NSG Group
FY2025/3 Quarter 2 Results
(from 1 April 2024 to 30 September 2024)

Nippon Sheet Glass Company, Limited
8 November 2024

Munehiro Hosonuma

Representative Executive Officer and President Chief Executive Officer

Akihito Okochi

Senior Executive Officer, Chief Financial Officer

Agenda

1. Financial Year ending 31 March 2025 Quarter 2 Results
2. Forecast for Financial Year ending March 2025
3. Update of “2030 Vision : Shift the Phase” Financial Targets
4. Market Environment and Initiatives of Architectural Glass Business in Europe
5. Summary

1. Financial Year ending 31 March 2025 Quarter 2 Results

Consolidated Income Statement

NSG GROUP

Continuous large impact by European economic slowdown mainly on Architectural business.
OP decrease while similar revenue to PY partly helped by weaker JPY

(JPY bn)	Q2 (3 months)			Cumulative (6 months)			H1 Forecast
	FY2024/3	FY2025/3	Change	FY2024/3	FY2025/3	Change	
Revenue	212.2	**206.0**	(6.2)	420.2	**422.4**	2.3	410.0
Operating profit	11.5	**5.5**	(6.0)	26.0	**10.2**	(15.8)	12.0
ROS: Return on sales	5.4%	**2.7%**	(2.7) pt	6.2%	**2.4%**	(3.8) pt	2.9%
Exceptional items (net)	1.1	**(0.2)**	(1.3)	0.3	**(0.0)**	(0.3)	-
Operating profit after exceptional items	12.5	**5.3**	(7.3)	26.3	**10.2**	(16.1)	12.0
Finance expenses (net)	(7.7)	**(6.6)**	1.1	(14.0)	**(12.6)**	1.5	(13.0)
Reversal of previous impairment of financial receivables owed by JVs and associates	-	**-**	-	3.7	**-**	(3.7)	-
Share of JVs and associates' profits	1.2	**1.4**	0.2	2.2	**2.5**	0.4	2.5
Other gains/(losses) on equity method investments	(0.0)	**-**	0.0	1.1	**-**	(1.1)	-
Profit before taxation	6.1	**0.1**	(6.0)	19.3	**0.2**	(19.2)	1.5
Profit/(losses) for the period	3.0	**(6.1)**	(9.0)	10.5	**(3.4)**	(13.9)	1.0
Net profit/(losses) *	2.7	**(6.3)**	(9.0)	9.8	**(3.9)**	(13.6)	0.0
EBITDA	22.6	**17.5**	(5.1)	48.0	**35.0**	(13.0)	

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

OP decrease in all businesses especially in Architectural while revenue increase in Automotive and Technical Glass

【Revenue and Operating Profit : vs PY】

(JPY bn)	Revenue	OP
Architectural	(13.0)	(15.1)
Automotive	+ 12.1	(2.8)
Technical Glass	+ 4.8	(0.1)
Others	(1.7)	+2.2
Group total	**+ 2.3**	**(15.8)**

Decrease YoY due to interest rate decline for GBP and EUR currencies

Recorded gains on the reversal of previous impairments of balances and investments arising from the disposal of Russian JV business in PY

Tax charge calculated based on the estimated effective rate for the full year

8 November 2024 | FY2025/3 Quarter 2 Results Presentation 5

The Group's consolidated income statement is shown on slide 5.

You can see the results for the second quarter (3 months) in the left,
and the first half cumulative results (6 months) in the middle and H1 forecasts to the right.

For the second quarter (3 months), revenue decreased to 206.0 billion yen, by 6.2 billion yen year on year.
It decreased in Architectural which was largely impacted by the European economic slowdown and Automotive which was affected by vehicle build decrease while showing increase in Technical Glass.
The Group's cumulative first half (6 months) revenue was 422.4 billion yen which was similar to the previous year, partly helped by weaker JPY, and above H1 forecast.
This is due to sales increase in Automotive and Technical Glass while decrease in Architectural.

Operating profit for the second quarter (3 months) was 5.5 billion yen which decreased by 6.0 billion yen year on year.
This is owing to revenue decrease in Architectural, and other costs rise in all businesses mainly labor reflecting worldwide inflation trend.
Cumulative first half operating profit decreased by 15.8 billion yen to 10.2 billion yen, with the decline in all businesses especially in Architectural.

Exceptional items were net charge of 0.04 billion yen.

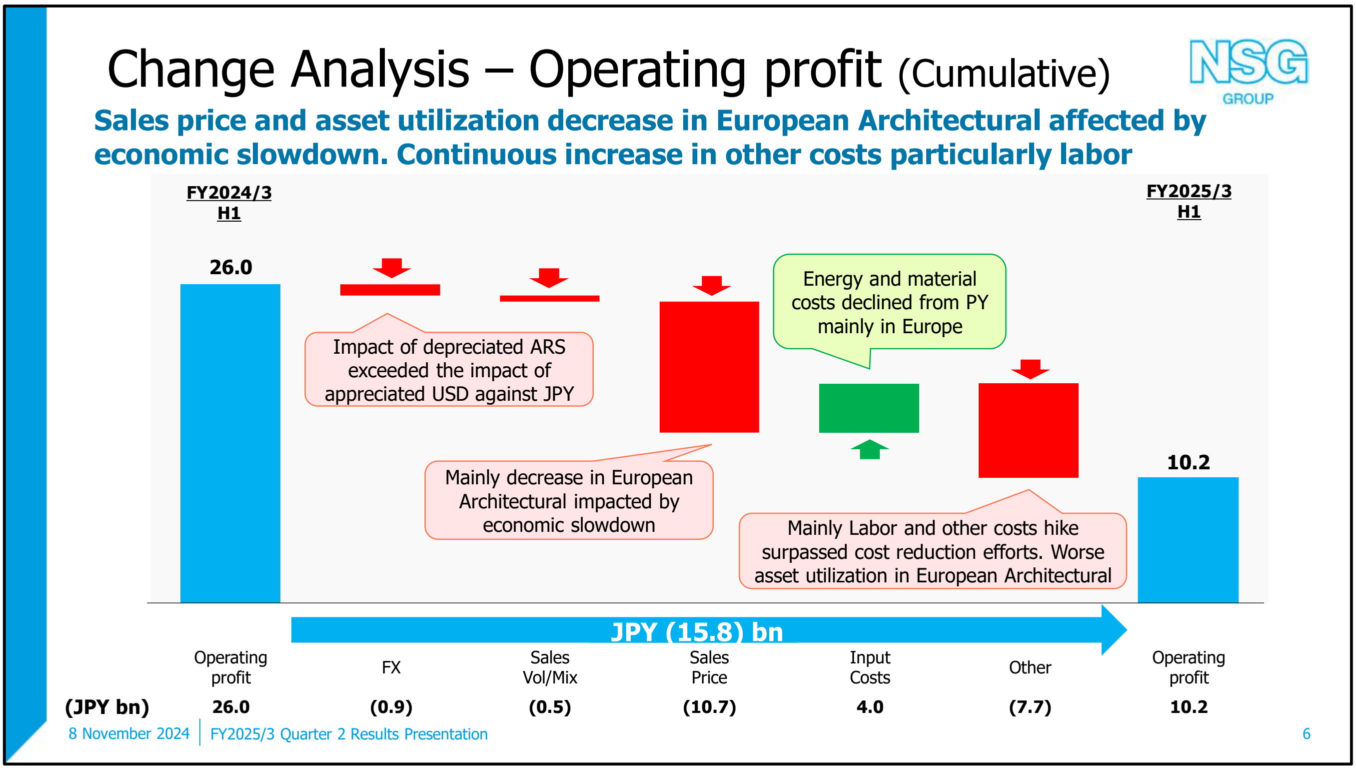
Net finance expenses improved to 12.6 billion yen from 14.0 billion yen in the previous year by 1.5 billion yen.
This is due to interest rate decline in GBP and EUR compared to the previous year.

