FY 2023 3rd Quarter Consolidated Financial Results <IFRS> 9 February 2023

(English translation of the Japanese original)

Listed Company Name: Nippon Sheet Glass Company, Limited   Stock Exchange Listing: Tokyo
Code Number: 5202   (URL: http://www.nsg.com)

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Submission of quarterly report to MOF: 13 February 2023   Payment of dividends start from: N/A
Quarterly result presentation papers: Yes
Quarterly result presentation meeting: Yes (Teleconference for institutional investors)

1. Consolidated business results for FY 2023 3rd Quarter (From 1 April to 31 December 2022)

(1) Consolidated business results

	Revenue		Operating profit		Profit/(loss) before taxation		Profit/(loss) for the period		Profit/(loss) attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
3Q FY 2023	566,225	27.8	24,155	66.3	(26,808)	-	(34,809)	-	(37,160)	-	(46,669)	-
3Q FY 2022	442,961	24.0	14,524	81.0	15,440	-	10,522	-	8,633	-	32,643	-

	Earnings per share - basic
3Q FY 2023	¥ (425.22)
3Q FY 2022	¥ 78.98

Note: Operating profit in the above table is defined as being operating profit stated before exceptional items.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio
	¥ millions	¥ millions	¥ millions	%
FY 2023 3rd Quarter	945,649	138,821	109,649	11.6
FY 2022 Full year	939,281	169,355	145,291	15.5

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
FY 2022 (Actual)	–	¥ 0.00	–	¥ 0.00	¥ 0.00
FY 2023 (Actual)	–	¥ 0.00	–		
FY 2023 (Forecast)			–	¥ 0.00	¥ 0.00

Note:
- There have been no changes to the forecast dividends this quarter.
- The above table shows dividends on common shares. Please refer to "(Reference) Dividends for Class A Shares" for information regarding dividends on Class A shares, which are unlisted and have different rights from common shares.

3. Forecast for FY 2023 (From 1 April 2022 to 31 March 2023)

	Revenue		Operating profit		Loss before taxation		Loss for the period		Loss attributable to owners of the parent		Earnings per share - basic
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Full year	750,000	24.9	28,000	40.1	(25,000)	-	(34,000)	-	(37,000)	-	(428.67)

Note:
- There have been changes to the forecast results this quarter.
- Forecast of basic earnings per share for FY2023 is calculated by dividing the profit attributable to owners of the parent after deducting preferred dividends for Class A shares (a rate of 6.5% per annum applied to the outstanding balance at 31 March 2023), by 90,862,843 shares which is the number of ordinary shares issued at 31 December 2022, reduced by the number of treasury stock and restricted shares (261,800 shares).
- For details, please refer to the "Revision to Forecast for Financial Year ending on 31 March 2023" and the slides on 2023/3 forecast in 2023/3 Third Quarter Results presentation.

4. Other items

(1) Changes in status of principle subsidiaries --- No

(2) Changes implemented to the accounting policies, practice and presentations related to the preparation of quarterly consolidated financial statements

(i) Changes due to revisions in accounting standards under IFRS --- No

(ii) Changes due to other reasons ---No

(iii) Changes in accounting estimates --- No

(3) Numbers of shares outstanding (common stock)

(i) Number of shares issued at the end of the period, including shares held as treasury stock:
91,151,599 shares as of 31 December 2022 and 91,000,199 shares as at 31 March 2022

(ii) Number of shares held as treasury stock at the end of the period:
26,956 shares as at 31 December 2022 and 25,700 shares as at 31 March 2022

(iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
90,844,268 shares for the period ending 31 December 2022 and 90,708,658 shares for the period ending 31 December 2021

Status of quarterly review procedures taken by external auditors for the quarterly results

This document (Tanshin) is out of scope for quarterly review by the external auditors.

Explanation for the appropriate usage of performance projections and other special items

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 include but are not limited to 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.

(For Reference) Dividends for Class A Shares

Dividends per share related to Class A Shares with different rights from those of common shares are as follows.

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Class A Shares					
FY2022 (Actual)	-	¥ 0.00	-	¥ 65,000.00	¥ 65,000.00
FY2023 (Actual)	-	¥ 0.00	-		
FY2023 (Forecast)			-	¥ 65,000.00	¥ 65,000.00

Note: Number of Class A Shares in issue are 30,000 shares. 40,000 Class A Shares were originally issued on 31 March 2017. On 7 December 2018, the Company acquired and then retired a total of 5,000 Class A shares. On 6 June 2019, the Company acquired and then retired a total of 5,000 Class A shares. The forecast of dividends, for Class A shares that have dividend record dates belonging to FY2023, is ¥ 1,950 million.

[Attachments]

Table of contents in the attachments (including mandatory disclosure items)

1. Narratives about financial results

(1) Business Performance

(a) Background to Results

The Group experienced mostly stable market conditions during the third quarter of the year. Architectural markets softened somewhat in Europe, although were more positive elsewhere. Input costs were still at a high level despite declining spot prices of energy during the third quarter. The high input costs continued to be largely offset by selling prices. Demand for solar energy glass was positive. Automotive markets continued to gradually recover from a shortage of semi-conductors in the supply chain. The Group also made further progress with recovering increased input costs from Automotive customers. Technical glass markets were mostly positive, with demand for the Group's products being robust across many areas.

