

## Financial Year ended 31 March 2023 Annual Results

- Continued revenue and OP increase, OP above full-year forecast by 24%. Continuous strong performance in Architectural, further price pass-through leading to full-year OP in Automotive. Operating loss after exceptional items with impairment loss of JPY 48.8 billion in Q2 in Automotive business Europe arising on the acquisition of Pilkington and the following items were all in red
- Maintained equity ratio and FCF above Mid-term management plan (RP24) financial target for two consecutive years
- Financial Year ending March 2024, revenue forecast planned to be flat, OP to decrease reflecting worldwide inflation trend, while profit before taxation, profit for the period, and net profit to increase returning profitable
- New organization starting under CEO Hosonuma from April 2023.  
Very important year to focus on completing RP24 and developing the new MTP

### 1. Financial Year ended 31 March 2023 Annual Results

- Group revenue in Q4 of JPY 197.3 billion (+39.7 bn, +25.2% YoY), and operating profit of JPY 10.7 billion (+5.2 bn, +95.3% YoY). High freight, labour and other costs continued to be largely offset by positive selling price and volume
- The cumulative revenue of JPY 763.5 billion (+163.0 bn, +27.1% YoY), and operating profit of JPY 34.8 billion (+14.8 bn, +74.2% YoY). Achieving operating profit in Automotive glass with further sales price increase and gradual resolve of vehicle build restriction
- Shareholder's equity ratio of 10.2% (-5.3 pt vs PY end) maintained above RP24 target of 10%, and free cash flow of JPY 13.9 billion achieving above JPY 10.0 billion for two consecutive years

### < Consolidated Income Statement >

(JPY bn)	Q4 (3 months)			Cumulative (12 months)			2023 Full-year Forecast
	2022/3	2023/3	Change	2022/3	2023/3	Change	
Revenue	157.6	197.3	39.7	600.6	763.5	163.0	750.0
Operating profit	5.5	10.7	5.2	20.0	34.8	14.8	28.0
ROS: Return on sales	3.5%	5.4%	+1.9pt	3.3%	4.6%	+1.3pt	3.7%
Exceptional items (net)	(0.7)	(1.2)	(0.5)	3.6	(45.2)	(48.8)	(44.0)
Operating profit/(loss) after exceptional items	4.8	9.4	4.7	23.6	(10.3)	(34.0)	(16.0)
Finance expenses (net)	(3.4)	(6.1)	(2.6)	(12.5)	(17.4)	(4.9)	(15.0)
Impairment of financial receivables owed by joint ventures and associates	(3.4)	-	3.4	(3.4)	-	3.4	-
Share of JVs and associates' profits	1.9	2.0	0.1	7.5	7.3	(0.2)	6.0
Other gains/(losses) on equity method investments	(3.4)	(0.4)	3.0	(3.4)	(1.5)	1.9	
Profit/(loss) before taxation	(3.6)	4.9	8.5	11.9	(21.9)	(33.8)	(25.0)
Profit/(loss) for the period	(3.8)	3.8	7.6	6.8	(31.0)	(37.8)	(34.0)
Net profit/(loss) *	(4.5)	3.4	7.9	4.1	(33.8)	(37.9)	(37.0)
EBITDA	14.4	20.7	6.2	56.7	75.0	18.4	
Free Cash Flow	21.2	35.3	14.0	22.3	13.9	(8.4)	

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

(JPY bn)	31 March 2022	31 March 2023	Change
<b>Total Assets</b>	<b>939.3</b>	<b>951.4</b>	<b>12.1</b>
Shareholders' equity	145.3	97.0	△ 48.3
<b>Shareholders' Equity Ratio</b>	<b>15.5%</b>	<b>10.2%</b>	<b>( 5.3)pt</b>

### <Business Results>

Architectural Glass	Significant revenue increase due to solid demand in all regions, partly supported by weaker JPY. OP improved with price increase mitigating input and other costs rise. Demand softened during Q4 in Europe. Continued robust demand for solar energy glass
Automotive Glass	Further progress in price improvement of Q4 resulted in cumulative profit. Constrained vehicle build due to parts shortage continues but being resolved gradually
Technical Glass	Less profitability as a result of sales volume decline due to lockdown and economic slowdown as well as costs rise

