

FY 2025 3rd Quarter Consolidated Financial Results <IFRS> 7 February 2025

(English translation of the Japanese original)



Listed Company Name: Nippon Sheet Glass Company, Limited
 Code Number: 5202
 Representative: Representative Executive Officer,
 President and CEO
 Name: Munehiro Hosonuma
 Inquiries to: General Manager,
 Investor Relations
 Name: Hiroyuki Genkai
 Tel: +81 3 5443 0100
 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 2025 3rd Quarter (From 1 April to 31 December 2024)

(1) Consolidated business results

	Revenue		Operating profit		Profit/(loss) before taxation		Profit/(loss) for the period		Profit/(loss) attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
3Q FY 2025	629,966	2.8	10,806	(66.3)	(6,202)	—	(9,303)	—	(10,079)	—	(15,502)	—
3Q FY 2024	612,696	8.2	32,093	32.9	21,075	—	14,086	—	13,503	—	(10,902)	—

	Earnings per share - basic
3Q FY 2025	¥(126.74)
3Q FY 2024	¥132.29

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 2025 3rd Quarter	1,030,778	155,546	120,151	11.7
FY 2024 Full year	1,007,585	153,838	124,275	12.3

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
FY 2024 (Actual)	—	¥ 0.00	—	¥ 0.00	¥ 0.00
FY 2025 (Actual)	—	¥ 0.00	—		
FY 2025 (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 2025 (From 1 April 2024 to 31 March 2025)

	Revenue		Operating profit		Loss before taxation		Loss for the period		Loss attributable to owners of the parent		Earnings per share - basic
Full year	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
	850,000	2.1	16,000	(55.4)	(11,000)	–	(16,000)	–	(17,000)	–	(207.96)

Note:

- There have been changes to the forecast results this quarter.
- Forecast of basic earnings per share for FY2025 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 2025), by 91,122,883 shares which is the number of ordinary shares issued at 31 December 2024, reduced by the number of treasury stock and restricted shares (375,100 shares).
- For details, please refer to the slides on 2025/3 forecast in 2025/3 Third 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:
91,532,799 shares as of 31 December 2024 and 91,401,499 shares as at 31 March 2024
 - (ii) Number of shares held as treasury stock at the end of the period:
34,816 shares as at 31 December 2024 and 33,404 shares as at 31 March 2024
 - (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
91,113,997 shares for the period ending 31 December 2024 and 90,996,058 shares for the period ending 31 December 2023

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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					
FY2024 (Actual)	—	¥ 0.00	—	¥ 65,000.00	¥ 65,000.00
FY2025 (Actual)	—	¥ 0.00	—		
FY2025 (Forecast)				¥ 65,000.00	¥ 65,000.00

Note: Number of Class A Shares in issue are 30,000 shares. 40,000 Class A Shares were originally issued on 31 March 2017. On 7 December 2018, the Company acquired and then retired a total of 5,000 Class A shares. On 6 June 2019, the Company acquired and then retired a total of 5,000 Class A shares. The forecast of dividends, for Class A shares that have dividend record dates belonging to FY2025, is ¥ 1,950 million.

[Attachments]

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

1. Overview about business performance etc.

- (1) Overview about business performance
- (2) Overview about financial condition
- (3) Prospects

2. Consolidated financial statements and their notes

- (1) (a) Condensed quarterly consolidated income statement
(b) Condensed quarterly consolidated statement of comprehensive income
- (2) Condensed quarterly consolidated balance sheet
- (3) Condensed quarterly consolidated statement of changes in equity
- (4) Condensed quarterly consolidated statement of cash flow
- (5) Notes to the condensed quarterly consolidated financial statements

1. Overview about business performance etc.

(1) Overview about business performance

(a) Background to Results

The Group continued to experience adverse conditions in many of its largest markets during the third quarter of the year. In particular, architectural markets in Europe were significantly below the previous year. Demand for solar energy glass was positive. Automotive markets were also challenging, with volumes generally flat or declining modestly across most regions. Technical glass markets were generally positive.

