ritsumeikan University (Incumbent)
Jun. 2019	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled-----

Dr. Jörg Raupach Sumiya has been elected as an External Director of the Company since June 2019. He has international experience in the field of both business and academia, and is currently a professor at the college of business administration, Ritsumeikan University, one of the Japanese private universities. He is conducting research activities mainly on renewable energy and regional economy. It is expected that he should continue to contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies and broad knowledge on ESG and portfolio-management and perspectives with regard to an academic expert and business management.

3 Mr. Hiroshi Ishino

■ Positions/responsibilities at the Company	Director, Chairperson of Nomination Committee, a member of Audit Committee and Compensation Committee
■ Date of birth	10 April 1951 (71 years old)
■ Length of incumbency as External Director	2 year(as of the end of this General Meeting of Shareholders)
■ Record of attendance at Board of Directors meetings	100% (10/10)
■ Number of the Company's common shares owned	4,085
■ Material Positions concurrently held with third parties	Senior Corporate Advisor, Kansai paint Co.,Ltd.
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Apr. 1975	Joined Mitsubishi Corporation
Mar. 2003	Joined Kansai paint Co., Ltd.
Jun. 2006	Director, Deputy General Manager, International Affairs, Kansai paint Co., Ltd.
Jun. 2008	Managing Director, Sales, Coatings Business, Kansai paint Co., Ltd.
Apr. 2010	Senior Managing Director, Sales, Kansai paint Co., Ltd.
Jun. 2011	Director, Senior Managing Executive Officer, Sales, International Affairs and Procurement, Kansai paint Co., Ltd.
Jun. 2012	Representative Director, Senior Managing Executive Office, Sales, International Affairs and Procurement, Kansai paint Co., Ltd.
Apr. 2013	Representative Director and President, Kansai paint Co., Ltd.
Jun. 2019	Senior Corporate Advisor, Kansai paint Co., Ltd. (Incumbent)
Jul. 2020	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled-----

Mr. Hiroshi Ishino has been elected as an External Director of the Company since July 2020. He was in charge of overseas operations at a major trading company, and since then has been promoting the Group's global strategy as president and CEO of a major international manufacturer. It is expected that he will contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies as top management and broad knowledge and perspectives with regard to business transformation and business management from manufacturing to sales.

4 Mr. Kunihito Minakawa

■ Positions/responsibilities at the Company	Director, Chairperson of Audit Committee, a member of Nomination Committee and Compensation Committee
■ Date of birth	15 August 1954 (67 years old)
■ Length of incumbency as External Director	2 year(as of the end of this General Meeting of Shareholders)
■ Record of attendance at Board of Directors meetings	100% (10/10)
■ Number of the Company's common shares owned	2,041
■ Material Positions concurrently held with third parties	External Director, Santen Pharmaceutical Co., Ltd. Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Apr. 1978	Joined RICOH CO., LTD.
Oct. 1997	SVP and CFO, Ricoh Americas Corporation
Jun. 2008	Business Planning Manager and Business Management Manager, Business Management Centre, Overseas Division, RICOH CO., LTD.
Apr. 2010	Corporate Vice President and General Manager, Finance and Accounting, RICOH CO., LTD.
Apr. 2012	Corporate Senior Vice President and General Manager, Finance and Accounting, RICOH CO., LTD.
Jun. 2013	Corporate Auditor (Full-time), RICOH CO., LTD.
Jun. 2017	External Director, Sony Corporation (Currently Sony Group Corporation)
Jun. 2018	External Director, Santen Pharmaceutical Co., Ltd. (Incumbent)
Apr. 2019	Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner (Incumbent)
Jul. 2020	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled -----

Mr. Kunihito Minakawa has been elected as an External Director of the Company since July 2020. He was a Managing Executive Officer and an Audit & Supervisory Board Member at a major international manufacturer, and he is currently serving as Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner. He has global experience, a wide range of insights and practical experience in finance and auditing. It is expected that he will contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies and broad knowledge and perspectives with regard to business management and professional expertise on finance and accounting.

5 Mr. Yoshihiro Kuroi

■ Positions/responsibilities at the Company	Director
■ Date of birth	18 August 1954 (67 years old)
■ Length of incumbency as External Director	2 year(as of the end of this General Meeting of Shareholders)
■ Record of attendance at Board of Directors meetings	100% (10/10)
■ Number of the Company's common shares owned	0
■ Material Positions concurrently held with third parties	Advisor, Japan Industrial Solutions Co., Ltd.
■ Special interest existing between the candidate and the Company	An advisor at Japan Industrial Solutions Co., Ltd., which is a general partner of Japan Industrial Solutions Fund II, a holder of Class A Shares issued by the Company.

Brief career history-----

Apr. 1977	Joined Mitsubishi Corporation
Apr. 1994	Managing Director, MCF Financial Services Limited
Jun. 2004	Seconded to Mitsubishi Motors Corporation CSR Promotion Office to rescue the Company
Jan. 2007	General Manager, Investor Relations, Mitsubishi Corporation
Apr. 2010	Senior Vice President, Mitsubishi Corporation
Jul. 2010	Executive Officer, Corporate Planning Office, Mitsubishi Motors Corporation
Jun. 2016	Senior Vice President, Mitsubishi Motors Corporation
Apr. 2018	Senior Managing Executive Officer, Kasai Kogyo Co., Ltd
May. 2020	Advisor, Japan Industrial Solutions Co., Ltd. (Incumbent)
Jul. 2020	Director, the Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled -----

Mr. Yoshihiro Kuroi has been elected as an External Director of the Company since July 2020. He was a president of an overseas subsidiary at a major trading company, and has a wealth of practical experience in overseas business, IR departments and risk management, etc. as an executive officer at a major automobile manufacturer and major automobile parts manufacturer. It is expected that he will contribute to the supervisory function of the Board including in overseeing performance of Executive Officers based upon his abundant management experiences in global companies and broad knowledge and perspectives with regard to risk management and IR/SR.

6 Mr. Munehiro Hosonuma

■ Positions/responsibilities at the Company	Representative Executive Officer, Vice President and COO(Chief Operating Officer)
■ Date of birth	27 November 1972 (49 years old)
■ Length of incumbency as Director	n/a (as a new candidate for Director.)
■ Record of attendance at Board of Directors meetings	—
■ Number of the Company's common shares owned	9,200
■ Material Positions concurrently held with third parties	n/a
■ Special interest the candidate the Company	n/a

Brief career history

Apr. 1998	Joined Nikken Sekkei Ltd.
Jul. 2005	Joined Boston Consulting Group
Oct. 2010	Joined Sumitomo 3M Limited (Currently 3M Japan Limited) Business Development Senior Manager, Display and Graphics Business Group
Sep. 2013	General Manager, Cleaning and Workplace Safety Division, Sumitomo 3M Limited
Apr. 2017	General Manager, Infection Prevention Division, 3M Japan Limited
Aug. 2018	Joined the Company Senior Corporate Officer, CCPO (Chief Corporate Planning Officer)
Jan. 2021	Senior Executive Officer, Head of Architectural Glass SBU
Apr. 2022	Representative Executive Officer, Vice President and COO (Incumbent)

Reasons for recommendation as a Director

After having worked for a leading Japanese design office and a major international management consulting company, Mr. Munehiro Hosonuma joined a major international manufacturer, held important positions in the business division, and then joined NSG in August 2018. He was involved in the formulation of the Group's Medium Term Plan and business management as Chief Corporate Planning Officer. In January 2021, he was appointed Head of Architectural Glass SBU and led the business unit. He was appointed Representative Executive Officer, Vice President and COO in April 2022 and since then, has taken leadership in the whole Group business. It is expected that he will contribute to the decision-making function of the Board based upon such ample experiences and achievements in business strategy and business operations.

7 Mr. Tony Fradgley

■ Positions/responsibilities at the Company	Senior Executive Officer, CTrO (Chief Transformation Officer)
■ Date of birth	4 June 1968 (54 years old)
■ Length of incumbency as Director	n/a (as a new candidate for Director.)
■ Record of attendance at Board of Directors meetings	—
■ Number of the Company's common shares owned	7,000
■ Material Positions concurrently held with third parties	n/a
■ Special interest the candidate the Company	n/a

Brief career history

Jan. 1989	Joined RAC Motoring Services Ltd.
Nov. 1994	Finance Manager, Operations, RAC Motoring Services Ltd.
Sep. 1996	Joined GE Capital (Currently CTR Ltd. & TIP Trailer Rental Ltd.) Financial Controller, CTR Europe
Sep. 1998	Joined Pilkington plc (Currently Pilkington Group Ltd.) Financial Controller, Automotive (hereafter "Auto") AGR Europe
Jan. 2004	Finance Director, Auto UK and Auto AGR Europe, Pilkington plc
Jan. 2006	Finance Director, Auto AGR, Pilkington plc
Sep. 2007	Managing Director, Auto AGR Europe
Feb. 2012	Senior Corporate Officer, Head of Auto AGR SBU
Apr. 2015	Senior Corporate Officer, Head of Auto AGR SBU and Auto OE SBU
Apr. 2016	Executive Officer, Head of Auto AGR SBU and Auto OE SBU
Jun. 2019	Senior Executive Officer, Head of Auto AGR SBU and Auto OE SBU
Oct. 2020	Senior Executive Officer, CTrO (Incumbent)

Reasons for recommendation as a Director

After having worked for the functions of accounting and business management in a major international manufacturer and in the UK of the Group, Mr. Tony Fradgley was appointed Head of Auto AGR SBU in February 2012 and from April 2015 as Head of Auto OE SBU additionally, he led the business unit. He was appointed Senior Executive Officer, Chief Transformation Officer in October 2020 and since then, has taken leadership in the Group's cost structure reform in the whole Group business which is one of the material initiatives of the Medium Term Plan. It is expected that his ample experiences and achievements in business management and business operations will contribute to the decision-making function of the Board.

8 Mr. Shinji Asatsuma

■ Positions/responsibilities at the Company	—
■ Date of birth	2 February 1961 (61 years old)
■ Length of incumbency as External Director	n/a (as a new candidate for Director.)
■ Record of attendance at Board of Directors meetings	—
■ Number of the Company's common shares owned	0
■ Material Positions concurrently held with third parties	External Director, Kyushu Railway Company
■ Special interest existing between the candidate and the Company	n/a

Brief career history-----

Apr. 1984	Joined Kansai paint Co., Ltd.
Apr. 2012	Executive Officer, General Manager Corporate Planning Office, Kansai paint Co., Ltd.
Apr. 2015	Senior Executive Officer, General Manager International Div., Kansai paint Co., Ltd.
Jun. 2016	Director, Senior Executive Officer, General Manager Administration Div., Kansai paint Co., Ltd.
Apr. 2018	Director, Senior Executive Officer, in charge of Business Management, Corporate Planning, IS, Human Resources Planning, General Manager Administration Div., Kansai paint Co., Ltd.
Jun. 2019	External Director, Kyushu Railway Company (Incumbent)

Reasons for recommendation as an External Director and expected roles to be fulfilled-----

Mr. Shinji Asatsuma was in charge of accounting, finance, business strategy and overseas operations in a major international manufacturer and as a Director and Senior Executive Officer, he is in charge of the overall management division, and has promoted the formulation of business strategies and overseas business expansion. It is expected that he will contribute to the supervisory function of the Board including in overseeing the performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant management experiences in global companies and broad knowledge and perspectives with regard to finance, accounting and risk management.

For Reference: Criteria of Independency for External Director at NSG

External Directors of Nippon Sheet Glass Company, Limited ("NSG" or the "Company") falling into any of the following categories are considered to lack independency as an External Director.

(1) As to the External Director him/herself, where:-

1. He/she is, has become or once served as an executive director, executive officer, corporate officer or employee of the NSG Group (hereinafter collectively referred to as "executive/employee");
- b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended or (in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as executive/employee of the organization), OR NSG Group is a Major Business Partner for him/her/it
 - Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year; OR,
 - ii) he/she has a business relationship with the Company and paid the Company the following sum during the Company's any single financial year of those past three years most recently ended, or he/she is a Major Business partner of the NSG Group (or in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as executive/employee of the organization);
 - Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year

Note: For the purpose of this criteria protocols, the expression "Major Business Partner(s)" means, as between the NSG Group and the group having business relationship with us, those persons which could be, in terms of magnitude of its business relationship, expected to exert the same degree of influence on the decision-making process of the other as would exist among parent-subsidary relationship or affiliated group.

- c) He/she is an Certified Public Accountant retained as Accounting Auditor for the Company (or in case the accounting firm is retained as Accounting Auditor then he/she serves as partner or employee of the firm) or he/she has engaged in any audit activities of the NSG Group businesses at any time during the past three years;
- d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (or in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she belongs to any such organization);
- e) He/she has material business relationship with or is materially interested in the NSG Group (or in case where an organization such as legal entity has such relationship or interest, he/she is an executive/employee of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);
- f) He/she holds cross-directorships or has significant links with other Directors/Executive Officers of the Company through involvement in other companies/bodies;
- g) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (or in case where the organization such as legal entity falls into such a shareholder, then he/she currently is or was employed as an executive/employee of the organization at any time during the past five years); or
- h) He/she is an individual who has fallen into the above d), e) or f) during the Company's any single financial year of those past three financial years most recently ended.

(2) As to the close relative(s) of the External Director (his or her spouse, or those relatives who are within the second degree of kinship or live in the same dwelling as him or her), where:-

- a) He/she is or was in the past five years an executive director/officer or senior employee of the NSG Group (collectively "Senior Manager");
- b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended (in case where the organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager thereof), OR the NSG Group is a Major Business Partner for him/her/it
 - Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year; OR
 - ii) he/she has a business relationship with the Company and paid the Company the following sum in any single financial year of the Company during its past three years most recently ended, or is a Major Business Partner of the NSG Group (in case where an organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager of the organization);
 - Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year
- c) He/she is a Certified Public Accountant retained as an Accounting Auditor (or in case the accounting firm is retained as Accounting Auditor then he/she is a partner or Senior Manager thereof) or has engaged in any audit activities of the NSG Group businesses at any time during the past three years;
- d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she serves as partner, associate or Senior Manager of the organization);
- e) He/she has material business relationship with or is materially interested in the NSG Group (in case where an organization such as legal entity has such relationship or interest, then he/she is a Senior Manager of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);
- f) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (in case where the organization such as legal entity falls into such a shareholder, then he/she currently serves as Senior Manager of the organization); or
- g) He/she has fallen into either or both of d) and/or e) at any time during the past three financial years of the Company most recently ended.