In the share of JVs and associates' profits, the Group recorded 2.5 billion yen this year which improved from the previous year of 2.2 billion yen by 0.4 billion yen.

In the previous year, Group disposed Russian JV business in the first quarter.
Following this transaction, the reversal of previous impairment of financial receivables owed by JVs and associates of 3.7 billion yen was recorded
and gains on the reversal of previous impairments of investments were recorded which resulted in other gains on equity method investments of 1.1 billion yen.

Taxation charge of 3.6 billion yen is calculated based on the estimated effective tax rate for the full-year.
The Group's overall tax rate remains high as the Group records tax charges in the countries where it is profitable, but is not currently recording tax credits in the countries where the Group is loss-making.
As a consequence, the Group recorded a loss for the period of 3.4 billion yen and net loss of 3.9 billion yen.

Operating profit improved from the first quarter with cost reduction efforts while the Group was continuously affected largely by economic slowdown in Europe.



Slide 6 lays out change analysis of the year-on-year operating profit movement from April to September 2024.
A comparison is made between the operating profit 26.0 billion yen in the previous year and 10.2 billion yen in this year, being a 15.8 billion yen year-on-year decrease.

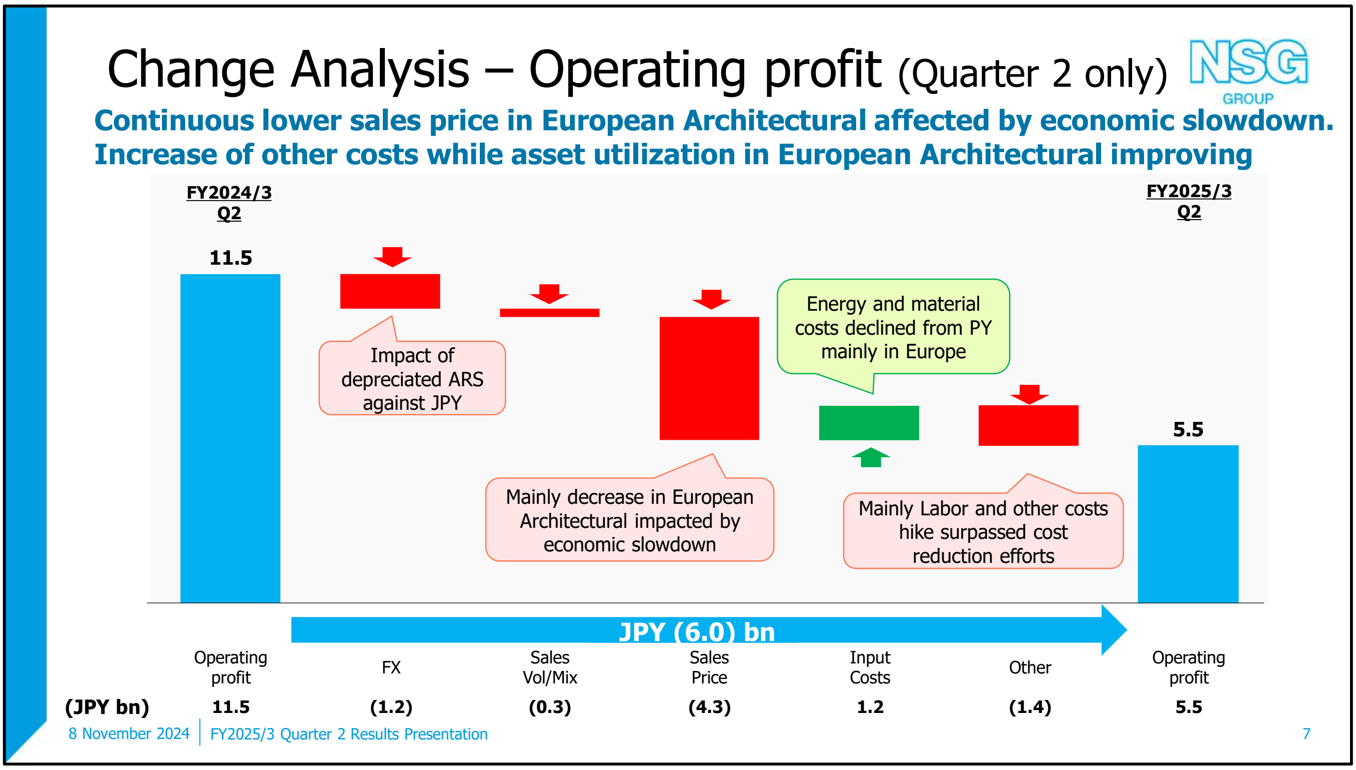
"Foreign Exchange" was negative 0.9 billion yen.
Negative impact of depreciated Argentine Peso against the Yen exceeded the positive impact of appreciated foreign currencies mainly US Dollar against the Yen.

"Sales Volume/Mix" decreased by 0.5 billion yen,
reflecting sales volume decrease in Architectural Europe and Americas while increase in Technical Glass and Automotive.

The negative 10.7 billion yen in "Price".
This is due to the sales prices decrease mainly in European Architectural reflecting economic slowdown despite the increase in Automotive and Technical Glass with the progress of price pass-through.

The positive "Input Costs" of 4.0 billion yen was due to energy and material costs decrease mainly in Europe.

"Others" posted a decrease of 7.7 billion yen.
Other cost increases, mainly related to labor reflecting worldwide inflation trend exceeded the benefits of the Group's cost reduction efforts.
Also, asset utilization worsened in European Architectural, accompanying sales volume decrease caused by the economic slowdown.



Slide 7 lays out change analysis of the year-on-year operating profit movement from July to September 2024.
A comparison is made between the operating profit 11.5 billion yen in the previous year and 5.5 billion yen in this year, being a 6.0 billion yen year-on-year decrease.

"Foreign Exchange" decreased by 1.2 billion yen, impacted by depreciated Argentine Peso against the Yen.

"Sales Volume/Mix" was negative 0.3 billion yen, reflecting sales volume decrease in Architectural Europe while increase in Technical Glass and Automotive.

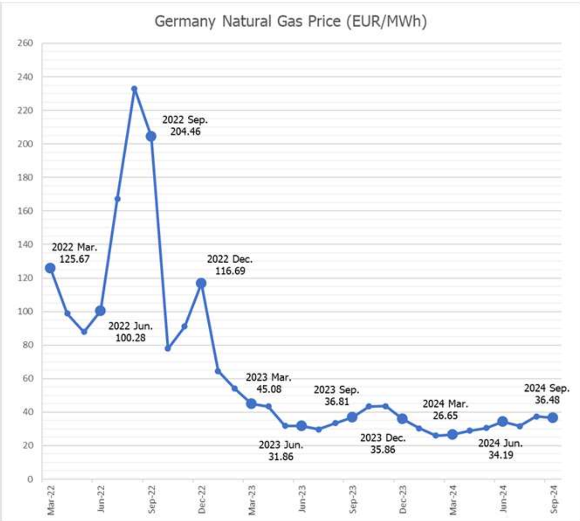
The negative 4.3 billion yen in "Price" is due to the sales prices decrease mainly in European Architectural reflecting economic slowdown.

