FY 2026 2nd Quarter Consolidated Financial Results <IFRS>

6 November 2025

(English translation of the Japanese original)

Listed Company Name:	Nippon Sheet Glass Company, Limited	Stock Exchange Listing:	Tokyo
Code Number:	5202	(URL: http://www.nsg.com)	
Representative:	Representative Executive Officer, President and CEO	Name:	Munehiro Hosonuma
Inquiries to:	General Manager, Investor Relations	Name:	Hiroyuki Genkai Tel: +81 3 5443 9522
Submission of semi-annual report to MOF:	10 November 2025	Payment of dividends start from:	N/A
Quarterly result presentation papers:	Yes		
Quarterly result presentation meeting:	Yes (Teleconference for institutional investors)		

1. Consolidated business results for FY 2026 2nd Quarter (From 1 April to 30 September 2025)

(1) Consolidated business results

	Revenue		Operating profit		Profit before taxation		Profit/(loss) for the period		Profit/(loss) attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
2Q FY 2026	420,753	(0.4)	11,995	17.3	401	160.4	(3,360)	–	(4,220)	–	(10,578)	–
2Q FY 2025	422,437	0.5	10,229	(60.7)	154	(99.2)	(3,396)	–	(3,867)	–	(24,777)	–

	Earnings per share - basic
2Q FY 2026	¥(55.29)
2Q FY 2025	¥(53.18)

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

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio
	¥ millions	¥ millions	¥ millions	%
FY 2026 2nd Quarter	1,019,869	134,359	106,087	10.4
FY 2025 Full year	1,032,931	142,411	108,065	10.5

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
FY 2025 (Actual)	–	¥0.00	–	¥0.00	¥0.00
FY 2026 (Actual)	–	¥0.00			
FY 2026 (Forecast)			–	¥0.00	¥0.00

Note:
- There have been no changes to the forecast dividends this quarter.
- The above table shows dividends on common shares. Please refer to "(Reference) Dividends for Class A Shares" for information regarding dividends on Class A shares, which are unlisted and have different rights from common shares.

3. Forecast for FY 2026 (From 1 April 2025 to 31 March 2026)

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Earnings per share - basic
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Full year	850,000	1.1	31,000	88.0	11,000	-	4,000	-	2,000	-	0.55

Note:
- There have not been changes to the forecast results this quarter.
- Forecast of basic earnings per share for FY2026 is calculated by dividing the profit attributable to owners of the parent after deducting preferred dividends for Class A shares (a rate of 6.5% per annum applied to the outstanding balance at 31 March 2026), by 91,128,277 shares which is the number of ordinary shares issued at 31 March 2025, reduced by the number of treasury stock and restricted shares (375,100 shares).
- For details, please refer to the slides on FY2026 forecast in FY2026 2nd Quarter Results presentation.

4. Other items

(1) Changes in status of principle subsidiaries --- No

(2) Changes implemented to the accounting policies, practice and presentations related to the preparation of quarterly consolidated financial statements

(i) Changes due to revisions in accounting standards under IFRS --- No

(ii) Changes due to other reasons --- No

(iii) Changes in accounting estimates --- No

(3) Numbers of shares outstanding (common stock)

(i) Number of shares issued at the end of the period, including shares held as treasury stock:
96,566,022 shares as of 30 September 2025 and 91,538,599 shares as at 31 March 2025

(ii) Number of shares held as treasury stock at the end of the period:
36,139 shares as at 30 September 2025 and 35,222 shares as at 31 March 2025

(iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
92,298,452 shares for the period ending 30 September 2025 and 91,110,134 shares for the period ending 30 September 2024

Status of review procedures taken by external auditors for the semi -annual financial results

This document (Tanshin) is out of scope for review by the external auditors.

Explanation for the appropriate usage of performance projections and other special items

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results include but are not limited to the economic and competitive environment in major markets, product supply and demand shifts, currency exchange and interest rate fluctuations, changes in supply of raw materials and fuel and changes and laws and regulations.

(For Reference) Dividends for Class A Shares

Dividends per share related to Class A Shares with different rights from those of common shares are as follows.

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Class A Shares					
FY2025 (Actual)	—	¥0.00	—	¥65,000.00	¥65,000.00
FY2026 (Actual)	—	¥0.00			
FY2026 (Forecast)				¥65,000.00	¥65,000.00

Note: The number of Class A Shares in issue is 27,084 shares as of 30 September 2025. The number of Class A Shares in issue is 30,000 Class A Shares at 30 June 2025, but the Company acquired and subsequently retired 2,916 Class A Shares during 2Q FY2026 due to the exercise of the right to request acquisition of the Class A Shares in exchange for Common Shares. Based on the number of Class A shares as of the end of 2Q, the forecast of dividends for Class A shares with dividend record dates in FY2026 is ¥1,760 million.In addition, between 1 October 2025 and 6 November 2025, there was a request for the acquisition of the Class A Shares in exchange for Common Shares, the Company acquired and retired 1,776 Class A shares.