For Reference: Policies and procedures for the appointment of the nomination of the director candidates

The Nomination Committee appoints the nomination of the director candidates and submits the contents to the ordinary general meeting of shareholders as a proposal. For such appointment, in particular with Independent External Directors, the Group finds candidates from a wide range of pools with the cooperation of executive search companies and others. The standards for the appointment are as follows:

1. Being a person of good character and high ethical standards.
2. Upholding and promoting compliance with laws and regulations.
3. Being fit to hold office and able to fulfil the duties required.
4. Possessing excellent business acumen and the ability to make judgements objectively.
5. Having abundant leadership experience and being team orientated.
6. Having no personal interest or business relationship that might affect management decisions in our Group's business areas. ("Criteria of Independency for an External Director" is defined separately at
7. Having broad business experience globally or multi-nationally and/or such specialized knowledge in market, technology, accounting, law, succession planning or other specific fields as required by the Group.
8. Having sufficient time to participate in meetings of the Board and the Committees of which he/she would be a member, and being qualified to fulfil the duties as a member of one of any three committees on which he/she would sit: Nomination Committee, Audit Committee or Compensation Committee

For Reference: Composition of the Board of Directors and each Committee

If this proposal is approved at this General Meeting as originally proposed, the composition of the Board of Directors and each Committee will be as follows:

Board of Directors

Hiroshi Ishino (Chairperson), Jörg Raupach Sumiya, Kunihito Minakawa, Yoshihiro Kuroi, Shinji Asatsuma
Shigeki Mori, Munehiro Hosonuma, Tony Fradgley

Nomination Committee

Hiroshi Ishino (Chairperson), Jörg Raupach Sumiya, Kunihito Minakawa, Shinji Asatsuma, Shigeki Mori

Audit Committee

Kunihito Minakawa (Chairperson), Jörg Raupach Sumiya, Hiroshi Ishino, Shinji Asatsuma

Compensation Committee

Jörg Raupach Sumiya (Chairperson), Hiroshi Ishino, Kunihito Minakawa, Shinji Asatsuma, Shigeki Mori

156th Business Report of Nippon Sheet Glass Company, Limited

From 1 April 2021
To 31 March 2022

I. Matters Relating to the Current State of the Company's Group

1. Overview and Results of Business Activities

The Group's markets experienced contrasting conditions during FY2022. Throughout the year, Architectural and Technical Glass markets remained positive, offset by low levels of activity in Automotive markets. Architectural Glass markets were generally strong with buoyant levels of construction and refurbishment activity across many regions. Demand for Solar energy glass was also positive. In addition, Technical Glass markets also benefitted from high levels of consumer demand in a variety of areas. Automotive markets however remained at a low level, with a shortage of computer chip components causing the Group's large automotive customers to restrict production.

Cumulative Group revenues increased by 20 percent to ¥ 600,568 million (FY2021 ¥ 499,224 million), with COVID-19-related lockdowns having a particularly significant impact on revenues during the first quarter of the previous year. At constant exchange rates, cumulative revenues would have increased by 16 percent. Operating profits were ¥ 19,980 million (FY2021 ¥ 13,067 million). Net exceptional gains were ¥ 3,646 million. Net exceptional gains included a gain recorded on the disposal of the Group's Battery Separator business during the second quarter. The previous year included net exceptional losses of ¥ 21,951 million due largely to costs arising from the COVID-19 pandemic. The share of joint ventures and associates' profit of ¥ 7,498 million was much improved from the previous year (FY2021 ¥ 2,194 million), although the Group recorded an impairment of financial receivables owed by its joint venture in Russia of ¥ 3,374 million and a partial impairment of its investment in this joint venture of ¥ 3,422 million accounted for separately in the consolidated income statement as impairment of financial receivables owed by joint ventures and associates or as other gains/(losses) on equity method investments as appropriate.

As a consequence, the Group's year-end results were as shown in the table below.

Consolidated Revenue		Consolidated Operating Profit	
¥600,568m	(up 20.3%)	¥19,980m	(up 52.9%)
Consolidated Profit before Taxation		Consolidated Profit for the Period	
¥11,859m	—	¥6,759m	—
Consolidated Profit Attributable to Owners of the Parent			
¥4,134m	—		

Notes:

Operating profit in the above table is defined as being operating profit stated before exceptional items.

The performance by segment is as follows.

Architectural Glass Business

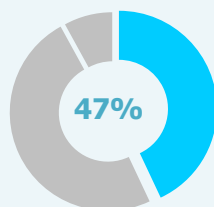
Revenue ¥ 281,816million

Operating profit ¥ 28,130million

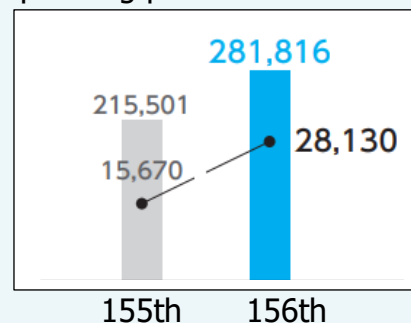
Main Focus of the Business :

- The manufacture and supply of flat glass for Architectural market
- The manufacture and supply of various interior and exterior glazing products within commercial and residential markets
- The manufacture and supply of glass for the Solar Energy

Ratio of sales to Group revenue



Revenue Operating profit (Millions of yen)



The Architectural business recorded cumulative revenues of ¥ 281,816 million (FY2021: ¥ 215,501 million) and an operating profit of ¥ 28,130 million (FY2021: ¥ 15,670 million). Architectural revenues and profits increased from the previous year which had been significantly impacted by the COVID-19 pandemic during the first quarter. Revenues were robust reflecting strong volumes and increased selling prices, mitigating the impact of rising input costs.

In Europe, representing 41 percent of the Group's architectural sales, revenues improved with buoyant demand, which resulted in positive volumes and rising price levels. Profits were also improved as a strong operational performance and tight cost control continued to mitigate the impact of high input costs, particularly for energy, and also increasing logistics and raw material costs.

In Asia, representing 31 percent of the Group's architectural sales, revenues and profits were above the previous year. Revenues in Japan continued to improve from the previous year, and other South East Asia markets were also positive, helped by an easing of lockdown restrictions. Demand for glass for Solar Energy was robust.

In the Americas, representing 28 percent of the Group's architectural sales, revenues and profits were ahead of the previous year. Volumes rebounded from the previous year although they were constrained to by low levels of inventory due to a planned cold repair, and also shortages of transportation capacity. Sales of glass for Solar Energy continued to be positive.

Automotive Glass Business

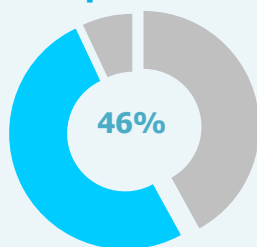
Revenue ¥ 276,246 million

Operating (loss) ¥ (7,908) million

Main Focus of the Business :

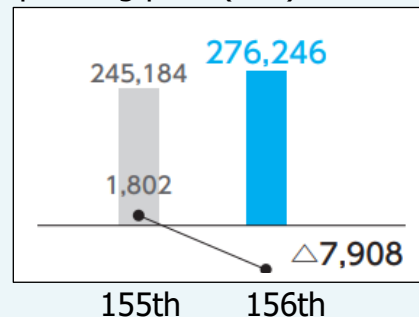
- The manufacture and supply a wide range of automotive glazing for new vehicles
- The manufacture and supply a wide range of automotive glazing for replacement markets

Ratio of sales to Group revenue



Revenue

Operating profit(loss) (Millions of yen)



The Automotive business recorded cumulative revenues of ¥ 276,246 million (FY2021: ¥ 245,184 million) and an operating loss of ¥ 7,908 million (FY2021: profit of ¥ 1,802 million). Despite strong underlying consumer demand, volumes continued to be affected by the Group's customers restricting production in response to a shortage of computer chip components. As a consequence of the restricted demand and also increasing input costs, the automotive business recorded an operating loss for the year.

Europe represents 42 percent of the Group's automotive sales. Cumulative revenues improved from the previous year, due to a collapse in demand during the first quarter of FY2021 as a result of the COVID-19 pandemic. Revenues were, however, badly affected by restrictions in volumes caused by computer chip component shortages at the Group's customers. Profitability was negatively impacted by increasing input costs and a low level of asset utilization.

In Asia, representing 22 percent of the Group's automotive sales, cumulative revenues were similar to the previous year. In Japan, vehicle sales continued to be relatively weak, impacted by shortages of computer chips restricting vehicle production. Demand in Malaysia was hit by lockdowns earlier in the year, leading to a suspension of production at the Group's automotive customers.

In the Americas, representing 36 percent of the Group's automotive sales, cumulative revenues increased strongly from the previous year. The positive impact of removing COVID-19 restrictions was partly offset by the impact on vehicle production of computer-chip component shortages.

Technical Glass Business

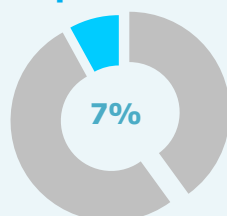
Revenue ¥ 39,770 million

Operating profit ¥ 9,907 million

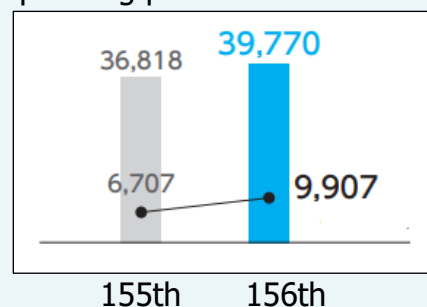
Main Focus of the Business :

- The manufacture and supply of very thin glass for small displays
- The manufacture and supply of lenses and light guides for printers
- The manufacture and supply of glass fiber products, such as glass components for engine timing belts.

Ratio of sales to Group revenue



Revenue Operating profit (Millions of yen)



The Technical Glass business recorded cumulative revenues of ¥ 39,770 million (FY2021: ¥ 36,818 million) and an operating profit of ¥ 9,907 million (FY2021: ¥ 6,707 million). Revenues and profits continued to be robust in the Technical Glass business with improving market conditions in the current year contrasting with the impact of COVID-19 in the previous year.

In the fine glass business, continued cost reduction efforts and a better sales mix provided a strong foundation for a further improvement in results. In the information devices business, volumes of printer lenses continued to be boosted by work from home and school from home demand. Demand in replacement markets for glass cord used in engine timing belts was also strong. Metashine sales continued to recover, after a long period of difficult market conditions for automotive and cosmetic applications.

The Group transferred its Battery Separator business to ENTEK Technology Holding KK on 1 September 2021. The gain arising on this transaction has been classified as an exceptional item.

Other Operations and Eliminations

The Other Operations and Eliminations recorded revenues of ¥ 2,736 million (FY2021: ¥ 1,721 million) and operating loss of ¥ 10,149 million (FY2021: loss of ¥ 11,112 million).

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above and the amortization of other intangible assets related to the acquisition of Pilkington plc.

2. Capital Expenditure

The capital expenditure of the Group totaled ¥28,629million during the fiscal year under review, broken down by segment as follows:

(Millions of yen)	
Business	Expenditure
Architectural	¥ 12,954
Automotive	¥ 13,617
Technical Glass	¥ 1,238
Other	¥ 820

3. Financial Situation

Total assets at the end of March 2022 were ¥ 939,281 million, representing an increase of ¥ 114,318 million from the end of March 2021. Total equity was ¥ 169,355 million, representing an increase of ¥ 89,593 million from the March 2021 figure of ¥ 79,762 million. The increase in total equity was due to a combination of the profit recorded for the period, positive movements on derivative balances, reduced retirement benefit obligations, and the translational impact of a weakened Japanese yen. Derivative assets increased in value due mainly to the positive revaluation of the Group's energy-hedging contracts reflecting the increasing price of natural gas.

Net financial indebtedness decreased by ¥ 46,598 million from 31 March 2021 to ¥ 365,173 million at the period end. The decrease in indebtedness arose largely from the increasing value of financial derivative assets, but was also aided by a positive free cash flow performance. Gross debt was ¥ 467,885 million at the period end. As of 31 March 2022, the Group had un-drawn, committed revolving credit facilities of ¥ 53,225 million and, in addition, the Group also had an undrawn amount of ¥ 24,800 million on a committed term loan.

Cash inflows from operating activities were ¥ 45,061 million. Cash outflows from investing activities were ¥ 22,787 million, including capital expenditure on property, plant, and equipment of ¥ 33,080 million and proceeds on the disposal of the Battery Separator business of ¥ 6,191 million. As a result, free cash flow was an inflow of ¥ 22,274 million (FY2021 free cash outflow of ¥ 4,536 million).

4. Issues to be Addressed

(1) NSG Group’s Medium Term Vision and Medium Term Management Plan

In order to fulfill its mission of “changing our surroundings, improving our world”, the Group formulated a MediumTerm Vision in May 2021 as a direction the Group should be heading for.

MediumTerm Vision: Become a global glass supplier contributing to the world with high value-added glass products and services



Our aspiration for the future direction of the Group

- To never fail to take up challenges and follow through to deliver results
- To continue to provide employees with opportunities to grow and find joy in working

In order to achieve Medium Term Vision, the Group developed “Revival Plan 24 (RP24)” as its Medium Term Plan covering a three-year period from FY2022 to FY2024 aiming at building robust business for sustained growth.

In order to achieve Medium Term Vision, we will take actions in two steps, namely, Step I (RP24: FY2022 to FY2024) for business transformation and Step II (FY2025 and beyond) for sustained cycle of growth. RP24 is deemed as the period for business transformation during which time the Group will focus on drastic reform of profit structure, restoration of financial stability, and transformation of business portfolio so as to accomplish drastic and fundamental initiatives as a basic principle.

Revival Plan 24 (RP24) – Outline

Committed to the three reforms and two key initiatives to build business strength



RP24 Policy	<ul style="list-style-type: none"> ■ The Group will accomplish drastic and fundamental initiatives, revising the business strategy reflecting the changes in the business environment ■ RP24 is the period for business transformation and the Group will focus on drastic reform of profit structure, restoration of financial stability and transformation of business portfolio
RP24 Initiatives	<ul style="list-style-type: none"> ■ Under RP24, the Group commits to the following Three Reforms and Two Key Initiatives <u>Three Reforms</u> <ul style="list-style-type: none"> ❑ Cost structure reform: cost reduction and productivity improvement ❑ Business structure reform: expansion of value-added business; development of new growth businesses; emphasis on investment and asset efficiency ❑ Corporate culture reform: never failing to take up challenges and following through to deliver results <u>Two Key Initiatives</u> <ul style="list-style-type: none"> ❑ Restoration of financial stability ❑ Transformation into more profitable business portfolio
Sustainability	<ul style="list-style-type: none"> ■ Work on improvement of existing technology and development of new technology aiming for carbon neutrality in 2050

Financial targets (FY2024/3)

Operating Profit Margin*1	8%
Net profit*2	> JPY 30 bn (cumulatively for 3 years)
Equity ratio	> 10%
Free cash flow	> JPY 10 bn

*1 Operating profit after amortization

*2 Profit attributable to owners of the parent

(2) Progress of RP24

In FY2022, the first year of RP24, the Group implemented the following reforms and key initiatives.

● Three Reforms :

① Cost structure reform	<ul style="list-style-type: none"> Direct Headcount reductions in line with the consolidation/closure of sites/production lines mainly in Automotive business in Europe and Americas. Approximately 1,000 reductions in FY2022, resulting in 2,340 headcount reductions since FY2020 end with JPY 13.6 bn labor cost reduction vs FY2020 Direct costs savings of JPY 5.0 bn in FY2022 via Kaikaku and Kakushin activities JPY 6.8 bn cost reduction above plan in additional initiatives in Automotive business in response to the severe business environment
	<ul style="list-style-type: none"> Contribution to profit and CO2 emission by solar energy glass furnace in the USA and Vietnam Verification test of transparent solar panels for use as windows began New float furnace construction in Argentina where strong demand continues, progressing for full operation in H1 of FY2023 New division: Creative Technology Business Development Division established to accelerate the launch of new products Test of float glass production powered by 100% biofuel following 100% hydrogen to achieve carbon neutrality
	<ul style="list-style-type: none"> Improving communication through frequent dialogue sessions (Town Hall meetings) with top management Enhancing Inclusion & Diversity (I&D) activities globally. Aiming to improve gender diversity (target: female manager increase at least 1% in each SBU and Function) and accelerate development of next generation. Encouraging more paternity leave in Japan Conducted an employee awareness survey for all employees of the Group companies and promoted communication based on the survey results Celebrated International Women's Day with various activities across the Group to provide a place where all employees can shine like "glass" in 2022, the International Year of Glass

● Two Key Initiatives :

① Restoration of financial stability	<ul style="list-style-type: none"> Turned profit before tax and net profit with significant improvement by JPY 21.1 bn year-on-year Shareholder's equity ratio improved above 15%
	<ul style="list-style-type: none"> Disposal of Battery Separator business completed on 1st September 2021
② Transformation into a more profitable business portfolio	<ul style="list-style-type: none"> Developed "MAGNAVI®", glass fiber with high elasticity and high strength and launched the "Botanical™" series with higher light transmission, aiming to provide new solutions for a sustainable society Discussing capacity increase for solar energy glass furnace in response to First Solar's capacity increase

● Financial Results

Financial figures for FY2022, the first year of the RP24 period, are as follows. The Group achieved financial targets in shareholder's equity ratio and free cash flow as a single year. We will continue to work towards achieving our targets in operating profit margin and net profit for the final year of RP24 (FY2024)

Operating Profit Margin	3.3%
Net profit*2	JPY 4.1 bn
Equity ratio	15.5%
Free cash flow	JPY 22.3 bn

*1 Operating profit after amortization

*2 Profit attributable to owners of the parent

(3) Business environment and issues to be addressed

A) Business environment surrounding the Group

During this term of FY2022, while the spread of the new coronavirus infection has calmed down globally to a certain extent and economic activities have resumed gradually, the recovery in demand related to the Group's businesses has been mixed among businesses. The Architectural Glass and Technical Glass markets have been favorable in general in response to the demand recovery in most regions. On the other hand, demand in the Automotive Glass market has remained weak as the Automotive makers had to limit car productions due to a shortage of automotive components, particularly semiconductors. Also, in the latter half of the year, the market was significantly affected by the rising cost of raw materials and fuel, particularly natural gas. It is expected that the sharp rise in natural gas and other energy prices in Europe and the upward swing in materials and fuel costs due to the inflationary trend worldwide will linger for some time, and the Group needs to continue its efforts to push down production costs further and pass on the cost increase to selling prices in order to keep improving profitability. Moreover, the invasion of Ukraine by Russia is expected to have repercussions especially strongly on Europe, where the Group operates broadly, and thus, reinforcement of the risk management is another major challenge.