Cumulative Group revenues of ¥ 629,966 million (3Q FY2024 ¥ 612,696 million), were slightly above the previous year, with an improvement being recorded in the Automotive and Technical Glass businesses. Cumulative operating profits fell to ¥ 10,806 million (3Q FY2024 ¥ 32,093 million), with the decline being mainly due to reduced profitability in the Architectural business. Exceptional items amounted to a charge of ¥ 2,522 million (3Q FY2024: net credit of ¥ 930 million). Net financial expenses decreased to ¥ 18,192 million (3Q FY2024 ¥ 20,394 million) and the Group's share of the post-tax profit of joint ventures and associates improved slightly to ¥ 3,706 million (3Q FY2024: ¥ 3,682 million). During the previous year, the Group also recorded one-off gains arising from the disposal of its joint venture business in Russia of ¥ 4,764 million. The taxation charge of ¥ 3,101 million (3Q FY2024 ¥ 6,989 million) is calculated based on the effective rate expected for the full-year. As a consequence of the reduced operating profit, the Group recorded a loss attributable to owners of the parent of ¥ 10,079 million (3Q FY2024 profit of ¥ 13,503 million).

(b) Review by Business Segment

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

Architectural, representing 43 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 51 percent of cumulative revenues, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 6 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)	
	3rd Quarter FY 2025	3rd Quarter FY 2024	3rd Quarter FY 2025	3rd Quarter FY 2024
Architectural	274,144	274,507	8,643	26,194
Automotive	318,907	305,857	2,609	9,308
Technical Glass	36,173	29,643	5,704	5,692
Other Operations	742	2,689	(6,150)	(9,101)
Total	629,966	612,696	10,806	32,093

Architectural Business

The Architectural business recorded cumulative revenues of ¥ 274,144 million (3Q FY2024: ¥ 274,507 million) and an operating profit of ¥ 8,643 million (3Q FY2024: ¥ 26,194 million).

Architectural revenues and profits decreased from the previous year due to reduced volumes and prices across most markets, especially in Europe.

In Europe, representing 34 percent of the Group's architectural sales, revenues were below the previous year as volumes and prices declined in line with deteriorating economic activity. The impact of the weaker market conditions was mitigated somewhat by a decline in input costs. As a consequence of the continuing weak demand situation, on 10 October 2024 the Group announced that it intended to cease production at one of its two float glass lines at Gladbeck, Germany, as from January 2025.

In Asia, representing 33 percent of the Group's architectural sales, revenues and profits were similar to the previous year. Results deteriorated in Japan due to lower market volumes, although prices were stable. Markets remain difficult elsewhere across South-East Asia. Volumes of glass for solar energy were positive.

In the Americas, representing 33 percent of the Group's architectural sales, profits were below the previous year. In North America, results declined in line with lackluster commercial markets. On 16 January 2025, the Group announced the warm up of a float glass production line in Rossford, Ohio, U.S.A, that will be dedicated to the production of glass for solar energy. Previously this line manufactured glass for architectural markets. Demand in South America was negative, with results reflecting difficult market conditions in Argentina.

Automotive Business

The Automotive business recorded cumulative revenues of ¥ 318,907 million (3Q FY2024: ¥ 305,857 million) and an operating profit of ¥ 2,609 million (3Q FY2024: ¥ 9,308 million). Exchange factors, reflecting the falling value of JPY, contributed to the increased revenues, with underlying sales being similar to the previous year across most regions.

Europe represents 41 percent of the Group's automotive sales. Local currency revenues were slightly reduced, although revenues were improved on consolidation due to exchange factors. Profitability was below the previous year. On 24 January 2025, the Group announced the adjustment of production in Germany following a review of the weak demand situation and continuous cost pressure among European market.

In Asia, representing 19 percent of the Group's automotive sales, revenues and profits improved from the previous year. Volumes in Japan reflected disruption to production activity at some customers, but were otherwise stable.

