

Extraordinary General Meeting of Shareholders

Nippon Sheet Glass Company, Limited

Matters to be resolved

Proposal 1:

Partial Amendments to the Articles of Incorporation

Pages 5 to 22 of the Convening Notice

[Summary]

- To add new provisions in relation to the Class A Shares as new class of shares of the Company
- To add some other amendments as necessary

Matters to be resolved

Proposal 2:

Issuance of Class A Shares through Third-Party Allotment

Pages 23 to 27 of the Convening Notice

[Summary]

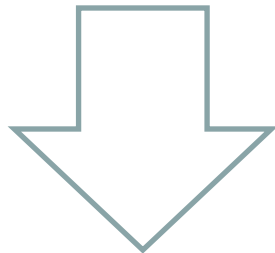
- Issuance of Class A Shares of JPY40 billion through third-party allotment
- To authorize the Company's Board to determine the definitive terms and conditions of the offer for subscription

Reasons for issuance of the Shares for Subscription through third-party allotment

May 2014

NSG Group Long-term Strategic Vision
Transforming itself into "VA Glass Company"

Medium-term Plan (MTP) (four-year period)
Start line of growth phase



Oct. 2016

- Operating profit steadily improving.
- Significant changes of our key growth driver's operating environment.
- Uneven speed of improvements between the regions.

Announced MTP Phase 2
three-year period from FY2018 to FY2020

Reasons for issuance of the Shares for Subscription through third-party allotment

MTP Phase 2 (FY2018–FY2020)

Four key measures

- **Drive VA NO.1 Strategy**
- **Establish Growth Drivers**
- **Business Culture Innovation**
- **Enhance Global Management**

Sufficient funds for capital expenditure

Stable financial base

It's essential for us to enhance and make our balance sheet capable of withstanding volatilities in the environment

it is necessary and appropriate for us to procure equity funding

Reasons for issuance of the Shares for Subscription through third-party allotment Investing in VA

- **Approx. half of JPY40 billion → Investing in VA**
- **capital expenditure < depreciation**
- **investments in VA will be made selectively**

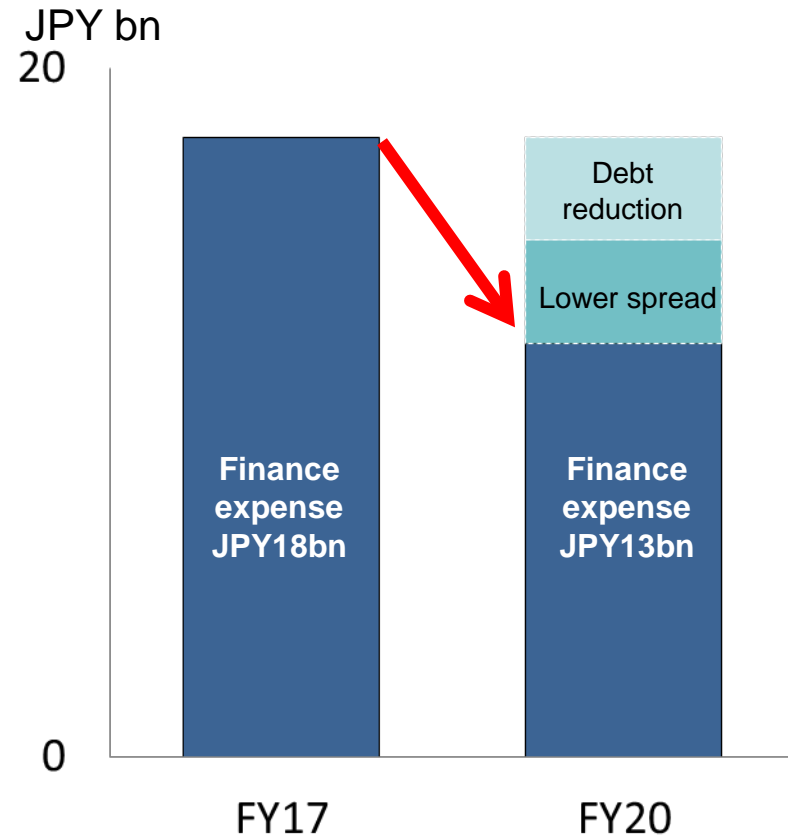


Approx. JPY20 billion will be invested in Investing in VA

Reasons for issuance of the Shares for Subscription through third-party allotment

Finance Expense Reduction

- Approx. half of JPY40 billion → Repayment of borrowing
- “reduction in interest-bearing debt”
“interest expense decrease”



※Finance expense includes costs and fees for retirement allowance

Establishment of a more robust financial position, achievement of financial sustainability, and to create a better long-term shareholder value

Reasons for issuance of the Shares for Subscription through third-party allotment

financing method

To restrain a dilution of common shares and stabilize our financial position

→ increase of capital through the issuance of class shares

Planned Allottees

- Japan Industrial Solutions Fund II
- UDS Corporate Mezzanine No.3 Limited Partnership
- UDS Corporate Mezzanine No.4 Limited Partnership

Reasons for issuance of the Shares for Subscription through third-party allotment

- **Restriction**

Until 30 June 2020, they cannot in principle exercise the right of request for acquisition for common shares.

- **Restrictions on transfer etc.**

Until 30 June 2020, they cannot carry out transfer of Class A Shares.

- **Conditions Precedent**

Obtaining the approvals of all of the proposals at this EGM.

- **Calculation grounds for amount to be paid in**

We obtained a valuation report from a third-party evaluation organ independent of the Company.

Reasons for issuance of the Shares for Subscription through third-party allotment

Voting rights of Class A Shares and Dilution

Voting rights None

Dilution maximum ratio = approx. 75%*

(*On the assumption that right of request for acquisition for common shares are exercised regarding all Class A Shares)

Reasons for issuance of the Shares for Subscription through third-party allotment

Grounds on which the Company determined that the size of share dilution is reasonable

- equity capital increase through this capital increase contributes to the stability of the Company's financial position;
- avoiding early dilution of common shares;
- upper limit on the Premium for Acquisition in Exchange for Common Shares, and acquisition price fixed in principle; and
- The Company is entitled to exercise call options for money any time on or after 1 April 2018

There are measures to lessen the potential impact of dilution on the existing shareholders.

Summary of T&Cs of shares offered for subscription

Amount (Number of shares)	JPY40 billion (40,000 shares)	
Capital Stock to be increased	JPY20 billion	
Legal Capital Surplus to be increased	JPY20 billion	
Payment date	31 March 2017	
Preferred dividend rate	2017/3/31 ~ 2018/3/31	4.5%
	2018/4/1 ~ 2020/3/31	5.5%
	After 2020/4/1	6.5%

Matters to be resolved

Proposal 3:

Reduction of Amount of Legal Capital Surplus

Page 28 of the Convening Notice

[Condition]

Approval of the Proposal 2 and the issuance of Class A Shares

[Summary]

Reduction of legal capital surplus (JPY100 billion) and transfer the same to other capital surplus

No change on our net assets, No impact on our operating results

Matters to be resolved

Proposal 4:

Election of One Director

Pages 29 of the Convening Notice

Yuji Takei (External director)

[Condition]

Approval of the Proposal 2 and the issuance of Class A Shares

[Assumption date]

1 April 2017 or such later date as may be otherwise determined by the Board

NSG

GROUP