Group revenues increased by 28 percent to ¥ 566,225 million (3Q FY2022 ¥ 442,961 million), with improvements in revenue in both the Architectural and Automotive businesses. At constant exchange rates, cumulative revenues would have increased by 20 percent. Operating profits were ¥ 24,155 million (3Q FY2022 ¥ 14,524 million). Net exceptional losses of ¥ 43,934 million included an impairment of goodwill and other intangible assets of ¥ 48,776 million during the second quarter of the year, which represented a full impairment of all remaining goodwill and intangible assets related to the Group's automotive business in Europe, originally arising on the acquisition of Pilkington in 2006. Please see note 2 (5)(d) for a further explanation of this item. Taxation charges of ¥ 8,001 million (3Q FY2022 ¥ 4,918 million) are calculated based on the effective rate expected for the full-year, with adjustments for specific individually material items as appropriate. As a consequence of the significant exceptional cost, the Group recorded a loss attributable to owners of the parent of ¥ 37,160 million (3Q FY2022 profit of ¥ 8,633 million).

(b) Review by Business Segment

The Group's business lines cover three core product sectors: Architectural, Automotive, and Technical Glass.

Architectural, representing 49 percent of cumulative revenues, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

Automotive, with 46 percent of cumulative revenues, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 5 percent of cumulative revenues, comprises several discrete businesses, including the manufacture and sale of very thin glass used as cover glass for displays, lenses and light guides for printers, and glass fiber components for engine timing belts.

Other operations include corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above and the amortization of other intangible assets related to the acquisition of Pilkington.

The table below shows a summary of cumulative results by business segment.

¥ millions	Revenue		Operating profit/(loss)	
	3rd Quarter FY 2023	**3rd Quarter FY 2022**	**3rd Quarter FY 2023**	**3rd Quarter FY 2022**
Architectural	275,688	206,863	26,192	20,406
Automotive	258,424	203,295	(1,117)	(5,925)
Technical Glass	29,775	30,773	7,233	7,782
Other Operations	2,338	2,030	(8,153)	(7,739)
Total	566,225	442,961	24,155	14,524

Architectural Business

The Architectural business recorded cumulative revenues of ¥ 275,688 million (3Q FY2022: ¥ 206,863 million) and an operating profit of ¥ 26,192 million (3Q FY2022: ¥ 20,406 million).

Architectural revenues and profits increased from the previous year due to higher selling prices and the translational impact of a weaker Japanese yen.

In Europe, representing 43 percent of the Group’s architectural sales, revenues improved significantly as a consequence of increased selling prices and foreign exchange movements. Profits also improved, with the increased selling prices largely offsetting higher energy-related input costs. Energy costs showed signs of returning towards more normal levels during the third quarter. Volumes softened somewhat during the third quarter, as rising inflation and interest rates dampened business and consumer confidence.

In Asia, representing 27 percent of the Group’s architectural sales, revenues and profits were above the previous year. Sales volumes increased, and a positive operational performance helped mitigate the effect of increasing input costs.

In the Americas, representing 30 percent of the Group’s architectural sales, revenues and profits were ahead of the previous year. Positive customer demand was mitigated by North American logistics constraints, which affected sales volumes in earlier quarters, although this eased during the third quarter. The Group commenced production at its second float glass line in Argentina during the third quarter of the year.

Automotive Business

The Automotive business recorded cumulative revenues of ¥ 258,424 million (3Q FY2022: ¥ 203,295 million) and an operating loss of ¥ 1,117 million (3Q FY2022: loss of ¥ 5,925 million).

During the third quarter of the year, the Automotive business recorded a positive quarterly profit for the first time since the first quarter of the previous financial year. Volumes continued to gradually improve and price increases with customers were agreed to offset the high level of input costs.

Europe represents 42 percent of the Group’s automotive sales. Revenues increased, due partly to foreign exchange movements. Volumes were negatively affected by a shortage of semi-conductor components at the Group’s customers, although this continued to gradually ease during the third quarter. Profitability continued to be affected by high input costs, although this was increasingly offset by rising sales prices, with the Group successfully concluding price negotiations with a number of customers during the second and third quarters. Volumes in glass replacement markets were positive.

In Asia, representing 19 percent of the Group’s automotive sales, revenues improved from the previous year, as price increases were negotiated with customers to mitigate the effect of rising input costs. Profitability was similar to the previous year.

In the Americas, representing 39 percent of the Group’s automotive sales, revenues increased from the previous year, assisted by foreign exchange movements, whilst profits declined. Demand in North America was generally positive with vehicle manufacturers increasing levels of inventory, although supply chain issues continued to negatively affect demand levels at many of the Group’s customers. Demand in South America was relatively strong, with volumes improving in Argentina.

Technical Glass Business

The Technical Glass business recorded cumulative revenues of ¥ 29,775 million (3Q FY2022: ¥ 30,773 million) and an operating profit of ¥ 7,233 million (3Q FY2022: ¥ 7,782 million).

Revenues and profits fell slightly in the Technical Glass business due to the disposal of the Battery Separator division during the previous year. The lost revenue and profits from this disposal was largely offset by positive market conditions experienced by continuing businesses, although Covid lockdowns and the spread of infection in China had a negative affect on results during the third quarter.

In the fine glass business, sales were partly impacted by slowing economic conditions, but continued cost reduction efforts underpinned consistent financial results. In the information devices business, sales were stable, as the shortage of semi-conductor components at the Group’s customers gradually recovered, although demand for printer lenses slightly softened due to inflation in North America and Europe. Whilst underlying consumer demand was stable, volumes of glass cord used in engine timing belts were also impacted by supply chain issues at the Group’s customers. Metashine sales slightly decreased for automotive and cosmetic applications.

Joint Ventures and Associates

Including both the share of profits arising from joint ventures and associates, and also other gains and losses relating to these investments, the Group recorded a net gain from equity method investments of ¥ 4,284 million (3Q FY2022: ¥ 5,588 million).

The net gain from equity method investments was below the previous year, largely due to a reduction in profits at Cebrace, the Group’s architectural joint venture in Brazil.