In the Americas, representing 40 percent of the Group's automotive sales, revenues increased from the previous year, although profits fell. Volumes in North America reflected disruptions to production at some customers, against a stable market background overall. Compared to the previous year, volumes in Brazil were positive, although volumes fell in Argentina.

Technical Glass Business

The Technical Glass business recorded cumulative revenues of ¥ 36,173 million (3Q FY2024: ¥ 29,643 million) and an operating profit of ¥ 5,704 million (3Q FY2024: ¥ 5,692 million).

Technical Glass revenues were improved from the previous year, with positive demand across most business areas. Profits were similar to the previous year.

In the Fine Glass business, revenues were slightly recovered from the previous year. In the Information Devices business, demand was boosted by recovering demand for printers and scanners. Volumes of glass cord used in engine timing belts benefitted from high demand in automotive glass replacement markets. Metashine sales increased for cosmetic applications.

Joint Ventures and Associates

The Group's share of the post-tax profit of joint ventures and associates improved to ¥ 3,706 million (3Q FY2024: ¥ 3,682 million). During the previous year, the Group also recorded one-off gains arising from the disposal of its joint venture business in Russia of ¥ 4,764 million.

(2) Overview about financial condition

Total assets at the end of December 2024 were ¥ 1,030,778 million, representing an increase of ¥ 23,193 million from the end of March 2024. Total equity was ¥ 155,546 million, representing an increase of ¥ 1,708 million from the March 2024 figure of ¥ 153,838 million, with the loss recorded for the period being offset by foreign exchange and other movements.

Net financial indebtedness increased by ¥ 60,350 million from 31 March 2024 to ¥ 507,846 million at the period end. The increase in indebtedness arose largely from strategic capital investment projects and working capital movements. Foreign exchange movements generated an increase in net indebtedness of ¥ 2,800 million. Gross debt was ¥ 565,409 million at the period end.

Cash outflows from operating activities were ¥ 6,813 million. Cash outflows from investing activities were ¥ 39,621 million, including capital expenditure on property, plant, and equipment of ¥ 37,799 million. As a result, free cash flow was an outflow of ¥ 46,434 million (3Q FY2024 free cash outflow of ¥ 12,379 million).



(3) Prospects

The Group's forecast for the financial year FY2025 is shown on page 2.

For details, please refer to the "Revision to Full-year Forecast for Financial Year ending on 31 March 2025" and the slides on FY2025 forecast in FY2025 3rd Quarter Results presentation.

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	Cumulative 3rd Quarter FY25 For the period 1 April 2024 to 31 December 2024	Cumulative 3rd Quarter FY24 For the period 1 April 2023 to 31 December 2023
Revenue	(5)-(c)	629,966	612,696
Cost of sales		(505,238)	(472,363)
Gross profit		124,728	140,333
Other income		1,333	515
Distribution costs		(50,797)	(47,791)
Administrative expenses		(60,706)	(58,266)
Other expenses		(3,752)	(2,698)
Operating profit	(5)-(c)	10,806	32,093
Exceptional items – gains	(5)-(d)	555	2,107
Exceptional items – losses	(5)-(d)	(3,077)	(1,177)
Operating profit/(loss) after exceptional items		8,284	33,023
Finance income	(5)-(e)	3,062	6,248
Finance expenses	(5)-(e)	(21,254)	(26,642)
Reversal of previous impairment of financial receivables owed by joint ventures and associates		–	3,740
Share of post-tax profit of joint ventures and associates accounted for using the equity method		3,706	3,682
Other gains/(losses) on equity method investments		–	1,024
(Loss)/profit before taxation		(6,202)	21,075
Taxation	(5)-(f)	(3,101)	(6,989)
(Loss)/profit for the period		(9,303)	14,086
Profit attributable to non-controlling interests		776	583
(Loss)/profit attributable to owners of the parent		(10,079)	13,503
		(9,303)	14,086
Earnings per share attributable to owners of the parent			
Basic	(5)-(g)	(126.74)	132.29
Diluted	(5)-(g)	(126.74)	95.05

