

31 January 2019

FY2019 3RD QUARTER RESULTS

(1 April 2018 to 31 December 2018)

- **Year-on-year revenue growth reflecting stable market conditions except for rapid slowdown in European Automotive markets during Q3, trading profit remaining flat**
- **Significant year-on-year improvement in net profit with net finance expenses reduction and improvement in share of profits of JVs & associates**
- **Full-year revenue and trading profit forecast revised to reflect latest conditions, while net profit forecast remain unchanged. Both trading and net profit to continue to improve year-on-year**
- **Actions to continue to drive VA shift, efficiency improvement and cost reduction being taken, aiming for the sixth year of trading profit growth**

Year-on-year revenue growth reflecting stable market conditions except for rapid slowdown in European Automotive markets during Q3, trading profit remaining flat

- Group revenues of ¥ 459.5bn increased from the previous year (FY18 Q3: ¥ 445.3bn*)
- Trading profit remained flat at ¥ 27.2bn (FY18 Q3: ¥ 27.5bn*), despite the impact of slowdown in European Automotive markets, increased energy-related costs and a deterioration in the value of South American currencies

	Revenue		Operating Profit	
	FY19 Q3	FY18 Q3*	FY19 Q3	FY18 Q3*
Architectural Glass	¥ 186.7bn	¥ 179.6bn	¥ 18.4bn	¥ 20.5bn
Automotive Glass	¥ 235.0bn	¥ 228.3bn	¥ 9.1bn	¥ 7.6bn
Technical Glass	¥ 36.7bn	¥ 36.7bn	¥ 6.4bn	¥ 4.9bn

Significant year-on-year improvement in net profit with net finance expenses reduction and improvement in share of profits of JVs & associates

- Profit attributable to owners of the parent improved by ¥ 12.2bn from the previous year to ¥ 10.5bn (FY18 Q3: loss of ¥ (1.7)bn*) due to reduced finance costs, an improvement in share of profits of JVs & associates and the non-recurrence of a one-off tax charge arising in the previous year

Full-year revenue and trading profit forecast revised to reflect latest conditions, while net profit forecast remain unchanged. Both trading and net profit to continue to improve year on year

- Profit attributable to owners of the parent forecast for FY2019 of ¥ 14.0bn unchanged
- Year-end trading profit forecast revised to ¥ 39.0bn, reflecting the latest conditions, while continue to improve year-on-year (FY2018: JPY 37.7 billion)
- Actions to continue to drive VA shift, efficiency improvement and cost reduction being taken, aiming for the sixth year of trading profit growth

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

Excerpt from NSG Group FY2019 3rd Quarter financial results presentation, 31 January 2019

Consolidated Income Statement NSG GROUP

(JPY bn)	FY2018 ^{*1} 3rd Quarter	FY2019 3rd Quarter
Revenue	445.3	459.5
Trading profit	27.5	27.2
Amortization ^{*2}	(1.5)	(1.5)
Operating profit	26.0	25.7
Exceptional items	(2.5)	(3.3)
Finance expenses (net)	(11.2)	(10.2)
Share of JVs and associates	1.7	4.9
Profit before taxation	14.0	17.1
Profit/(loss) for the period	(0.4)	11.4
Profit/(loss) attributable to owners of the parent	(1.7)	10.5
EBITDA	46.8	46.7

^{*1}: Restated due to adoption of IFRS15 "Revenue from contracts with customers"
^{*2}: Amortization arising from the acquisition of Pilkington plc only

Significant year-on-year improvement in net profit

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Revision of FY2019 Annual Forecast NSG GROUP

(JPY bn)	FY2018 Full year ^{*1}	FY2019 Full year forecast (Previous)	FY2019 Full year forecast (Latest)	Change
Revenue	598.9	630.0	620.0	(10.0)
Trading profit	37.7	43.0	39.0	(4.0)
Amortization ^{*2}	(2.0)	(2.0)	(2.0)	
Operating profit	35.7	41.0	37.0	(4.0)
Exceptional items	(1.3)	(7.0)	(6.0)	1.0
Finance expenses (net)	(14.6)	(13.0)	(13.0)	
Share of JVs and associates	2.4	3.0	6.0	3.0
Profit before taxation	22.2	24.0	24.0	
Profit for the period	7.9	16.0	16.0	
Profit attributable to owners of the parent	6.2	14.0	14.0	

^{*1}: Restated due to adoption of IFRS15 "Revenue from contracts with customers"
^{*2}: Amortization arising from the acquisition of Pilkington plc only

Revised trading profit forecast reflect recent headwinds in the marketplace. Original forecast of net profit maintained

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