Following the impairment of the Group’s equity investment applied in the previous financial year, the Group has also processed an immediate impairment of its share of profits earned at its joint venture in Russia during the current year. This impairment is shown on the income statement as other gains/(losses) on equity method investments.

(2) Financial Condition

Total assets at the end of December 2022 were ¥ 945,649 million, representing an increase of ¥ 6,368 million from the end of March 2022. Total equity was ¥ 138,821 million, representing a decrease of ¥ 30,534 million from the March 2022 figure of ¥ 169,355 million. The decrease in total equity was primarily due to an impairment of goodwill and intangible assets which generated a loss for the period, partly offset by a reduction in retirement benefit obligations, and hyperinflation adjustments.

Net financial indebtedness increased by ¥ 54,315 million from 31 March 2022 to ¥ 419,488 million at the period end. The increase in indebtedness arose largely from working capital and foreign exchange movements. Foreign exchange movements generated an increase in net indebtedness of ¥ 11,560 million. Excluding working capital movements, underlying cash flows were positive. Gross debt was ¥ 510,255 million at the period end. As of 31 December 2022, the Group had un-drawn, committed revolving credit facilities of ¥ 26,309 million and, in addition, the Group also had an undrawn committed term loan of ¥ 16,000 million.

Cash inflows from operating activities were ¥ 8,342 million. Cash outflows from investing activities were ¥ 29,748 million, including capital expenditure on property, plant, and equipment of ¥ 28,423 million. As a result, free cash flow was an outflow of ¥ 21,406 million (3Q FY2022 free cash inflow of ¥ 1,054 million).

(3) Prospects

The Group’s forecast for the financial year FY2023 is shown on page 2 and is amended from the forecast previously issued
For details, please refer to the “Revision to Forecast for Financial Year ending on 31 March 2023” and the slides on 2023/3 forecast in 2023/3 Third Quarter Results presentation.

The Group’s forecast for the financial year ending 31 March 2023 is amended from the previous forecast due to better than previously expected financial results during the third quarter of the year. The Group was successful in recovering continued high input costs through selling prices during the period. In addition, third-quarter volumes were generally more robust than the Group had considered likely when preparing the previous forecast.

NSG Group has set out its direction as the Medium-Term Vision aiming for becoming a global glass supplier contributing to the world with high value-added glass products and services, under which it will focus on the three areas of contribution: such as Safety & Comfort; Eco Society; and ICT.

At the same time the Group has announced a new medium-term management plan, "Revival Plan 24" (RP24), for a three-year period from 1 April 2021 to 31 March 2024 as the first step to achieve the Medium-Term Vision.

Reviewing the previous Medium-Term Plan (MTP) and reflecting the changes in the business environment, the Group sets RP24 as the period for its business transformation and will execute a drastic reform of its profit structure, with the restoration of financial stability and the transformation of the Group's business portfolio, consisting of the following Three Reforms and Two Key Initiatives.

Three Reforms: Cost structure reform; Business structure reform; Corporate culture reform
Two Key Initiatives: Restoration of financial stability; Transformation into more profitable business portfolio

The Group has established a set of key financial metrics as below that it expects to achieve by the end of the RP24 period.

Operating profit margin *1	8%
Net profit *2	More than ¥ 30 billion cumulatively for 3 years
Equity ratio	More than 10%
Free cash flow	More than ¥ 10 billion

*1: Based on operating profit after amortization

*2: Profit attributable to owners of the parent

2. Consolidated financial statements and their notes

(1) (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**Cumulative 3rd Quarter FY23 For the period 1 April 2022 to 31 December 2022**	Cumulative 3rd Quarter FY22 For the period 1 April 2021 to 31 December 2021
Revenue	(5)-(c)	**566,225**	442,961
Cost of sales		**(440,527)**	(342,516)
Gross profit		**125,698**	100,445
Other income		**1,498**	1,392
Distribution costs		**(48,234)**	(39,108)
Administrative expenses		**(50,212)**	(44,549)
Other expenses		**(4,595)**	(3,656)
Operating profit	(5)-(c)	**24,155**	14,524
Exceptional items – gains	(5)-(d)	**5,245**	5,037
Exceptional items – losses	(5)-(d)	**(49,179)**	(685)
Operating (loss)/profit after exceptional items		**(19,779)**	18,876
Finance income	(5)-(e)	**4,079**	1,419
Finance expenses	(5)-(e)	**(15,392)**	(10,443)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**5,364**	5,588
Other losses on equity method investments		**(1,080)**	-
(Loss)/profit before taxation		**(26,808)**	15,440
Taxation	(5)-(f)	**(8,001)**	(4,918)
(Loss)/profit for the period		**(34,809)**	10,522
Profit attributable to non-controlling interests		**2,351**	1,889
(Loss)/profit attributable to owners of the parent		**(37,160)**	8,633
		(34,809)	10,522
Earnings per share attributable to owners of the parent			
Basic	(5)-(g)	**(425.22)**	78.98
Diluted	(5)-(g)	**(425.22)**	60.78

(1) (b) Condensed quarterly consolidated statement of comprehensive income

¥ millions

	Note	**Cumulative 3rd Quarter FY23 For the period 1 April 2022 to 31 December 2022**	Cumulative 3rd Quarter FY22 For the period 1 April 2021 to 31 December 2021
(Loss)/profit for the period		**(34,809)**	10,522
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(5)-(m)	**5,250**	3,019
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)		**(2,234)**	1,265
Sub total		**3,016**	4,284
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**(5,709)**	7,290
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)		**(1,558)**	237
Cash flow hedges:			
- fair value gains (net of taxation)	(5)-(h)	**(7,609)**	10,310
Sub total		**(14,876)**	17,837
Total other comprehensive income for the period (net of taxation)		**(11,860)**	22,121
Total comprehensive income for the period		**(46,669)**	32,643
Attributable to non-controlling interests		**(2,924)**	1,028
Attributable to owners of the parent		**(43,745)**	31,615
		(46,669)	32,643