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

¥ millions

	Cumulative 3rd Quarter FY25 For the period 1 April 2024 to 31 December 2024	Cumulative 3rd Quarter FY24 For the period 1 April 2023 to 31 December 2023
(Loss)/profit for the period	(9,303)	14,086
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Re-measurement of retirement benefit obligations (net of taxation)	(408)	3,498
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)	1,609	(1,755)
Sub total	1,201	1,743
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(7,717)	(17,013)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)	(376)	39
Cash flow hedges: – fair value gains (net of taxation)	693	(9,757)
Sub total	(7,400)	(26,731)
Total other comprehensive income for the period (net of taxation)	(6,199)	(24,988)
Total comprehensive income for the period	(15,502)	(10,902)
Attributable to non-controlling interests	(2,714)	(15,244)
Attributable to owners of the parent	(12,788)	4,342
	(15,502)	(10,902)

(2) Condensed quarterly consolidated balance sheet

¥ millions

	3rd Quarter as at 31 December 2024	FY 2024 as at 31 March 2024
ASSETS		
Non-current assets		
Goodwill	85,316	84,172
Intangible assets	48,890	46,734
Property, plant, and equipment	453,786	431,212
Investment property	135	136
Investments accounted for using the equity method	27,975	26,164
Retirement benefit asset	30,434	28,704
Contract assets	267	320
Trade and other receivables	6,399	4,787
Financial assets:		
– Assets held at Fair Value through Other Comprehensive Income	24,880	23,537
– Derivative financial instruments	4,280	4,718
Deferred tax assets	37,415	35,802
	719,777	686,286
Current assets		
Inventories	175,576	173,068
Contract assets	1,946	1,280
Trade and other receivables	75,609	87,853
Financial assets:		
– Assets held at Fair Value through Other Comprehensive Income	206	–
– Derivative financial instruments	1,923	3,063
Cash and cash equivalents	51,360	51,183
	306,620	316,447
Assets held for sale	4,381	4,852
	311,001	321,299
Total assets	1,030,778	1,007,585

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	3rd Quarter as at 31 December 2024	FY 2024 as at 31 March 2024
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
– Borrowings	141,077	144,223
– Derivative financial instruments	1,960	3,816
Trade and other payables	151,876	184,149
Contract liabilities	22,030	17,560
Provisions	14,466	18,286
Deferred income	470	512
	331,879	368,546
Liabilities related to assets held for sale	947	1,346
	332,826	369,892
Non-current liabilities		
Financial liabilities:		
– Borrowings	420,954	356,332
– Derivative financial instruments	1,418	2,089
Trade and other payables	4,435	4,125
Contract liabilities	25,164	29,331
Deferred tax liabilities	20,042	19,711
Retirement benefit obligations	48,322	49,336
Provisions	18,335	19,237
Deferred income	3,736	3,694
	542,406	483,855
Total liabilities	875,232	853,747
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Share capital	116,890	116,853
Capital surplus	155,839	155,840
Retained earnings	(58,714)	(56,882)
Retained earnings (Translation adjustment at the IFRS transition date)	(68,048)	(68,048)
Other reserves	(25,816)	(23,488)
Total shareholders' equity	120,151	124,275
Non-controlling interests	35,395	29,563
Total equity	155,546	153,838
Total liabilities and equity	1,030,778	1,007,585

(3) Condensed quarterly consolidated statement of changes in equity

¥ millions

3rd 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			(10,487)		(2,301)	(12,788)	(2,714)	(15,502)
Hyperinflation adjustment			10,605			10,605	9,206	19,811
Dividends paid			(1,950)			(1,950)	(457)	(2,407)
Share-based compensation with restricted shares	24	13				37		37
Stock options	13	13			(26)	—		—
Purchase of treasury stock					(1)	(1)		(1)
Equity transaction with non-controlling interests		(27)				(27)	(203)	(230)
At 31 December 2024	116,890	155,839	(58,714)	(68,048)	(25,816)	120,151	35,395	155,546

