

1st Quarter Results of Financial Year ending 31 March 2024

- Revenue and OP increased, YoY. Higher sales prices and volumes improvement absorbed higher materials and other costs. Robust start also helped by reversals of previous impairments recorded following the disposal of Russian JV
- H1 and full-year forecasts revised upward reflecting weaker JPY and relatively better Q1 results
- Initiatives of 'Three Reforms' and 'Two Key Initiatives' progressing under the Mid-term management plan (RP24). Continue to promote 'Restoration of Financial Stability' in the final year of RP24. Shareholders' equity ratio recovered above 12%

1. 1st Quarter Results of Financial Year ending 31 March 2024

- Group revenue of JPY 208.0 bn (+30.0 bn, +16.9% YoY), and operating profit of JPY 14.6 bn (+6.3 bn, +76.4% YoY), both improved from the previous year. Revenue increased in all SBUs, OP increased in Architectural and Automotive. Positive sales prices and volumes absorbed higher materials, freight, labour and other costs leading to ROS improvement to 7%
- Finance expenses increased to JPY 6.4 bn while recording reversal of previous impairment of financial receivables owed by JVs of JPY 3.7 bn and reversal of previous impairment of investments of JPY 1.2 bn arising from the disposal by the Group's JV of its Russian subsidiaries. As a result, favourable start with net profit* of JPY 7.0 bn (+4.6 bn, approx. 3.0x YoY)
- Shareholders' equity ratio recovered to 12.4% (+2.2pt vs PY end)

< Consolidated Income Statement >

(JPY bn)	Q1 (3 months)		
	FY2023/3	FY2024/3	Change
Revenue	177.9	208.0	30.0
Operating profit	8.3	14.6	6.3
ROS: Return on sales	4.6%	7.0%	+2.4pt
Exceptional items (net)	2.3	(0.8)	(3.1)
Operating profit/(loss) after exceptional items	10.6	13.8	3.2
Finance expenses (net)	(2.8)	(6.4)	(3.6)
Reversal of previous impairment of financial receivables owed by JVs and associates	-	3.7	3.7
Share of JVs and associates' profits	2.2	1.0	(1.3)
Other gains/(losses) on equity method investments	(1.2)	1.1	2.4
Profit/(loss) before taxation	8.8	13.3	4.5
Profit/(loss) for the period	3.3	7.5	4.3
Net profit/(loss) *	2.4	7.0	4.6
EBITDA	18.0	25.3	7.3
Free Cash Flow	(12.9)	(31.6)	(18.7)

*Profit/(loss) attributable to owners of the parent

(JPY bn)	31 March 2023	30 June 2023	Change
Total Assets	951.4	1,000.0	48.6
Shareholders' equity	97.0	124.5	27.4
Shareholders' Equity Ratio	10.2%	12.4%	+2.2pt

<Business Results>

Architectural Glass	Revenue increased due to solid demand continuing across most regions. Continuous OP improvement with sales prices and volumes increase mitigating materials and other costs rise. Robust demand continued for solar energy glass
Automotive Glass	Revenue and OP improved in all regions. Sales volumes increased with an ease of constrained vehicle build. Sales prices improved reflecting further progress in price improvement to mitigate the impact of materials and other costs rise
Technical Glass	Revenue flat, though OP decrease due to materials and other costs rise together with a worse sales mix

(JPY bn)	Q1		
	FY2023/3	FY2024/3	Change
Revenue			
Architectural Glass	85.6	95.8	10.1
Automotive Glass	81.6	100.9	19.3
Technical Glass	9.9	10.0	0.0
Other	0.8	1.3	0.5
Total Revenue	177.9	208.0	30.0
Operating profit			
Architectural Glass	8.9	11.9	3.0
Automotive Glass	(0.7)	3.2	3.9
Technical Glass	3.2	2.1	(1.1)
Other	(3.1)	(2.7)	0.5
Total Operating profit	8.3	14.6	6.3