B) Issues to be addressed

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.

(4) Approach to Sustainability

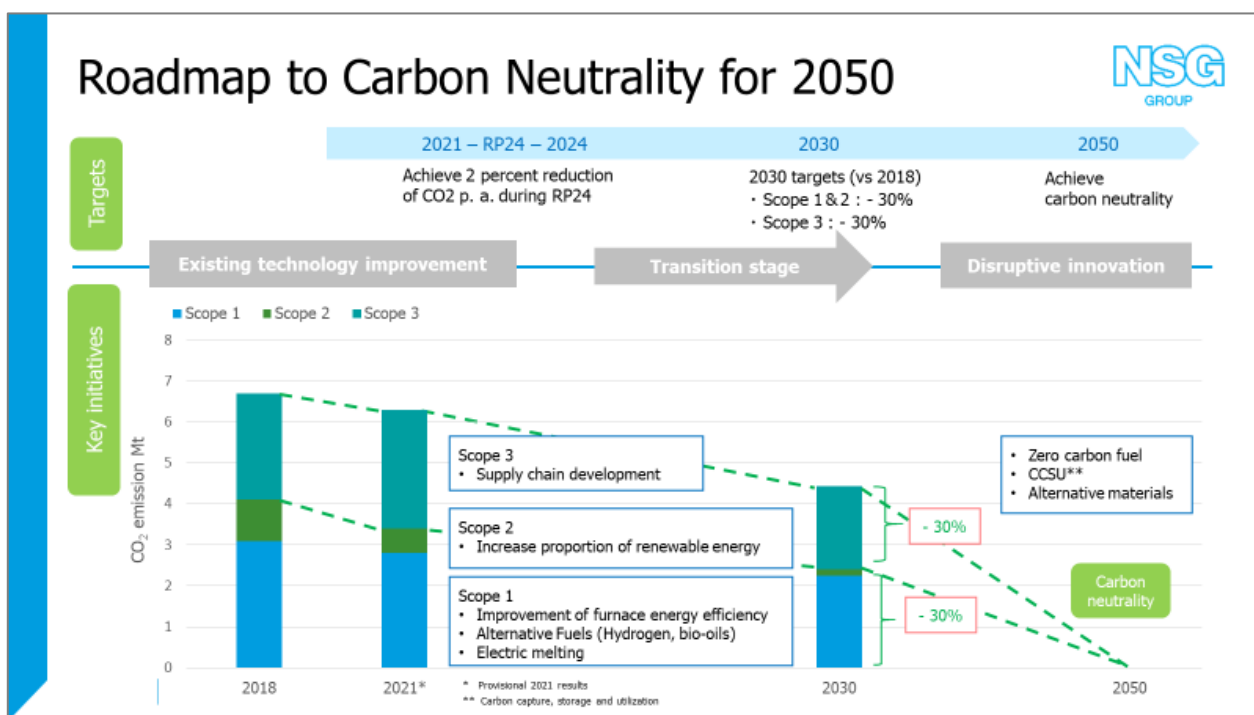
The Group has adopted "NSG Group Basic Policy on Sustainability" at the meeting of the Board of Directors to set out a basic stance and policy for sustainability as we aim to realize a sustainable society and world under the management policy "Our Vision". Based on this policy, the Group has adopted five Materiality categories to attain sustainable growth of the Group and contribute to a sustainable society in the medium- to long-term. They are "Ethics and Compliance", "Society Shift and Innovation", "Environment", "Safe and High-Quality Products and Services", and "Human Capital". The Group acknowledges that tackling climate change and other environmental issues is a major management challenge for realizing a sustainable growth of the Group.

In November 2021, the Group announced the support for the recommendations issued by the TCFD (Task force on Climate-related Financial Disclosures) and joined the TCFD Consortium. In the future, in line with the disclosure framework published by the TCFD, we plan to enhance the disclosure content by quantitatively evaluating the potential impacts based on climate-related risks and opportunities using the Climate Scenario Analysis.

With regard to GHG emissions from the manufacturing processes, Group already set a target in October 2019 of reducing GHG emissions (Scope 1 and Scope 2) by 21% compared to its 2018 levels by 2030 as a "Science Based Targets" certified by SBT Initiative (SBTi)*, and we have been taking initiatives in line with the targets. At the same time, the Group has been working to achieve a 2% annual reduction in carbon emissions (Scope 1 and 2) during the RP24 period to 2024.

The Group now recognizes the achievement of carbon neutrality by 2050 as a goal that we should be committed to inevitably and has decided to raise the carbon reduction target by 2030, which is more important for achieving carbon neutrality, from 21% to 30% for GHG emissions from the manufacturing processes (Scope 1 and Scope 2) so that it can set more concrete and feasible additional measures. In addition, GHG emission from Supply chain (Scope 3) is also newly targeted for reduction targets, the Group is now applying for certification of this new target as SBTi. In order to attain this target, The Group will work on disruptive innovations as well as development of existing technologies including optimization of glass manufacturing processes, development of energy saving technologies, introduction of alternative fuels and renewable energies, and development of supply chains.

* SBT (Science Based Targets) are a set of greenhouse gas reduction targets consistent with scientific knowledge



5. Assets and Business Results (Consolidated)

(Millions of yen, except per-share figures)

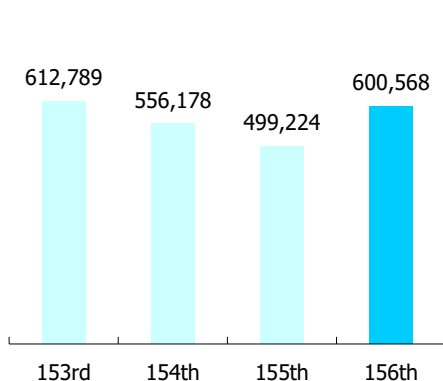
	153rd (FY2019)	154th (FY2020)	155th (FY2021)	156th (FY2022)
Revenue	612,789	556,178	499,224	600,568
Operating Profit	36,855	21,177	13,067	19,980
Profit/(loss) before taxation	22,730	(13,549)	(17,171)	11,859
Profit/(loss) for the period	14,378	(17,518)	(16,316)	6,759
Profit/(loss) Attributable to Owners of the Parent	13,287	(18,925)	(16,930)	4,134
Earnings/(loss) per Share Attributable to Owners of the Parent (yen)	115.16	(235.96)	(208.32)	24.07
Total Shareholders' Equity	123,760	73,612	62,937	145,291
Total Shareholders' Equity per Share (yen)	978.50	470.88	349.65	1,255.96
Total Assets	761,869	765,197	824,963	939,281

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.
- Basic earnings per share attributable to owners of the parent is calculated by dividing the profit attributable to owners of the parent, after deducting dividends and acquisition premium payable related to Class A shares, by the weighted average number of common shares in issue during the year. The dividends related to Class A shares are calculated by the dividend rate defined in the terms and conditions of the shares. The weighted average number of common shares excludes common shares purchased by the Company and held as treasury shares and restricted shares which have not been satisfied the conditions to lift the restriction.
- Total shareholders' equity per share is calculated by dividing the total shareholders' equity, after deducting the amount to be paid in for the Class A Shares and dividends and acquisition premium payable related to Class A shares, by the number of common shares in issue as at the end of the financial year excluding common shares purchased by the company and held as treasury shares and restricted shares which have not been satisfied the conditions to lift the restriction.

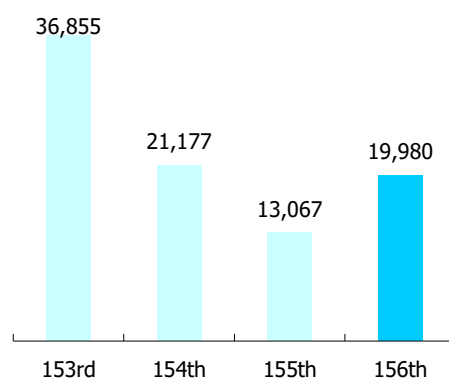
Revenue

(Millions of yen)



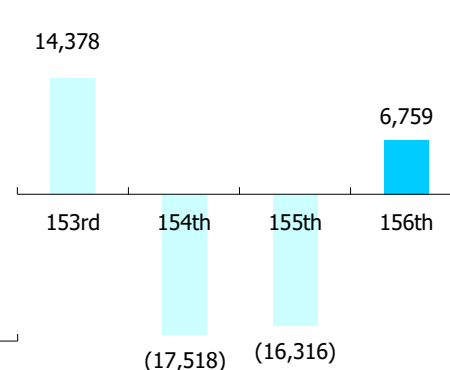
Operating profit

(Millions of yen)



Profit/(loss) for the period

(Millions of yen)



6. Overview of Major Subsidiaries

Subsidiary undertakings	Capital stock		% Ownership	Business
Japan				
NSG Building Products Co., Limited	JPY million	350	100	Architectural
Europe				
Pilkington United Kingdom Limited	GBP thousand	428,483	100 (100)	Architectural
Pilkington Automotive Limited	EUR thousand	632,961	100 (100)	Automotive
Pilkington Technology Management Limited	GBP thousand	441,320	100 (100)	Architectural and Automotive
Pilkington Deutschland AG	EUR thousand	69,290	96.3 (96.3)	Architectural
Pilkington Automotive Deutschland GmbH	EUR thousand	18,996	100 (100)	Automotive
Pilkington Automotive Poland Sp. z o.o.	Zloty thousand	30,511	100 (100)	Automotive
Pilkington Italia SpA	EUR thousand	112,996	100 (100)	Architectural and Automotive
NSG Holding (Europe) Limited	JPY million	42,071	100	Holding company
NSG UK Enterprises Limited	GBP thousand	426,962	100 (100)	Holding company
Pilkington Group Limited	GBP thousand	736,866	100 (100)	Holding company
Asia (excluding Japan)				
NSG Vietnam Glass Industries Limited	USD thousand	150,070	100 (52.2)	Architectural
Americas				
NSG Glass North America, Inc.	USD	1	100 (100)	Architectural
Pilkington North America Inc.	USD thousand	17,701	100 (100)	Architectural and Automotive
Vidrieria Argentina S.A.	Arg.Peso thousand	8,238,452	51.0 (51.0)	Architectural
Pilkington Brasil Limitada	Real thousand	333,008	100 (100)	Architectural and Automotive
Vidrios Lirquen S.A.	Chilean Peso thousand	22,443,983	51.6 (51.6)	Architectural

Note:

The % Ownership above in parentheses stands for the percentage owned indirectly through the Company's subsidiary/subsidiaries.

7. Main Offices and Plants

The Company	Head Offices	Tokyo head office (Tokyo); Osaka head office (Osaka)
	Branch Offices	Toyota branch office (Aichi); Hiroshima branch office (Hiroshima)
	Plants/Laboratory	Chiba plant (Chiba); Sagamihara plant (Kanagawa); Yokkaichi plant (Mie); Tsu plant (Mie); Kyoto plant (Kyoto); Maizuru plant (Kyoto); Research laboratory (Hyogo)
Major Subsidiaries	Japan	NSG Building Products Co., Limited (Chiba)
	Europe	Pilkington United Kingdom Limited (UK) Pilkington Automotive Limited (UK) Pilkington Technology Management Limited (UK) Pilkington Deutschland AG (Germany) Pilkington Automotive Deutschland GmbH (Germany) Pilkington Automotive Poland Sp. z o.o. (Poland) Pilkington Italia SpA (Italy) NSG Holding (Europe) Limited (UK) NSG UK Enterprises Limited (UK) Pilkington Group Limited (UK)
	Asia (excluding Japan)	NSG Vietnam Glass Industries Limited (Vietnam)
	Americas	NSG Glass North America, Inc. (USA) Pilkington North America Inc. (USA) Vidrieria Argentina S.A. (Argentina) Pilkington Brasil Limitada (Brazil) Vidrios Lirquen S.A. (Chile)

8. Permanent Employees

Segments	Number of employees (Consolidated)
Architectural	8,223
Automotive	14,591
Technical Glass	910
Other	1,508
Total	25,232 (down by 723 year on year)

Note: The table above doesn't include the number of temporary employees.

9. Main Lenders

Lenders	Amount (Millions of yen)
Sumitomo Mitsui Banking Corporation	100,321
Mizuho Bank, Ltd.	38,899
Development Bank of Japan	36,060
Sumitomo Mitsui Trust Bank, Limited	35,322
International Finance Corporation (IFC)	19,163
MUFG Bank, Ltd.	18,909
Aozora Bank, Ltd.	17,910
Japan Bank for International Cooperation	15,145
Shinsei Bank, Limited	15,010
The Norinchukin Bank	11,957
Bank of America	10,540
San ju San Bank, Ltd.	10,000
Resona Bank, Limited.	10,000

Note: The figures shown in the above table include the amount borrowed from those lenders as parties to syndicated loan agreements.