[Attachments]

Table of contents in the attachments (including mandatory disclosure items)

1. Narratives about financial results

(1) Business Performance

(a) Background to Results

Market conditions were stable across most of the Group's markets during the second quarter. Prices continued to recover in European Architectural markets following capacity reductions made during the previous year, although volumes were lackluster. Activity also continued to be at a low level across other Architectural regional markets. Automotive markets were also challenging, with volumes being flat or slightly reduced across most regions, although volumes strengthened further in South America. Technical glass markets were mixed.

Cumulative Group revenues of ¥ 420,753 million (2Q FY2025 ¥ 422,437 million), were similar to the previous year, with a decline in the Architectural and Technical Glass business being offset by an increase in the Automotive business. Operating profits increased to ¥ 11,995 million (2Q FY2025 ¥ 10,229 million), with the improvement arising mainly in the Architectural business in Europe. Exceptional items amounted to a net charge of ¥ 573 million (2Q FY2025: net charge of ¥ 40 million). Net financial expenses increased to ¥ 13,548 million (2Q FY2025 ¥ 12,563 million) and the Group's share of the post-tax profit of joint ventures and associates improved to ¥ 2,888 million (2Q FY2025: ¥ 2,528 million). The taxation charge of ¥ 3,761 million (2Q FY2025 ¥ 3,550 million) is calculated based on the effective rate expected for the full-year and also includes a one-off increase in tax provisions. The Group recorded a loss attributable to owners of the parent of ¥ 4,220 million (2Q FY2025 loss of ¥ 3,867 million).

(b) Review by Business Segment

The Group's business lines cover three core product sectors: Architectural, Automotive, and Technical Glass.

Architectural, representing 42 percent of cumulative revenues, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

Automotive, with 53 percent of cumulative revenues, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 5 percent of cumulative revenues, comprises several discrete businesses, including the manufacture and sale of very thin glass used as cover glass for displays, lenses and light guides for printers, and glass fiber components for engine timing belts.

Other operations include 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.

The table below shows a summary of cumulative results by business segment.

¥ millions	Revenue		Operating profit/(loss)	
	2nd Quarter FY 2026	**2nd Quarter FY 2025**	**2nd Quarter FY 2026**	**2nd Quarter FY 2025**
Architectural	177,674	179,968	11,817	6,658
Automotive	221,193	217,305	3,504	3,496
Technical Glass	21,596	24,719	2,339	3,907
Other Operations	290	445	(5,665)	(3,832)
Total	420,753	422,437	11,995	10,229

Architectural Business

The Architectural business recorded revenues of ¥ 177,674 million (2Q FY2025: ¥ 179,968 million) and an operating profit of ¥ 11,817 million (2Q FY2025: ¥ 6,658 million).

Architectural profits improved from the previous year due to increased prices, especially in Europe.

In Europe, representing 39 percent of the Group’s architectural sales, revenues were above the previous year. Market prices increased, leading to an improvement in profitability. Costs savings continued to be realized following plant closures during the previous year.

In Asia, representing 29 percent of the Group’s architectural sales, revenues and profits were below the previous year. Volumes declined as markets remain challenging across in Japan and demand for solar energy glass decreased due to customer production adjustments arising from US tariff policy. On 9 June 2025 the Group announced the disposal of its equity interest in Vietnam Float Glass Co., Ltd, a company manufacturing float glass for Architectural markets in Vietnam.

In the Americas, representing 32 percent of the Group’s architectural sales, profits were below the previous year. In North America, commercial markets continued to be at a low level. Demand improved moderately in South America.

Automotive Business

The Automotive business recorded revenues of ¥ 221,193 million (2Q FY2025: ¥ 217,305 million) and an operating profit of ¥ 3,504 million (2Q FY2025: ¥ 3,496 million).

In Europe representing 42 percent of the Group's automotive sales, revenues and profitability improved modestly from the previous year. Vehicle sales across Western Europe remain at a low level and similar to the previous year.

In Asia, representing 18 percent of the Group's automotive sales, revenues and profits also declined somewhat from the previous year. Volumes in Japan reflected an improvement in domestic markets offset by reduced volumes of glass for vehicles to be exported.

In the Americas, representing 40 percent of the Group's automotive sales, profits improved from the previous year. Sales volumes strengthened in South America, and profits further benefitted from improving prices in North American glass replacement markets.

Technical Glass Business

The Technical Glass business recorded revenues of ¥ 21,596 million (2Q FY2025: ¥ 24,719 million) and an operating profit of ¥ 2,339 million (2Q FY2025: ¥ 3,907 million).

Technical Glass revenues and profits fell from the previous year. Volumes in the Information Devices business were impacted by subdued demand for printers and scanners. In the Fine Glass business, sales mix was impacted by some products whose sales will be carried over to the second half. These negative factors were partly offset by strong demand for glass cord in the Functional Products business.

