

3rd Quarter Results of Financial Year ending 31 March 2024

- **Cumulative revenue and operating profit increase with continuous Automotive improvement**
- **Q3 operating profit affected by economic slowdown in Europe and the extraordinary Argentine Peso (ARS) devaluation impact**
- **Full-year revenue and OP forecasts unchanged from the previous forecasts (disclosed at Q2)**
- **Start of solar production at the facility in Malaysia in December 2023. Facility in Rossford, Ohio, USA is planned to start solar production during CY2025 Jan-March**
- **Initiatives of 'Three Reforms' and 'Two Key Initiatives' progressing under the Medium-term management plan (RP24). Continue to promote 'Restoration of Financial Stability' in the final year of RP24. Shareholders' equity ratio recovered above 11%, FCF aiming to achieve JPY 10.0 bn for the full-year**

1. 3rd Quarter Results of Financial Year ending 31 March 2024

- The cumulative Q3 revenue of JPY 612.7 billion (+46.5 bn, +8.2% YoY), and operating profit of JPY 32.1 billion (+7.9 bn, +32.9% YoY), both improved from the previous year. Revenue and operating profit mainly increased with significant improvement in Automotive glass business and energy prices decline compared to the previous year. The extraordinary devaluation of ARS impact for operating profit was approximately JPY 4.0 billion
- Group revenue in Q3 (Oct-Dec) of JPY 192.5 billion (+2.0 bn, +1.0% YoY), and operating profit of JPY 6.1 billion (-3.7 bn, YoY). Revenue increased, however, operating profit decreased affected by economic slowdown in Europe and the impact of the extraordinary devaluation of ARS by the new government
- Finance expenses increased to JPY 20.4 bn while recording reversal of previous impairment of financial receivables owed by JVs of JPY 3.7 bn and reversal of previous impairment of investments of JPY 1.0 bn arising from the disposal by the Group's JV of its Russian subsidiaries in Q1. As a result, net profit* of JPY 13.5 billion (+50.7 bn, FY2023/3 Q3 was a loss of 37.2 bn), turned into a significant surplus from net loss triggered by the significant impairment in the previous year
- Shareholders' equity ratio recovered to 11.6% (+1.4pt vs PY end). Free Cash Flow is negative JPY 12.4 bn (+9.0 bn, YoY) for cumulative, however it is inflow of JPY 6.2 bn (+18.1 bn, YoY) in Q3 aiming to achieve JPY 10.0 bn for the full-year

< Consolidated Income Statement >

(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	FY2023/3	FY2024/3	Change	FY2023/3	FY2024/3	Change
Revenue	190.6	192.5	2.0	566.2	612.7	46.5
Operating profit	9.7	6.1	(3.7)	24.2	32.1	7.9
ROS: Return on sales	5.1%	3.2%	(1.9) pt	4.3%	5.2%	+0.9pt
Exceptional items (net)	1.0	0.6	(0.4)	(43.9)	0.9	44.9
Operating profit/(loss) after exceptional items	10.7	6.7	(4.0)	(19.8)	33.0	52.8
Finance expenses (net)	(4.8)	(6.4)	(1.6)	(11.3)	(20.4)	(9.1)
Other gains/(losses) on equity method investments	-	-	-	-	3.7	3.7
Share of JVs and associates' profits	2.1	1.5	(0.6)	5.4	3.7	(1.7)
Other gains/(losses) on equity method investments	(0.4)	(0.1)	0.3	(1.1)	1.0	2.1
Profit/(loss) before taxation	7.7	1.7	(6.0)	(26.8)	21.1	47.9
Profit/(loss) for the period	2.2	3.6	1.4	(34.8)	14.1	48.9
Net profit/(loss) *	1.7	3.7	2.1	(37.2)	13.5	50.7
EBITDA	20.2	17.0	(3.1)	54.4	65.0	10.7
Free Cash Flow	(11.9)	6.2	18.1	(21.4)	(12.4)	9.0

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

(JPY bn)	31 March 2023	31 December 2023	Change
Total Assets	951.4	953.5	2.1
Shareholders' equity	124.9	110.9	13.9
Shareholders' Equity Ratio	10.2%	11.6%	+1.4pt

<Business Results>

Architectural Glass	Maintained similar cumulative revenues and profits to the previous year although affected by economic slowdown in Europe and the extraordinary devaluation of ARS. Robust demand continued for solar energy glass, a new facility in Malaysia started production in December
Automotive Glass	Revenue and OP improvement continued. Sales volumes increased with an easing of constrained vehicle build. Sales prices improved reflecting further progress in price improvement to pass-through the impact of materials and other costs rise
Technical Glass	Revenue and OP continuously affected by IT market slowdown, materials and other cost rises together with a worse sales mix while Q3 revenue and OP increase YoY