II. Matters Related to the Shares

1. Authorized Number of Shares to be Issued and Authorized Number of Shares to be Issued by Class:			
(a) Authorized Number of Shares to be Issued			177,500,000 shares
(b) Authorized Number of Shares to be Issued by Class	Common Shares		177,500,000 shares
	Class A Shares		40,000 shares
2. Total Number of Shares Issued:			
	Common Shares		91,000,199 shares
		(Shares held as treasury:	25,700 shares)
	Class A Shares		30,000 shares
3. Number of Shareholders:			
	Common Shares		50,618
	Class A Shares		3

4. Top 10 Shareholders

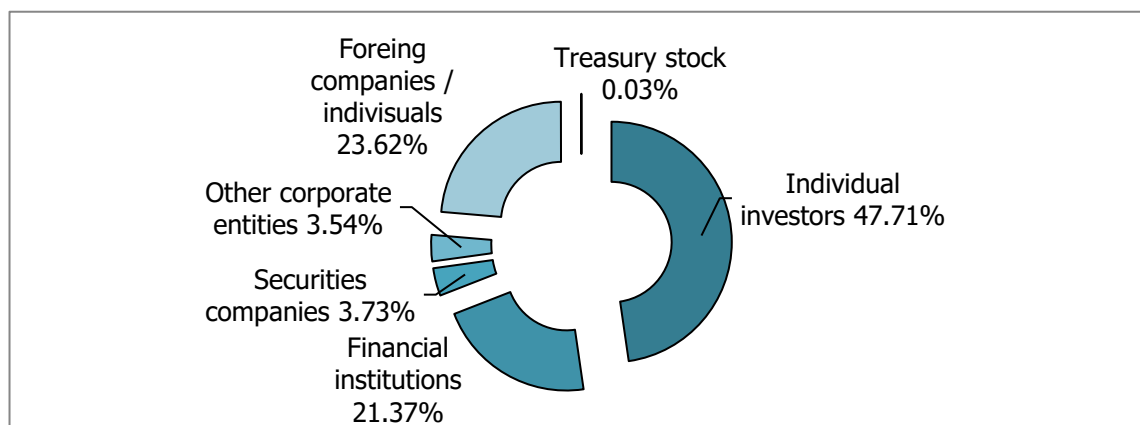
Shareholders	Number of Shares (common share)	Percentage of Shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,153,500	14.46
Custody Bank of Japan, Ltd. (Trust Account)	2,984,300	3.28
MSIP CLIENT SECURITIES	2,589,400	2.85
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	1,779,300	1.96
Client stock ownership of Nippon Sheet Glass	1,369,478	1.51
JUNIPER	1,360,000	1.49
STATE STREET BANK WEST CLIENT-TREATY 505234	1,314,000	1.44
JP MORGAN CHASE BANK 385781	1,197,175	1.32
JP JPMSE LUX RE NOMURA INT PLC 1 EQ CO	927,200	1.02
SUMITOMO LIFE INSURANCE COMPANY	914,800	1.01

Note: Where the percentage of shares is calculated, treasury shares are excluded from the total number of issued shares and it has been rounded down to the second decimal.

5. Stocks issued to Directors and Executive Officers as for Compensation in the fiscal year

The Company issued 72,900 common shares as restricted shares to seven Executive Officers on 26th July 2021 as for Compensation.

■ Distribution of NSG Group Shareholders of common shares



■ Shareholders of Class A Shares

Japan Industrial Solutions Fund II	15,000shares
UDS Corporate Mezzanine No.3 Limited Partnership	6,750shares
UDS Corporate Mezzanine No.4 Limited Partnership	8,250 shares

III. Policy on Return of Our Profits to Shareholders

- 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.

- Considering factors such as the Group's current financial position and its level of profitability, the Board of Directors has regrettably decided not to declare dividends for ordinary shares for the fiscal year to 31 March 2022. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows. The Board of Directors resolved to distribute the designated amount of dividends for Class A Shares.

IV. Matters Related to the Stock Acquisition Rights, etc.

Stock Acquisition Rights (Stock Options) as for Compensation Owned by Directors and Executive Officers as of the End of the Fiscal Year

Category	Name	Issue Price	Exercise Price	Exercise Period	No. of Stock Acquisition Rights	Type and Number of Shares to be Issued with the Exercise of Stock Acquisition Rights	No. of Holders
Directors (excluding External Directors) and Executive Officers	Stock acquisition rights issued in Sep. 2008 (Stock- compensation type)	¥ 4,975.1 per share	¥ 1 per share	From 28 Sep 2008 to 27 Sep 2038	13	1,300 Common shares (100 Common shares per right)	1
	Stock acquisition rights issued in Sep. 2009 (Stock- compensation type)	¥ 2,551.2 per share	¥ 1 per share	From 1 Oct 2009 to 30 Sep 2039	26	2,600 Common shares (100 Common shares per right)	1
	Stock acquisition rights issued in Sep. 2010 (Stock- compensation type)	¥ 1,394.2 per share	¥ 1 per share	From 1 Oct 2010 to 30 Sep 2040	22	2,200 Common shares (100 Common shares per right)	1
	Stock acquisition rights issued in Oct. 2011 (Stock- compensation type)	¥ 1,262.8 per share	¥ 1 per share	From 15 Oct 2011 to 14 Oct 2041	36	3,600 Common shares (100 Common shares per right)	1
	Stock acquisition rights issued in Sep. 2012 (Stock- compensation type)	¥ 214.3 per share	¥ 1 per share	From 29 Sep 2012 to 28 Sep 2042	168	16,800 Common shares (100 Common shares per right)	2
	Stock acquisition rights issued in Oct. 2013 (Stock- compensation type)	¥ 882.8 per share	¥ 1 per share	From 16 Oct 2013 to 15 Oct 2043	276	27,600 Common shares (100 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2014 (Stock- compensation type)	¥ 900.9 per share	¥ 1 per share	From 1 Oct 2014 to 30 Sep 2044	172	17,200 Common shares (100 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2015 (Stock- compensation type)	¥ 749.6 per share	¥ 1 per share	From 1 Oct 2015 to 30 Sep 2045	271	27,100 Common shares (100 Common shares per right)	3
	Stock acquisition rights issued in Oct. 2016 (Stock- compensation type)	¥ 656.29 per share	¥ 1 per share	From 15 Oct 2016 to 14 Oct 2046	395	39,500 Common shares (100 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2017 (Stock- compensation type)	¥ 775.06 per share	¥ 1 per share	From 30 Sep 2017 to 29 Sep 2047	484	48,400 Common shares (100 Common shares per right)	4
	Stock acquisition rights issued in Jul. 2018 (Stock- compensation type)	¥ 1,117.66 per share	¥ 1 per share	From 27 Jul 2018 to 26 Jul 2048	441	44,100 Common shares (100 Common shares per right)	4
	Stock acquisition rights issued in Jul. 2019 (Stock- compensation type)	¥ 669.97 per share	¥ 1 per share	From 25 Jul 2019 to 24 Jul 2049	632	63,200 Common shares (100 Common shares per right)	5
Total	—	—	—	—	2,936	293,600 Common shares	5

V. Matters Related to Directors and Executive Officers

1. Name etc. of Directors and Executive Officers

A) Directors

Name	Non-executive position		Material concurrent positions
Yasuyuki Kimoto	Director (External), Chairperson of the Board	A member of Nomination Committee, Audit Committee and Compensation Committee	—
Jörg Raupach Sumiya	Director (External)	Chairperson of Compensation Committee, and a member of Nomination Committee and Audit Committee	➤ Professor at the College of Business Administration, Ritsumeikan University
Hiroshi Ishino	Director (External)	Chairperson of Nomination Committee, and a member of Audit Committee and Compensation Committee	➤ Senior Corporate Advisor, Kansai paint Co., Ltd.
Kunihito Minakawa	Director (External)	Chairperson of Audit Committee, and a member of Nomination Committee and Compensation Committee	➤ External Director, Santen Pharmaceutical Co., Ltd. ➤ Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner
Yoshihiro Kuroi	Director (External)	—	➤ Advisor, Japan Industrial Solutions Co., Ltd.
Shigeki Mori	Director	A member of Nomination Committee and Compensation Committee	—

Notes:

- Messrs. Yasuyuki Kimoto, Jörg Raupach Sumiya, Hiroshi Ishino, Kunihito Minakawa and Yoshihiro Kuroi are External Directors as stipulated in Article 2.15 of the Companies Act. All of them except Mr. Yoshihiro Kuroi have been notified to Tokyo Stock Exchange (hereinafter called "TSE") as Independent Directors. In addition to such criteria set by TSE, the Company has on its own created and applied more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which four External Directors also meet. For the details of such criteria, please see pages from 17 to 18.
- Mr. Toshikuni Yamazaki and Mr. Kenichi Morooka retired as Directors upon the expiration of their terms of office at the conclusion of the 155th Ordinary General Meeting of Shareholders held on 29 June 2021.
- Mr. Kunihito Minakawa, Chairperson of Audit Committee, has the career and experiences of serving as Corporate Senior Vice President (in charge of accounting) and Corporate Auditor of the major international manufacturing company, currently, he is a member of the Financial Services Agency Certified Public Accountant and Auditing Oversight Board Commissioner. equipped with abundant experiences and broad knowledge in the fields of financing and accounting.
- We have no full-time Audit Committee member appointed for the time being, given mainly that as a company with three committees, our Audit Committee has conducted and implemented its audit in an organizational manner including by liaising with the external Accounting Auditor, Group Internal Audit and other internal control functions of the Company. We have also appointed and made available certain employees as dedicated Support Staffs of Audit Committee and they report to and provide necessary information to/for Audit Committee.

B) Executive Officers

Name	Executive position		Material concurrent positions
Shigeki Mori	Representative Executive Officer	President and Chief Executive Officer (CEO)	—
Tony Fradgley	Senior Executive Officer	Chief Transformation Officer (CTrO)	—
Koichi Hiyoshi	Senior Executive Officer	Chief Legal Officer (CLO), Chief Risk Officer (CRO), Company Secretary and Officer in charge of Ethics and Compliance	—
Munehiro Hosonuma	Senior Executive Officer	Head of Architectural Glass SBU	
Reiko Kusunose	Senior Executive Officer	Chief Financial Officer (CFO)	
Hiroshi Nishikawa	Senior Executive Officer	Transformation Director Asia, Country Manager Japan	—
Rob Purcell	Senior Executive Officer	Head of Automotive OE SBU	
Phil Wilkinson	Senior Executive Officer	Head of Automotive AGR SBU	—
Mike Greenall	Executive Officer	Chief Technology Officer (CTO)	—
Shiro Kobayashi	Executive Officer	Sustainability Director	—
Yutaka Nakashima	Executive Officer	Chief Human Resources Officer (CHRO)	—
Iain Smith	Executive Officer	Finance Director	—
Milena Stanisci	Executive Officer	Head of Manufacturing Excellence and Head of Manufacturing, Automotive OE SBU	—

Notes:

1. The name on the family register of Reiko Kusunose is Reiko Ishii.
2. Mr. Kenichi Morooka retired as Executive Officer and Representative Executive Officer upon the expiration of his term of office, and Satoshi Ishino and Tim Bolas retired as Executive Officers upon the expiration of their terms of office, at the conclusion of the Meeting of the Board of Directors held on the same day after the conclusion of the 155th Ordinary General Meeting of Shareholders held on 29 June 2021.
3. As of 30 April 2021, John Mercer resigned from the position of Executive Officer, Chief Procurement Officer (CPO).

Changes in Executive Officers (Effective date: 1 April 2022)

As of 1 April 2022, Munehiro Hosonuma was appointed Representative Executive Officer, Vice President and COO, and Leopoldo Garces Castiella and Hisashi Okamoto were newly appointed Senior Executive Officers.

Name	Executive position		Material concurrent positions
Munehiro Hosonuma	Representative Executive Officer	Vice President and COO (Chief Operating Officer)	—
Leopoldo Garces Castiella	Senior Executive Officer	Head of Architectural Glass SBU	—
Hisashi Okamoto	Senior Executive Officer	Head of Creative Technology SBU and Head of Business Innovation Centre	—

2. Outline of an Agreement on Liability Limitation

An agreement has been entered into between the Company and each of the External Directors, to the effect that the liability of each of the External Directors in having performed their duties in good faith and without gross negligence be capped to the amount permitted by law.

3. Outline of the Directors and Officers liability insurance

The Company contracts the Directors and Officers liability insurance based on the Article 430-3, Paragraph 1 of the Companies Act of Japan with insurance companies, and the policy will compensate any reasonable and necessary legal or other defense costs incurred in defending an action brought against them during the policy period. It also pays any ensuing damages, judgements and settlements that are awarded to the plaintiff or third party against the director or officer. Messrs. Insured Persons include past, present and future directors and officers, as well as other employees acting in a managerial or supervisory capacity for NSG and/or its subsidiary companies. The premium of the insurance for all insured persons is paid by the Company. The policy does not cover claims based upon any Insured gained any profit or advantage to which such person or entity had illegal entitlement and any intentionally dishonest or intentionally fraudulent act or omission committed by an Insured.

4. Compensation for Directors and Executive Officers

(1) Principles of Compensation for Directors, and Executive Officers

1) Organization & Responsibilities for determining Compensation

The company has in place the statutory Compensation Committee (the "Committee") as adopting a "Company with Committees" structure. No member of the Committee is allowed to be present when matters relating to their specific compensation are being discussed.

Role	Compensation Committee is responsible for making decisions on a compensation policy for Directors and Executive officers as well as individual elements of compensation for Directors and Executive Officers. The Committee may also give recommendation or advice to the Representative Executive Officer, President and CEO on the policies and details with respect to compensation for the Group's senior management other than Directors and Executive Officers, keeping a consistency with the policy of 3) Below.
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Composition	<ul style="list-style-type: none"> • 4 Independent External Directors and 1 Director who concurrently serves as Representative Executive Officer • Chaired by Dr. Jörg Raupach Sumiya, Independent External Director
Secretariat	Company Secretary Department
Remuneration Expert	Human Resources Department

2) Activities of the Committee in Compensation related Decision-Making Process

- During FY2022, the Committee met on five occasions, and Attendance rate was 100%, all members attended all Compensation Committee meetings. The Committee resolved the individual amount of basic salary, the performance indicators and method for determining the payment amount of incentives (performance-linked compensation), and the actual payment amount based on the achievement against the previous year's indicators. And also the Committee resolved a plan to allot restricted shares to certain qualified Executive Officers under Japanese employment terms and the number of restricted shares to be allotted as a retirement benefit. Accordingly, the number of restricted shares to be issued to the relevant, individual Executive Officers is determined.

- The Compensation Committee gave its final approval to the individual compensation for Directors and Executive Officers for the year ended in March 2022 after confirming that it is consistent with the basic policy on compensation as detailed in 3) and 4).

3) Compensation Policy for Executive Officers

<A> Compensation System and Compensation Composition Ratio

Compensation packages for the Executive Officers principally consist of basic salary, Management Incentive Plan (annual bonus) and Long-term Incentive plan.

The Group operates a global grading structure across the Group, and management grade is determined based on job evaluation by the Group common scale using the HAY management grade methodology, a globally recognised job evaluation methodology. Management grade determines the maximum quantum levels for participants in both the annual and long-term incentive structures.

(a) Compensation System

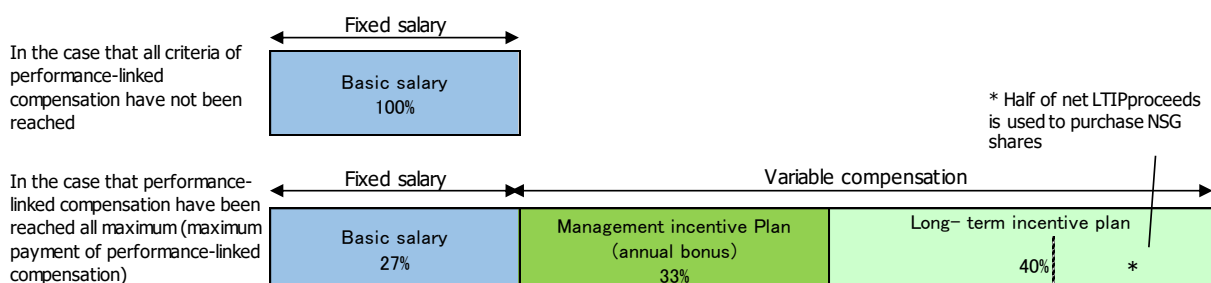
Objectives	<ul style="list-style-type: none"> • To ensure that packages of employment terms and conditions are market competitive and designed in such a way as to attract, retain and motivate Executive Officers of the highest calibre on a worldwide basis in an international business. • To ensure that each individuals basic salary and incentives are aligned with the performance of the Group and the interests of shareholders, as well as reflecting the commitment and achievements of the individuals concerned. 		
Composition and Details	Fixed salary	Basic salary	<ul style="list-style-type: none"> • Salaries are reviewed annually and are broadly aligned with market medians for a global business. • In determining what are the appropriate market rates, account is taken of turnover, market capitalization and the complexity and breadth of internationalization. • In reviewing salaries, account is also taken of the scope and responsibilities of the role, the performance of the individual, the progress the Company is making against its targets and plans and of salary increases planned for other managers.