¥ millions

3rd Quarter FY 2024	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 2023	116,756	155,746	(86,675)	(68,048)	(20,739)	97,040	27,828	124,868
Total Comprehensive Income	—	—	17,001	—	(12,659)	4,342	(15,244)	(10,902)
Hyperinflation adjustment	—	—	11,453	—	—	11,453	9,935	21,388
Dividends paid	—	—	(1,950)	—	—	(1,950)	(548)	(2,498)
Share-based compensation with restricted shares	28	11	—	—	—	39	—	39
Stock options	65	65	—	—	(130)	—	—	—
Purchase of treasury stock	—	—	—	—	(1)	(1)	—	(1)
At 31 December 2023	116,849	155,822	(60,171)	(68,048)	(33,529)	110,923	21,971	132,894

(4) Condensed quarterly consolidated statement of cash flow

¥ millions

	Note	3rd Quarter For the period 1 April to 31 December 2024	3rd Quarter For the period 1 April to 31 December 2023
Cash flows from operating activities			
Cash flows generated from operations	(5)-(j)	16,359	38,122
Interest paid		(18,184)	(21,117)
Interest received		2,390	6,290
Tax paid		(7,378)	(4,105)
Net cash in/(out)flows from operating activities		(6,813)	19,190
Cash flows from investing activities			
Dividends received from joint ventures and associates		343	3,686
Proceeds on disposal of joint ventures and associates		134	—
Purchases of property, plant and equipment		(37,799)	(39,688)
Proceeds on disposal of property, plant and equipment		1,206	112
Purchases of intangible assets		(3,513)	(2,497)
Proceeds on disposal of intangible assets		1	3
Purchase of assets held at FVOCI		(14)	(12)
Proceeds on disposal of assets held at FVOCI		201	1
Loans advanced to joint ventures, associates and third parties		(190)	(221)
Loans repaid from joint ventures, associates and third parties		10	7,047
Net cash outflows from investing activities		(39,621)	(31,569)
Cash flows from financing activities			
Dividends paid to owners of the parent		(1,950)	(1,950)
Dividends paid to non-controlling interests		(423)	(344)
Repayment of borrowings		(63,329)	(102,973)
Proceeds from borrowings		115,882	92,341
Increase in treasury stock		(1)	(1)
Capital contribution for non-controlling interests		(230)	—
Net cash inflows/(out) from financing activities		49,949	(12,927)
Decrease in cash and cash equivalents (net of bank overdrafts)		3,515	(25,306)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(5)-(k)	44,278	68,518
Effect of foreign exchange rate changes		(1,137)	(36)
Hyperinflation adjustment	(5)-(l)	2,398	3,027
Cash and cash equivalents (net of bank overdrafts) at end of period	(5)-(k)	49,054	46,203

(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 31 December 2024 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2024.

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.

The Group performed a re-assessment of its identifiable CGUs during the first quarter of the year. A separate Solar CGU has been identified based on the determination that the Solar business generates sufficiently independent cash flows. Solar business cash flows and relevant assets, including an element of goodwill and other intangible assets, which had previously been included in the CGUs covering Architectural Europe and North America, will now be considered within a separate Solar business CGU. The segmental disclosure of the Group's financial position and performance will remain unchanged.

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. The Group experienced deteriorating markets during the second half of FY2024, particularly within its European Architectural business and this has continued into FY2025. Many of the Group's markets are sensitive to general levels of consumer confidence and economic activity, which have been negatively affected by increased interest rates in many 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 ¥ 121 million in FY2025 Q3 (FY2024 Q3: ¥ 176 million).