Joint Ventures and Associates

The Group's share of the post-tax profit of joint ventures and associates improved to ¥ 2,888 million (2Q FY2025: ¥ 2,528 million) due to improved profitability at Cebrace, the Groups architectural joint venture in Brazil. Other gains/(losses) on equity method investments amounted to a charge of ¥ 361 million (2Q FY2025: ¥ nil) representing the elimination of gains on transactions with affiliates.

(2) Overview about financial condition

Total assets at the end of September 2025 were ¥ 1,019,869 million, representing a decrease of ¥ 13,062 million from the end of March 2025. Total equity was ¥ 134,359 million, representing a decrease of ¥ 8,052 million from the March 2025 figure of ¥ 142,411 million. The decrease in total equity was largely due to foreign exchange movements, partly offset by the IAS29 inflationary uplift of asset values in Argentina.

Net financial indebtedness increased by ¥ 37,456 million from 31 March 2025 to ¥ 491,715 million at the period end. The increase in indebtedness arose largely from seasonal working capital movements and also foreign exchange movements. Foreign exchange movements generated an increase in net indebtedness of ¥ 9,950 million. Gross debt was ¥ 537,919 million at the period end.

Cash outflows from operating activities were ¥ 2,425 million. Cash outflows from investing activities were ¥ 17,144 million, including capital expenditure on property, plant, and equipment of ¥ 22,861 million. As a result, free cash flow was an outflow of ¥ 19,569 million (2Q FY2025 free cash outflow of ¥ 28,645 million).

(3) Prospects

The Group’s forecast for the financial year FY2026 is shown on page 2 and is unchanged from that originally issued on 9 May 2025.

NSG Group has set out its new medium-term plan, "2030 Vision: Shift the Phase", for a six-year- period from FY2025 to FY2030 aiming to drive forward reforms aligned with transitioning to the next phase of its development and positioning the Group as a vital contributor to the development of a sustainable society.

The Group has established a set of key financial metrics as targets for the period to FY2027, representing an interim stage on its journey towards achieving its 2030 Medium-Term Plan.

Profitability (P/L)	Operating profit	¥ 64.0 billion
	Return on sales	7%
Cash Generation (C/F)	Free cash flow	¥ 27.0 billion
Stabilization of Financial Status (B/S)	Interest-Bearing Debt	¥ 442.0 billion
	Shareholders’ equity ratio	15%

The Group aims to achieve its Medium-Term Plan targets through four strategic pillars:

•Business Development – to strengthen new products and business development efforts,

•Decarbonization – as part of the Group’s contribution to societal decarbonization,

•Digital transformation – through high-value operations utilizing digital technologies to their full extent,

•Diverse talent - In order to realize a truly diverse and inclusive team that brings about the phase shift the Group needs.

2. Consolidated financial statements and their notes

(1) (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**2nd Quarter FY 2026 For the period 1 April to 30 September 2025**	2nd Quarter FY 2025 For the period 1 April to 30 September 2024
Revenue	(5)-(c)	**420,753**	422,437
Cost of sales		**(328,829)**	(337,296)
Gross profit		**91,924**	85,141
Other income		**1,445**	479
Distribution costs		**(35,803)**	(33,832)
Administrative expenses		**(42,463)**	(38,933)
Other expenses		**(3,108)**	(2,626)
Operating profit	(5)-(c)	**11,995**	10,229
Exceptional items ― gains	(5)-(d)	**1,875**	344
Exceptional items ― losses	(5)-(d)	**(2,448)**	(384)
Operating profit after exceptional items		**11,422**	10,189
Finance income	(5)-(e)	**2,328**	1,953
Finance expenses	(5)-(e)	**(15,876)**	(14,516)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**2,888**	2,528
Other (losses) on equity method investments		**(361)**	―
Profit before taxation		**401**	154
Taxation	(5)-(f)	**(3,761)**	(3,550)
(Loss) for the period		**(3,360)**	(3,396)
Profit attributable to non-controlling interests		**860**	471
(Loss) attributable to owners of the parent		**(4,220)**	(3,867)
		(3,360)	(3,396)
Earnings per share attributable to owners of the parent			
Basic	(5)-(g)	**(55.29)**	(53.18)
Diluted	(5)-(g)	**(55.29)**	(53.18)

(1) (b) Condensed quarterly consolidated statement of comprehensive income

¥ millions

	2nd Quarter FY 2026 For the period 1 April to 30 September 2025	2nd Quarter FY 2025 For the period 1 April to 30 September 2024
(Loss) for the period	**(3,360)**	(3,396)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Re-measurement of retirement benefit obligations (net of taxation)	**(1,527)**	(279)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)	**4,502**	1,297
Sub total	**2,975**	1,018
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	**(11,171)**	(21,426)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)	**2,316**	73
Cash flow hedges:		
－ fair value gains (net of taxation)	**(1,338)**	(1,046)
Sub total	**(10,193)**	(22,399)
Total other comprehensive income for the period (net of taxation)	**(7,218)**	(21,381)
Total comprehensive income for the period	**(10,578)**	(24,777)
Attributable to non-controlling interests	**(6,429)**	(3,693)
Attributable to owners of the parent	**(4,149)**	(21,084)
	(10,578)	(24,777)