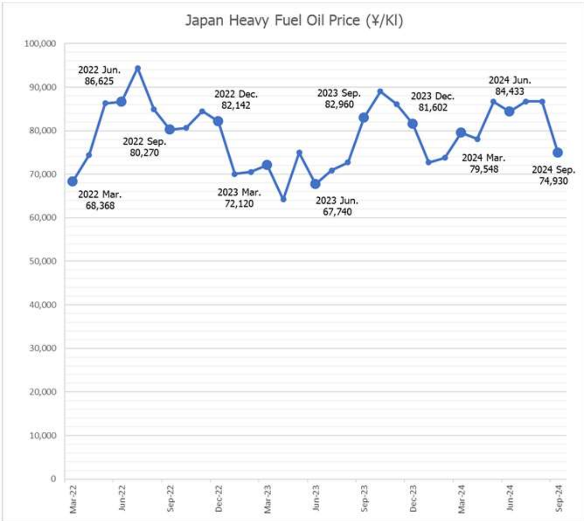
The positive "Input Costs" of 1.2 billion yen was due to energy and material costs decrease mainly in Europe.

"Others" posted a decrease of 1.4 billion yen.
Other cost increases, mainly related to labor continued reflecting worldwide inflation trend exceeded the benefits of the Group's cost reduction efforts.
Worse asset utilization eased in European Architectural reflecting the production cessation of a German float line in June.

Energy Price Movement

German natural gas price : stable since the previous year
Japanese heavy fuel oil price : stayed at a high level





Next slide 8 shows the movements of energy prices.

The left chart shows the movement of the natural gas price in Germany, and the right chart shows the heavy fuel oil price in Japan.

In Germany, the price of natural gas was stable since the previous year.
In Japan, the heavy fuel oil price stayed at a high level.

Consolidated Balance Sheet

NSG GROUP

Shareholders' equity ratio decrease to 11.1% by 1.2pt from the previous year end.
Interest-bearing debt increase due to negative FCF with decreased OP and seasonal WC movement

(JPY bn)	31 March 2024	30 September 2024	Change
Total Assets	**1,007.6**	**981.2**	**(26.3)**
Non-current assets	686.3	673.9	(12.4)
Current assets	321.3	307.3	(14.0)
Total Liabilities	**853.7**	**839.9**	**(13.8)**
Current liabilities	369.9	336.6	(33.3)
Non-current liabilities	483.9	503.3	19.4
Total Equity	**153.8**	**141.3**	**(12.5)**
Shareholders' equity	124.3	109.3	(15.0)
Shareholders' equity ratio	**12.3%**	**11.1%**	**(1.2) pt**
Interest-bearing debt	**506.5**	**531.0**	**24.6**

Mainly due to decrease in property, plant and equipment reflecting foreign exchange movements

Mainly decrease in inventories and trade and other receivables

Mainly decrease in trade and other payables

Mainly increase in interest-bearing debt

Shareholders' equity ratio decreased to 11.1% with a combination of foreign exchange movements and net loss

Mainly due to negative FCF with decreased OP and seasonal working capital movement

The Group's consolidated balance sheet is presented on slide 9.

As of the end of September 2024, total assets were 981.2 billion yen, which decreased by 26.3 billion yen from the end of March 2024.

The Group's non-current assets decreased by 12.4 billion yen from March mainly due to decrease in tangible fixed assets reflecting appreciated JPY.
Current assets decreased by 14.0 billion yen mainly owning to decrease in inventories and trade and other receivables.

Current liabilities decreased by 33.3 billion yen arising from decrease in trade and other payables.
Non-current liabilities increased by 19.4 billion yen due to increase in interest-bearing debt.

Shareholders' equity decreased to 109.3 billion yen by 15.0 billion yen, mainly due to a combination of foreign exchange movements and recording of net loss.

As a result, shareholders' equity ratio decreased to 11.1% by 1.2 points from the previous year end.

Interest-bearing debt increased by 24.6 billion yen to 531.0 billion yen.
This is mainly due to negative free cash flow with operating profit decrease and seasonal working capital movement.

Consolidated Statement of Cash Flows

NSG GROUP

FCF decreased YoY reflecting OP decrease while small cash inflow generated in Q2.
Management of working capital mitigating OP decrease in CF from operating activities

(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	FY2024/3	FY2025/3	Change	FY2024/3	FY2025/3	Change
Net cash flows from operating activities	**20.9**	**15.6**	**(5.3)**	**3.4**	**(3.8)**	**(7.2)**
included above: Net change in working capital	7.1	12.5	5.4	(31.3)	(16.7)	14.6
Net cash flows from investing activities	**(7.9)**	**(12.5)**	**(4.6)**	**(22.0)**	**(24.8)**	**(2.9)**
included above: Purchase of property, plant and equipment	(14.0)	(11.7)	2.3	(27.8)	(23.5)	4.3
Free cash flow	**13.0**	**3.0**	**(10.0)**	**(18.6)**	**(28.6)**	**(10.1)**
Net cash flows from financing activities	**(5.1)**	**8.8**	**13.9**	**0.1**	**31.1**	**31.0**
Increase/ (decrease) in cash and cash equivalents	**8.0**	**11.9**	**3.9**	**(18.5)**	**2.5**	**21.0**
Cash and cash equivalents at the end of the period				**55.2**	**46.0**	**(9.2)**

Management of working capital movement mitigated OP decrease

Decrease from the previous year while inflow in Q2

Consolidated statement of cash flows in slide 10.

For the three months of the second quarter, net cash flows from operating activities decreased by 5.3 billion yen from the previous year to 15.6 billion yen.
It is impacted by significant operating profit decrease despite further working capital decrease.
Cumulative net cash flows from operating activities were an outflow of 3.8 billion yen being a 7.2 billion yen decrease from the previous year.
However, the successful management of working capital enabled the Group to reduce the seasonal first quarter working capital movement by 14.6 billion yen compared to the previous year, mitigating the impact of the operating profit decrease.

Cumulative net cash outflows from investing activities increased to 24.8 billion yen by 2.9 billion yen from the previous year.

As a result, free cash flow decreased by 10.1 billion yen from the previous year affected by reduced operating profit which resulted in an outflow of 28.6 billion yen for cumulative while the second quarter was at an improving trend with an inflow of 3.0 billion yen.

We will continue to improve free cash flow and reduce interest-bearing debt with operating profit increase and working capital decrease.

Segmental Information

(JPY bn)	FY2023/3 Q2 Cum.			FY2024/3 Q2 Cum.			FY2025/3 Q2 Cum.			Change	
	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	Operating Profit
Architectural	**182.1**	**48%**	**15.5**	**192.9**	**46%**	**21.8**	**180.0**	**43%**	**6.7**	**(13.0)**	**(15.1)**
Europe	78.8	21%		73.5	17%		65.4	15%		(8.1)	
Asia	49.0	13%		54.8	13%		57.4	14%		2.6	
Americas	54.3	14%		64.6	15%		57.2	14%		(7.4)	
Automotive	**171.9**	**46%**	**(1.7)**	**205.2**	**49%**	**6.3**	**217.3**	**51%**	**3.5**	**12.1**	**(2.8)**
Europe	69.9	19%		83.8	20%		89.2	21%		5.4	
Asia	32.4	9%		38.3	9%		39.9	9%		1.6	
Americas	69.6	19%		83.1	20%		88.2	21%		5.1	
Technical Glass	**20.2**	**5%**	**5.7**	**19.9**	**5%**	**4.0**	**24.7**	**6%**	**3.9**	**4.8**	**(0.1)**
Europe	4.6	1%		5.0	1%		5.2	1%		0.1	
Asia	14.8	4%		14.0	3%		18.6	4%		4.6	
Americas	0.8	0%		0.9	0%		1.0	0%		0.1	
Other	**1.5**	**0%**	**(5.1)**	**2.2**	**1%**	**(6.1)**	**0.4**	**0%**	**(3.8)**	**(1.7)**	**2.2**
Total	**375.7**	**100%**	**14.4**	**420.2**	**100%**	**26.0**	**422.4**	**100%**	**10.2**	**2.3**	**(15.8)**

Slide 11 lays out revenue and profit by the business segments
in the first half of last three years.
Each SBU results will be explained from next slide.

