

28 October 2016

## FY2017 QUARTER 2 RESULTS

(from 1 April 2016 to 30 September 2016)

- **Significant improvement in profitability and cash generation from the previous year**
- **Progress in execution of business initiatives, as value-added volumes increased across our businesses**
- **FY2017 revenues forecast revised, reflecting impact of strengthened yen**
- **The original MTP financial targets remain unchanged; the Group will designate the three years from FY2018 to FY2020 as "MTP Phase 2" to execute measures to achieve the target**

### **Significant increase in trading profitability and cash generation from previous year**

- Cumulative Group revenues of ¥ 289.8bn decreased from the previous year, due to the strengthened Japanese Yen (Q2 FY2016: ¥ 321.7bn)
- Trading profit, before amortization and exceptional items of ¥ 15.7bn, showed significant improvement from the previous year, supported by the recovery in European markets and lower input costs as well as a steady progress in "VA shift" (Q2 FY2016: ¥ 10.1bn)
- Architectural revenue ¥ 118.4bn (Q2 FY2016: ¥ 133.1bn) and profits of ¥ 13.4bn (Q2 FY2016: ¥ 9.1bn)
- Automotive revenue ¥ 147.9bn (Q2 FY2016: ¥ 162.4bn) and profits of ¥ 5.3bn (Q2 FY2016: ¥ 4.1bn)
- Technical Glass revenue ¥ 23.3bn (Q2 FY2016: ¥ 25.8bn) and profits of ¥ 0.5bn (Q2 FY2016: ¥ 0.2bn)
- Cash inflow before financing activities improved to ¥ 4.2bn (Q2 FY2016: ¥ 20.5bn outflow)

### **Progress in execution of business initiatives, as value-added volumes increased across our businesses**

- Increased value-added volumes improved profitability in Architectural Europe and North America

### **FY2017 revenues forecast revised, reflecting impact of strengthened yen**


- No changes in forecast of operating profit, profit before taxation, profit for the period, and profit attributable to owners of the parent

### **The original MTP financial targets remain unchanged; the Group will designate the three years from FY2018 to FY2020 as "MTP Phase 2" to execute measures to achieve the target**

- During "MTP Phase 2," the Group will drive the "VA No.1 Strategy", "Business Culture Innovation", "Establishment of Growth Drivers" and "Enhancement of Global Management" to achieve the MTP targets
- Drive for No.1 position in VA, including coated products and solar glass in Architectural, complex shaped automotive glass, and glanova®, glass cord and battery separators in Technical

Extract from NSG Group FY2017 Quarter 2 financial results presentation,  
28 October 2016

### Consolidated Income Statement




(JPY bn)	FY2016 Q2	FY2017 Q2	Change from FY2016
<b>Revenue</b>	<b>321.7</b>	<b>289.8</b>	-10% <sup>2</sup>
<b>Trading profit</b>	<b>10.1</b>	<b>15.7</b>	55% <sup>3</sup>
Amortization <sup>1</sup>	(4.0)	(2.2)	
<b>Operating profit</b>	<b>6.1</b>	<b>13.5</b>	
Exceptional items	(1.5)	6.4	
Finance expenses (net)	(8.8)	(9.3)	
Share of JVs and associates	(0.5)	0.3	
<b>Profit/(loss) before taxation</b>	<b>(4.7)</b>	<b>10.9</b>	
<b>Profit/(loss) for the period</b>	<b>(1.6)</b>	<b>5.1</b>	
<b>Profit/(loss) attributable to owners of the parent</b>	<b>(2.7)</b>	<b>4.2</b>	
EBITDA	27.1	30.0	11%

<sup>1</sup> Amortization arising from the acquisition of Pilkington plc only  
<sup>2</sup> Increase of 4% based on constant exchange rates  
<sup>3</sup> Increase of 92% based on constant exchange rates

**Profits improved despite foreign exchange movements**

28 October 2016 | FY2017 Quarter 2 Results

### Revised FY2017 Forecast



(JPY bn)	Original Forecast	New Forecast
<b>Revenue</b>	<b>620</b>	<b>570</b>
<b>Operating profit</b>	<b>31</b>	<b>31</b>
<b>Profit before taxation</b>	<b>15</b>	<b>15</b>
<b>Profit for the period</b>	<b>7</b>	<b>7</b>
<b>Profit attributable to owners of the parent</b>	<b>5</b>	<b>5</b>

**Revised revenue forecast reflecting foreign exchange movements**

28 October 2016 | FY2017 Quarter 2 Results