

Financial Year ending 31 March 2025 Quarter 2 Results

- **Continuous large impact by European economic slowdown mainly on Architectural business. OP decrease while similar revenue to PY partly helped by weaker JPY**
- **Profits forecasts revised downward reflecting H1 results with European economic slowdown. Taking any appropriate actions to improve profits throughout the Group including float line closures in Europe and strengthening initiatives for less commodity products**

1. Financial Year ending 31 March 2025 Quarter 2 Results

- Group Q2 (3 months) revenue of JPY 206.0 bn (-6.2 bn, -2.9% YoY), and operating profit of JPY 5.5 bn (-6.0 bn, -52.3% YoY)
- The cumulative revenue increased to JPY 422.4 bn (+2.3 bn, +0.5% YoY), but operating profit decreased to JPY 10.2 bn (-15.8 bn, -60.7% YoY). Revenue increased with a contribution of Automotive business and Technical Glass business mainly with price improvement, however, operating profit decreased in all businesses, especially in Architectural business affected by European economic slowdown
- Finance expenses (net) decreased to JPY 12.6 bn from JPY 14.0 bn by JPY 1.5 bn. Share of JVs and associates' profits was JPY 2.5 bn (+0.4 bn YoY) while in the previous year, reversal of previous impairment of financial receivables owed by JVs and associates of JPY 3.7 bn and other gains on equity method investments of JPY 1.1 bn recorded following the disposal of Russian JV business
- Taxation charge of JPY 3.6 bn (JPY 5.7 bn in PY) was calculated based on the effective tax rate estimated for the full year. As a result, loss for the period of JPY 3.4 bn (-13.9 bn YoY, JPY 10.5 bn profit in PY) and net loss* of JPY 3.9 bn (-13.6 bn YoY, JPY 9.8 bn profit in PY), fell into red
- Shareholders' equity ratio decreased to 11.1% (-1.2pt vs PY end) with FX movements and net loss. Free Cash Flow was negative JPY 28.6 bn (-10.1 bn YoY) reflecting decreased OP and seasonal working capital movement.
Interest-bearing debt increased to JPY 531.0 bn (+24.6 bn vs PY end) mainly due to negative FCF

<Consolidated Income Statement>

(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	FY2024/3	FY2025/3	Change	FY2024/3	FY2025/3	Change
Revenue	212.2	206.0	(6.2)	420.2	422.4	2.3
Operating profit	11.5	5.5	(6.0)	26.0	10.2	(15.8)
ROS: Return on sales	5.4%	2.7%	(2.7) pt	6.2%	2.4%	(3.8) pt
Exceptional items (net)	1.1	(0.2)	(1.3)	0.3	(0.0)	(0.3)
Operating profit/(loss) after exceptional items	12.5	5.3	(7.3)	26.3	10.2	(16.1)
Finance expenses (net)	(7.7)	(6.6)	1.1	(14.0)	(12.6)	1.5
Reversal of previous impairment of financial receivables owed by JVs and associates	-	-	-	3.7	-	(3.7)
Share of JVs and associates' profits	1.2	1.4	0.2	2.2	2.5	0.4
Other gains/(losses) on equity method investments	(0.0)	-	0.0	1.1	-	(1.1)
Profit/(loss) before taxation	6.1	0.1	(6.0)	19.3	0.2	(19.2)
Profit/(loss) for the period	3.0	(6.1)	(9.0)	10.5	(3.4)	(13.9)
Net profit/(loss) *	2.7	(6.3)	(9.0)	9.8	(3.9)	(13.6)
EBITDA	22.6	17.5	(5.1)	48.0	35.0	(13.0)
Free Cash Flow	13.0	3.0	(10.0)	(18.6)	(28.6)	(10.1)

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

(JPY bn)	31 March 2024	30 September 2024	Change
Total Assets	1,007.6	981.2	(26.3)
Shareholders' equity	124.3	109.3	(15.0)
Shareholders' equity ratio	12.3%	11.1%	(1.2) pt
Interest-bearing debt	506.5	531.0	24.6

<Business Results>

Architectural Glass	Revenue and OP decrease YoY due to sales volume and price decrease in many countries especially in Europe. Early closure of a float line in Germany in June. Decision of additional closure of another float line in Germany in January. Robust demand continuing for solar energy glass. A new facility in Malaysia which started production in last December contributing to profit. Good progress in conversion of an existing float line in USA
Automotive Glass	Revenue increase with a conclusion of price agreements with customers and partly helped by weaker JPY although slower pace of sales volume recovery affected by vehicle build decrease in Europe and disruption to production activity at some customers in Asia and North America. OP decrease reflecting other price increase mainly labor
Technical Glass	Revenue improvement due to continuous demand recovery, but similar OP to the previous year affected by other cost rises