Architectural (Cum. Rev▼, Profit▼ : Q2 Rev▼, Profit▼)

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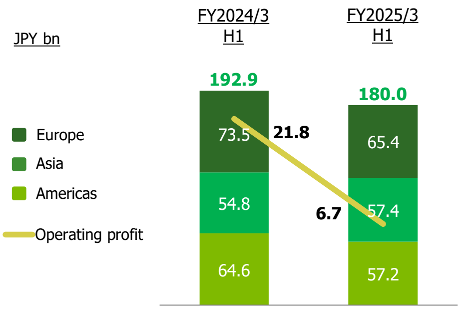
Sales and OP decrease year-on-year due to sales volumes and prices decrease across most regions, especially in Europe



(JPY bn)	Q2 (3 months) FY2024/3	Q2 (3 months) FY2025/3	Change	Cumulative (6 months) FY2024/3	Cumulative (6 months) FY2025/3	Change
Revenue	**97.2**	**89.8**	**(7.4)**	**192.9**	**180.0**	**(13.0)**
Europe	35.4	30.9	(4.5)	73.5	65.4	(8.1)
Asia	28.0	30.3	2.3	54.8	57.4	2.6
Americas	33.8	28.5	(5.3)	64.6	57.2	(7.4)
OP	**9.9**	**3.3**	**(6.6)**	**21.8**	**6.7**	**(15.1)**

Europe (Cum. Rev▼, Profit▼ : Q2 Rev▼, Profit▼)

- Sales prices decrease significantly with economic slowdown
- Input costs decline mitigating the impact of deteriorating business environment
- Early closure of a float line in Germany in June
- Additional closure of another float line in Germany in January

Asia (Cum. Rev▲, Profit▼ : Q2 Rev▲, Profit▲)

- Stable sales prices while sales volumes decrease in Japan
- Continuous robust demand for solar energy glass. Contribution of a new facility in Malaysia

Americas (Cum. Rev▼, Profit▼ : Q2 Rev▼, Profit▼)

- In North America, sales price and volumes decrease with continuous weak demand in domestic markets
- In South America, sales volume decrease with less demand
- Strong demand continuing for solar energy glass. Good progress in conversion of an existing float line in USA

Please move to slide 12 – from this slide the results of each business will be explained.

Architectural revenues and profit decreased year-on-year due to sales volume and price decrease across most regions, especially in Europe.

In Europe, revenues and operating profit decreased from the previous year.
Although solid demand is expected in both new construction and renovation markets in the medium to long term, sales volumes and prices decreased as the economic slowdown continued.
The impact of deteriorating business environment was partly mitigated by input cost decline such as raw material and energy costs.
The Group has ceased the production on one of its two float lines at Weiherhammer, Germany in June 2024 ahead of the cold repair planned in FY2026/3.
Also, the Group decided additional cessation of production at one of its two float lines at Gladbeck, Germany from January 2025 as announced on 10th October 2024.
From these, cost reduction through enhancement of asset utilization and recovery of demand-supply situation in European Architectural market is expected.

In Asia, operating profit worsened for cumulative despite better revenue while both showed better results in the second quarter.
In Japan, sales prices were stable during the first half, although sales volume decreased.
Demand for glass for solar panels remains strong.
The Group's new solar facility in Malaysia which started production in last December contributed to profit.

In the Americas, revenues and operating profit decreased from the previous year.
In North America, sales price and volume decreased with challenging domestic market conditions.
In South America, sales volumes decreased reflecting demand decrease in Argentina.
Solid demand for solar energy glass continued and installation of a new facility for solar energy glass at an existing float line in Rossford, Ohio, USA is progressing well for planned operation start from this year end.

Automotive (Cum. Rev▲, Profit▼ : Q2 Rev▼, Profit▼)

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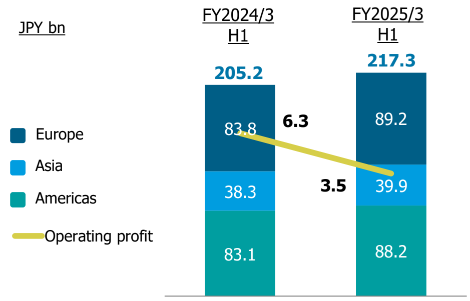
Cumulative revenue increase with price improvements and partly helped by weaker JPY although slower pace of sales volume recovery.
OP decrease YoY reflecting labor and other costs rise



(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	FY2024/3	FY2025/3	Change	FY2024/3	FY2025/3	Change
Revenue	**104.3**	**103.7**	**(0.6)**	**205.2**	**217.3**	**12.1**
Europe	41.3	41.6	0.4	83.8	89.2	5.4
Asia	20.4	20.4	(0.1)	38.3	39.9	1.6
Americas	42.6	41.7	(0.9)	83.1	88.2	5.1
OP	**3.1**	**1.0**	**(2.1)**	**6.3**	**3.5**	**(2.8)**

Europe (Cum. Rev▲, Profit▼: Q2 Rev▲, Profit▼)
Asia (Cum. Rev▲, Profit▲: Q2 Rev▼, Profit▲)
Americas (Cum. Rev▲, Profit▼: Q2 Rev▼, Profit▼)

- Slower pace of sales volumes recovery affected by vehicle build decrease in Europe and disruption to production activity at some customers in Asia and North America
- Further progress in concluding price agreements with customers to offset high material and other costs. OP decreased mainly due to labor and other costs hike despite the sales price increase
- Further improvement of temporarily unfavorable production efficiency in North America
- Progressing continuously cost reduction efforts, expansion of VA products, and sales prices improvement

Slide 13, the results of the Automotive business.

Revenue improved but operating profit decreased for cumulatively, but both decreased for the second quarter year on year.
Although slower pace of sales volume recovery, cumulative revenue increased due to further conclusion of price improvements partly helped by weaker JPY.
The decrease in operating profit is mainly caused by labor and other costs rise.

The recovery pace of sales volumes got slower due to vehicle build decrease in Europe and disruption to production activity at some customers in Asia and North America.

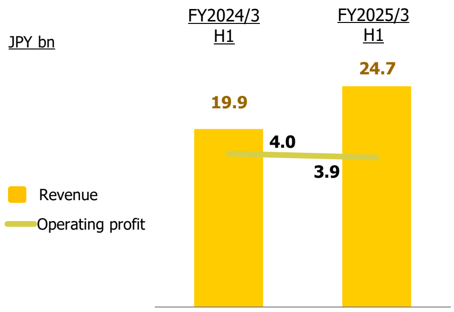
Sales prices improvement through the negotiation with customers continued,
with further progress being made to offset higher materials, labor and other costs.
This resulted in a profit increase in Asia, on the other hand, profit decreased in Europe and Americas where labor and other costs hike were not fully mitigated.

Temporarily unfavorable production efficiency which were seen at some sites in North America in the first quarter have been improving further.

We will focus on further profitability improvement with continuous cost reduction efforts, expansion of value-added products and sales prices improvement.