	Performance-linked compensation	Management Incentive Plan (annual bonus)	<ul style="list-style-type: none"> Assessed against the achievement of annual performance indicators which are mainly financial. Aligned to NSG Group's Medium-Term Plan Payment Maximum levels: Ranging between 40% and 125% against each individual's basic salary dependent upon the management grade
		Long-term Incentive plan	<ul style="list-style-type: none"> Assessed against the achievement of long-term performance indicators over a three-year period Issued annually Payment Maximum levels: Ranging between 50% and 150% against each individual's basic salary dependent upon the management grade Require the purchase of NSG Shares by using part of the cash award from the plan to lead to further alignment of the Executive Officers with shareholders, allowing Executive Officers to continue to be motivated to help build shareholder value Shareholding targets set for Executives :Ranging between 25% and 100% against each individual's basic salary dependent upon the management grade Plans contain Malus (ability for the value of award to be reduced after it has been granted but before it has vested) and Clawback clauses (ability for the Group to require the participants to repay the value they received after the award has vested). The Group can exercise these provisions if one of a list of trigger events occurs. Trigger events include the Misstatement of results, an error that causes an award to be paid at too high a level, a serious illegal act, or a material breach of the Group Code of Ethics.
	Stock Compensation	<ul style="list-style-type: none"> Restricted shares are issued annually to some Executive Officers under Japanese employment terms as a retirement saving plan. 	

(b) Compensation ratio

The ratio of basic salary and incentives is, rather than specifically and equally applied, set according to individuals' management grades.

<CEO's compensation ratio>



Note: For clarification, the above diagram includes only base salary plus annual and Long-term incentive plan compensation, no additional benefits are included. In addition, the impact of the share price movement element of the Long-term incentive plan is not taken into account.

< B > FY2023 Management Incentive Plan (annual bonus)

(a) Group Performance measures and weight

Element	Ratio
Management Operating Profit	50%
Free Cash Flow	50%

(b) Reasons for selected the measures

Measures	Reasons
Management Operating Profit	Ensure alignment with delivery of the target numbers assigned to Group operating profit and cash flow which are the financial performance indicators specifically important to the annual budget
Free Cash Flow	

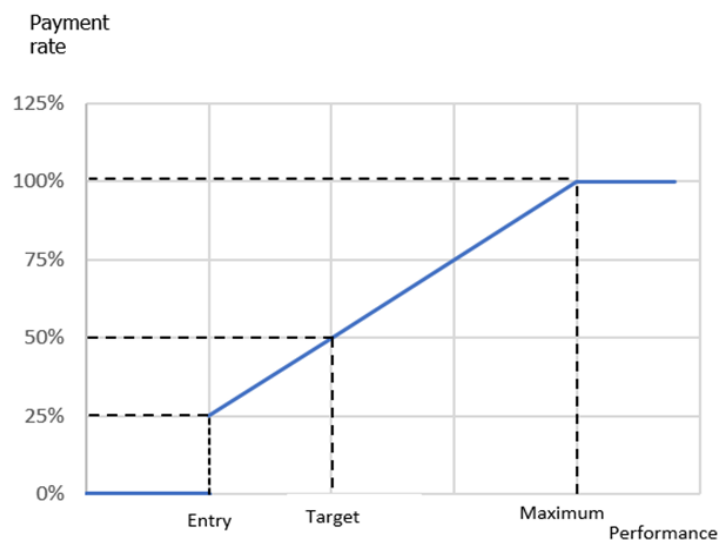
(c) Determination of Management Incentive Plan (annual bonus) Payment Level

• $\text{Payment Level} = \text{Maximum payment amount} \times \text{Payment rate of Performance measures}$

• A Gate mechanism operates for the plan, which is based on a minimum level of Net Income that must be reached, as an affordability threshold before considering payment based on achievement against the different performance measures.

- If the Gate is not met, no payment is made
- If the Gate is met, payment is made based on payment rate against the performance measures

• For each performance measure the minimum performance level ("Entry") of performance is set in line with the annual budget for the financial year. Appropriate stretch to "Target" level is identified, as is the stretch to the performance level that would equate to the maximum payment level ("Max").



Payment rate of performance measures = Payment rate of Management Operating Profit measure x 50% + Payment rate of Free Cash Flow measure x 50%

< C > Long-term incentive

(a) Group Performance measures and weight of plans currently in operation

- ① Plan commencing in FY2021 (Target period : FY2022 and FY2023)
- ② Plan commencing in FY2022 (Target period : FY2022 ,FY2023 and FY2024)

* For the plan commencing in FY2021 only, due to the uncertainty in numbers resulting from the impact of Covid-19 on the business, the aggregate EPS scale is based on the 2 years FY2022 and FY2023.

Performance Measures of Plans commencing in FY2021 and FY2022

Performance Measures	Ratio
EPS (Earning per Share)	50%
ROS (Return on Sales)	50%

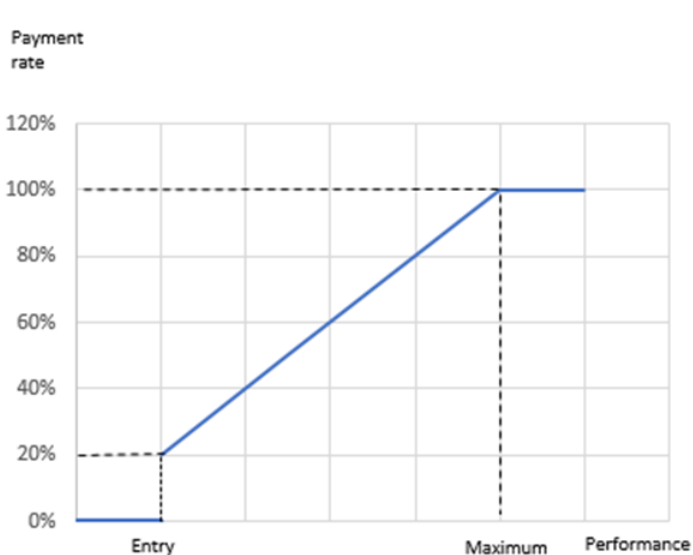
(b) Reasons for selected the measures

Performance Measures	Reasons
EPS	Two performance measures ensure clear link with the Medium-Term Plan, incentivising executives to further strengthen earning power and enhance shareholder value.
ROS	

(c) Determination of LTIP Payment Level

$$\text{LTIP Payment} = \text{Maximum payment amount} \times \text{Payment rate of Performance measures} \times \text{Share price movement rate}$$

- For each measure, "Entry" is set in such a way to ensure that the business is meeting the minimum required performance level and the "Maximum" point on the scale has appropriate stretch.



$$\text{Payment rate of performance measures} = \text{Payment rate of "EPS measure"} \times 50\% + \text{Payment rate of "ROS" measure} \times 50\%$$

- The share price movement rate is a coefficient that is linked to the price movements of the Company's share price for the three-year period covered by each plan, and is adjusted based on the price movement of the monthly average share price in the month before the start of the plan and the monthly average share price of the last month of the plan.

4) Compensation Policy for Independent External Directors

Objectives	<ul style="list-style-type: none"> • To ensure that independent external directors can adequately and effectively fulfill their supervisory roles • To ensure that they have the capability and experience required to fulfill this role
------------	--

Compensation level	<ul style="list-style-type: none"> • Set at the appropriate level based on comparisons with other companies using benchmark data provided by specialist external advisers.*
Compensation Structure	<ul style="list-style-type: none"> • Only Basic salary • Not eligible for Management incentive plans (annual bonuses) and Long-term incentive plans • Independent External Directors receive additional payment if they act as Chair at either the Board or any of the Committees.

* In the case that a Non-Independent External Director is elected, compensation will be set at an adequate level for his/her duties in a way commensurate with the duties discharged by Independent External Directors including in terms of whether or not they are appointed as member of any of three Committees and so forth.

(2) Amount of Compensation for Directors and Executive Officers

1) Targets and results of performance measures for the performance-linked compensation related to this financial year.

<A> FY22 Management Incentive Plan (annual bonus)

In line with the Policy of Directors and Executive Officers Compensation, the Company operates an annual incentive plan.

I

(a) Group Performance measures and targets & results

Element	Ratio	Target	Results	Payment rate against measure
Management Operating Profit	50%	26,580 Million JPY	Entry point not met	0%
Free Cash Flow	50%	5,000 Million JPY	14,150 Million JPY	100%

Note: Group Free Cash Flow used in the above table represents the net debt movement arising as a consequence of the operating and investing activities in the period. It includes transactions that have impacted the Group's net debt even where there has been no cash movement through an NSG Group bank account, and is therefore different to the Free Cash Flow as derived from the sum of operating and investing activities included within the Group's consolidated statement of cash flows. Group Operating Profit shown in the above table is defined as being operating profit stated post-amortization before exceptional items on a consolidated basis plus share of income from the Cebrace JV. The actuals for these KPIs are the subject-matter of review and confirmation by the Compensation Committee.

(b) Structure

·A 'Gate' mechanism operates for the plan, which is based on a minimum level of Net Income that must be reached before any payment is considered. The Gate is set as an affordability threshold to allow access to payment based on achievement against the different performance measures.

·For each performance measure the "Target" level of performance is set in line with the annual budget for the financial year. Appropriate stretch to the minimum performance level ("Entry") is identified, as is the stretch to the performance level that would equate to the maximum payment level ("Max"). Target performance equates to a payment at 50% of the maximum bonus potential.

·The payment rate for a performance measure is zero % if the entry point of the measure is not achieved. Accordingly, when the Gate has been achieved but entry points of all measures have not been achieved, no payment of the annual bonus is made.

(c) Payment level in the FY2022

·The Compensation Committee confirmed that the gate for the plan has been met. Consequently, the management incentive Plan (annual bonus) will be paid to all Executive Officers based on the outcome of each performance measure in the FY2022.

·MOP, which is one of the performance measures for FY2022, has not reached the "Entry" and therefore there is no payment for the performance measure. Free Cash Flow, the other performance measure, has reached the maximum set and the payment rate against this performance measure was 100%. However, due to fatalities in the group during the fiscal year in question, the payment level based on the achievement rates will be reduced by 10%. Consequently, the FY2022 total payment levels will be 45% of maximum bonus potential levels based on the achievement against each of the relevant performance measures, the aggregate sum of the annual bonuses payable to all Executive Officers in accordance with the trading results for the FY2022 will amount to 120 million JPY.

 The long-term incentive plan for the three-year evaluation period ("LTIP") with the financial year ended in March 2022 (the FY2022)

(a) Group Performance measures and targets & results

Measures	Ratio	Entry	Result	Achievement against maximum
EPS during the evaluation period (April 2019 to March 2022)	50%	345JPY	Entry point not met	0%
ROS as at the end of FY2022	50%	6.1%	Entry point not met	0%

Note: The net income used for EPS calculation is the adjusted one such that the deduction of the amount equivalent to the preferred share dividends etc. are excluded.

(b)Structure

- An "Entry" level to ensure that the business is meeting the minimum performance required and a "Maximum" setting the upper limit of the payment level with appropriate stretch were set for each performance measure. The achievement rate for each performance measure is zero % if the entry level of the each measure is not achieved. Entry performance equates to a payment at 20% of the maximum payment level potential.

(c)Payment level for FY2022

- The entry points in the long-term incentive Plan for the three-year evaluation period ("LTIP") with the financial year ended in March 2022 (the FY in question) have not been met. Consequently, there is no payment of the long-term incentive Plan to all Executive Officers in the FY in question.

2) Amount of Compensation for Directors and Executive Officers Paid by the Company

The amounts shown in the table below are payments earned in respect of the Groups Financial Year from 1st April 2021 to 31st March 2022, and those paid, or clearly expected to be paid during the said period, by NSG.

Category	Headcount	Compensation (million Yen)							Total
		Basic Salary	Performance -linked compensation			Non-monetary compensation			
			Annual bonus	Long-term incentive pay	Subtotal	Stock compensation	Other benefits	Subtotal	
Directors who do not concurrently serve as Executive Officers (External Directors)	6	72	—	—	—	—	—	—	72
Executive Officers	9	250	57	0	57	48	18	66	373

Notes:

- (1) The amounts shown for Directors who do not concurrently serve as Executive Officers relate to all compensation paid to Messrs. Yasuyuki Kimoto, Toshikuni Yamazaki, Jörg Raupach Sumiya, Kunihito Minakawa, Hiroshi Ishino and Yoshihiro Kuroi.
- (2) The amounts shown for Executive Officers relate to all compensation paid or to be paid to Shigeki Mori, Kenichi Morooka, Koichi Hiyoshi, Munehiro Hosonuma, Reiko Kusunose, Hiroshi Nishikawa, Shiro Kobayashi, Yutaka Nakashima and Satoshi Ishino.
- (3) In addition to the amounts shown in this table which are amounts paid by NSG, additional amounts were paid to other Executive Officers by subsidiaries of the Company, and these are shown in table 3) below.
- (4) Amounts shown relate to the periods for which the office of Director and Executive Officer was held.
- (5) The data for Directors and Executive Officers includes those who retired during the Group's Financial Year from 1st April 2021 to 31st March 2022.
- (6) The Performance-linked compensation in the table are the Annual Bonus for the year from April 2021 to March 2022(FY2022) and the Long-Term Incentive Plan covering the three financial years from April 2019 to March 2022.
- (7) Stock Compensation for Executive Officers are an amount for a total of 72,900 Restricted Shares allotted to seven Executive Officers.
- (8) Other Benefits include pension fund contributions, healthcare provision and accommodation costs and so forth.

3) Amount of compensation for executive officers paid by subsidiaries

Category	Headcount	Compensation (million Yen)							
		Basic Salary, etc.	Performance-linked compensation			Non-monetary compensation			Total
			Annual bonus	Long-term incentive pay	Subtotal	Stock compensation	Other benefits	Subtotal	
Executive Officers	8	269	63	0	63	—	21	21	353

Notes:

- (1) The amounts shown relate to all compensation paid or to be paid to Tony Fradgley, Rob Purcell, Phil Wilkinson, Mike Greenall, Iain Smith, Milena Stanisci, Tim Bolas and John Mercer as Executive Officers, by the subsidiaries of the Company which has direct privity of contract with them in the form of a certain services contract. The Company has not directly paid for such compensations, but all of which have been reviewed and approved by the Compensation Committee of the Company.
- (2) Amounts shown relate to the periods for which the office of Director and Executive Officer was held.
- (3) The data for Executive Officers includes those who retired during the Group's Financial Year from 1st April 2021 to 31st March 2022.
- (4) Basic salary, etc. includes basic salary for Executive Officers and allowances for certain Executive Officers.
- (5) The Performance-linked compensation in the table are the Annual Bonus for the year from April 2021 to March 2022 (FY2022) and the Long-Term Incentive Plan covering the three financial years from April 2019 to March 2022.
- (6) Other Benefits include pension fund contributions, healthcare provision, transport accommodation costs and so forth.
- (7) Where amounts in UK sterling and EURO have been converted to Japanese Yen this has been done at an average exchange rate for the year of GBP1:153.0JPY and EUR1: 129.66JPY respectively.

5. Matters related to External Directors

(1) Material Concurrent Positions held by External Directors (those positions if any concurrently held by them with or for other organizations in their capacity as executive positions such as an executive director and executive officer or an external director)

Name	Concurrent Position
Yasuyuki Kimoto	—
Jörg Raupach Sumiya	➤ Professor at the College of Business Administration, Ritsumeikan University
Hiroshi Ishino	➤ Senior Corporate Advisor, Kansai paint Co., Ltd.
Kunihito Minakawa	➤ External Director, Santen Pharmaceutical Co., Ltd. ➤ Financial Services Agency Certified Public Accountants and Auditing Oversight Board Commissioner
Yoshihiro Kuroi	➤ Advisor, Japan Industrial Solutions Co., Ltd.