(JPY bn)	FY2024/3		FY2025/3		Change	
	Q2 (3 months)	Cumulative	Q2 (3 months)	Cumulative	Q2 (3 months)	Cumulative
Revenue						
Architectural Glass	97.2	192.9	89.8	180.0	(7.4)	(13.0)
Automotive Glass	104.3	205.2	103.7	217.3	(0.6)	12.1
Technical Glass	9.9	19.9	12.3	24.7	2.4	4.8
Other	0.8	2.2	0.2	0.4	(0.6)	(1.7)
Total Revenue	212.2	420.2	206.0	422.4	(6.2)	2.3
Operating profit						
Architectural Glass	9.9	21.8	3.3	6.7	(6.6)	(15.1)
Automotive Glass	3.1	6.3	1.0	3.5	(2.1)	(2.8)
Technical Glass	1.9	4.0	1.9	3.9	0.0	(0.1)
Other	(3.4)	(6.1)	(0.7)	(3.8)	2.7	2.2
Total Operating profit	11.5	26.0	5.5	10.2	(6.0)	(15.8)

2. Forecast for Financial Year ending March 2025

- Forecasts of operating profit, profit before taxation, and profit for the period revised downwards for full year reflecting H1 results largely impacted by European economic slowdown and outlook of the second half of the year
- Assuming depreciated JPY for major foreign currencies, compared to FY2024/3
- Stable energy and material costs assumed while other costs increase including labor reflecting inflation
- Taking any appropriate actions to improve profits including cost reductions throughout the Group

<Forecast for Financial Year ending March 2025>

(JPY bn)	FY2025/3 H1 Fcst (Previous)	FY2025/3 H1 Act	FY2025/3 Full-year Fcst (Previous)	FY2025/3 Full-year Fcst (Revised)	Change	FY2024/3 Full-year Act (Reference)
Revenue	410.0	422.4	840.0	850.0	10.0	832.5
Operating profit	12.0	10.2	30.0	26.0	(4.0)	35.9
Exceptional items (net)	-	(0.0)	-	2.0	2.0	0.1
Operating profit after exceptional items	12.0	10.2	30.0	28.0	(2.0)	36.0
Finance expenses (net)	(13.0)	(12.6)	(28.0)	(27.0)	1.0	(28.2)
Reversal of previous impairment of financial receivables owed by JVs and associates	-	-	-	-	-	3.7
Share of JVs and associates' profits	2.5	2.5	5.0	5.0	-	5.1
Other gains on equity method investments	-	-	-	-	-	1.0
Profit before taxation	1.5	0.2	7.0	6.0	(1.0)	17.6
Profit/(loss) for the period	1.0	(3.4)	2.0	1.0	(1.0)	10.9
Net profit/(loss) *	0.0	(3.9)	0.0	0.0	-	10.6

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

3. Update of "2030 Vision : Shift the Phase" Financial Targets

Update of "2030 Vision : Shift the Phase" Financial Targets			NSG GROUP	
Profitability improvement although affected by economic slowdown in Europe. Continue to improve profitability and cash generation to stabilize financial status				
		FY2027/3 Targets	FY2030/3 Targets	FY2025/3 Q2 Cum. (6 months) Actual
Profitability (P/L)	Operating profit	JPY 64.0 bn		JPY 10.2 bn : FY2025/3 Q2 OP was JPY 5.5 bn, improved from Q1 of JYP 4.8 bn
	ROS	7%	10% or more	2.4% : improved from 2.2% in FY2025/3 Q1
Cash Generation (C/F)	Free cash flow	JPY 27.0 bn		JPY (28.6) bn : free cash flow decreased YoY reflecting OP decrease and seasonal working capital movement while small cash inflow generated in Q2. Management of working capital mitigating OP decrease impact on CF from operating activities
Stabilization of Financial Status (B/S)	Interest-bearing debt	JPY 442.0 bn		JPY 531.0 bn : increase mainly due to negative FCF reflecting seasonal working capital movement
	Shareholders' equity ratio	15%		11.1% : decreased by 1.2pt from the previous year end

4. Market Environment and Initiatives of Architectural Glass Business in Europe

Market Environment and Initiatives of Architectural Glass Business in Europe		NSG GROUP	
Stronger renovation demand expected in medium to long term for energy efficiency. Developing the business to be less dependent on commodity products by enhancing downstream			
1. European Market Environment			
<ul style="list-style-type: none"> • Demand decrease affected largely by economic slowdown with inflation and prolonged high interest rates • Gradual economic recovery expected in line with the start of interest rate decrease • Increase of renovation demand expected in medium to long term for energy efficiency 			
2. Initiatives for less commodity products under "Business Development" in "2030 Vision : Shift the Phase"			
<ul style="list-style-type: none"> • Upstream (sheet glass production) – supply reduction <ul style="list-style-type: none"> - Consolidation of production of rolled glass and float glass onto one furnace in the UK (Announced on 21 April 2023) - Early closure of a float line at Weiherhammer, Germany ahead of the cold repair (Announced on 19 March 2024) - Cessation of a float line at Gladbeck, Germany (Announced on 10 October 2024) • Downstream (glass processing) – development of less commoditized products <ul style="list-style-type: none"> - Insulated glass unit, triple glazing unit (Mainly in Poland) - Glass utilizing advanced coating technology including Low-E (in UK, Poland) - Jumbo laminated glass (in Germany) 			

MEDIA CONTACT:

Please use the contact form on the web (<https://www.nsg.com/en/media/media-contacts>)