(2) Condensed quarterly consolidated balance sheet

¥ millions

	2nd Quarter FY 2026 as at 30 September 2025	FY 2025 as at 31 March 2025
ASSETS		
Non-current assets		
Goodwill	**85,392**	82,134
Intangible assets	**50,739**	48,066
Property, plant, and equipment	**447,871**	453,166
Investment property	**102**	134
Investments accounted for using the equity method	**28,074**	25,524
Retirement benefit asset	**29,827**	29,367
Contract assets	**262**	323
Trade and other receivables	**6,651**	6,571
Financial assets:		
− Assets held at Fair Value through Other Comprehensive Income	**24,178**	23,689
− Derivative financial instruments	**2,573**	3,393
Deferred tax assets	**37,154**	37,393
	712,823	709,760
Current assets		
Inventories	**175,225**	164,503
Contract assets	**1,635**	1,015
Trade and other receivables	**84,406**	86,367
Financial assets:		
− Derivative financial instruments	**1,451**	1,867
Cash and cash equivalents	**42,181**	65,311
	304,898	319,063
Assets held for sale	**2,148**	4,108
	307,046	323,171
Total assets	**1,019,869**	1,032,931

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	2nd Quarter FY 2026 as at 30 September 2025	FY 2025 as at 31 March 2025
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
— Borrowings	**181,971**	177,012
— Derivative financial instruments	**1,666**	787
Trade and other payables	**173,501**	190,193
Contract liabilities	**18,738**	20,561
Provisions	**17,589**	19,155
Deferred income	**387**	447
	393,852	408,155
Liabilities related to assets held for sale	**—**	1,283
	393,852	409,438
Non-current liabilities		
Financial liabilities:		
— Borrowings	**353,209**	345,713
— Derivative financial instruments	**1,073**	1,318
Trade and other payables	**4,440**	4,604
Contract liabilities	**40,856**	40,074
Deferred tax liabilities	**21,831**	21,589
Retirement benefit obligations	**45,590**	44,974
Provisions	**20,748**	18,890
Deferred income	**3,911**	3,920
	491,658	481,082
Total liabilities	**885,510**	890,520
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,913**	116,892
Capital surplus	**155,854**	155,853
Retained earnings	**(63,878)**	(60,280)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(34,754)**	(36,352)
Total shareholders' equity	**106,087**	108,065
Non-controlling interests	**28,272**	34,346
Total equity	**134,359**	142,411
Total liabilities and equity	**1,019,869**	1,032,931

(3) Condensed quarterly consolidated statement of changes in equity

¥ millions

2nd Quarter FY 2026	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2025	116,892	155,853	(60,280)	(68,048)	(36,352)	**108,065**	34,346	**142,411**
Total Comprehensive Income	—	—	(5,747)	—	1,598	**(4,149)**	(6,429)	**(10,578)**
Hyperinflation adjustment	—	—	4,099	—	—	**4,099**	3,151	**7,250**
Dividends paid	—	—	(1,950)	—	—	**(1,950)**	(1,962)	**(3,912)**
Share-based compensation with restricted shares	21	1	—	—	—	**22**	—	**22**
Changes due to loss of control of subsidiaries	—	—	—	—	—	**-**	(834)	**(834)**
At 30 September 2025	**116,913**	**155,854**	**(63,878)**	**(68,048)**	**(34,754)**	**106,087**	**28,272**	**134,359**

¥ millions

2nd Quarter FY 2025	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2024	116,853	155,840	(56,882)	(68,048)	(23,488)	**124,275**	29,563	**153,838**
Total Comprehensive Income	—	—	(4,146)	—	(16,938)	**(21,084)**	(3,693)	**(24,777)**
Hyperinflation adjustment	—	—	8,074	—	—	**8,074**	6,812	**14,886**
Dividends paid	—	—	(1,950)	—	—	**(1,950)**	(447)	**(2,397)**
Share-based compensation with restricted shares	24	1	—	—	—	**25**	—	**25**
Stock options	13	13	—	—	(26)	**-**	—	**-**
Equity transaction with non-controlling interests	—	(27)	—	—	—	**(27)**	(203)	**(230)**
At 30 September 2024	**116,890**	**155,827**	**(54,904)**	**(68,048)**	**(40,452)**	**109,313**	**32,032**	**141,345**

