

Financial Year ending 31 March 2025 Quarter 3 Results

- **Continuous impact by European economic slowdown on Architectural and Automotive. OP decrease while revenue increase YoY partly helped by FX movement**
- **Profits forecast revised downward reflecting European economic slowdown and recording of exceptional costs with initiatives**
- **Implementing initiatives such as production cessation at two float lines in Germany, adjustment of Automotive production schedules at Witten, Germany, and voluntary salary reduction for executive officers to recover profits early**
- **Taking any appropriate actions including cost reductions throughout the Group to achieve full-year forecast and return to black in FY2026/3**

1. Financial Year ending 31 March 2025 Quarter 3 Results

- Group Q3 (3 months) revenue of JPY 207.5 bn (+15.0 bn, +7.8% YoY), and operating profit of JPY 0.6 bn (-5.5 bn, -90.5% YoY)
- The cumulative revenue increased to JPY 630.0 bn (+17.3 bn, +2.8% YoY), but operating profit decreased to JPY 10.8 bn (-21.3 bn, -66.3% YoY). Revenue increased with a contribution of Automotive and Technical Glass businesses partly helped by weaker JPY, however, operating profit decreased in Architectural and Automotive businesses affected by European economic slowdown
- Exceptional costs of JPY 2.5 bn (JPY 0.9 bn gains in PY) including one-off costs related to the float line cessation at Gladbeck, Germany as announced on 10th October 2024
- Finance expenses (net) decreased to JPY 18.2 bn from JPY 20.4 bn by JPY 2.2 bn. Share of JVs and associates' profits was JPY 3.7 bn (+0.0 bn YoY) while in the previous year, one-off gains of total JPY 4.8 bn were recorded following the disposal of Russian JV business
- As a result, loss for the period of JPY 9.3 bn (-23.4 bn YoY, JPY 14.1 bn profit in PY) and net loss* of JPY 10.1 bn (-23.6 bn YoY, JPY 13.5 bn profit in PY)
- Shareholders' equity ratio decreased to 11.7% (-0.7pt vs PY end) with net loss. Free Cash Flow was negative JPY 46.4 bn (-34.1 bn YoY) reflecting decreased OP and increased working capital. Interest-bearing debt increased to JPY 565.4 bn (+58.9 bn vs PY end) mainly due to negative FCF

<Consolidated Income Statement>

(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	FY2024/3	FY2025/3	Change	FY2024/3	FY2025/3	Change
Revenue	192.5	207.5	15.0	612.7	630.0	17.3
Operating profit	6.1	0.6	(5.5)	32.1	10.8	(21.3)
ROS: Return on sales	3.2%	0.3%	(2.9) pt	5.2%	1.7%	(3.5) pt
Exceptional items (net)	0.6	(2.5)	(3.1)	0.9	(2.5)	(3.5)
Operating profit/(loss) after exceptional items	6.7	(1.9)	(8.6)	33.0	8.3	(24.7)
Finance expenses (net)	(6.4)	(5.6)	0.7	(20.4)	(18.2)	2.2
Reversal of previous impairment of financial receivables owed by JVs and associates	-	-	-	3.7	-	(3.7)
Share of JVs and associates' profits	1.5	1.2	(0.3)	3.7	3.7	0.0
Other gains/(losses) on equity method investments	(0.1)	-	0.1	1.0	-	(1.0)
Profit/(loss) before taxation	1.7	(6.4)	(8.1)	21.1	(6.2)	(27.3)
Profit/(loss) for the period	3.6	(5.9)	(9.5)	14.1	(9.3)	(23.4)
Net profit/(loss) *	3.7	(6.2)	(9.9)	13.5	(10.1)	(23.6)
EBITDA	17.0	13.0	(4.0)	65.0	48.1	(16.9)
Free Cash Flow	6.2	(17.8)	(24.0)	(12.4)	(46.4)	(34.1)

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

(JPY bn)	31 March 2024	31 December 2024	Change
Total Assets	1,007.6	1,030.8	23.2
Shareholders' equity	124.3	120.2	(4.1)
Shareholders' Equity Ratio	12.3%	11.7%	(0.7) pt
Interest-bearing Debt	506.5	565.4	58.9

<Business Results>

Architectural Glass	Revenue and OP decrease YoY due to sales volume and price decrease especially in Europe. Fixed cost reduction by cessation of two float lines in Germany (One in June 2024, and another in January 2025). Robust demand continuing for solar energy glass. Warm up of a new facility in USA in January
Automotive Glass	Revenue increase partly helped by weaker JPY although slower 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 and lower asset utilization. Decision to adjust the production schedules at Witten, Germany
Technical Glass	Revenue improvement due to continuous positive demand. Similar OP to the previous year affected by other cost rises