(c) Segmental information continued

The segmental results for the third quarter to 31 December 2024 were as follows:

¥ millions

3rd Quarter FY 2025 For the period 1 April 2024 to 31 December 2024	Architectural	Automotive	Technical Glass	Other Operations	Total
Total revenue	297,529	319,048	37,356	1,701	655,634
Inter-segmental revenue	(23,385)	(141)	(1,183)	(959)	(25,668)
External revenue	274,144	318,907	36,173	742	629,966
<i>Disaggregation of external revenue by geographical regions:</i>					
<i>Europe</i>	94,390	129,702	7,438	175	231,705
<i>Asia</i>	90,784	61,319	27,491	567	180,161
<i>Americas</i>	88,970	127,886	1,244	—	218,100
Operating profit/(loss)	8,643	2,609	5,704	(6,150)	10,806
Exceptional items – gains	543	—	—	12	555
Exceptional items – losses	(1,879)	(1,028)	—	(170)	(3,077)
Operating profit after exceptional items					8,284
Finance costs – net					(18,192)
Reversal of previous impairment of financial receivables owed by joint ventures and associates					—
Share of post-tax profit from joint ventures and associates					3,706
Other gains on equity method investments					—
Loss before taxation					(6,202)
Taxation					(3,101)
Loss for the period from continuing operations					(9,303)

(c) Segmental information continued

The segmental results for the third quarter to 31 December 2023 were as follows:

₹ millions

3rd Quarter FY 2024 For the period 1 April 2023 to 31 December 2023	Architectural	Automotive	Technical Glass	Other Operations	Total
Total revenue	300,762	306,087	31,153	4,257	642,259
Inter-segmental revenue	(26,255)	(230)	(1,510)	(1,568)	(29,563)
External revenue	274,507	305,857	29,643	2,689	612,696
<i>Disaggregation of external revenue by geographical regions:</i>					
<i>Europe</i>	<i>107,143</i>	<i>127,158</i>	<i>7,588</i>	<i>1,814</i>	<i>243,703</i>
<i>Asia</i>	<i>82,712</i>	<i>59,470</i>	<i>20,671</i>	<i>875</i>	<i>163,728</i>
<i>Americas</i>	<i>84,652</i>	<i>119,229</i>	<i>1,384</i>	—	<i>205,265</i>
Operating profit/(loss)	26,194	9,308	5,692	(9,101)	32,093
Exceptional items – gains	1,138	—	(743)	1,712	2,107
Exceptional items – losses	(1,036)	(136)	—	(5)	(1,177)
Operating profit after exceptional items					33,023
Finance costs – net					(20,394)
Reversal of previous impairment of financial receivables owed by joint ventures and associates					3,740
Share of post-tax profit from joint ventures and associates					3,682
Other gains on equity method investments					1,024
Profit before taxation					21,075
Taxation					(6,989)
Profit for the period from continuing operations					14,086

The segmental assets at 31 December 2024 and capital expenditure for the period ended 31 December 2024 were as follows:

	¥ millions				
	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	280,832	206,745	34,221	2,086	523,884
Capital expenditure (including intangibles)	25,874	11,615	989	419	38,897

The segmental assets at 31 December 2023 and capital expenditure for the period ended 31 December 2023 were as follows:

	¥ millions				
	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	228,975	202,919	36,796	7,290	475,980
Capital expenditure (including intangibles)	29,285	8,161	457	557	38,460

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

	Cumulative 3rd Quarter FY 2025 For the period 1 April to 31 December 2024	Cumulative 3rd Quarter FY 2024 For the period 1 April to 31 December 2023
Exceptional items – gains:		
Gain on disposal of non-current assets (a)	304	—
Reversal of surplus provisions (b)	226	—
Reversal of impairment of non-current assets (c)	13	150
Settlement of litigation matters (d)	12	985
Gain on disposal of subsidiaries and businesses (e)	—	969
Others	—	3
	555	2,107
Exceptional items – losses:		
Restructuring costs, including employee termination payments (f)	(2,865)	(349)
Settlement of litigation matters (d)	(72)	(67)
Impairment of non-current assets (g)	(68)	(555)
Write down of inventories (h)	(50)	(188)
Others	(22)	(18)
	(3,077)	(1,177)
	(2,522)	930

- (a) The gain on disposal of non-current assets relates mainly to property, plant & equipment in the Architectural business in Europe.
- (b) The reversal of surplus provisions relates to a previous restructuring project in the Architectural business in Japan.
- (c) In both the current and previous years, the reversal of previous impairments related to the impairment of property, plant & equipment assets at the Architectural business in Asia.
- (d) The gain on settlement of litigation matters relates to compensation received as a consequence of a matter in Japan, previously recorded within exceptional items (losses).