(2) Condensed quarterly consolidated balance sheet

¥ millions

	3rd Quarter as at 31 December 2022	FY 2022 as at 31 March 2022
ASSETS		
Non-current assets		
Goodwill	**72,503**	104,737
Intangible assets	**38,321**	50,256
Property, plant, and equipment	**362,772**	341,736
Investment property	**132**	163
Investments accounted for using the equity method	**28,614**	20,410
Retirement benefit asset	**32,611**	32,349
Contract assets	**519**	554
Trade and other receivables	**13,368**	13,399
Financial assets:		
– Assets held at Fair Value through Other Comprehensive Income	**19,366**	23,022
– Derivative financial instruments	**22,118**	17,291
Deferred tax assets	**31,568**	33,115
	621,892	637,032
Current assets		
Inventories	**157,846**	132,242
Contract assets	**2,827**	1,270
Trade and other receivables	**89,719**	76,082
Financial assets:		
– Derivative financial instruments	**10,045**	24,957
Cash and cash equivalents	**58,604**	60,464
	319,041	295,015
Assets held for sale	**4,716**	7,234
	323,757	302,249
Total assets	**945,649**	939,281

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	3rd Quarter as at 31 December 2022	FY 2022 as at 31 March 2022
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**239,587**	114,347
- Derivative financial instruments	**1,912**	1,501
Trade and other payables	**165,317**	166,957
Contract liabilities	**12,871**	7,132
Provisions	**12,875**	13,621
Deferred income	**502**	499
	433,064	304,057
Liabilities related to assets held for sale	**1,397**	2,674
	434,461	306,731
Non-current liabilities		
Financial liabilities:		
- Borrowings	**267,723**	352,017
- Derivative financial instruments	**1,033**	20
Trade and other payables	**3,548**	3,518
Contract liabilities	**10,248**	5,347
Deferred tax liabilities	**17,907**	22,608
Retirement benefit obligations	**48,268**	55,459
Provisions	**20,713**	21,196
Deferred income	**2,927**	3,030
	372,367	463,195
Total liabilities	**806,828**	769,926
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,750**	116,709
Capital surplus	**155,341**	155,312
Retained earnings	**(83,963)**	(60,121)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(10,431)**	1,439
Total shareholders' equity	**109,649**	145,291
Non-controlling interests	**29,172**	24,064
Total equity	**138,821**	169,355
Total liabilities and equity	**945,649**	939,281

(3) Condensed quarterly consolidated statement of changes in equity

¥ millions

3rd Quarter FY 2023	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2022	116,709	155,312	(60,121)	(68,048)	1,439	**145,291**	24,064	**169,355**
Total Comprehensive Income	-	-	(31,910)	-	(11,835)	**(43,745)**	(2,924)	**(46,669)**
Hyperinflation adjustment	-	-	10,018	-	-	**10,018**	8,818	**18,836**
Dividends paid	-	-	(1,950)	-	-	**(1,950)**	(786)	**(2,736)**
Share-based compensation with restricted shares	24	12	-	-	-	**36**	-	**36**
Stock options	17	17	-	-	(34)	**-**	-	**-**
Purchase of treasury stock	-	-	-	-	(1)	**(1)**	-	**(1)**
At 31 December 2022	**116,750**	**155,341**	**(83,963)**	**(68,048)**	**(10,431)**	**109,649**	**29,172**	**138,821**

¥ millions

3rd Quarter FY 2022	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2021	116,643	155,245	(81,692)	(68,048)	(59,211)	**62,937**	16,825	**79,762**
Total Comprehensive Income	-	-	11,652	-	19,963	**31,615**	1,028	**32,643**
Hyperinflation adjustment	-	-	4,551	-	-	**4,551**	3,881	**8,432**
Dividends paid	-	-	(1,950)	-	-	**(1,950)**	(795)	**(2,745)**
Share-based compensation with restricted shares	25	13	-	-	-	**38**	-	**38**
Stock options	17	17	-	-	(34)	**-**	-	-
Purchase of treasury stock	-	-	-	-	(1)	**(1)**	-	**(1)**
At 31 December 2021	**116,685**	**155,275**	**(67,439)**	**(68,048)**	**(39,283)**	**97,190**	**20,939**	**118,129**

(4) Condensed quarterly consolidated statement of cash flow

¥ millions

	Note	**3rd Quarter For the period 1 April to 31 December 2022**	3rd Quarter For the period 1 April to 31 December 2021
Cash flows from operating activities			
Cash flows generated from operations	(5)-(k)	**21,001**	30,061
Interest paid		**(13,720)**	(8,390)
Interest received		**6,468**	2,763
Tax paid		**(5,407)**	(3,294)
Net cash in/(out)flows from operating activities		**8,342**	21,140
Cash flows from investing activities			
Dividends received from joint ventures and associates		**125**	98
Proceeds on disposal of joint ventures and associates		**-**	1
Purchase of subsidiaries, net of cash balances held by subsidiaries upon acquisition		**(7)**	-
Proceeds on disposal of subsidiaries, net of cash balances held by subsidiaries on disposal		**(1,280)**	6,201
Purchases of property, plant and equipment		**(28,423)**	(25,987)
Proceeds on disposal of property, plant and equipment		**712**	354
Purchases of intangible assets		**(689)**	(848)
Proceeds on disposal of intangible assets		**1**	-
Purchase of assets held at FVOCI		**(28)**	(1,783)
Proceeds on disposal of assets held at FVOCI		**11**	2
Loans advanced to joint ventures, associates and third parties		**(422)**	(1,930)
Loans repaid from joint ventures, associates and third parties		**252**	3,806
Net cash outflows from investing activities		**(29,748)**	(20,086)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(1,955)**	(1,959)
Dividends paid to non-controlling interests		**(786)**	(795)
Repayment of borrowings		**(40,549)**	(46,262)
Proceeds from borrowings		**56,135**	37,058
Increase in treasury stock		**(1)**	(1)
Net cash inflows/(out) from financing activities		**12,844**	(11,959)
Decrease in cash and cash equivalents (net of bank overdrafts)		**(8,562)**	(10,905)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(5)-(l)	**60,015**	53,500
Effect of foreign exchange rate changes		**38**	1,169
Hyperinflation adjustment	(5)-(n)	**1,302**	804
Cash and cash equivalents (net of bank overdrafts) at end of period	(5)-(l)	**52,793**	44,568