(JPY bn)	2022/3		2023/3		Change	
	Q4	Cum.	Q4	Cum.	Q4	Cum.
<b>Revenue</b>						
Architectural Glass	75.0	281.8	90.3	365.9	15.3	84.1
Automotive Glass	73.0	276.2	96.3	354.7	23.3	78.4
Technical Glass	9.0	39.8	9.0	38.8	(0.0)	(1.0)
Other	0.7	2.7	1.8	4.1	1.1	1.4
<b>Total Revenue</b>	<b>157.6</b>	<b>600.6</b>	<b>197.3</b>	<b>763.5</b>	<b>39.7</b>	<b>163.0</b>
<b>Operating profit</b>						
Architectural Glass	7.7	28.1	7.4	33.6	(0.4)	5.4
Automotive Glass	(2.0)	(7.9)	5.2	4.1	7.2	12.0
Technical Glass	2.1	9.9	1.5	8.7	(0.6)	(1.2)
Other	(2.4)	(10.1)	(3.4)	(11.5)	(1.0)	(1.4)
<b>Total Operating profit</b>	<b>5.5</b>	<b>20.0</b>	<b>10.7</b>	<b>34.8</b>	<b>5.2</b>	<b>14.8</b>

## 2. Forecast for Financial Year ending March 2024

- Revenue forecast planned to be flat considering slight appreciation of JPY, operating profit to decrease reflecting worldwide inflation trend, while profit before taxation, profit for the period and net profit to increase returning profitable
- Assume energy costs decrease, while continuous material costs and other costs increase. Uncertain business environment anticipated with potential recession caused by rising interest rates
- Focusing on profitability improvement through continuous cost reduction, expansion of VA products and price increase across the whole Group and promote "Restoration of financial stability" in the final year of RP24

### <Forecast for Financial Year ending March 2024>

(JPY bn)	2023/3 Actual		2024/3 Forecast		Change	
	H1	Full-year	H1	Full-year	H1	Full-year
<b>Revenue</b>	<b>375.7</b>	<b>763.5</b>	<b>370.0</b>	<b>760.0</b>	<b>(5.7)</b>	<b>(3.5)</b>
<b>Operating profit</b>	<b>14.4</b>	<b>34.8</b>	<b>14.0</b>	<b>30.0</b>	<b>(0.4)</b>	<b>(4.8)</b>
Exceptional items	(44.9)	(45.2)	1.0	1.0	45.9	46.2
<b>Operating profit/(loss) after exceptional items</b>	<b>(30.5)</b>	<b>(10.3)</b>	<b>15.0</b>	<b>31.0</b>	<b>45.5</b>	<b>41.3</b>
Finance expenses (net)	(6.6)	(17.4)	(11.0)	(22.0)	(4.4)	(4.6)
Share of JVs and associates' profits	3.2	7.3	3.0	7.0	0.5	1.2
Other gains/(losses) on equity method investments	(0.7)	(1.5)				
<b>Profit/(loss) before taxation</b>	<b>(34.5)</b>	<b>(21.9)</b>	<b>7.0</b>	<b>16.0</b>	<b>41.5</b>	<b>37.9</b>
<b>Profit/(loss) for the period</b>	<b>(37.0)</b>	<b>(31.0)</b>	<b>4.0</b>	<b>9.0</b>	<b>41.0</b>	<b>40.0</b>
<b>Net profit/(loss) *</b>	<b>(38.8)</b>	<b>(33.8)</b>	<b>3.0</b>	<b>7.0</b>	<b>41.8</b>	<b>40.8</b>

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

### 3. Update of Transformation Initiatives under Revival Plan 24

## Transformation Initiatives under Revival Plan 24



### Continued RP24 initiatives underway for business to grow sustainably

#### Three Reforms

##### ● Business structure reform

- Construction started to install online coating capacity for solar energy glass to an existing float furnace in Malaysia (Planning start of production from 2024/3 Q3)
- New capacity expansion for solar energy glass under consideration also in USA
- 2nd float furnace in Argentina started production in Q3, promoting business expansion in SA where the market continues to grow
- Started a new verification test for transparent solar panels for use as windows at a railway station in Tokyo, Japan



Transparent solar panels for use as windows

##### ● Corporate culture reform

- Collecting employees' feedback globally with "Your Voice" survey and creating "Leadership Behaviour Charter" in response, to promote cultural reform from leaders
- Enhancing "Inclusion & Diversity (I&D)" into "Diversity, Equity & Inclusion (DEI)" in order to develop individual employees' career paths and engagement
- Ensuring diversity of the Board of Directors

12 May 2023 | 2023/3 Annual Results Presentation RP24: [https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtrprp24presentation2021\\_e02.pdf](https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtrprp24presentation2021_e02.pdf)