Technical Glass (Cum. Rev▲, Profit▼ : Q2 Rev▲, Profit▲)

Revenue increase due to continuous demand recovery in many businesses.
OP similar to the previous year due to other cost rises



(JPY bn)	Q2 (3 months)			Cumulative (6 months)		
	FY2024/3	FY2025/3	Change	FY2024/3	FY2025/3	Change
Revenue	9.9	12.3	2.4	19.9	24.7	4.8
OP	1.9	1.9	0.0	4.0	3.9	(0.1)

- Improving price levels for some products in fine glass
- Demand for printer lenses recovering
- Sales volumes in glass cord recovered, benefitting from high demand in automotive glass replacement markets
- Demand for Metashine® increased for automotive applications

Slide 14 lays out the results of the Technical Glass business.

Revenue increased from the previous year due to improving demand in many businesses.
Operating profit was similar to the previous year due to other cost rises.

In Fine glass business, price levels improved for some products.

Regarding the printer lenses business, sales volume and price recovered reflecting production volume increase at printer manufacturers.

Sales volume in glass cords for engine timing belts recovered benefitting from high demand in replacement markets.

Revenue for Metashine® increased for automotive applications.

2. Forecast for Financial Year ending March 2025

Forecast for Financial Year ending March 2025

Profits forecasts revised downward reflecting H1 results with European economic slowdown.
Taking any appropriate actions to improve profits throughout the Group

(JPY bn)	FY2025/3 H1 Fcst (Previous)	FY2025/3 H1 Act	FY2025/3 Full-year Fcst (Previous)	FY2025/3 Full-year Fcst (Revised)	Change	FY2024/3 Full-year Act (Reference)
Revenue	**410.0**	**422.4**	**840.0**	**850.0**	**10.0**	**832.5**
Operating profit	**12.0**	**10.2**	**30.0**	**26.0**	**(4.0)**	**35.9**
Exceptional items (net)	-	(0.0)	-	2.0	2.0	0.1
Operating profit after exceptional items	**12.0**	**10.2**	**30.0**	**28.0**	**(2.0)**	**36.0**
Finance expenses (net)	(13.0)	(12.6)	(28.0)	(27.0)	1.0	(28.2)
Reversal of previous impairment of financial receivables owed by JVs and associates	-	-	-	-	-	3.7
Share of JVs and associates' profits	2.5	2.5	5.0	5.0	-	5.1
Other gains on equity method investments	-	-	-	-	-	1.0
Profit before taxation	**1.5**	**0.2**	**7.0**	**6.0**	**(1.0)**	**17.6**
Profit/(loss) for the period	**1.0**	**(3.4)**	**2.0**	**1.0**	**(1.0)**	**10.9**
Net profit/(loss) *	**0.0**	**(3.9)**	**0.0**	**0.0**	**-**	**10.6**

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

The following slides are regarding the forecast for financial year ending March 2025.
Slide 16 shows the forecast for FY2025/3.

From the left, the previous forecast for the first half, actual results, the previous full-year forecast, revised full-year forecast, the variances and the actuals of FY2024/3 to the right.

The Group has revised downward its forecasts of operating profit, profit before taxation, and profit for the period for the full-year.
This revision is due to H1 performance below the Group's previous expectations which was largely affected by economic slowdown and assumption that the impact of the economic slowdown in Europe will improve only gradually during the second half of the year.
We will take any appropriate actions to improve profits including further cost reductions throughout the Group.

The assumptions for this forecast will be discussed in the next slide.

Assumptions for FY2025/3 Forecast

NSG GROUP

Group	**Profits forecasts revised downward impacted significantly by economic slowdown in Europe.** **Taking any appropriate actions to improve profits including cost reductions throughout the Group** • Assuming depreciated JPY for major foreign currencies, compared to FY2024/3 • Stable energy and material costs assumed while other costs including labor to increase reflecting inflation • Continue cost reduction, expansion of VA products and sales price increases
Architectural Glass	**The economic slowdown in Europe is expected to continue into H2, with the Group mitigating this by ceasing production at two float lines. Favorable Solar business expected** • Europe : affected by sales volume and price decrease arising from economic slowdown and cost increase • Asia : stable sales prices in Japan • North America : sales volumes to decrease with continuous softening domestic demand. Need close watch on economic trends in USA • South America : softening demand in Argentina • Solar energy glass : robust demand to continue
Automotive Glass	**Continuing price negotiations while impact of higher input costs including labor** • Sales volumes recovering modestly with vehicle demand, but with slower pace • Price negotiations to continue with all customers to recover cost increases • Aiming for further profitability improvement with cost reduction efforts, expansion of VA products and price increases
Technical Glass	**Markets recovery, absorbing cost increase with sales volumes and prices improvement** • IT market recovery in fine glass • Demand recovery for printer lenses reflecting production volume increase at printer manufactures • Demand for glass cord recovering gradually for replacement markets

Slide 17 shows the assumptions for the forecast.

The Group revised its forecast of profits as explained in the former slide.
Regarding the assumption for the whole Group, we expect of depreciated JPY against major foreign currencies compared to FY2024/3.
Other costs including labor costs are forecasted to increase reflecting the worldwide inflation trend although energy and material costs are assumed to be stable.
The Group continues to pursue business improvement with promoting cost reduction efforts, expansion of Value Added products and price increase.

Considering the factors affecting each business:
In Architectural business;
In Europe, it will be affected by sales volume and price decrease
reflecting economic slowdown, and other costs increase mainly labor.
We will continue cost reduction initiatives including cessation of float lines.
Regarding Asia, in Japan, stable sales price is expected.
In North America, sales volumes are assumed to decrease with softening domestic demand.
We need to watch economic trends in USA.
In South America, demand is expected to soften slightly in Argentina.
In Solar energy glass, continuous strong demand is assumed.

In Automotive business;
The Group plans to continue negotiating sales price improvement with customers to mitigate expected increase in other costs including labor.
Sales volume will recover modestly with vehicle demand, but with slower pace.
We aim to enhance profitability further with continuous cost reduction efforts,
expansion of value-added products and sales price increases.

In Technical Glass business;
We expect market recovery in many businesses.
The Group will absorb cost increase with sales volumes and prices improvement.

We will focus on achieving the forecasts by taking any appropriate actions to improve profits including cost reduction efforts throughout the Group.

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

Update of “2030 Vision : Shift the Phase” Financial Targets

NSG GROUP

Profitability improvement although affected by economic slowdown in Europe.
Continue to improve profitability and cash generation to stabilize financial status

		FY2027/3 Targets	FY2030/3 Targets	FY2025/3 Q2 Cum. (6 months) Actual
Profitability (P/L)	Operating profit	JPY 64.0 bn		JPY 10.2 bn : FY2025/3 Q2 OP was JPY 5.5 bn, improved from Q1 of JYP 4.8 bn
	ROS	7%	10% or more	2.4% : improved from 2.2% in FY2025/3 Q1
Cash Generation (C/F)	Free cash flow	JPY 27.0 bn		JPY (28.6) bn : free cash flow decreased YoY reflecting OP decrease and seasonal working capital movement while small cash inflow generated in Q2. Management of working capital mitigating OP decrease impact on CF from operating activities
Stabilization of Financial Status (B/S)	Interest-bearing debt	JPY 442.0 bn		JPY 531.0 bn : increase mainly due to negative FCF reflecting seasonal working capital movement
	Shareholders’ equity ratio	15%		11.1% : decreased by 1.2pt from the previous year end

2030 Vision : Shift the Phase
https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtp2030presentation_e02.pdf

Slide 19 explains the progress in financial targets of “2030 Vision : Shift the Phase”.