(4) Condensed quarterly consolidated statement of cash flow

¥ millions

	Note	**2nd Quarter For the period 1 April to 30 September 2025**	2nd Quarter For the period 1 April to 30 September 2024
Cash flows from operating activities			
Cash flows generated from operations	(5)-(j)	**12,196**	10,407
Interest paid		**(13,626)**	(11,204)
Interest received		**1,732**	1,531
Tax paid		**(2,727)**	(4,540)
Net cash (out)/inflows from operating activities		**(2,425)**	(3,806)
Cash flows from investing activities			
Dividends received from joint ventures and associates		**1,111**	349
Proceeds on disposal of joint ventures and associates		—	135
Proceeds on disposal of subsidiaries and businesses(net of cash disposed)		**1,547**	—
Purchases of property, plant and equipment		**(22,861)**	(23,520)
Proceeds on disposal of property, plant and equipment		**765**	389
Purchases of intangible assets		**(1,985)**	(2,348)
Proceeds on disposal of intangible assets		**2**	1
Purchase of assets held at FVOCI		**(9)**	(8)
Proceeds on disposal of assets held at FVOCI		**4,719**	201
Loans advanced to joint ventures, associates and third parties		**(447)**	(74)
Loans repaid from joint ventures, associates and third parties		—	36
Other items		**14**	—
Net cash outflows from investing activities		**(17,144)**	(24,839)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(1,950)**	(1,950)
Dividends paid to non-controlling interests		**(988)**	(412)
Repayment of borrowings		**(31,283)**	(50,592)
Proceeds from borrowings		**31,391**	84,302
Capital contribution for non-controlling interests		—	(230)
Net cash in flows from financing activities		**(2,830)**	31,118
(Decrease)/increase in cash and cash equivalents (net of bank overdrafts)		**(22,399)**	2,473
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(5)-(k)	**62,978**	44,278
Effect of foreign exchange rate changes		**(690)**	(2,548)
Hyperinflation adjustment	(5)-(l)	**1,038**	1,798
Cash and cash equivalents (net of bank overdrafts) at end of period	(5)-(k)	**40,927**	46,001

(5) Notes to the condensed quarterly consolidated financial statements

(a) Notes regarding going concern

There were no issues or events arising during the period, which negatively affect the ability of the Group to continue as a going concern.

(b) Accounting policies, critical accounting estimates and assumptions

The principal accounting policies applied to the consolidated financial statements for the period to 30 September 2025 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2025.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not usually be equal to the eventual actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

In each case, unexpected changes in estimates and assumptions could cause a material change in balance sheet assets and liabilities, particularly in the areas noted below.

When assessing the recoverability of certain balance sheet assets such as goodwill and other intangible assets arising on consolidation, the Group compares the value-in-use of the Group's identified Cash Generating Units (CGUs) with the accounting value of assets within each CGU. The value-in-use for this purpose is considered to be the capitalized current value of the future cash flows of each CGU as calculated by discounting the projected future operating cash flows of each cash-generating unit, using an appropriate discount rate. The choice of discount rate is therefore a key determinant in assessing the value-in-use, and is calculated based on prevailing conditions in bond and equity markets. In certain circumstances the Group may consider that the fair value less cost to sell approach will provide a more reliable methodology for assessing the value of a CGU. This could be the case even where the Group has no current intention of disposing of that CGU. This approach may be considered more reliable in the event that prevailing discount rates do not reasonably represent the specific risk factors related to a CGU.

Sales volumes are a key input into expectations of future trading conditions and, consequently, cash flows. Sales prices and input costs are also important factors. Many of the Group's markets are sensitive to general levels of consumer confidence and economic activity, which have been negatively affected by political uncertainty and sustained levels of raised interest rates in many regions.

During FY2026 the Group expects interest rates to gradually reduce which may benefit consumer sentiment. The Group notes the impact of raised tariffs imposed by the U.S. government. Tariff rates could be further changed, either in response to trade agreements or retaliatory measures announced by other countries. The Group intends to mitigate this impact by passing on any increased costs to its customers where possible. In addition, the Group may benefit from an improved relative cost-base in circumstances where competitors have a greater exposure to the raised tariffs. Increased tariffs may lead to higher prices of new vehicles in the U.S, and therefore negatively affect the Group's production volumes in North America. Exports of vehicles to the U.S. from Japan and Europe may also reduce, leading to lower volumes for the Group across those regions.

The recoverability of long-term investments in joint ventures, including loans receivable, is based on the current and expected future trading environment. The expected future trading environment is assessed using reasonable estimates of possible future trading conditions. Where relevant, the Group will also consider the existence of legal restrictions that may prevent the payment of dividends or interest, or repayment of debt by the joint venture when assessing the recoverability of such investments. In addition, the Group would also consider any projected corporate restructurings or other similar transactions that the joint venture may enter, but only in circumstances where the Group considers there is a satisfactory level of confidence that such a transaction will be completed.

(c) Segmental information

The Group is organized on a worldwide basis into the following principal primary operating segments.

The Architectural segment engages in the manufacturing and sale of flat glass and various interior and exterior glazing products within commercial and residential markets. It also includes glass for the solar energy sector.

The Automotive segment supplies a wide range of automotive glazing for new vehicles and for replacement markets.

The Technical Glass segment comprises a number of discrete businesses, including the manufacture and sale of very thin glass used as cover glass for displays, lenses and light guides for printers, and glass fiber components for engine timing belts.

The Other segment covers corporate costs, certain small businesses not included in the segments covered above, and consolidation adjustments including amortization and impairment costs recorded with respect to goodwill and intangible assets related to the acquisition of Pilkington plc.