Notes: Japan Industrial Solutions Co., Ltd., where Mr. Yoshihiro Kuroi retains such concurrent position, is the general partner of Japan Industrial Solutions Fund II., one of Investment LPS to which Class A Shares are issued. In relation to all other External Directors we have no special relationship in business with any of the companies listed above as those where they have such concurrent offices.

(2) Major Activities of External Directors during Fiscal Year

Name	Attendance status, Remark status and Outline of duties performed regarding the roles expected of External directors
Yasuyuki Kimoto	Attended all 10 Board of Directors meetings, all 7 Nomination Committee meetings, all 11 Audit Committee meetings, and all 5 Compensation Committee meetings held during the fiscal year under review, and made contribution to the deliberation mainly from a specialized viewpoint of an experienced business manager. In FY2022, well performed as Chairperson of the Board of Directors and led the meeting of the Board of Directors with a majority of independent external directors to enhance constructive discussion. At the Board, he led discussions on internal control, risk management, etc., based on his abundant management experience in global companies. As a member of the Nomination Committee, Audit Committee, and Compensation Committee, contributed to the construction of a highly transparent governance system.
Jörg Raupach Sumiya	Attended all 10 Board of Directors meetings, all 7 Nomination Committee meetings, all 11 Audit Committee meetings, and all 5 Compensation Committee meetings held during the fiscal year under review, and made contribution to the deliberation mainly from a specialized viewpoint of an experienced academic expert and business manager. At the board, he led discussions on sustainability (environment, climate change, etc.) , especially from the standpoint of management experience in a global company and academic experience. In FY2022, well performed as Chairperson of the Compensation Committee and led the committee about the design of the executive compensation system and evaluation system.
Hiroshi Ishino	Attended all 10 Board of Directors meetings, all 7 Nomination Committee meetings, all 11 Audit Committee meetings, and all 5 Compensation Committee meetings, held during the fiscal year under review, and made contribution to the deliberation mainly from a specialized viewpoint of an experienced business manager. At the board, he led discussions, especially on strategic marketing and supply chain management, based on its in-depth knowledge of global management strategy. In FY2022, well performed as Chairperson of the Nomination Committee and led the committee about Group's human resource strategy mainly based on deep knowledge from abundant international experience.
Kunihito Minakawa	Attended all 10 Board of Directors meetings, all 7 Nomination Committee meetings, all 11 Audit Committee meetings, and all 5 Compensation Committee meetings, held during the fiscal year under review, and made contribution to the deliberation mainly from a specialized viewpoint of an experienced business manager. At the Board, he led discussions on finance, accounting, auditing, internal control, etc., based on his deep knowledge of finance and accounting. In FY2021, well performed as Chairperson of the Audit Committee and led the committee about building a highly transparent governance system by appropriately auditing business execution and supervising executives.
Yoshihiro Kuroi	Attended all 10 Board of Directors meetings held during the fiscal year under review, and made statements as mainly from a specialized viewpoint of an experienced business manager. At the Board, based mainly on his extensive experience and insight in overseas business, IR, and risk management, he led discussions on risk management in particular and contributed to the establishment of a highly transparent governance system.

VI. Accounting Auditor

1. Name of Accounting Auditor

Ernst & Young ShinNihon LLC

2. Fees, etc., to Accounting Auditor with respect to the Fiscal Year

Fees, etc., to Accounting Auditor with respect to the fiscal year under review	¥ 138 million
Monetary and/or other property benefits payable by the Company and its subsidiaries to Accounting Auditor	¥ 138 million

Notes:

1. The audit contract entered into between the Company and the Accounting Auditor does not differentiate the fees payable to it from their audit in their capacity as Accounting Auditor pursuant to the Companies Act and those payable to from their audit pursuant to the Financial Instruments and Exchange Act. It is not practically possible to differentiate them, either. As such, the "Fees, etc., to Accounting Auditor for the fiscal year" referred to in the above table show the total sum payable for these services.
2. Ernst & Young also acts as principal auditors for material subsidiaries of the Group.

3. The Reason for which Audit Committee Consented to the Fees, etc. to the Accounting Auditor

Audit Committee consented to the amount of the fees, etc. payable to the Accounting Auditor as set forth in Article 399.1 of the Companies Act, after, among others, having reviewed their audit plan, last year's performance and the rationale of fee estimate including audit time based on the received documents as necessary and hearing from the Executive Officers, relevant departments and Accounting Auditor themselves.

4. Policies on Dismissal or Non-reappointment of Accounting Auditor

In addition to the dismissal of the Accounting Auditor by the Audit Committee where the Accounting Auditor is considered to fall into any of the causes described in Article 340.1 of the Companies Act, the Audit Committee would, in principle, propose an agenda for dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders when the Audit Committee considers that it would be difficult for the Accounting Auditor to perform its duties properly, due to their violation of law or other matters impairing its eligibility or independence.

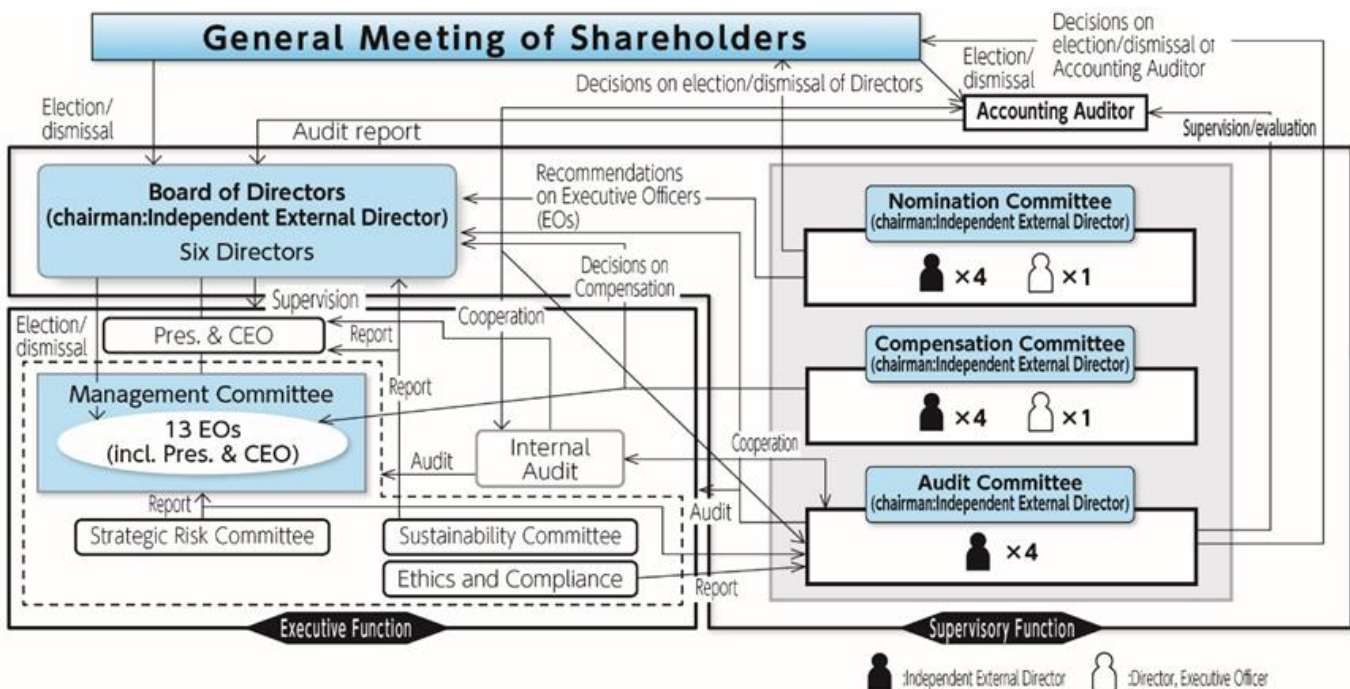
VII. Status of Corporate Governance

1. Policy and Structure

The Company adopts a company with three committees structure, under which we intend and seek to introduce additional safeguards for shareholders, increase the transparency of management, and enhance corporate governance by separating the functions of execution and oversight, with the role of the Independent External Directors strengthened.

NSG Group established the "NSG Group Corporate Governance Guidelines" supporting the Principles of the TSE Corporate Governance Code. These Guidelines provide the basic principles and framework of the corporate governance for the Group to enhance its corporate values in a sustainable manner, on a medium-to-long term basis, and thus increasing the common value of the Group for our various stakeholders including our shareholders, and necessary revisions have been made to comply with the "Corporate Governance Code" revised in June 2021, the details of which are disclosed on our website at <https://www.nsg.com/>.

2. Management System



- **Board of Directors** decides or approves matters delegated to it by resolution of the General Meeting of Shareholders as well as especially important matters on the execution of the Company's business, in addition to the matters provided by laws and ordinances or by the Articles of Incorporation, and supervises the execution of duties by Directors and Executive Officers.
- **Nomination Committee** decides the details of the agenda items on election and removal of Directors to be submitted to the General Meeting of Shareholders, supervise succession plans for President, CEO and other important offices, and give recommendation or advice on candidates for Executive Officers to the Board of Directors.
- **Audit Committee** audits the execution of duties by Directors and Executive Officers, prepares for audit reports, and decides the details of agenda items on the appointment and removal or non-reappointment of Accounting Auditor.
- **Compensation Committee** makes decisions on principles with respect to compensations for Directors and Executive Officers and on individual compensations of Directors and Executive Officers under such principles.
- **Management Committee** gives direction to the management of the Group and monitor the status of its implementation from time to time.

3. Board Effectiveness Evaluation

The Company conducted an effectiveness review and evaluation of the Board as well as the Nomination, Audit and Compensation Committees in FY2021. As for this review, the independent directors were entrusted to lead and supervise the whole process of analysis and evaluation under the leadership of the Chairperson of the Board so that sufficient adequacy and independence was maintained throughout. The effectiveness review endorsed that the Board and the Committees were all properly and soundly operated to ensure their effectiveness. On the other hand, the following points were confirmed individually.

- In executing structural reforms and key initiatives in NSG Group's Medium Term Management Plan, the Group needs to identify a more concrete execution plan and improve effectiveness of such efforts including speed
- In order to increase the Group's corporate value over the medium to long term, it is also necessary to conduct indepth examinations and discussions to come up with specific measures to address important management issues such as business structure reform, business strategy, growth strategy, organizational strategy, and sustainability issues such as climate change agenda
- The Group should develop a plan for director candidates to seek and deliver desirable diversification including adding further international experience or election of a female directorship currently vacant

With the aid and on the basis of the evaluation results and views, the Board adopted the following improvement plans through the exchange of views at sessions consisting exclusively of Independent External Directors and discussions at the Board meetings, with a view to ensuring the execution of the Revival Plan (RP24) and the improvement of the Group's corporate value over a medium to long term in a sustainable manner through the Board and the Committees.

- Monitoring of the Revival Plan (RP24) to ensure its rapid implementation and check progress status and facilitating in-depth discussions on overall management issues of critical importance to the Group
- Promotion of diversity at the Board

4. Systems to Ensure that Execution of Duties by Executive Officers are Compliant with Laws and Articles of Incorporation and to Secure Appropriateness of Businesses

1. System for ensuring that the performance of duties by Executive Officers and employees of the Company, and directors, statutory auditors and employees of the subsidiaries of the Company (collectively referred to as the "Group Employees") complies with laws, regulations, and the Articles of Incorporation

- On the basis and strength of the management principles "Our Vision", the NSG Group (the "Group") aims to ensure high levels of ethics and compliance throughout the Group in conducting businesses, proactively fulfilling its social responsibilities for the sustainable growth.
- Under the management principles "Our Vision", the Group establishes the "NSG Group Code of Ethics" providing business ethics and compliance with laws/regulations/internal policies and procedures, and uses its internal communication network to continually disseminate and provide educational training about the contents of the Code of Ethics for the Group Employees, together with other important internal policies and procedures of the Group (e.g. Group Policies, procedures or manuals).
- Each Strategic Business Unit ("SBU") and function in charge of securing compliance with the relevant laws and regulations, will monitor such compliance status in coordination with Internal Audit function, and also report it to the Audit Committee.
- The Group establishes a Group central function responsible for developing and maintaining the effective framework of ethics and compliance throughout the Group (hereinafter generally referred to as "Ethics and Compliance Function").
- Ethics and Compliance Function will, throughout the Group, :-
 - work closely with regional team in charge of ethics and compliance matters to promote and ensure compliance by adherence to strict standards and to promote ethics and compliance awareness through communication and training programs; and
 - as it may deem necessary, conduct audits in cooperation with Internal Audit function and other Internal Control Functions.
- Ethics and Compliance Function will also report to the Audit Committee.
- The Group establishes a global reporting of concerns hotline not subject to usual reporting structure for execution of the businesses ("hotline"), which enables the Group Employees to voice any ethics and compliance related issues through an independent external vendor as points of contact; whereby the Group ensures the framework under which it is able to promptly detect and address any such issues.
- Ethics and Compliance Function shall, periodically or from time to time as appropriate, update the Audit Committee on the status of the implementation and operation of the hotline as well as on the issues brought from the hotline.
- The Group Employees can make a report via the hotline with anonymity where legally allowed, and the Group must explicitly guarantee that no retaliation or unfavorable personnel treatment will be taken against the Group Employees in question for reason of the report.

2. Rules relating to the management of the risk of loss and other relevant risk management system with respect to the Group

- The Group establishes internal policies and procedures to adequately address various risks associated with its business operations and identify and manage all possible risks in a holistic way throughout the enterprise that it could be exposed to. For effective facilitation of the overall enterprise risk management, the Group constitutes the Strategic Risk Committee which is to be led by Chief Risk Officer under a representative executive officer of the Company and reports to the Management Committee and the Audit Committee, with its assigned responsibilities to conduct a review of the status regularly of identification, evaluation and remediation of the major risks identified and aim to ensure adequate framework in operation of risk management conducted by and throughout the Group.
- The Group establishes internal policies and procedures that clearly define how to treat specific risks associated with such as ethics and compliance, environment, safety, disaster management, product quality, information security, funding, raw material procurement, research and development and credit control, and each SBU and function shall manage such risks in their respective areas of responsibility according to these internal policies and procedures.
- The Group shall make sure that Ethics and Compliance Function manages and controls significant ethics and compliance-related risks including by preparation of adequate internal policies and procedures, in cooperation with Internal Control Functions including Legal and Internal Audit function.
- Risk control measures will be managed and taken, as necessary, including risk diversification and insurance on a group basis. In particular the Group establishes the internal policy on group insurance and takes out and renews global insurance program annually thereby aiming to secure adequate transfer of material risks of the Group.
- The Group develops and has in place policies and procedures to prepare against and deal with major incidents

for risk management purposes that may occur globally or regionally.

- The Group establishes the control system to ensure the integrity of its financial reporting as well as the appropriateness and timeliness of other corporate disclosures.
- The Group establishes the Internal Audit Department that operates at the Group level, and the department conducts audits independently of each Executive Division, providing assurances to the effectiveness and efficiency of the Group's risk management system. Any appointment and dismissal of the Head of the Internal Audit Function, shall require the prior consent of the Audit Committee.

3. System for retaining and managing information pertaining to Executive Officers' performance of duties

- Executive Officers properly retain and manage documents, records and any other information regarding their performance of duties in accordance with the applicable laws and internal policies and procedures.