The Group set out a new medium-term management plan “2030 Vision : Shift the phase”, for a six-year-period from FY2025/3 to FY2030/3.
During this period, the Group will focus on enhancing profitability and increase cash generation to improve financial status.
We established a set of five key financial metrics as targets for FY2027/3 regarding profitability (P/L), cash generation (C/F) and stabilization of financial status (B/S).

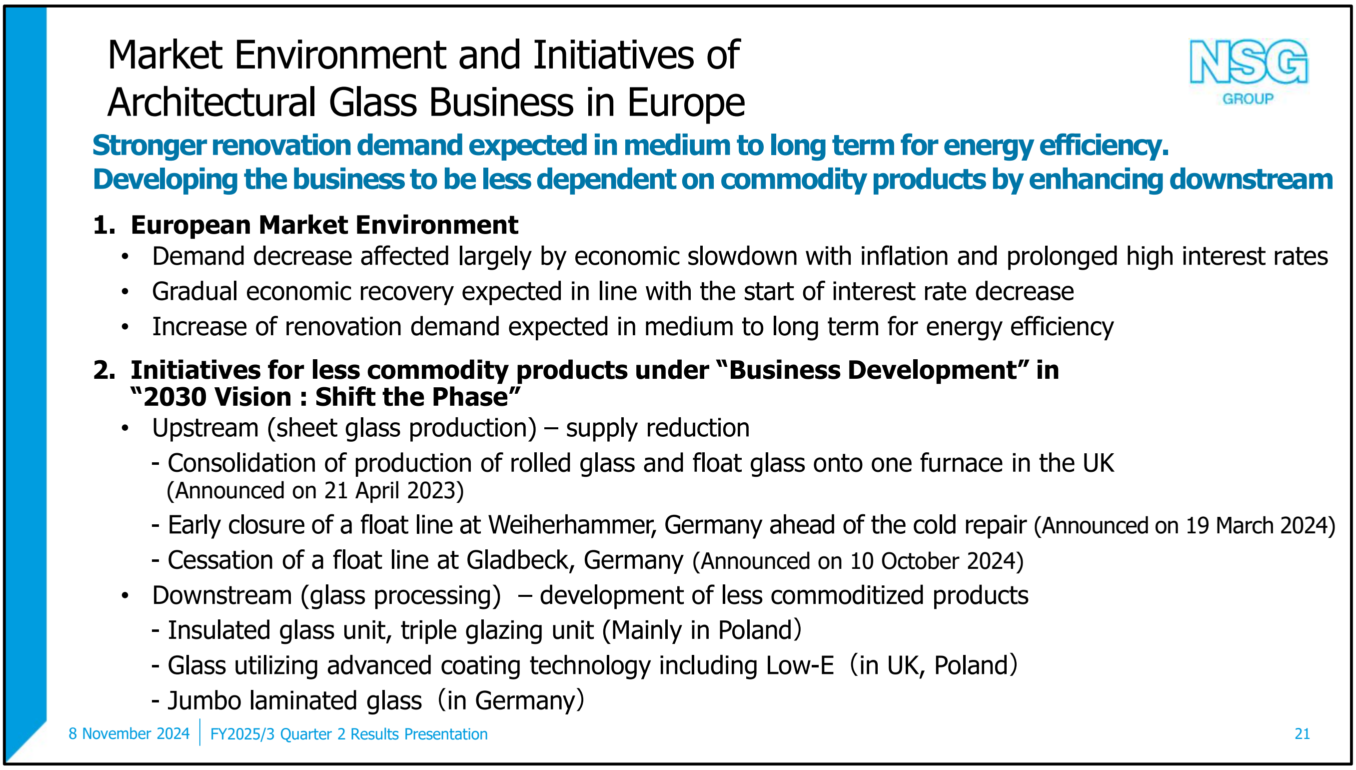
Operating profit was 10.2 billion yen affected by economic slowdown in Europe, which was a start in headwind toward FY2025/3 forecast, but the figure for the second quarter improved to 5.5 billion yen from 4.8 billion yen for the first quarter of FY2025/3.
Return on sales was 2.4%, improved by 0.2 points from 2.2% of the previous quarter.

Regarding free cash flow, it was negative 28.6 billion yen with operating profit decrease and seasonal working capital movement while small cash inflow generated in Q2.
Impact of operating profit decrease on cash flows from operating activities was mitigated by the management of seasonal working capital increase.

Interest-bearing debt increased to 531.0 billion yen from 506.5 billion yen at the previous year end by 24.6 billion yen.
This is mainly due to negative free cash flow with operating profit decrease and seasonal working capital increase.
Shareholders’ equity ratio decreased by 1.2 points from the previous year end to 11.1% with appreciated JPY and recording of net loss.

The Group will continue to focus on reducing interest-bearing debt and improvement of shareholders’ equity ratio by improving profitability and strengthening cash generation.

4. Market Environment and Initiatives of Architectural Glass Business in Europe



As explained in former parts, the economic slowdown affected significantly to European Architectural Glass business in FY2025/3 H1 actual results and the full-year forecast.

Therefore, slide 21 discusses European market environment and initiatives in Europe in short and medium to long term to address the situation.

When we look at market environment, it is true that the Group is facing significant sales price decrease due to demand decrease which arise from economic slowdown after FY2024/3 H2 with inflation and prolonged high interest rates.
However, gradual economic recovery is expected with stable inflation rate and interest rate cut after the beginning of FY2025/3.
Also, for medium to long term, increase of renovation demand is expected to decrease GHG emissions by controlling room temperature thorough window glass.

To address sever market environment we are facing so far and expanding demand expected in medium to long term, the Group will develop the business to be less dependent on commodity products under "Business Development" in "2030 Vision : Shift the Phase".
In short term, the Group will reduce its supply in upstream against worse supply and demand situation. For instance, the Group consolidates rolled glass and float glass production onto one furnace in the UK as announced on 10th October 2024.
In addition, we closed one of our two float lines at Weiherhammer, Germany in June ahead of planned cold repair as we have announced on 19th March 2024.
Moreover, as announced on 10th October 2024, we have determined additional cessation of one of its two float lines at Gladbeck, Germany in January 2025.
By these initiatives, the Group aims to reduce fixed costs with the improvement of asset utilization and sale price increase through the better supply-demand situation.

For medium to long term, to responding to expanding demand, the Group enhance sales of strategic products and capital expenditures at downstream, to develop less commoditized products to improve profitability.
We will strengthen the sales of insulated glass unit and triple glazing unit mainly in Poland.
Also, the Group is considering supply expansion of glass utilizing advanced coating technology including Low-E in the UK and Poland.
In Germany, investment is planned for production facilities to produce Jumbo laminated glass as a new product.

5. Summary

Summary

1. Financial Year ending 31 March 2025 Quarter 2 Results

- Continuous large impact by European economic slowdown mainly on Architectural business.
  OP decrease while similar revenue to PY partly helped by weaker JPY
- Sales price and asset utilization decrease in European Architectural affected by economic slowdown.
  Continuous increase of other costs particularly labor
- Shareholders' equity ratio decreased by 1.2pt to 11.1% from the previous year end. Interest-bearing debt increased from PY end mainly due to negative FCF with decreased OP and seasonal WC movement
- Free Cash Flow decreased YoY reflecting OP decrease while small cash inflow generated in Q2.
  Management of working capital mitigating OP decrease in CF from operating activities

2. Forecast for Financial Year ending March 2025

- Profits forecasts revised downward impacted significantly by economic slowdown in Europe
- Assuming depreciated JPY for major foreign currencies, compared to FY2024/3
- Stable energy and material costs assumed while other costs including labor increasing with worldwide inflation trend
- Taking any appropriate actions to improve profits including cost reductions throughout the Group

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

- Profitability improvement although affected by economic slowdown in Europe.
  Continue to improve profitability and cash generation to stabilize financial status

4. Market Environment and Initiatives of Architectural Glass Business in Europe

- Stronger renovation demand expected in medium to long term.
  Developing the business to be less dependent on commodity products by enhancing downstream

Notice

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 are 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, but not limited.