External revenue is disaggregated into three categories; Europe, Asia which includes Japan, and Americas which comprises of North and South Americas.

The Group's revenues comprise sales of glass recognized at a point in time and sales of services recognized over time.

The amortization arising from the acquisition of Pilkington plc was ¥ 78 million in FY2026 Q2 (FY2025 Q2: ¥81 million).

The segmental results for the second quarter to 30 September 2025 were as follows:

¥ millions

2nd Quarter FY 2026 For the period 1 April 2025 to 30 September 2025	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	**193,965**	**221,276**	**22,272**	**776**	**438,289**
Inter-segmental revenue	**(16,291)**	**(83)**	**(676)**	**(486)**	**(17,536)**
External revenue	**177,674**	**221,193**	**21,596**	**290**	**420,753**
Disaggregation of external revenue by geographical regions:					
Europe	**68,580**	**91,891**	**5,626**	**78**	**166,175**
Asia	**50,836**	**39,256**	**15,217**	**212**	**105,521**
Americas	**58,258**	**90,046**	**753**	**-**	**149,057**
Operating profit/(loss)	**11,817**	**3,504**	**2,339**	**(5,665)**	**11,995**
Exceptional items - gains	**1,845**	**-**	**30**	**-**	**1,875**
Exceptional items - losses	**(162)**	**(81)**	**(5)**	**(2,200)**	**(2,448)**
Operating profit after exceptional items					**11,422**
Finance costs - net					**(13,548)**
Share of post-tax profit from joint ventures and associates					**2,888**
Other (losses) on equity method investments					**(361)**
Profit before taxation					**401**
Taxation					**(3,761)**
(Loss) for the period from continuing operations					**(3,360)**

(c) Segmental information continued

The segmental results for the second quarter to 30 September 2024 were as follows:

¥ millions

2nd Quarter FY 2025 For the period 1 April 2024 to 30 September 2024	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	196,003	217,436	25,555	1,058	440,052
Inter-segmental revenue	(16,035)	(131)	(836)	(613)	(17,615)
External revenue	179,968	217,305	24,719	445	422,437
Disaggregation of external revenue by geographical regions:					
Europe	65,412	89,232	5,153	64	159,861
Asia	57,399	39,917	18,591	381	116,288
Americas	57,157	88,156	975	-	146,288
Operating profit/(loss)	6,658	3,496	3,907	(3,832)	10,229
Exceptional items - gains	313	-	-	31	344
Exceptional items - losses	(89)	(160)	-	(135)	(384)
Operating profit after exceptional items					10,189
Finance costs - net					(12,563)
Share of post-tax profit from joint ventures and associates					2,528
Profit before taxation					154
Taxation					(3,550)
(Loss) for the period from continuing operations					(3,396)

The segmental assets at 30 September 2025 and capital expenditure for the second quarter ended 30 September 2025 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	**249,912**	**196,416**	**33,636**	**10,723**	**490,687**
Capital expenditure (including intangibles)	**7,362**	**7,405**	**1,164**	**190**	**16,121**

The segmental assets at 30 September 2024 and capital expenditure for the second quarter ended 30 September 2024 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	260,616	208,661	34,280	5,120	508,677
Capital expenditure (including intangibles)	12,565	7,554	591	294	21,004

Net trading assets consist of property, plant and equipment, investment property, intangible assets excluding those arising from a business combination, inventories, trade and other receivables and trade and other payables, contract assets and liabilities.

Capital expenditure comprises additions to property, plant, and equipment (owned) and intangible assets.

(d) Exceptional items

¥ millions

	2nd Quarter FY 2026 For the period 1 April to 30 September 2025	2nd Quarter FY 2025 For the period 1 April to 30 September 2024
Exceptional items ー gains:		
Gain on disposal of subsidiaries and businesses (a)	**1,770**	―
Reversal of impairment of non-current assets (b)	**105**	13
Gain on disposal of non-current assets (c)	―	300
Settlement of litigation matters (d)	―	31
	1,875	344
Exceptional items ー losses:		
Recycling of loss on disposal of assets held at Fair Value through Other Comprehensive Income (e)	**(2,200)**	―
Restructuring costs, including employee termination payments (f)	**(194)**	(259)
Settlement of litigation matters (d)	**(54)**	(49)
Impairment of non-current assets (g)	―	(67)
Others	―	(9)
	(2,448)	(384)
	(573)	(40)

(a) The gain on disposal of subsidiaries and businesses primarily relates to the transfer of the Group's equity interest in Vietnam Float Glass Co., Ltd as announced on 9 June 2025. The gain includes the recycling to the income statement of foreign exchange translation differences that had previously been recorded within other comprehensive income. In addition, a minor element of this category relates to the variable element of the sale price of business disposals recorded as exceptional gains in previous years.

(b) In both the current and previous year, the reversal of impairment of non-current assets relates to property, plant & equipment in the Architectural business in Asia.