4. System for ensuring effective and efficient performance of duties by the Group's Employees

- The Group formulates an annual business targets for the Group based upon its medium to long-term business plans resolved by the Board. Also it clearly communicates the targets throughout the whole organization to ensure that all Group businesses are managed and coordinated in a consistent manner.
- The Board establishes the basic policy on sustainability on a group basis and supervises its development and implementation status.
- The Board authorizes the Executive officers to make decisions on the business and affairs of the Group Board within the remit permitted by law.
- The Group establishes the Management Committee comprising the Executive Officers as its core member. Discussions and deliberations at the meetings thereof will be of assistance for the Executive Officers to make bold and prompt decisions on the Group businesses in an effective and efficient way, under the framework of the Group's basic policies and goals set by the Board.
- The Board appoints the Company Secretary, the Company Secretary is who occupies a unique position between the Board and the Executive Division, is responsible for
 - Rendering of support for Directors on governance issues
 - Matters concerning General Meeting of Shareholders and the Company's Shares
 - Facilitation for efficient functioning of the Board of Directors and each Board Committee
 - Ensuring the appropriate sharing and consistency of information between the Board of Directors and each such Committee and between the Board of Directors (Committees) and the Executive Division
 - Reviewing of effective processes and considering and promoting initiatives so that the Board of Directors (Committees) may perform their functions effectively.
- The Group clearly defines the area of duties and responsibilities assigned to respective Executive Officers and other Group Employees pursuant to the resolutions by the Board and those internal policies and procedures providing for allocation of role/duties and authorities.
- The Group prepares for internal policies and procedures in relation to various internal meeting or conference structures within the Group including in relation to Management Committee and ensures that all business decisions for the Group be made in manner complied with the standards and process for deliberation provided in such policies and procedures.
- The Group develops and maintains information systems that improve the efficiency of business operations.

5. Reporting-line structure within the Group

- The reporting-line structure will be built up and maintained within the Group for each and every SBU and function formed on a group-wide basis.
- The Group formulates the internal policy with respect to the management of the Company's subsidiaries which ensures each material subsidiary to notify the Company regularly of the matters relevant to it regarding: internal audit, finance, treasury, taxation, human resources, labor relations, pensions, health and safety, investor relations, legal, ethics and compliance, environment and any other areas related to internal controls and the status of risks or exposures associated with such areas.
- Internal audit will conduct internal audits on a group basis and report to Directors and Executive Officers..

6. Systems to ensure effectiveness of audits conducted by the Audit Committee

- The Audit Committee, as a part of oversight function of the Board, is tasked to audit execution of duties by Directors and Executive Officers, on the basis of this Fundamental Policy on Internal Control System, from a viewpoint of whether:-
 - an internal control system is established, maintained and implemented by the Executive Officers in an appropriate manner;
 - and this Fundamental Policy itself is still valid or requires no improvement.
- For the purpose of securing effectiveness of such audit:-
 - the Audit Committee may have its members attend Management Committee meetings and other important meetings of the Group. When other forms of decision-making processes are used in lieu of discussion at a

- meeting, the Audit Committee has the right of access to any information related to or used in such decision-making processes;
- the Audit Committee may, as it deems necessary, interview any of those Group Employees with senior positions to obtain information necessary to conduct its audits;
 - the Audit Committee receives regular reports about the current risk exposures of the Group with respect to the followings from departments and functions responsible therefore:-
 - sustainability, internal audit, risk management, finance, treasury, taxation, human resources, labor relations, pensions, health and safety, investor relations, legal, ethics and compliance, environment and any other areas related to internal controls;
 - the Audit Committee has the right of access to any material corporate document containing material information including but not limited to papers used for Management Committee meetings and internal approval documents;
 - the Audit Committee receives explanation from the Executive Officer in charge of financial affairs on the Group's quarterly and full-year financial statements before they are presented to the Board for reporting or approval;
 - the Audit Committee shall meet with Internal Audit function and Accounting Auditor on a regular basis to obtain necessary information; and
 - Members of the Audit Committee may conduct onsite inspections of the Group's major sites to monitor the status of the business and assets when it deems further necessary to do so in light of the purpose of audit prescribed above in this section.

7. System for reporting by the Group's Employees to the Audit Committee and other systems concerning reporting to the Audit Committee

- Directors and Executive Officers shall report the followings to the Audit Committee immediately when:-
 - an individual has found any fact that could have a substantially adverse effect on the Group
 - a Group Employee has committed or could be considered to commit such an act as may constitute a violation of any law, regulation or the Articles of Incorporation.
- Without prejudice to generality of the foregoing section, the Audit Committee may request any of the Group Employees to prepare and submit such reports as it deems necessary for audit.
- The Group explicitly guarantees that no retaliation or unfavorable personnel action in any manner should be taken against those who report to the Audit Committee by reason of such reporting.

8. Matters relating to Directors and/or Employees who support the execution of duties by the Audit Committee

- The Group shall establish an Audit Committee Office that assists the execution of duties by the Audit Committee, and shall assign such number of employees as it deems necessary for the performance of its functions (hereinafter referred to as "Support Staff of the Audit Committee").
- Under the instructions of the Audit Committee members, Support Staff of the Audit Committee shall:-
 - by themselves, or by liaising with relevant departments, investigate, analyze or report the matters subject to its audit, and
 - where necessary, assist the Audit Committee in conducting onsite inspections of the Group's major sites to monitor the status of their business and assets.

9. Matters relating to i) independence of the above Directors and/or Employees from Executive Officers, and ii) how to ensure effectiveness of Audit Committees' instructions thereto

- Decisions on personnel matters of Support Staff of the Audit Committee shall require the prior notice to and consent of the Audit Committee.
- The head of Support Staff of the Audit Committee shall be prohibited from concurrently holding any position that may be involved in the execution of businesses and affairs of the Group, and shall report only to the Audit Committee.

10. Matters relating to policy with regard to advance payment or, reimbursement of the expenses incurred (but limited only to those to accrue relating to execution of duties of the Audit Committee), or any other treatment of such expenses and debts

- If a member of the Audit Committee requests an advance payment of the expenses to be incurred in the course of his performance of the duties or otherwise makes such requests as provided in each section of article 404.4 of the Companies Act, the Company shall not refuse such request except where the Company proves that the said expenses or debts relating to such request is not necessary for the performance of the duties of the committee member in question.

5. Summary of the Operation Status of “Systems to Ensure that Execution of Duties by Executive Officers are Compliant with Laws and Articles of Incorporation and to Secure Appropriateness of Businesses”

(1) Actions with regard to the Group’s Ethics and Compliance

- ① The NSG Group Code of Ethics broadly covers the ethical behavior expected of our employees in the work place, including compliance with the law and all major Group policies, procedures, and guidelines. The Code is available in all 19 Group languages on its intranet. In FY 2022, the Group revised the Code to cover important risk areas according to the current business environment. In addition, the Group provided an online training to its employees to enhance their understanding of the revised Code of Ethics.
- ② The Group has in place the Reporting of Concerns system including the Ethics and Compliance (E&C) Hotline. The confidential hotline, available in multiple languages, is operated by a qualified third party allowing anyone to report E&C related concerns anytime, even anonymously except as prohibited legally. Group E&C Function periodically reviews and properly controls the Group policies and procedures related to the Reporting of Concerns system, communicating them to the employees. Hotline reports are handled consistently in accordance with the relevant Group policies and procedures, being appropriately investigated where warranted. Any form of retaliation against an individual who has reported in good faith is expressly prohibited. In FY2022, 124 allegations were reported via the Reporting of Concerns system.
- ③ Under the Group E&C Director’s leadership, E&C regional managers are responsible for embedding E&C culture into the whole organization within the major regions of the Group as well as covering risks in each region.
- ④ The Group requires its employees to report or obtain prior permission from Group E&C regarding certain high risk areas such as competition law compliance (CC) and Anti-Bribery and Anti-Corruption (ABAC) via the designated online system. In addition, Group employees are required to report conflict of interests to the company.
- ⑤ The Group is monitoring third parties such as agents, consultants and joint venture partners that meet certain risk criteria of the ABAC policy.
- ⑥ Globally, Group E&C screens business partners against all necessary sanctions lists on a daily basis.
- ⑦ Group E&C facilitates participation in trade-related programs such as C-TPAT (Customs-Trade Partnership Against Terrorism), and, AEO (Authorized Economic Operator) at multiple locations around the Group. These programs demonstrate the Group’s commitment to supply chain and facility security as well as strong adherence to Customs regulations.
- ⑧ The Group annually provides relevant online trainings to CC and/or ABAC key roles. Further, additional areas such as Code of Ethics, General Data Protection Regulation (GDPR), IS Security, Fraud and Inclusion & Diversity are covered accordingly in annual training campaign and/or onboarding.
- ⑨ Group E&C periodically issues E&C briefings, which are translated in 14 languages and available on the Group’s intranet. In addition, each E&C regional manager publishes regional E&C newsletters for E&C communication and education for local employees. In FY2022, the group-wide Ethics & Compliance Week also took place for further embedding ethical culture into the organizations throughout the Group. During the Week, Group E&C provided some programs such as relevant survey, communications and educations regarding basics and requirements of ethics and compliance.
- ⑩ Group E&C regularly shares material E&C issues with the relevant SBU/Function heads as well as reports to Audit Committee on its performance and action plans.
- ⑪ The Group measures the effectiveness of Group E&C program against specific metrics and KPIs with statistical data in several areas regarding E&C activities.

(2) Actions with regard to the Group’s Risk Management

- ① We annually identify and assess material risks which should be controlled on a group basis in accordance with the NSG Group Risk Management Policy.
- ② We have in place Strategic Risk Committee (SRC) whose member consists of CEO, other Executive Officers and relevant senior managers; Chief Risk Officer (“CRO”) is appointed from among the Executive Officers. SRC defines overall framework for the enterprise risk management of the Group and identifies and assesses the high-level risks which potentially could have a material adverse effect on the Group businesses. SRC reviews, endorses and monitors any action for mitigation of these high risks taken by the relevant Strategic Business

Units (SBUs) and Functions. CRO chairs SRC meetings and, as the representative of the Committee, regularly made reports to the Management Committee and Audit Committee on the effectiveness of the Group's internal control system, risk management structure and so forth.

- ③ SRC was held three times in FY2022 where the material risks were confirmed, the above framework discussed for ongoing review and any action to address the risks including global insurance program monitored for optimization and improvement, as well as the "bottom up" SBU risk management process.
- ④ Each SBU and Function manages and controls risks associated with its own responsibilities, regularly and or as needed, to SRC.
- ⑤ Internal Audit Function is tasked with providing independent assurance to efficacy of such overall enterprise risk management of the Group.
- ⑥ In addition to the risk management and control implemented by SBUs and Functions, we have also the NSG Group Entities Management Policy enabling us to comprehensively identify and manage and control material risks particularly in light of each legal entity constituting the Group. The Executive Officer in charge is responsible for regularly reporting such entity related risks to Management Committee and the Board of Directors.
- ⑦ We have "NSG Group Insurance Policy," measuring risks such as potential losses due to natural disasters, under the supervision of the Strategic Risk Committee, reviewing and implementing comprehensive insurance coverage at the group level every fiscal period within the global insurance program.
- ⑧ Preparing for potential major incidents and calamities, we place a major incident management team at each operating site where major incident management plan is prepared and in operation, based on NSG Group Business Continuity Policy and Major Incident Guidelines.
- ⑨ Executive Officers of the Company preserve, maintain and control such information or data as may be relevant to their performance of the duties in their capacity in accordance with the NSG Group Record Retention Policy and IS Security Policy.

(3) Actions to Ensure the Group's Efficient and Effective Management

- ① The Group has established the Management Committee (MC) as advisory board for the President/Chief Executive Officer (CEO) in order for the policies and goals established by the Board of Directors to be efficiently and adequately carried out. 14 MC meetings were held during FY2022.
- ② We have promoted the initiative of separation of oversight and executive role whereby we strengthen the supervisory role and duties of the Board over the executives whilst making necessary delegation of powers and authorities to the executives, thus seeking to enhance transparency and agility of whole management process.
- ③ The Company Secretary will be appointed by the resolution of the Board of Directors. The Company Secretary is responsible for all governance duties, providing support to the Board of Directors and the Committees in an integrated manner by one office for the proper functioning of the Board of Directors and Committees. Therefore, the Company Secretary who occupies a unique position between the Board of Directors and the Executive Division, is responsible for ensuring effective communication between them.
- ④ We set in place the internal rule clarifying the roles and decision-making authorities of each layer of management from Representative Executive Officers to each regional SBU heads. As such the Group operates the organization in which we can make business decisions appropriately and timely addressing changes of market and business environment etc.
- ⑤ We have introduced and effected IT-operated authorization flow process for efficient and effective business management, including in relation to performance management against progress or results of management plans such as long and medium-term plan or annual plan and approval process for capital expenditures requisition.
- ⑥ We operate the organization with its reporting lines clarified by having the specific organization charts by each SBU and function which supports SBUs.
- ⑦ Various meetings were reorganized with the aim of establishing a more agile and resilient management structure, minimizing costs for meeting and maximizing its effectiveness.

(4) Actions to Ensure the Effectiveness of the Group's Audit

- ① Group Internal Audit implements audits on a group basis in accordance with annual audit plan agreed by Audit Committee, and reports such audit results to Audit Committee, Executive Officers and external Accounting

Auditor. Group Internal Audit is responsible for ensuring the effectiveness and efficiency of the Group's risk management system by conducting audits independently of each executive department.

- ② Any appointment and dismissal of the Head of the Internal Audit Function, shall require the prior consent of the Audit Committee.
- ③ Two dedicated Support Staffs of the Audit Committee are appointed for assistance of Audit Committee, and report to and provide necessary information to Audit Committee.
- ④ A member of Audit Committee and Support Staff of Audit Committee attends internal material meetings such as MC in order to ensure the effectiveness of their audit. They have rights to access necessary important documents and so on for their audit.
- ⑤ Audit Committee periodically meets with Group Internal Audit and other internal control functions and hear reports from them regarding the execution of duties by Executive Officers and others, the status of internal audits, and the status of the establishment and operation of internal control systems and exchange views with them.
- ⑥ Audit Committee meets with the Accounting Auditor on a periodical and as-necessary basis, keeping close communication with them on important audit issues and challenges..
- ⑦ Audit Committee conducts on-site or online audits at the major business establishments of the Group that it deems particularly necessary.

The above Business Reports are prepared by rounding off any fraction of one million yen to the nearest one million yen. Any future and prospective matters contained above are described by reference to the then status existing as of the end of FY2022.

