

10 May 2019

FY2019 ANNUAL RESULTS

(1 April 2018 to 31 March 2019)

- **Sixth consecutive year of operating profit improvement, with significant increase in attributable profit**
- **FY2020 operating and attributable profit expected to show modest reduction consistent with challenging market conditions, although the Group's VA sales mix continue to improve**
- **No change in the direction of MTP Phase 2. Transform business structure by executing key "Shift to VA+Growth" initiatives**

Sixth consecutive year of operating profit improvement, with significant increase in attributable profit

- Group revenues of ¥ 612.8bn increased by 2% from the previous year (FY2018: ¥ 598.9bn*), reflecting sluggish European and North American Automotive markets in the second half of the year and stable or improving market conditions elsewhere
- Despite increase in energy-related costs and deterioration of South American currencies, trading profit improved by 3% from the previous year to ¥ 38.8bn (FY2018: ¥ 37.7bn*)
- Attributable profit improved by 116% from the previous year to ¥ 13.3bn (FY2018: ¥ 6.2bn), as result of reduced net finance costs and improved JV's and Associates results

	Revenue		Operating Profit	
	FY2019	FY2018*	FY2019	FY2018*
Architectural Glass	¥ 247.3bn	¥ 238.0bn	¥ 25.8bn	¥ 26.3bn
Automotive Glass	¥ 314.7bn	¥ 311.4bn	¥ 15.1bn	¥ 14.2bn
Technical Glass	¥ 49.1bn	¥ 48.4bn	¥ 8.1bn	¥ 5.4bn

FY2020 operating and attributable profit expected to show modest reduction consistent with challenging market conditions, although the Group's VA sales mix continues to improve

- Group revenues of ¥ 620.0bn slightly above FY2019, with further improved VA sales
- Challenging market conditions in many areas, preventing pass-through of increasing input costs, trading profit of ¥ 37.0bn (5% decrease from FY2019) and attributable profit forecast of ¥ 11.0bn (17% decrease from FY2019)

No change in the direction of MTP Phase 2. Transform business structure by executing key "Shift to VA+Growth" initiatives

- **Profitability enhancement:**
Further acceleration of VA shift and continuous efficiency and cost improvement
- **Development of future growth opportunities:**
Execution of strategic investment projects, acceleration of new product launches
- **New business development:**
Enhancement of Business Innovation Center and R&D

*: Restated due to adoption of IFRS15 "Revenue from Contracts with Customers"

Excerpt from NSG Group FY2019 Annual financial results presentation, 10 May 2019

Consolidated Income Statement NSG GROUP

(JPY bn)	FY2018 ^{*1}	FY2019	Change
Revenue	598.9	612.8	13.9
Trading profit	37.7	38.8	1.1
Amortization ^{*2}	(2.0)	(1.9)	0.1
Operating profit	35.7	36.9	1.2
Exceptional items	(1.3)	(7.1)	(5.8)
Finance expenses (net)	(14.6)	(13.3)	1.3
Share of JVs and Associates	2.4	6.2	3.8
Profit before taxation	22.2	22.7	0.5
Profit for the period	7.9	14.4	6.5
Profit attributable to owners of the parent	6.2	13.3	7.1
EBITDA	63.6	64.7	

*1: Restated due to adoption of IFRS 15 "Revenue from Contracts with Customers"
*2: Amortization arising from the acquisition of Pilkington plc only

Sixth consecutive year of profit growth, in line with forecast

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FY2020 Forecast Consolidated income statement NSG GROUP

(JPY bn)	Actuals FY2019	Forecast FY2020	Change
Revenue	612.8	620.0	7.2
Trading profit	38.8	37.0^{*2}	(1.8)
Amortization ^{*1}	(1.9)	(2.0)	(0.1)
Operating profit	36.9	35.0	(1.9)
Exceptional items	(7.1)	(6.0)	1.1
Finance expenses (net)	(13.3)	(14.0) ^{*2}	(0.7)
Share of JVs and Associates	6.2	4.0	(2.2)
Profit before taxation	22.7	19.0	(3.7)
Profit for the period	14.4	12.0	(2.4)
Profit attributable to owners of the parent	13.3	11.0	(2.3)

*1: Amortization arising from the acquisition of Pilkington plc only
*2: As result of the adoption of IFRS16 'Leases', finance expenses expected to increase by JPY 1bn and operating expenses expected to decrease by JPY 1bn. No significant impact expected on profit before taxation or profit for the period.

Decrease in profit reflects increases in input costs

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For enquiries:

- Investor Relations: +81-3-5443-0100
- Corporate Communications: +81-3-5443-9477