(c) The previous-year gain on disposal of non-current assets related to property, plant & equipment in the Architectural business in Europe.

(d) In both the current and previous year, the settlement of litigation matters relates to legal claims arising as a result of transactions that were previously recorded as exceptional items.

(e) The recycling of losses on disposal of assets held at Fair Value through Other Comprehensive Income relates to losses on disposal of U.K. government bonds. The loss of fair value based on market price movements had previously been recognized through Other Comprehensive Income, and is recycled to the income statement on external disposal.

(f) Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment.

(g) The impairment of non-current assets in the previous year related mainly to property, plant & equipment in the Architectural business in Europe.

(e) Finance income and expenses

¥ millions

	2nd Quarter FY 2026 For the period 1 April to 30 September 2025	2nd Quarter FY 2025 For the period 1 April to 30 September 2024
Finance income		
Interest income	**1,535**	1,243
Foreign exchange transaction gains	**793**	430
Gain on net monetary position	—	280
	2,328	1,953
Finance expenses		
Interest expense:		
— bank and other borrowings	**(13,426)**	(13,168)
Dividend on non-equity preference shares due to minority shareholders	**(168)**	(166)
Foreign exchange transaction losses	**(107)**	(183)
Other interest and similar charges	**(1,879)**	(909)
	(15,580)	(14,426)
Unwinding discounts on provisions	**(185)**	(175)
Retirement benefit obligations		
— net finance charge	**144**	85
Loss on net monetary position	**(255)**	—
	(15,876)	(14,516)
	(13,548)	(12,563)

(f) Taxation

The cumulative tax charge on the profit before taxation, excluding the Group's share of the net results of joint ventures and associates, is a rate of (151.2) percent for the second quarter to 30 September 2025 (2Q FY2025: a rate of (149.5) percent). The tax charge for the quarter is based on the effective rate expected for the full-year and also includes a one-off increase in tax provisions.

(g) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent, after deducting dividends paid to holders of Class A shares, by the weighted average number of ordinary 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 ordinary shares excludes ordinary shares purchased by the company and held as treasury shares, and restricted shares which have not been satisfied the conditions to lift the restriction.

	Quarter ended 30 September 2025	Quarter ended 30 September 2024
	¥ millions	¥ millions
(Loss) attributable to owners of the parent	**(4,220)**	(3,867)
Adjustment for;		
－ Dividends on Class A shares	**(883)**	(978)
(Loss) used to determine basic earnings per share	**(5,103)**	(4,845)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**92,298**	91,110
	¥	¥
Basic earnings per share	**(55.29)**	(53.18)

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, following the exercise of share options and exercise of put options, attached to Class A shares, for which the consideration is common shares. Also Restricted shares for share-based payment plan are treated as dilutive potential ordinary shares if certain conditions are met. As for share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is deducted from the number of shares that would have been issued assuming the exercise of the share options. Regarding restricted shares for share-based payment plan, during period from the start date of the transfer restriction period to the date of the first Ordinary General Meeting of Shareholders of the Company, if the fair value (determined as the average annual market share price of the Company's shares) exceeds the issue price, equivalent of the delivered service as consideration for compensation are treated as dilutive potential ordinary shares. As for Class A shares, a calculation is performed to determine the number of shares that would have been issued, assuming a conversion to common shares that is most advantageous for holders of the class shares. Conversion of Class A shares to common shares is reflected in the diluted earnings per share, using the factor applied to the case where the put options are exercised from 1 July 2022 onward, if the conversion has dilutive effect.

	Quarter ended 30 September 2025	Quarter ended 30 September 2024
	¥ millions	¥ millions
(Loss) attributable to owners of the parent	**(4,220)**	(3,867)
Adjustment for;		
− Dividends on Class A shares	**(883)**	(978)
(Loss) used to determine diluted earnings per share	**(5,103)**	(4,845)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**92,298**	91,110
Adjustment for:		
− Share options	−	−
− Class A shares	−	−
− Restricted shares	−	−
Weighted average number of ordinary shares for diluted earnings per share	**92,298**	91,110
	¥	¥
Diluted earnings per share	**(55.29)**	(53.18)

Diluted earnings per share for both the current and prior period do not include stock options, Class A shares, and restricted shares due to the anti-dilutive effect caused by the loss during the period.

(h) Dividends

(i) Dividends on ordinary shares

	Quarter ended 30 September 2025	Quarter ended 30 September 2024
Declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	**—**	—
Dividend per share (¥)	**—**	—

(ii) Dividends on Class A shares

	Quarter ended 30 September 2025	Quarter ended 30 September 2024
Declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	**1,950**	1,950
Dividend per share (¥)	**65,000**	65,000

(i) Exchange rates

The principal exchange rates used for the translation of foreign currencies were as follows:

	Quarter ended 30 September 2025		Year ended 31 March 2025		Quarter ended 30 September 2024	
	Average	**Closing**	Average	Closing	Average	Closing
GBP	**196**	**199**	194	193	195	191
US dollar	**146**	**149**	152	148	152	143
Euro	**168**	**173**	163	161	165	159
Argentine peso	—	**0.11**	—	0.14	—	0.15