The previous-year gain on the settlement of litigation matters related mainly to an additional settlement agreed with the Group's insurer and broker following the suspension of production at the Group's facility in Laurinburg, North Carolina, U.S.A, following an electrical power outage at this facility during Q1 of FY2020. The Group had been engaged in a dispute with its insurer and its broker regarding the value of insurance coverage following this event, and reached a settlement that resulted in an additional amount of \$6 million being paid to the Group.

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

exceptional items.

- (e) The previous-year gain on disposal of subsidiaries and businesses related mainly to the recycling to the income statement of previous foreign exchange gains, recorded within the Statement of Comprehensive Income, relating to the Company's investments in a Chinese automotive subsidiary, after the repayment of capital by the holding company of that subsidiary during the third quarter, following the disposal of that subsidiary in an earlier year. In addition, this item also included adjustments arising to the variable element of the sales price of business disposals recorded as exceptional gains in earlier years.
- (f) Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment. The current-year costs relate mainly to the Architectural business in Europe, following the Group's decision to cease production at one of its two float glass lines at Gladbeck, Germany as from January 2025.
- (g) The impairment of non-current assets relates mainly to property, plant & equipment in the Architectural business in Europe.

The previous-year impairment of non-current assets related to the impairment of property, plant & equipment within the Architectural business in Asia.

- (h) The write-down of inventories in both the current and previous years arises outside of the normal course of business. In the current year this cost was associated with restructuring projects within the Automotive business in Europe.

The previous year write-down of inventories arose outside of the normal course of business and related mainly to the Architectural business in Asia as a result of the repurposing of the float glass line in Malaysia from architectural products to glass for solar energy.

(e) Finance income and expenses

¥ millions

	Cumulative 3rd Quarter For the period 1 April to 31 December 2024	Cumulative 3rd Quarter For the period 1 April to 31 December 2023
Finance income		
Interest income	2,209	4,352
Foreign exchange transaction gains	725	296
Gain on net monetary position	128	1,600
	3,062	6,248
Finance expenses		
Interest expense:		
– bank and other borrowings	(19,401)	(21,339)
Dividend on non-equity preference shares due to minority shareholders	(247)	(232)
Foreign exchange transaction losses	(260)	(1,723)
Other interest and similar charges	(1,238)	(3,096)
	(21,146)	(26,390)
Unwinding discounts on provisions	(261)	(224)
Retirement benefit obligations		
– net finance charge	153	(28)
	(21,254)	(26,642)
	(18,192)	(20,394)

(f) Taxation

The tax charge on the loss before taxation, excluding the Group's share of the net results of joint ventures and associates, is a rate of (31.3) percent for the cumulative period to 31 December 2024 (3Q FY2024 - a rate of 40.2 percent). The tax charge for the period is based on the estimated effective rate for the year to 31 March 2025.

(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.

	Cumulative Quarter ended 31 December 2024	Cumulative Quarter ended 31 December 2023
	¥ millions	¥ millions
(Loss)/profit attributable to owners of the parent	(10,079)	13,503
Adjustment for;		
– Dividends on Class A shares	(1,469)	(1,465)
(Loss)/profit used to determine basic earnings per share	(11,548)	12,038
	Thousands	Thousands
Weighted average number to ordinary shares in issue	91,113	90,996
	¥	¥
Basic earnings per share	(126.74)	132.29

(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.