Nippon Sheet Glass Company, Limited

Appendices

- Consolidated Income Statement – Quarterly Trend
- Revenue & Operating Profit – Quarterly Trend
- Segmental Information by Quarter
- Revenue & Operating Profit – by Region
- Exceptional Items
- Foreign Currency Exchange Rates and Sensitivity
- Depreciation & Amortization, Capital Expenditures, R&D Expenditures
- Glass Market Price Movement
- News Releases

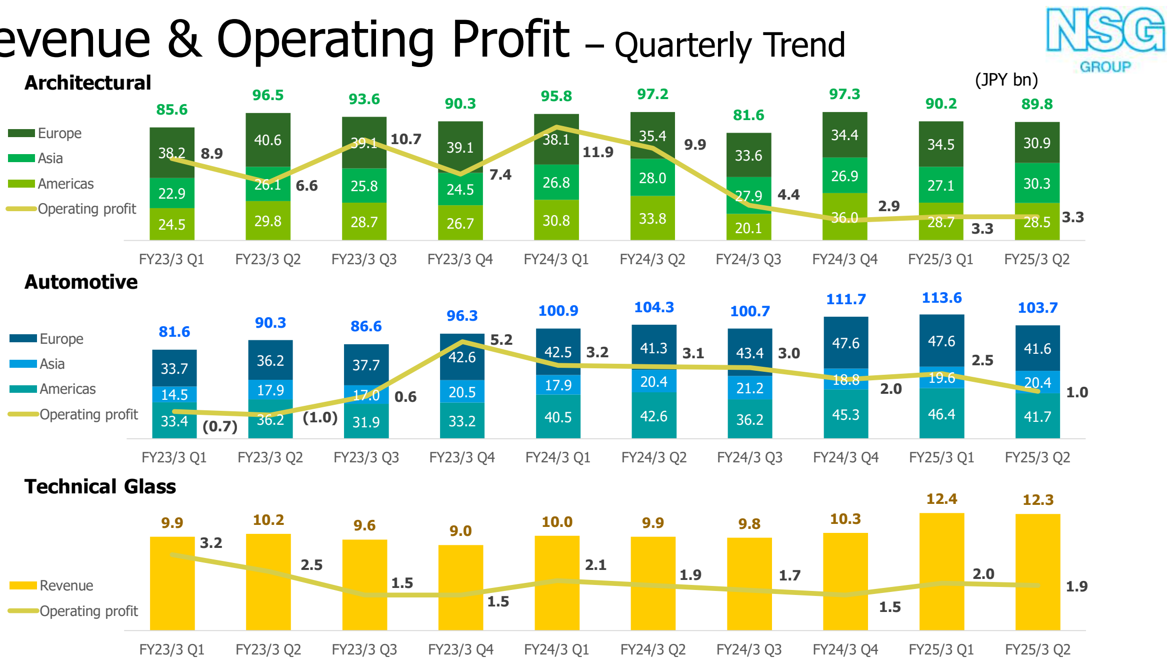
Consolidated Income Statement – Quarterly Trend

NSG GROUP

(JPY bn)	FY2023/3				FY2024/3				FY2025/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	**177.9**	**197.7**	**190.6**	**197.3**	**208.0**	**212.2**	**192.5**	**219.8**	**216.4**	**206.0**
Operating profit	**8.3**	**6.2**	**9.7**	**10.7**	**14.6**	**11.5**	**6.1**	**3.8**	**4.8**	**5.5**
Operating profit margin	**4.6%**	**3.1%**	**5.1%**	**5.4%**	**7.0%**	**5.4%**	**3.2%**	**1.7%**	**2.2%**	**2.7%**
Exceptional items (net)	2.3	(47.3)	1.0	(1.2)	(0.8)	1.1	0.6	(0.8)	0.2	(0.2)
Operating profit/(loss) after exceptional items	**10.6**	**(41.1)**	**10.7**	**9.4**	**13.8**	**12.5**	**6.7**	**2.9**	**4.9**	**5.3**
Finance expenses (net)	(2.8)	(3.7)	(4.8)	(6.1)	(6.4)	(7.7)	(6.4)	(7.8)	(6.0)	(6.6)
Reversal of previous financial receivables owed by JVs and associates	-	-	-	-	3.7	-	-	-	-	-
Share of JVs and associates' profits	2.2	1.0	2.1	2.0	1.0	1.2	1.5	1.4	1.1	1.4
Other gains/(losses) on equity method investments	(1.2)	0.5	(0.4)	(0.4)	1.1	(0.0)	(0.1)	(0.0)	-	-
Profit/(loss) before taxation	**8.8**	**(43.4)**	**7.7**	**4.9**	**13.3**	**6.1**	**1.7**	**(3.5)**	**0.0**	**0.1**
Profit/(loss) for the period	**3.3**	**(40.3)**	**2.2**	**3.8**	**7.5**	**3.0**	**3.6**	**(3.2)**	**2.7**	**(6.1)**
Net profit/(loss) *	**2.4**	**(41.2)**	**1.7**	**3.4**	**7.0**	**2.7**	**3.7**	**(2.9)**	**2.4**	**(6.3)**
EBITDA	**18.0**	**16.1**	**20.2**	**20.7**	**25.3**	**22.6**	**17.0**	**16.8**	**17.5**	**17.5**

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

Revenue & Operating Profit – Quarterly Trend



Segmental Information by Quarter

(JPY bn)	FY2023/3					FY2024/3					FY2025/3		
	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Cum.
Revenue: Architectural	**85.6**	**96.5**	**93.6**	**90.3**	**365.9**	**95.8**	**97.2**	**81.6**	**97.3**	**371.8**	**90.2**	**89.8**	**180.0**
Europe	38.2	40.6	39.1	39.1	157.1	38.1	35.4	33.6	34.4	141.5	34.5	30.9	65.4
Asia	22.9	26.1	25.8	24.5	99.2	26.8	28.0	27.9	26.9	109.6	27.1	30.3	57.4
Americas	24.5	29.8	28.7	26.7	109.6	30.8	33.8	20.1	36.0	120.6	28.7	28.5	57.2
Operating profit	**8.9**	**6.6**	**10.7**	**7.4**	**33.6**	**11.9**	**9.9**	**4.4**	**2.9**	**29.1**	**3.3**	**3.3**	**6.7**
Revenue: Automotive	**81.6**	**90.3**	**86.6**	**96.3**	**354.7**	**100.9**	**104.3**	**100.7**	**111.7**	**417.6**	**113.6**	**103.7**	**217.3**
Europe	33.7	36.2	37.7	42.6	150.2	42.5	41.3	43.4	47.6	174.7	47.6	41.6	89.2
Asia	14.5	17.9	17.0	20.5	69.9	17.9	20.4	21.2	18.8	78.3	19.6	20.4	39.9
Americas	33.4	36.2	31.9	33.2	134.7	40.5	42.6	36.2	45.3	164.5	46.4	41.7	88.2
Operating profit	**(0.7)**	**(1.0)**	**0.6**	**5.2**	**4.1**	**3.2**	**3.1**	**3.0**	**2.0**	**11.3**	**2.5**	**1.0**	**3.5**
Revenue: Technical	**9.9**	**10.2**	**9.6**	**9.0**	**38.8**	**10.0**	**9.9**	**9.8**	**10.3**	**39.9**	**12.4**	**12.3**	**24.7**
Europe	2.1	2.5	2.2	2.7	9.5	2.5	2.6	2.6	3.0	10.6	2.8	2.3	5.2
Asia	7.5	7.3	7.0	5.8	27.6	7.1	6.9	6.7	6.9	27.5	9.1	9.5	18.6
Americas	0.4	0.5	0.4	0.4	1.6	0.4	0.5	0.5	0.4	1.8	0.5	0.5	1.0
Operating profit	**3.2**	**2.5**	**1.5**	**1.5**	**8.7**	**2.1**	**1.9**	**1.7**	**1.5**	**7.1**	**2.0**	**1.9**	**3.9**
Revenue: Other	**0.8**	**0.7**	**0.9**	**1.8**	**4.1**	**1.3**	**0.8**	**0.5**	**0.6**	**3.3**	**0.2**	**0.2**	**0.4**
Operating profit	**(3.1)**	**(1.9)**	**(3.1)**	**(3.4)**	**(11.5)**	**(2.7)**	**(3.4)**	**(3.0)**	**(2.6)**	**(11.7)**	**(3.1)**	**(0.7)**	**(3.8)**
Revenue: Total	**177.9**	**197.7**	**190.6**	**197.3**	**763.5**	**208.0**	**212.2**	**192.5**	**219.8**	**832.5**	**216.4**	**206.0**	**422.4**
Operating profit	**8.3**	**6.2**	**9.7**	**10.7**	**34.8**	**14.6**	**11.5**	**6.1**	**3.8**	**35.9**	**4.8**	**5.5**	**10.2**