(JPY bn)	FY2023/3		FY2024/3		Change	
	Q3 (3 months)	Cumulative	Q3 (3 months)	Cumulative	Q3 (3 months)	Cumulative
Revenue						
Architectural Glass	93.6	275.7	81.6	274.5	(12.0)	(1.2)
Automotive Glass	86.6	258.4	100.7	305.9	14.1	47.4
Technical Glass	9.6	29.8	9.8	29.6	0.2	(0.1)
Other	0.9	2.3	0.5	2.7	(0.4)	0.4
Total Revenue	190.6	566.2	192.5	612.7	2.0	46.5
Operating profit						
Architectural Glass	10.7	26.2	4.4	26.2	(6.3)	0.0
Automotive Glass	0.6	(1.1)	3.0	9.3	2.4	10.4
Technical Glass	1.5	7.2	1.7	5.7	0.1	(1.5)
Other	(3.1)	(8.2)	(3.0)	(9.1)	0.1	(0.9)
Total Operating profit	9.7	24.2	6.1	32.1	(3.7)	7.9

2. FX impact on Operating Profit

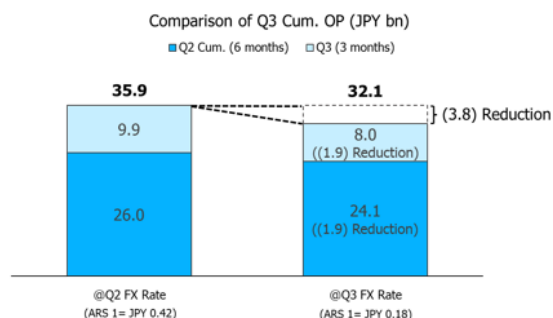
FX Impact on Operating Profit



Q3 OP decrease impacted by FX due to the extraordinary devaluation of ARS, while strong demand there contributing to solid OP in local currency basis

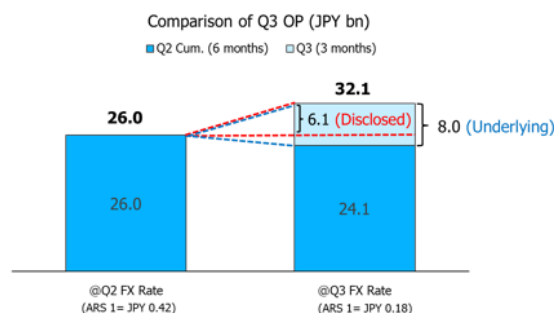
Q3 Cumulative (9 months) Operating Profit

- Using Average FX rate (Closing FX rate for ARS)
- Q3 cumulative OP of JPY 32.1 bn would have been JPY 35.9 bn calculated with Q2 FX rate →OP reduction of approximately JPY (4.0) bn due to FX impact (black dotted line)



Q3 (3 months) Operating Profit

- Difference between Q3 Cum. and Q2 Cum.
- Disclosed OP : JPY 6.1 bn (red dotted line)
- Underlying OP : JPY 8.0 bn (blue dotted line)
Q2 cumulative OP of JPY 26.0 bn reduced to JPY 24.1 bn in Q3 due to FX impact



3. Forecast for Financial Year ending March 2024

- Full-year revenue and OP forecasts maintained previous forecasts (disclosed at Q2) though affected by the extraordinary devaluation of ARS
- Continuing to go forward to OP record since Lehman shock in 2008 with steady growth
- Continuous material costs and other costs to rise with worldwide inflation trend, while stable energy costs assumed
- Uncertain business environment anticipated with potential recession. Continued cost reduction, expansion of VA products and price increases


<Forecast for Financial Year ending March 2024>

(JPY bn)	FY2024/3 Full-year Fcst (Previous)	FY2024/3 Full-year Fcst (Revised)	Change	FY2023/3 Full-year Act (Reference)
Revenue	840.0	840.0	-	763.5
Operating profit	42.0	42.0	-	34.8
Exceptional items (net)	0.0	0.0	-	(45.2)
Operating profit/(loss) after exceptional items	42.0	42.0	-	(10.3)
Finance expenses (net)	(29.0)	(29.0)	-	(17.4)
Reversal of previous impairment of financial receivables owed by JVs and associates	4.0	4.0	-	-
Share of JVs and associates' profits	5.0	5.0	-	7.3
Other gains/(losses) on equity method investments	1.0	1.0	-	(1.5)
Profit/(loss) before taxation	23.0	23.0	-	(21.9)
Profit/(loss) for the period	14.0	14.0	-	(31.0)
Net profit/(loss) *	12.0	13.0	1.0	(33.8)

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

4. Update of Transformation Initiatives under Revival Plan 24


Transformation Initiatives under Revival Plan 24



Continued RP24 initiatives to create business structure for sustainable growth

Three Reforms

- **Business structure reform**
 - The 2nd new float furnace in Argentina contributing to profit
 - Completed installation of online coating capacity for solar energy glass in Malaysia and started production from December 2023
 - Planning to install a new facility for solar energy glass at an existing float line in Rossford, Ohio, USA (Start of production during CY2025 January-March)



Capacity for solar energy glass in Malaysia

Two Key Initiatives

- **Restoration of financial stability**
 - ROS : 5.2% with cost reduction efforts, expansion of VA products and sales prices improvement despite material costs hike
 - Net profit: JPY 13.5 bn due to increasing OP and recognition of impairment reversal by disposal of JV business in Q1
 - Shareholders' equity ratio : improved to 11.6% by 1.4pt from PY end, above the target of 10%
 - FCF: inflow in Q3. Cumulative positive FCF, excluding working capital movement.
Aiming to achieve RP24 target of above JPY 10 bn for the full-year

RP24: https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtprp24presentation2021_e02.pdf

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