	Cumulative Quarter ended 31 December 2024	Cumulative Quarter ended 31 December 2023
	¥ millions	¥ millions
(Loss)/profit attributable to owners of the parent	(10,079)	13,503
Adjustment for;		
– Dividends on Class A shares	(1,469)	–
(Loss)/profit used to determine diluted earnings per share	(11,548)	13,503
	Thousands	Thousands
Weighted average number to ordinary shares in issue	91,113	90,996
Adjustment for:		
– Share options	–	353
– Class A shares	–	50,679
– Restricted shares	–	29
Weighted average number of ordinary shares for diluted earnings per share	91,113	142,057
	¥	¥
Diluted earnings per share	(126.74)	95.05

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

(h) Dividends

(i) Dividends on ordinary shares

	Quarter ended 31 December 2024	Quarter ended 31 December 2023
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 31 December 2024	Quarter ended 31 December 2023
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 31 December 2024		Year ended 31 March 2024		Quarter ended 31 December 2023	
	Average	Closing	Average	Closing	Average	Closing
GBP	195	196	182	191	179	181
US dollar	152	157	144	152	143	143
Euro	164	162	157	163	154	157
Argentine peso	—	0.15	—	0.18	—	0.18

(j) Cash flows generated from operations

¥ millions

	3rd Quarter for the period 1 April 2024 to 31 December 2024	3rd Quarter for the period 1 April 2023 to 31 December 2023
(Loss)/profit for the period from continuing operations	(9,303)	14,086
Adjustments for:		
Taxation	3,101	6,989
Depreciation	35,415	31,218
Amortization	1,844	1,697
Impairment	276	709
Reversal of impairments	(29)	(147)
(Gain)/loss on sale of property, plant, and equipment	(901)	(6)
Gain on sale of subsidiaries and joint ventures	9	(969)
Grants and deferred income	(28)	(311)
Finance income	(3,062)	(6,248)
Finance expenses	21,254	26,642
Reversal of previous impairment of financial receivables owed by joint ventures and associates	—	(3,740)
Share of (profit)/loss from joint ventures and associates	(3,706)	(3,682)
Other losses on equity method investments	—	(1,024)
Other items	(1,384)	19
Operating cash flows before movement in provisions and working capital	43,486	65,233
Decrease in provisions and retirement benefit obligations	(7,685)	(3,002)
Changes in working capital:		
— inventories	(2,884)	(10,807)
— trade and other receivables	8,406	15,285
— trade and other payables	(23,928)	(32,816)
— contract balances	(1,036)	4,229
Net change in working capital	(19,442)	(24,109)
Cash flows generated from operations	16,359	38,122

(k) Cash and cash equivalents

¥ millions

	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	51,183	69,313
Bank overdrafts	(6,905)	(795)
	44,278	68,518

¥ millions

	As at 31 December 2024	As at 31 December 2023
Cash and cash equivalents	51,360	49,748
Bank overdrafts	(2,306)	(3,545)
	49,054	46,203

(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	364.983
31 March 2007	103.9	351.404
31 March 2008	120.2	303.623
31 March 2009	128.7	283.583
31 March 2010	146.5	249.142
31 March 2011	165.5	220.546
31 March 2012	186.7	195.466
31 March 2013	211.1	172.865
31 March 2014	265.6	137.432
31 March 2015	305.7	119.374
31 March 2016	390.6	93.436
31 March 2017	467.2	78.117
31 March 2018	596.1	61.232
31 March 2019	970.9	37.591
31 March 2020	1,440.8	25.332
31 March 2021	2,046.4	17.835
31 March 2022	3,162.1	11.543
31 March 2023	6,402.2	5.701
31 March 2024	25,671.9	1.422
30 April 2024	27,685.1	1.318
31 May 2024	28,841.3	1.265
30 June 2024	30,161.4	1.210
31 July 2024	31,377.2	1.163
31 August 2024	32,686.3	1.117
30 September 2024	33,820.3	1.079
31 October 2024	34,730.6	1.051
30 November 2024	35,573.4	1.026
31 December 2024	36,498.3	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.

(n) Other

(Financial reporting framework)

The consolidated financial statements of the Group have been prepared in accordance with Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc's Standards for the Preparation of Quarterly Financial Statements (the Standards), applying the provisions for reduced disclosures as set forth in Article 5, Paragraph 5 of the Standards, accordingly certain disclosures and notes required by IAS 34 are not given.