## Transformation Initiatives under Revival Plan 24



### Shareholders' equity ratio and FCF above RP24 financial targets.

### Focusing on improving OP margin and net profit

#### Two Key Initiatives

##### ● Restoration of financial stability

(JPY)	2024/3 Target	2022/3 Actual	2023/3 Actual
Operating Profit Margin	8 %	3.3%	4.6%
Net profit/ (loss)	> 30 bn Cumulatively for 3 years	4.1 bn	(33.4 bn)
Shareholder's equity ratio	> 10%	15.5%	10.2%
Free cash flow	> 10 bn	22.3 bn	13.9 bn

- OP Margin: improving with cost reduction effort, expansion of VA sales and sales price improvements even under the business environment with input costs hike and restricted vehicle build
- Net profit: achieved over JPY 10 bn both in 2022/3 and 2023/3 without impairment related to Russian JV (JPY 6.8 bn) in 2022/3 and goodwill and intangible assets in European Automotive (JPY 48.8 bn) in 2023/3
- JPY 69.3 bn of cash and JPY 46.2 bn unused commitment lines at the end of March 2023

##### ● Transformation into more profitable business portfolio

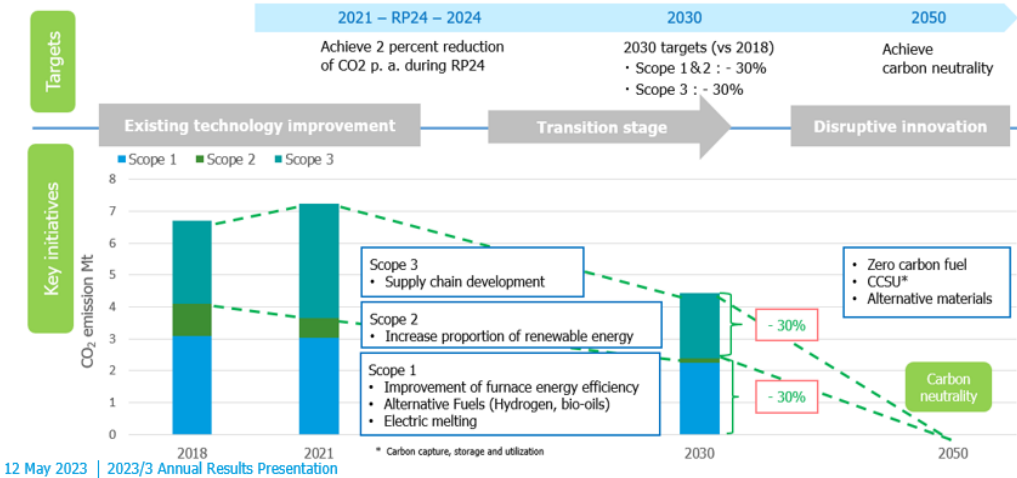
- Integration of the Group's Automotive Glass business in China with a major Chinese automotive glass manufacturer contracted

12 May 2023 | 2023/3 Annual Results Presentation RP24: [https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtrprp24presentation2021\\_e02.pdf](https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtrprp24presentation2021_e02.pdf)

# Transformation Initiatives under Revival Plan 24

## Sustainability

- Contracted sustainability linked loan in Europe whose terms and conditions are linked with the Group's sustainability targets, leading to promotion of sustainability management and aiming for integration of financial and non-financial targets



## 4. For the financial year ending March 2024, Final Year of RP24

### For the Financial Year ending March 2024, Final Year of RP24

**2024/3, an important year for the Group's future. Continuing to improve profits and cash by cost saving efforts, expansion of VA products and sales price increase**

#### **New organization starting under CEO Hosonuma from April 2023**

- Continuing to promote business structure reform, focusing on improving profit and cash**

- Ensure employees' Health, Safety and Ethics & Compliance to protect our people
- Achieve major financial targets as business or function with a positive and forward-looking mindset in the volatile market environment
- Implement "Shine" initiatives, contributing to the growth of the Group not only during 2024/3 but also beyond
- Implement automation and digitalization initiatives for a faster and leaner future operation
- Reduce carbon from a sustainability as well as a cost reduction perspective
- Develop engagement with people and the organization

- "4 (=3+1) F" for "corporate culture reform" :**

**F**lat organisation, **F**runk communication, **F**ast decision making, and **F**un at workplace

- "4D" for future strategy :**

**D**ecarbonisation, **D**igital, **B**usiness **D**evelopment, and **D**iversity

- 2024/3, the year to develop the Group's future and the new MTP from 2025/3**

12 May 2023 | 2023/3 Annual Results Presentation

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