(5) Notes to the condensed quarterly consolidated financial statements

(a) Notes regarding going concern

There were no issues or events arising during the period, which negatively affect the ability of the Group to continue as a going concern.

(b) Accounting policies, critical accounting estimates and assumptions

The principal accounting policies applied to the consolidated financial statements for the period to 31 December 2022 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2022.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not usually be equal to the eventual actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

In each case, unexpected changes in estimates and assumptions could cause a material change in balance sheet assets and liabilities, particularly in the areas noted below.

When assessing the recoverability of certain balance sheet assets such as goodwill and other intangible assets arising on consolidation, the Group compares the value-in-use of the Group’s identified Cash Generating Units (CGUs) with the accounting value of assets within each CGU. The value-in-use for this purpose is considered to be the capitalized current value of the future cash flows of each CGU as calculated by discounting the projected future operating cash flows of each cash-generating unit, using an appropriate discount rate. The choice of discount rate is therefore a key determinant in assessing the value-in-use, and is calculated based on prevailing conditions in bond and equity markets. If discount rates increase, as happened during the second quarter of the year, then an impairment of assets such as goodwill becomes more likely.

Sales volumes are a key input into expectations of future trading conditions and, consequently, cash flows. Sales prices and input costs are also important factors. The Group experienced an increase in input costs during FY2022, exacerbated by the invasion of Ukraine by Russia towards the end of the year, and this has continued during FY2023. The Group protects against volatility of input costs through hedging techniques, although this does not provide complete protection from all cost increases, particularly over the longer term. The Group expects to recover input costs increases through higher selling prices. The extent of this recovery is likely to vary by business and region. This reflects the Group’s expected ability to raise selling prices, based on legal terms of trading and market forces generally.

The recoverability of long-term investments in joint ventures, including loans receivable, is based on the current and expected future trading environment together with any relevant legal restrictions. The expected future trading environment is assessed using reasonable estimates of possible future trading conditions.

(c) Segmental information

The Group is organized on a worldwide basis into the following principal primary operating segments.

The Architectural segment engages in the manufacturing and sale of flat glass and various interior and exterior glazing products within commercial and residential markets. It also includes glass for the solar energy sector.

The Automotive segment supplies a wide range of automotive glazing for new vehicles and for replacement markets.

The Technical Glass segment comprises a number of discrete businesses, including the manufacture and sale of very thin glass used as cover glass for displays, lenses and light guides for printers, and glass fiber components for engine timing belts.

(c) Segmental information continued

The Other segment covers corporate costs, certain small businesses not included in the segments covered above, and consolidation adjustments including amortization and impairment costs recorded with respect to goodwill and intangible assets related to the acquisition of Pilkington plc.

External revenue is disaggregated into three categories; Europe, Asia which includes Japan, and Americas which comprises of North and South Americas.

The Group's revenues comprise sales of glass recognized at a point in time and sales of services recognized over time.

The amortization arising from the acquisition of Pilkington plc was ¥ 500 million in FY2023 Q3 (Q3 FY2022: ¥841 million).

The segmental results for the third quarter to 31 December 2022 were as follows:

¥ millions

3rd Quarter FY 2023 For the period 1 April 2022 to 31 December 2022	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	**296,148**	**259,034**	**31,748**	**3,762**	**590,692**
Inter-segmental revenue	**(20,460)**	**(610)**	**(1,973)**	**(1,424)**	**(24,467)**
External revenue	**275,688**	**258,424**	**29,775**	**2,338**	**566,225**
Disaggregation of external revenue by geographical regions:					
Europe	***117,972***	***107,573***	***6,814***	***1,555***	***233,914***
Asia	***74,766***	***49,377***	***21,752***	***783***	***146,678***
Americas	***82,950***	***101,474***	***1,209***	***-***	***185,633***
Operating profit/(loss)	**26,192**	**(1,117)**	**7,233**	**(8,153)**	**24,155**
Exceptional items – gains	**738**	**1,338**	**-**	**3,169**	**5,245**
Exceptional items – losses	**(127)**	**(202)**	**(8)**	**(48,842)**	**(49,179)**
Operating loss after exceptional items					**(19,779)**
Finance costs – net					**(11,313)**
Share of post-tax profit from joint ventures and associates					**5,364**
Other losses on equity method investments					**(1,080)**
Loss before taxation					**(26,808)**
Taxation					**(8,001)**
Loss for the period from continuing operations					**(34,809)**

(c) Segmental information continued

The segmental results for the third quarter to 31 December 2021 were as follows:

¥ millions

3rd Quarter FY 2022 For the period 1 April 2021 to 31 December 2021	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	214,513	205,099	32,192	4,051	455,855
Inter-segmental revenue	(7,650)	(1,804)	(1,419)	(2,021)	(12,894)
External revenue	206,863	203,295	30,773	2,030	442,961
Disaggregation of external revenue by geographical regions:					
Europe	*84,236*	*86,382*	*5,872*	*1,301*	*177,791*
Asia	*64,717*	*44,397*	*23,969*	*729*	*133,812*
Americas	*57,910*	*72,516*	*932*	*-*	*131,358*
Operating profit/(loss)	20,406	(5,925)	7,782	(7,739)	14,524
Exceptional items – gains	106	460	4,410	61	5,037
Exceptional items – losses	(52)	(161)	(67)	(405)	(685)
Operating profit after exceptional items					18,876
Finance costs – net					(9,024)
Share of post-tax profit from joint ventures and associates					5,588
Other losses on equity method investments					-
Profit before taxation					15,440
Taxation					(4,918)
Profit for the period from continuing operations					10,522

The segmental assets at 31 December 2022 and capital expenditure for the period ended 31 December 2022 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	**206,063**	**193,484**	**32,245**	**3,918**	**435,710**
Capital expenditure (including intangibles)	**13,689**	**10,333**	**1,035**	**1,275**	**26,332**

The segmental assets at 31 December 2021 and capital expenditure for the period ended 31 December 2021 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	161,301	170,649	28,020	4,260	364,230
Capital expenditure (including intangibles)	6,432	7,710	646	469	15,257

Net trading assets consist of property, plant and equipment, investment property, intangible assets excluding those arising from a business combination, inventories, trade and other receivables and trade and other payables, contract assets and liabilities.

Capital expenditure comprises additions to property, plant, and equipment (owned) and intangible assets.

(d) Exceptional items

¥ millions

	Cumulative 3rd Quarter FY 2023 For the period 1 April to 31 December 2022	Cumulative 3rd Quarter FY 2022 For the period 1 April to 31 December 2021
Exceptional items – gains:		
Settlement of litigation matters (a)	**2,839**	-
Gain on disposal of subsidiaries (b)	**1,501**	-
Gain on disposal of non-current assets (c)	**603**	-
Reversal of surplus provisions (d)	**241**	194
Reversal of previous impairments (e)	**55**	5
Gain on disposal of Battery Separator business (f)	**-**	4,407
COVID-19 government support (g)	**-**	404
Others	**6**	27
	5,245	5,037
Exceptional items – losses:		
Impairment of goodwill & intangible assets (h)	**(48,776)**	-
Restructuring costs, including employee termination payments (d)	**(152)**	(118)
Settlement of litigation matters (a)	**(146)**	(320)
Others	**(105)**	(247)
	(49,179)	(685)
	(43,934)	4,352

(a) The current year gain on the settlement of litigation matters relates mainly to an additional settlement agreed with the Group’s insurer and broker following damage to the Group’s facility at Ottawa, Illinois, U.S.A, as a consequence of a Tornado on 28 February 2017. The Group has been engaged in a dispute with its insurer and its broker regarding the value of insurance coverage following this event, and has reached a settlement that has resulted in an additional amount of $20 million being paid to the Group.

In both the current and previous year, the settlement of litigation matters within exceptional items (losses), relates to legal claims arising as a result of transactions that were previously recorded as exceptional items.

(b) The gain on disposal of subsidiaries relates to the disposal of Guilin Pilkington Safety Glass Co., Limited and Tianjin NSG Safety Glass Co., Limited, two companies involved in the processing and distribution of automotive glass in China. These companies have been sold to SYP Kangqiao Autoglass Co., Limited, a company in which the NSG Group holds a 20 percent investment, and which is accounted for by the Group as an associate using the equity method of accounting. As part of this disposal the Group intends to re-invest the sales proceeds into additional equity of SYP Kangqiao Autoglass Co., Limited, increasing the Group’s shareholding in this entity to 28.6 percent. The gain on disposal relates mainly to the recycling of historic foreign exchange movements relating to these former subsidiary companies into the Consolidated Income Statement from the Statement of Comprehensive Income.

(c) The gain on disposal of non-current assets relates to assets within the Architectural business in Europe.

(d) Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment.

Reversal of surplus provisions during the current and prior years relates to the reversal of restructuring provisions established previously.

(e) The reversal of previous impairments relates to assets within the Architectural business in Europe.

In the prior year, the reversal of impairment of non-current assets related to assets in Europe and Asia.

(f) During the previous year, the Group recognized an exceptional gain as a consequence of the disposal of its Battery Separator business. On 10 May 2021, the Group and ENTEK Technology Holdings LLC (Head Office in Lebanon, Oregon, USA; "ENTEK") concluded a share transfer contract with the Group agreeing to sell its Battery Separator business to a new wholly-owned subsidiary of ENTEK that was to be established in Japan. Subsequently, the Group completed the transfer of this business on 1 September 2021.

(g) During the previous year the Group received financial support from various governments to assist with the costs of maintaining its facilities and workforce during the COVID-19 pandemic. Such support was recognized as an exceptional gain.

(h) The impairment of goodwill and intangible assets represents a full impairment of all remaining goodwill and intangible assets relating to the Group's automotive business unit in Europe, originally arising on the acquisition of Pilkington in 2006. The impairment was calculated by comparing the value-in-use with the accounting book values of this business unit. The value-in-use was calculated by discounting predicted future cash flows using an appropriate discount rate, determined using bond and equity market conditions prevailing at the balance sheet date.

An impairment was recorded during the second quarter largely as a consequence of an increase in discount rates. At 31 March 2022 the Group calculated the value-in-use of this business unit using a discount rate of 6.92 percent. At 30 September 2022, the discount rate used was 8.8 percent. Future economic prospects deteriorated during the first two quarters of the year, largely as a consequence of rising inflation and interest rates. Such factors were directly linked to the increased discount rate used in the impairment testing process.