2. Forecast for Financial Year ending March 2024

- H1 and full-year forecasts revised upward reflecting weaker JPY than assumed initially and Q1 results
- One-off non-operating gain recorded due to disposal of JV business in Russia
- Stable energy costs assumed while continuous material costs and other costs increase with worldwide inflation trend. Uncertain business environment with potential recession and increase in finance expenses caused by rising interest rates are anticipated
- Focusing on profitability improvement through continuous cost reduction, expansion of VA products and price increase across the whole Group in the last year of RP24

<Forecast for Financial Year ending March 2024>

(JPY bn)	FY2024/3 Forecast (Previous)		FY2024/3 Forecast (Revised)		Change		FY2023/3 Full-year Act (Reference)
	H1	Full-year	H1	Full-year	H1	Full-year	
Revenue	370.0	760.0	420.0	840.0	50.0	80.0	763.5
Operating profit	14.0	30.0	19.0	35.0	5.0	5.0	34.8
Exceptional items (net)	1.0	1.0	0.0	0.0	(1.0)	(1.0)	(45.2)
Operating profit/(loss) after exceptional items	15.0	31.0	19.0	35.0	4.0	4.0	(10.3)
Finance expenses (net)	(11.0)	(22.0)	(13.0)	(26.0)	(2.0)	(4.0)	(17.4)
Reversal of previous impairment of financial receivables owed by JVs and associates	-	-	4.0	4.0	4.0	4.0	-
Share of JVs and associates' profits			2.0	6.0			7.3
Other gains/(losses) on equity method investments	3.0	7.0	1.0	1.0	0.0	0.0	(1.5)
Profit/(loss) before taxation	7.0	16.0	13.0	20.0	6.0	4.0	(21.9)
Profit/(loss) for the period	4.0	9.0	9.0	13.0	5.0	4.0	(31.0)
Net profit/(loss) *	3.0	7.0	8.0	11.0	5.0	4.0	(33.8)

*Profit/(loss) attributable to owners of the parent


3. Update of Transformation Initiatives under Revival Plan 24

Transformation Initiatives under Revival Plan 24


Continued RP24 initiatives to create business structure for sustainable growth

Three Reforms

- **Cost structure reform**
 - Continued focus on cost savings underpinning improvement in margin
- **Business structure reform**
 - 2nd new float furnace in Argentina contributing to profit
 - Good progress of construction to install online coating capacity for solar energy glass to an existing float furnace in Malaysia (Planning start of production from FY2024/3 Q3)
 - New capacity expansion for solar energy glass under consideration in USA
 - Investment in Sustainable Glassmaking in UK; producing rolled glass and float glass from one furnace
- **Corporate culture reform**
 - New CEO from April 1st accelerating the promotion of the reform with a philosophy of '4F' (Flat organization, Frank communication, Fast decision making, and Fun at workplace), taking the top-down initiative in embodying 'Leadership behavior Charter'



Greengate site (UK) where rolled glass and float glass capacities being integrated



New CEO explaining '4F' at a town hall meeting

9 August 2023 | 2024/3 Q1 Results Presentation | RP24: https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtrpr24presentation2021_e02.pdf

Transformation Initiatives under Revival Plan 24

Continue to promote 'Restoration of Financial Stability' in the final year of RP24

Two Key Initiatives

- **Restoration of financial stability**
 - Return on sales: recovered to 7% with cost reduction effort, expansion of VA sales and sales price improvements despite material costs hike
 - Net profit: JPY 70 bn due to solid Q1 results including recognition of impairment reversal by disposal of JV
 - Shareholders' equity ratio: improved to 12.4% by 2.2pt from the previous year which is above the target of 10%
 - FCF: inflow without seasonal working capital movement, aiming to achieve RP24 target above JPY 10 bn in full-year
- **Transformation into more profitable business portfolio**
 - Completion of Russian JV disposal

9 August 2023 | 2024/3 Q1 Results Presentation | RP24: https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtrpr24presentation2021_e02.pdf

For enquiries:

Public Relations: +81-3-5443-0100