Consolidated Balance Sheet (as of 31 March 2022)

(In JPY millions)

ASSETS		LIABILITIES	
Non-current assets	637,032	Current liabilities	306,731
Goodwill	104,737	Borrowings	114,347
Intangible assets	50,256	Derivative financial instruments	1,501
Property, plant and equipment	341,736	Trade and other payables	163,114
Investment property	163	Contract liabilities	7,132
Investments accounted for using the equity method	20,410	Taxation liabilities	3,843
Retirement benefit assets	32,349	Provisions	13,621
Contract assets	554	Deferred income	499
Trade and other receivables	13,176	Liabilities related to assets for sale	2,674
Assets held at Fair Value through other Comprehensive Income	23,022		
Derivative financial instruments	17,291	Non-current liabilities	463,195
Deferred tax assets	33,115	Borrowings	352,017
Tax receivables	223	Derivative financial instruments	20
		Trade and other payables	457
Current assets	302,249	Contract liabilities	5,347
Inventories	132,242	Deferred tax liabilities	22,608
Contract assets	1,270	Taxation liabilities	3,061
Trade and other receivables	72,816	Retirement benefit obligations	55,459
Derivative financial instruments	24,957	Provisions	21,196
Cash and cash equivalents	60,464	Deferred income	3,030
Tax receivables	3,266		
Assets held for sale	7,234		
		Total: Liabilities	769,926
		EQUITY	
		Capital and reserves attributable to the Company's equity shareholders	145,291
		Called up share capital	116,709
		Capital surplus	155,312
		Treasury stock	(41)
		Stock subscription rights	472
		Retained earnings	(60,121)
		Retained earnings (Translation adjustment at the IFRS transition date)	(68,048)
		Accumulated other comprehensive income	1,008
		Non-controlling interests	24,064
		Total: Equity	169,355
Total: Assets	939,281	Total: Liabilities and equity	939,281

Consolidated Income Statement (for the period of 1 April 2021 to 31 March 2022)

(In JPY millions)

Revenue		600,568
Cost of Sales		(465,139)
Gross profit		135,429
Other income	2,214	
Distribution costs	(53,089)	
Administrative expenses	(59,532)	
Other expenses	(5,042)	(115,449)
Operating profit before exceptional items		19,980
Exceptional items(gains)	6,027	
Exceptional items(losses)	(2,381)	3,646
Operating profit after exceptional items		23,626
Finance income	2,117	
Finance expenses	(14,586)	
Impairment of financial receivables owed by joint ventures and associates	(3,374)	
Share of post-tax profit of joint ventures and associates accounted for using the equity method	7,498	
Other losses on equity method investments	(3,422)	(11,767)
Profit before taxation		11,859
Taxation		(5,100)
Profit for the period		6,759
Profit attributable to non-controlling interests		2,625
Profit attributable to owners of the parent		4,134

Consolidated Statement of Comprehensive Income (Reference only)
(for the period of 1 April 2021 to 31 March 2022)

(In JPY millions)

Profit for the period	6,759
Other comprehensive income:	
Items that will not be reclassified to profit or loss:	
Re-measurement of retirement benefit obligations	12,498
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments	1,354
Sub total	13,852
Items that may be reclassified to profit or loss:	
Foreign currency translation adjustments	25,945
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments	(344)
Cash flow hedges – fair value gains	33,145
Sub total	58,746
Total: Other comprehensive income for the period	72,598
Total comprehensive income for the period	79,357
Attributable to non-controlling interests	1,990
Attributable to owners of the parent	77,367

Consolidated Statement of Changes in Equity (for the period of 1 April 2021 to 31 March 2022)

(in JPY millions)

	Equity attributable to the Company's shareholders					
	Called up share capital	Capital surplus	Treasury stock	Stock subscription rights	Retained earnings	Retained earnings (Transition adjustment at the IFRS transition date)
1 April 2021	116,643	155,245	(40)	556	(81,692)	(68,048)
Comprehensive income for the year:						
Profit for the year					4,134	
Other comprehensive income					12,498	
Total comprehensive income for the year					16,632	
Hyperinflation adjustment					6,889	
Transactions with owners:						
Dividends paid					(1,950)	
Share-based compensation with restricted shares	24	25				
Stock options	42	42		(84)		
Purchase of treasury stock			(1)			
Total transactions with owners	66	67	(1)	(84)	(1,950)	
At 31 March 2022	116,709	155,312	(41)	472	(60,121)	(68,048)

(in JPY millions)

	Equity attributable to the Company's shareholders					Non-controlling interests	Total equity
	Exchange translation reserve	Fair value reserve	Hedging reserve	Total other comprehensive income	Total equity attributable to the Company's shareholders		
1 April 2021	(47,917)	(8,641)	(3,169)	(59,727)	62,937	16,825	79,762
Comprehensive income for the year:							
Profit for the year					4,134	2,625	6,759
Other comprehensive income	26,580	1,010	33,145	60,735	73,233	(635)	72,598
Total comprehensive income for the year	26,580	1,010	33,145	60,735	77,367	1,990	79,357
Hyperinflation adjustment					6,889	6,039	12,928
Transactions with owners:							
Dividends paid					(1,950)	(790)	(2,740)
Share-based compensation with restricted shares					49		49
Stock options					0		0
Purchase of treasury stock					(1)		(1)
Total transactions with owners					(1,902)	(790)	(2,692)
At 31 March 2022	(21,337)	(7,631)	29,976	1,008	145,291	24,064	169,355

Consolidated Statement of Cash Flows (Reference only)

(for the period of 1 April 2021 to 31 March 2022)

(In JPY millions)

Cash flows from operating activities	
Profit for the period from continuing operations	6,759
Taxation	5,100
Depreciation and amortization	36,675
Impairment	1,5351
Finance costs - net	12,469
Impairment of financial receivables owed by joint ventures and associates	3,374
Share of profit from joint ventures and associates	(7,498)
Other (gains)/losses on equity method investments	3,422
Decrease in provisions and retirement benefit obligations	(3,642)
Net change in working capital	5,701
Other	(5,600)
Cash flows generated from operations	58,295
Interest paid	(12,589)
Interest received	4,231
Tax paid	(4,876)
Net Cash inflows from operating activities	45,061
Cash flows from investing activities	
Dividends received from joint ventures and associates	5,682
Purchases of property, plant and equipment and intangible assets	(34,480)
Proceeds on disposal of property, plant and equipment and intangible assets	1,360
Other	4,651
Net cash outflows from investing activities	(22,787)
Cash flows from financing activities	
Dividends paid	(2,749)
Repayment of borrowings	(119,962)
Proceeds from borrowings	101,889
Purchase of treasury stock	(1)
Net cash outflows from financing activities	(20,823)
Decrease in cash and cash equivalents (net of bank overdrafts)	1,451
Cash and cash equivalents (net of bank overdrafts) at beginning of period	53,500
Effect of foreign exchange rate changes	3,787
Hyperinflation adjustment	1,277
Cash and cash equivalents (net of bank overdrafts) at end of period	60,015

Balance Sheet (as of 31 March 2022)

(in JPY millions)

ASSETS		LIABILITIES	
Current assets	116,767	Current liabilities	138,584
Cash and cash deposits	4,416	Accounts payable-trade	13,793
Notes receivable	840	Bank borrowings	17,037
Accounts receivable-trade	13,756	Current portion of Long-term borrowings	77,443
Products and goods	15,825	Lease obligations	3
Work in process	2,757	Accounts payable - non-trade	8,610
Raw materials and consumables	5,331	Accrued income tax	231
Short-term loan receivable	60,769	Accrued expenses	1,294
Other current assets	13,073	Contract liabilities	636
		Customers' deposits	17,134
		Provision for loss on business of subsidiaries and affiliates	387
		Provision for employees' bonuses	1,329
		Provision for directors' bonuses	85
		Provision for warranties	153
Fixed assets	561,799	Provision for restructuring expenditure	226
Tangible assets	44,165	Provision for payment under Position retirement program	33
Buildings	7,436	Other current liabilities	190
Structures	1,004		
Machinery & Equipment	16,621	Fixed liabilities	228,637
Vehicles	28	Long-term bank borrowings	216,987
Tools & Fixtures	3,733	Lease obligations	3
Land	11,718	Provision for retirement benefits	2,202
Leased assets	5	Provision for rebuilding furnaces	7,438
Construction in progress	3,620	Environmental provision	2
Intangible assets	419	Asset retirement obligations	1,926
Computer software	144	Deferred tax liabilities	64
Other intangible assets	275	Other fixed liabilities	15
Investments and other assets	517,215	Total: Liabilities	367,221
Investments in securities	1,645	NET ASSETS	
Investments in subs. & affiliates	503,658	Shareholders' equity	310,024
Long-term loan receivable	6,922	Capital stock	116,709
Long-term prepaid expenses	2,817	Capital surplus	153,530
Other assets	2,185	Legal capital surplus	45,031
Allowance for doubtful accounts	(12)	Other capital surplus	108,499
		Retained earnings	39,826
		Legal earned surplus	6,377
		Other retained earnings	33,449
		Reserve for adv'ed depreciation	824
		General reserve	24,977
		Retained earnings carried forward	7,648
		Treasury stock	(41)
		Valuation and translation adjustments	849
		Deferred gains or losses on hedges	849
		Stock subscription rights	472
		Net Assets	311,345
Total: Assets	678,566	Total: Liabilities and net assets	678,566

Income Statement (for the period of 1 April 2021 to 31 March 2022)

(in JPY millions)

Revenue		88,300
Cost of sales		(69,260)
Gross profit		19,040
Selling, general and administrative expenses		(20,833)
Operating loss		(1,793)
Non-operating income		
Interest and dividend income	5,687	
Other income	680	6,367
Non-operating expense		
Interest expense	(5,355)	
Other expense	(3,027)	(8,382)
Ordinary loss		(3,808)
Extraordinary income		
Gain from sale of fixed assets	101	
Gain from sale of securities	2	
Gain on Sale of subsidiaries	3,755	
Reversal of environmental provision and asset retirement obligations	211	
Other extraordinary income	38	4,107
Extraordinary loss		
Loss on scrapping of fixed assets	(128)	
Loss on valuation of investments in securities	(2)	
Loss on valuation of investments in subsidiaries.	(71)	
Other extraordinary loss	(25)	(226)
Net profit before tax		73
Income tax: Current	(1,237)	
Income tax: Deferred	(323)	(1,560)
Net profit		1,633

Statement of Changes in Net Assets (for the period of 1 April 2021 to 31 March 2022)

(in JPY millions)

	Shareholders' equity										
	Capital stock	Capital surplus			Retained earnings					Treasury stock	Sub-Total
		Legal capital surplus	Other capital surplus	Sub-total	Legal earned surplus	Other retained earnings			Sub-total		
						Reserve for advanced depreciation	General reserve	Retained earnings carried forward			
Balance: as of 1 April 2021	116,643	44,965	108,499	153,464	6,377	1,232	24,977	8,150	40,736	(40)	310,803
Impact of adoption of new standards								(592)	(592)		(592)
At 1 April 2021 (after adjusted)	116,643	44,965	108,499	153,464	6,377	1,232	24,977	7,558	40,144	(40)	310,211
Changes during the period:											
Reversal of reserve for advanced depreciation						(408)		408			
Dividends								(1,950)	(1,950)		(1,950)
Net profit								1,632	1,632		1,632
Share-based compensation with restricted shares	24	24		24							48
Stock options	42	42		42							84
Acquisition of treasury stock										(1)	(1)
Net changes of items other than shareholders' equity											
Total changes during the period	66	66		66		(408)		90	(318)	(1)	(187)
Balance: as of 31 March 2022	116,709	45,031	108,499	153,530	6,377	824	24,977	7,648	39,826	(41)	310,024

	Valuation and translation adjustments		Stock subscription rights	Total net assets
	Deferred gains or losses on hedges	Sub-total		
Balance: as of 1 April 2021		347	556	311,706
Impact of adoption of new standards				(592)
At 1 April 2021 (after adjusted)		347	556	311,114
Changes during the period:				
Reversal of reserve for advanced depreciation				
Dividends				(1,950)
Net profit				1,632

Share-based compensation with restricted shares				48
Stock options				84
Acquisition of treasury stock				(1)
Net changes of items other than shareholders' equity	502	502	(84)	418
Total changes during the period	502	502	(84)	231
Balance: as of 31 March 2022	849	849	472	311,345

The following also attached to the Japanese original of this document (for reference only):

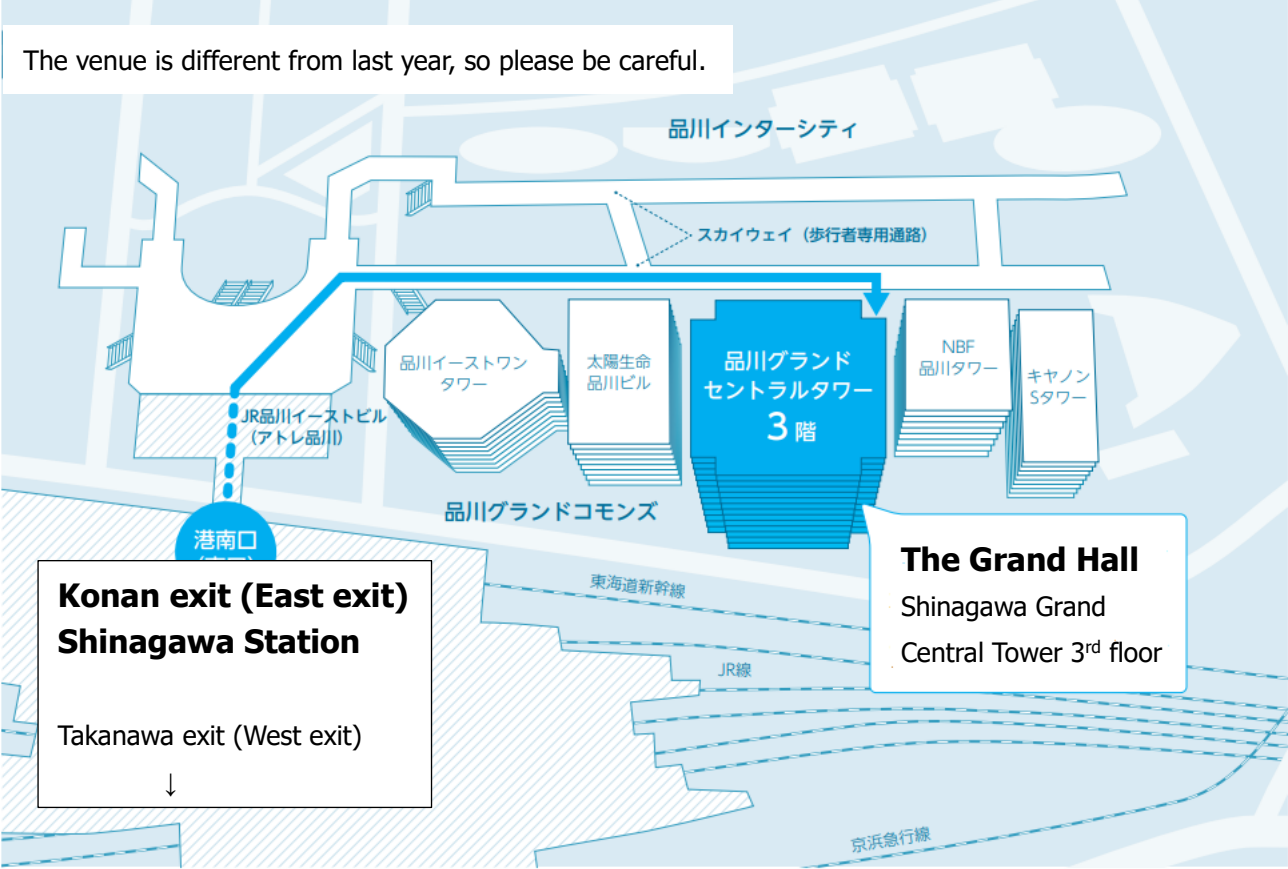
A. Conformed copy of the audit report of the Independent Accounting Auditor

- The related financial statements and its supplementary detail adequately representing the view of the assets and profits of the Company in all material respects.
- Absence of any notifiable interest between the Accounting Auditor and the Company

B. Conformed copy of the audit report of the Audit Committee

- Business Report
 - Business report and its supplementary detail correctly reflecting the position of the Company
 - Absence of unjust behaviour on the part of directors/executive officers or material facts in breach of law or Articles of Incorporation of the Company
 - Validity of the Board resolution re internal controls and absence of the matters to be notified in terms of business report or the performance of duties of directors/executive officers
- Confirming the validity of Accounting Auditor's manner of the audit and result re Consolidated financial statements
- Confirming the validity of Accounting Auditor's manner of the audit and results re financial statements and its supplementary detail (stand-alone basis)

Map of the Venue for the Ordinary General Meeting of Shareholders



Venue: Shinagawa Grand Central Tower 3rd floor, 16-4, Konan 2-Chome, Minato-ku, Tokyo
 Access: 5 minute-walk from JR Shinagawa Station, Konan exit (East exit)