(e) Finance income and expenses

¥ millions

	Cumulative 3rd Quarter For the period 1 April to 31 December 2022	Cumulative 3rd Quarter For the period 1 April to 31 December 2021
Finance income		
Interest income	**1,433**	1,030
Foreign exchange transaction gains	**252**	64
Gain on net monetary position	**2,394**	325
	4,079	1,419
Finance expenses		
Interest expense:		
– bank and other borrowings	**(13,227)**	(9,277)
Dividend on non-equity preference shares due to minority shareholders	**(211)**	(197)
Foreign exchange transaction losses	**(342)**	(109)
Other interest and similar charges	**(1,554)**	(574)
	(15,334)	(10,157)
Unwinding discounts on provisions	**(185)**	(135)
Retirement benefit obligations		
– net finance charge	**127**	(151)
	(15,392)	(10,443)
	(11,313)	(9,024)

(f) Taxation

The cumulative tax charge on the loss before taxation, excluding the Group's share of the net results of joint ventures and associates, is at a rate of (24.9) percent for the period to 31 December 2022 (3Q FY2022- a rate of 49.9 percent). The tax charge is based on the estimated effective rate for the year to 31 March 2023 with adjustments for specific individually material items as appropriate.

Included in the loss before tax is an impairment charge relating to goodwill and intangible assets arising on the acquisition of Pilkington of ¥ 48,776 million. As a consequence of this impairment, the Group recorded a taxation credit in the second quarter of ¥ 3,089 million, arising on the reversal of deferred tax liabilities related to intangible assets. Excluding this impairment and related taxation, the cumulative tax rate applicable for the period would have been 66.8 percent.

(g) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent, after deducting dividends paid to holders of Class A shares, by the weighted average number of ordinary shares in issue during the year. The dividends related to Class A shares are calculated by the dividend rate defined in the terms and conditions of the shares. The weighted average number of ordinary shares excludes ordinary shares purchased by the company and held as treasury shares, and restricted shares which have not been satisfied the conditions to lift the restriction.

	Cumulative Quarter ended 31 December 2022	Cumulative Quarter ended 31 December 2021
	¥ millions	¥ millions
(Loss)/profit attributable to owners of the parent	**(37,160)**	8,633
Adjustment for;		
– Dividends on Class A shares	**(1,469)**	(1,469)
(Loss)/profit used to determine basic earnings per share	**(38,629)**	7,164
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,844**	90,708
	¥	¥
Basic earnings per share	**(425.22)**	78.98

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, following the exercise of share options and exercise of put options, attached to Class A shares, for which the consideration is common shares. Also Restricted shares for share-based payment plan are treated as dilutive potential ordinary shares if certain conditions are met. As for share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is deducted from the number of shares that would have been issued assuming the exercise of the share options. Regarding restricted shares for share-based payment plan, during period from the start date of the transfer restriction period to the date of the first Ordinary General Meeting of Shareholders of the Company, if the fair value (determined as the average annual market share price of the Company's shares) exceeds the issue price, equivalent of the delivered service as consideration for compensation are treated as dilutive potential ordinary shares. As for Class A shares, a calculation is performed to determine the number of shares that would have been issued, assuming a conversion to common shares that is most advantageous for holders of the class shares. Conversion of Class A shares to common shares is reflected in the diluted earnings per share, using the factor applied to the case where the put options are exercised from 1 July 2022 onward, if the conversion has dilutive effect.

	Cumulative Quarter ended 31 December 2022	Cumulative Quarter ended 31 December 2021
	¥ millions	¥ millions
(Loss)/profit attributable to owners of the parent	**(37,160)**	8,633
Adjustment for;		
– Dividends on Class A shares	**(1,469)**	-
(Loss)/profit used to determine diluted earnings per share	**(38,629)**	8,633
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,844**	90,708
Adjustment for:		
– Share options	**-**	607
– Class A shares	**-**	50,679
– Restricted shares	**-**	30
Weighted average number of ordinary shares for diluted earnings per share	**90,844**	142,024
	¥	¥
Diluted earnings per share	**(425.22)**	60.78

Diluted earnings per share for the current period do not include stock options, restricted shares, and Class A shares due to the anti-dilutive effect caused by the loss during the period.

(h) Cash Flow Hedges – fair value gains

Revaluation gains on cash flow hedges in the Statement of Comprehensive Income comprises unrealized gains on derivative contracts that have not matured at the balance sheet date, less gains on maturing derivative contracts transferred to the income statement. Net losses posted in the Statement of Comprehensive Income totaled ¥ 7,609 million, comprising a gross movement of ¥ 12,763 million and deferred taxation of ¥ 5,154 million. Of the gross movement of ¥ 12,763 million, ¥ 21,403 million was due to gains on maturing contracts being transferred to the income statement, and ¥ 8,640 million was due to an increase in the value of derivative contracts that had not matured at the balance sheet date.