Revenue & Operating Profit – by Region

(JPY bn)	FY2024/3 Q2 Cum.			FY2025/3 Q2 Cum.			Change	
	Revenue	%	Operating profit/(loss)	Revenue	%	Operating profit/(loss)	Revenue	Operating profit/(loss)
Europe	**162.3**	**39%**	**2.9**	**159.8**	**38%**	**(11.2)**	**(2.5)**	**(14.1)**
Asia	**107.1**	**25%**	**16.3**	**115.9**	**27%**	**17.1**	**8.8**	**0.8**
Americas	**148.5**	**35%**	**12.9**	**146.3**	**35%**	**8.2**	**(2.3)**	**(4.8)**
Other *	2.2	1%	(6.1)	0.4	0%	(3.8)	(1.7)	2.2
Total	**420.2**	**100%**	**26.0**	**422.4**	**100%**	**10.2**	**2.3**	**(15.8)**

* Revenue and Operating loss of Other Operation are not split by geographical regions.

Exceptional Items

(JPY bn)	FY2024/3 Q2 Cum.	FY2025/3 Q2 Cum.
Gains on disposal of non-current assets	-	0.3
Reversal of impairment of non-current assets	0.2	0.0
Settlement of litigation matters - net	0.9	(0.0)
Impairment of non-current assets	(0.6)	(0.1)
Restructuring costs, including employee termination payments	(0.0)	(0.3)
Write down of inventories	(0.2)	-
Others	(0.0)	(0.0)
Exceptional items - net	**0.3**	**(0.0)**

Foreign Currency Exchange Rates and Sensitivity

NSG GROUP

Average rates used

	FY2023/3				FY2024/3				FY2025/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GBP	163	163	164	163	172	177	179	182	197	195
EUR	138	139	140	141	150	153	154	157	168	165
USD	129	134	137	135	138	140	143	144	156	152
BRR	26.4	26.4	26.5	26.3	27.7	28.6	29.0	29.4	29.9	28.3
ARS	Closing rates are applied – hyperinflation									

FY2025/3
Forecast
195
165
152
28.3

Closing rates used

	FY2023/3				FY2024/3				FY2025/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GBP	165	161	160	165	183	182	181	191	204	191
EUR	142	141	140	145	158	157	157	163	173	159
USD	136	145	132	133	145	148	143	152	162	143
BRR	26.2	26.7	25.7	26.2	29.8	29.5	29.2	30.4	29.3	26.2
ARS	1.09	0.98	0.76	0.64	0.57	0.42	0.18	0.18	0.18	0.15

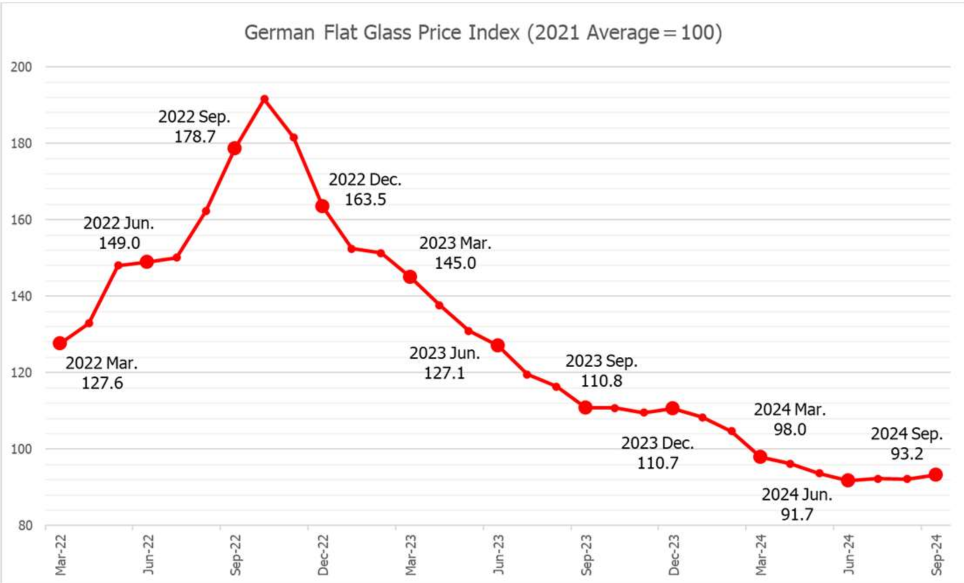
Sensitivity
Increase (decrease) if the value of the yen depreciates by 1% - all other things being equal

	FY2024/3
Equity	JPY 3.8 bn
Profit for the period	Improve by JPY 0.1 bn

Depreciation & Amortization, Capital Expenditures, R&D Expenditures

(JPY bn)	FY2024/3 Q2 Cum.	FY2025/3 Q2 Cum.	FY2025/3 Full-year Forecast
Depreciation & Amortization	**21.9**	**24.8**	**49.0**
Capital expenditures	**24.5**	**21.0**	**63.0**
Ordinary	17.6	11.6	33.0
Strategic projects	6.9	9.4	30.0
R&D expenditures	**4.9**	**5.2**	**11.4**
Architectural	1.6	1.9	
Automotive	1.5	1.5	
Technical Glass	0.4	0.4	
Other	1.4	1.4	

Glass Market Price Movement



News Releases — May to November 2024

(https://www.nsg.com/en/media)

3-Jun-2024	NSG Group and Hakusan to Exhibit Jointly Developed Multi-Fiber Optical Connector for Immersion Cooling
27-Jun-2024	Voting Results at the 158th Ordinary General Meeting of Shareholders
28-Jun-2024	Corporate Governance Report submitted to the Tokyo Stock Exchange
29-Jul-2024	NSG Group Plans Pioneering Hydrogen Plant in UK
30-Aug-2024	NSG Group's DEI Activities
11-Sep-2024	ESG Website Wins Gomez Award
10-Oct-2024	Cessation of Production at a Float Line in Gladbeck, Germany

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