(j) Cash flows generated from operations

¥ millions

	2nd Quarter FY 2026 for the period 1 April 2025 to 30 September 2025	2nd Quarter FY 2025 for the period 1 April 2024 to 30 September 2024
(Loss) for the period from continuing operations	**(3,360)**	(3,396)
Adjustments for:		
Taxation	**3,761**	3,550
Depreciation	**24,648**	23,537
Amortization	**1,464**	1,253
Impairment	**57**	145
Reversal of impairments	**(156)**	(30)
(Gains)/losses on sale of property, plant, and equipment	**(700)**	(289)
(Gains)/losses on sale of subsidiaries, joint ventures, associates and businesses	**(1,778)**	9
(Gains)/losses on sale of UK government bond (assets held at FVOCI)	**2,200**	—
Grants and deferred income	**(280)**	(58)
Finance income	**(2,328)**	(1,953)
Finance expenses	**15,876**	14,516
Share of (profit)/loss from joint ventures and associates	**(2,888)**	(2,528)
Other (gains)/losses on equity method investments	**361**	—
Other items	**1,036**	(80)
Operating cash flows before movement in provisions and working capital	**37,913**	34,676
Decrease in provisions and retirement benefit obligations	**(3,607)**	(7,597)
Changes in working capital:		
— inventories	**(7,284)**	(2,492)
— trade and other receivables	**1,329**	4
— trade and other payables	**(12,367)**	(13,097)
— contract balances	**(3,788)**	(1,087)
Net change in working capital	**(22,110)**	(16,672)
Cash flows generated from operations	**12,196**	10,407

(k) Cash and cash equivalents

¥ millions

	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	**65,311**	51,183
Bank overdrafts	**(2,333)**	(6,905)
	62,978	44,278

¥ millions

	As at 30 September 2025	As at 30 September 2024
Cash and cash equivalents	**42,181**	49,670
Bank overdrafts	**(1,254)**	(3,669)
	40,927	46,001

(l) Hyperinflationary accounting adjustments

As from the second quarter of FY 2019, the wholesale price index in Argentina indicated that cumulative 3-year inflation had exceeded 100 percent. Consequently, the Group has concluded that its subsidiaries in Argentina, each of which has the Argentine Peso as a functional currency, are currently operating in a hyperinflationary environment. The Group has therefore applied accounting adjustments to the underlying financial results and position of its subsidiaries in Argentina as required by IAS 29 'Financial Reporting in Hyperinflationary Economies'.

As required by IAS 29, the Group's consolidated financial statements will include the results and financial position of its Argentinian subsidiaries, restated in terms of the measuring unit current at the period end date.

For the restatement of results and financial positions of its Argentinian subsidiaries, the Group will apply the conversion coefficient derived from the Internal Wholesales Price Index (IPIM) published by Instituto Nacional de Estadística y Censos de la República Argentina (INDEC). IPIM and corresponding conversion coefficients from June 2006 are presented below.

Balance sheet date	Internal Wholesales Price Index (IPIM) (30 June 2006 = 100)	Conversion coefficient
30 June 2006	100.0	444.828
31 March 2007	103.9	428.279
31 March 2008	120.2	370.045
31 March 2009	128.7	345.621
31 March 2010	146.5	303.646
31 March 2011	165.5	268.793
31 March 2012	186.7	238.227
31 March 2013	211.1	210.681
31 March 2014	265.6	167.497
31 March 2015	305.7	145.489
31 March 2016	390.6	113.876
31 March 2017	467.2	95.207
31 March 2018	596.1	74.628
31 March 2019	970.9	45.815
31 March 2020	1,440.8	30.874
31 March 2021	2,046.4	21.737
31 March 2022	3,162.1	14.068
31 March 2023	6,402.2	6.948
31 March 2024	25,671.9	1.733
31 March 2025	39,196.0	1.135
30 April 2025	40,768.1	1.091
31 May 2025	41,380.1	1.075
30 June 2025	42,050.0	1.058
31 July 2025	42,849.6	1.038
31 August 2025	43,653.4	1.019
30 September 2025	44,482.8	1.000

The Group’s subsidiaries in Argentina will restate their non-monetary items held at historical cost, namely property, plant, and equipment, by applying the conversion coefficient based on when the items were initially recognized. Monetary items and non-monetary items held at current cost will not be restated, as they are expressed in terms of the measuring unit current at the period end date. The effect of inflation on the net monetary position of the Group’s Argentinian subsidiaries is presented in the finance expenses section of the income statement.

The Argentinian subsidiaries’ income statement and cash flow statement will also be restated, applying the conversion coefficient for the current financial year as shown in the above table.

For the purpose of consolidation, the results and financial position of the Group’s Argentinian subsidiaries are translated using the closing exchange rates at the period end date. Comparative financial statements are not restated based on IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’ para 42(b).

(m) Significant subsequent events

There were no significant subsequent events.