(JPY bn)	FY2024/3		FY2025/3		Change	
	Q3 (3 months)	Cumulative	Q3 (3 months)	Cumulative	Q3 (3 months)	Cumulative
Revenue						
Architectural Glass	81.6	274.5	94.2	274.1	12.6	(0.4)
Automotive Glass	100.7	305.9	101.6	318.9	0.9	13.1
Technical Glass	9.8	29.6	11.5	36.2	1.7	6.5
Other	0.5	2.7	0.3	0.7	(0.2)	(1.9)
Total Revenue	192.5	612.7	207.5	630.0	15.0	17.3
Operating profit						
Architectural Glass	4.4	26.2	2.0	8.6	(2.4)	(17.6)
Automotive Glass	3.0	9.3	(0.9)	2.6	(3.9)	(6.7)
Technical Glass	1.7	5.7	1.8	5.7	0.1	0.0
Other	(3.0)	(9.1)	(2.3)	(6.2)	0.7	3.0
Total Operating profit	6.1	32.1	0.6	10.8	(5.5)	(21.3)

2. Forecast for Financial Year ending March 2025

- Forecasts of operating profit, profit before taxation, profit for the period, and net profit revised downwards for full year reflecting European economic slowdown and recording of exceptional costs for initiatives
- Stable energy and material costs assumed while other costs increase including labor reflecting inflation
- Implementation of initiatives such as production cessation at two float lines in Germany, decision to adjust Automotive production schedules at Witten, Germany, and voluntary salary reduction for executive officers to recover profits early
- Taking any appropriate actions to improve profits early including cost reductions throughout the Group to achieve full-year forecast and return to black in FY2026/3

<Forecast for Financial Year ending March 2025>

(JPY bn)	FY2025/3 Full-year Fcst (Previous)	FY2025/3 Full-year Fcst (Revised)	Change	FY2024/3 Full-year Act (Reference)
Revenue	850.0	850.0	-	832.5
Operating profit	26.0	16.0	(10.0)	35.9
Exceptional items (net)	2.0	(7.0)	(9.0)	0.1
Operating profit after exceptional items	28.0	9.0	(19.0)	36.0
Finance expenses (net)	(27.0)	(25.0)	2.0	(28.2)
Reversal of previous impairment of financial receivables owed by JVs and associates	-	-	-	3.7
Share of JVs and associates' profits	5.0	5.0	-	5.1
Other gains on equity method investments	-	-	-	1.0
Profit/(loss) before taxation	6.0	(11.0)	(17.0)	17.6
Profit/(loss) for the period	1.0	(16.0)	(17.0)	10.9
Net profit/(loss) *	0.0	(17.0)	(17.0)	10.6

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

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

		FY2027/3 Targets	FY2030/3 Targets	FY2025/3 Q3 Cum. (9 months) Actual
Profitability (P/L)	Operating profit	JPY 64.0 bn		JPY 10.8 bn : mainly due to impact by economic slowdown in Europe
	ROS	7%	10% or more	1.7% : decreased by 0.7pt from Q2
Cash Generation (C/F)	Free cash flow	JPY 27.0 bn		JPY (46.4) bn : negative free cash flow due to operating profit decrease and working capital increase
Stabilization of Financial Status (B/S)	Interest-bearing debt	JPY 442.0 bn		JPY 565.4 bn : increased due to negative free cash flow
	Shareholders' equity ratio	15%		11.7% : decreased by 0.7pt from the previous year end

4. Market Environment and Initiatives in Europe

Market Environment and Initiatives in Europe		NSG GROUP
<p>More demand for VA products expected in medium to long term in Architectural and Automotive. Developing the business to be less dependent on commodity products by cost reduction and expansion of VA products</p>		
<p>1. European Market Environment</p> <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 in Architectural • Markets recovering over the medium to long term with gradual improvement of vehicle production in Automotive 		
<p>2. Initiatives for less commodity products under "Business Development" in "2030 Vision : Shift the Phase"</p> <ul style="list-style-type: none"> • Supply reduction at upstream (sheet glass production) and development of less commoditized products at downstream (glass processing) in Architectural • Thorough profitability improvement with further optimization of footprint including adjustment of production schedules and operational improvement in Automotive 		

Market Environment and Initiatives in Europe



3. Main initiatives

(1) Supply reduction at upstream in Architectural and cost reduction in Automotive

Business	Country	Summary	Announcement Date	Schedule	Cost reduction benefit (approx. JPY bn.)		
					Annual	FY2025/3	FY2026/3
Architectural	UK	Consolidation of production of rolled glass and float glass onto one furnace	21 April 2023	April 2025	0.4	-	0.3
	Germany	Early closure of a float line at Weiherhammer	19 March 2024	June 2024	2.0	1.5	2.0
	Germany	Cessation of a float line at Gladbeck	10 October 2024	January 2025	3.0	0.5	3.0
Automotive	Germany	Adjustment of production schedules at Witten	24 January 2025	June - August 2025	1.1	-	0.5

(2) Progress of development of less commoditized products at downstream in Architectural

Summary	Country	Schedule	Progress
Insulated glass unit, triple glazing unit	Mainly Poland	Ongoing	Progress on track for 5% YoY growth
Glass utilizing advanced coating technology including Low-E	UK, Poland	Ongoing	Progress on track for 4% YoY growth
Jumbo laminated glass	Germany	December 2025	Progress on track

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