(i) Dividends

(i) Dividends on ordinary shares

	Quarter ended 31 December 2022	Quarter ended 31 December 2021
Declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	-	-
Dividend per share (¥)	-	-

(ii) Dividends on Class A shares

	Quarter ended 31 December 2022	Quarter ended 31 December 2021
Declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	**1,950**	1,950
Dividend per share (¥)	**65,000**	65,000

(j) Exchange rates

The principal exchange rates used for the translation of foreign currencies were as follows:

	Quarter ended 31 December 2022		Year ended 31 March 2022		Quarter ended 31 December 2021	
	Average	**Closing**	Average	**Average**	**Closing**	Average
GBP	**164**	**160**	153	160	153	156
US dollar	**137**	**132**	112	122	112	116
Euro	**140**	**140**	130	136	131	131
Argentine peso	**-**	**0.76**	-	1.10	-	1.12

(k) Cash flows generated from operations

¥ millions

	3rd Quarter for the period 1 April 2022 to 31 December 2022	3rd Quarter for the period 1 April 2021 to 31 December 2021
(Loss)/profit for the period from continuing operations	**(34,809)**	10,522
Adjustments for:		
Taxation	**8,001**	4,918
Depreciation	**28,296**	25,536
Amortization	**1,921**	2,180
Impairment	**50,353**	342
Reversal of impairments	**(55)**	(26)
(Gain)/loss on sale of property, plant, and equipment	**(571)**	7
Gain on sale of subsidiaries and joint ventures	**(1,483)**	(4,407)
Grants and deferred income	**(219)**	(126)
Finance income	**(4,079)**	(1,419)
Finance expenses	**15,392**	10,443
Share of (profit)/loss from joint ventures and associates	**(5,364)**	(5,588)
Other losses on equity method investments	**1,080**	-
Other items	**(1,089)**	(140)
Operating cash flows before movement in provisions and working capital	**57,374**	42,242
Decrease in provisions and retirement benefit obligations	**(3,806)**	(3,483)
Changes in working capital:		
– inventories	**(24,788)**	(11,772)
– trade and other receivables	**(13,034)**	(2,688)
– trade and other payables	**(3,767)**	5,549
– contract balances	**9,022**	213
Net change in working capital	**(32,567)**	(8,698)
Cash flows generated from operations	**21,001**	30,061

(l) Cash and cash equivalents

¥ millions

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	**60,464**	58,673
Bank overdrafts	**(449)**	(5,173)
	60,015	53,500

¥ millions

	As at 31 December 2022	As at 31 December 2021
Cash and cash equivalents	**58,604**	53,684
Bank overdrafts	**(5,811)**	(9,116)
	52,793	44,568

(m) Retirement Benefit Obligations

Due to a change in high-quality fixed-interest asset values and, as a consequence, prevailing discount rates that would be applied to liabilities within the Group's retirement benefit obligations, the Group performed a revaluation of its retirement benefit obligations as at 30 June 2022. To do this, the Group applied appropriate changes in assumptions to sensitivities as calculated as at the opening balance sheet date and also updated scheme asset values. The effect of this revaluation has been a decrease in net retirement benefit obligations of ¥ 9,888 million gross of related deferred taxation, and ¥ 7,254 million net of related deferred taxation. This movement has been reflected in other comprehensive income. A summary of the main changes in assumptions used is set out below. These assumptions have then been retained without amendment at 31 December 2022.

	30 June 2022	31 March 2022
	%	%
UK discount rate	**3.8**	2.8
UK inflation rate	**2.5**	3.0
Eurozone discount rate	**3.2**	1.7
U.S.A discount rate	**4.4**	3.4

During the second quarter of the year, the Group's main retirement benefit scheme in the UK entered into a buy-in transaction, to insure pensions in payment for a specific group of pensioners. The plan now holds annuity contracts to cover the costs of providing such pensions. This transaction is consistent with the Group's long-term policy of reducing the risk of retirement benefit obligations on the Group's financial position. As a consequence of this transaction, the Group recorded a loss of £10 million (¥ 1,630 million), net of taxation, in the Statement of Comprehensive Income.

(n) Hyperinflationary accounting adjustments

As from the second quarter of FY 2019, the wholesale price index in Argentina indicated that cumulative 3-year inflation had exceeded 100 percent. Consequently, the Group has concluded that its subsidiaries in Argentina, each of which has the Argentine Peso as a functional currency, are currently operating in a hyperinflationary environment. The Group has therefore applied accounting adjustments to the underlying financial results and position of its subsidiaries in Argentina as required by IAS 29 'Financial Reporting in Hyperinflationary Economies'.

As required by IAS 29, the Group's consolidated financial statements will include the results and financial position of its Argentinian subsidiaries, restated in terms of the measuring unit current at the period end date.

For the restatement of results and financial positions of its Argentinian subsidiaries, the Group will apply the conversion coefficient derived from the Internal Wholesales Price Index (IPIM) published by Instituto Nacional de Estadística y Censos de la República Argentina (INDEC). IPIM and corresponding conversion coefficients from June 2006 are presented below.

Balance sheet date	Internal Wholesales Price Index (IPIM) (30 June 2006 = 100)	Conversion coefficient
30 June 2006	100.0	54.381
31 March 2007	103.9	52.358
31 March 2008	120.2	45.239
31 March 2009	128.7	42.253
31 March 2010	146.5	37.121
31 March 2011	165.5	32.861
31 March 2012	186.7	29.124
31 March 2013	211.1	25.756
31 March 2014	265.6	20.477
31 March 2015	305.7	17.786
31 March 2016	390.6	13.922
31 March 2017	467.2	11.639
31 March 2018	596.1	9.123
31 March 2019	970.9	5.601
31 March 2020	1,440.8	3.774
31 March 2021	2,046.4	2.657
31 March 2022	3,162.1	1.720
30 April 2022	3,408.0	1.596
31 May 2022	3,580.1	1.519
30 June 2022	3,769.6	1.443
31 July 2022	4,048.8	1.343
31 August 2022	4,331.0	1.256
30 September 2022	4,598.1	1.183
31 October 2022	4,889.9	1.112
30 November 2022	5,130.3	1.060
31 December 2022	5,438.1	1.000

The Group's subsidiaries in Argentina will restate their non-monetary items held at historical cost, namely property, plant, and equipment, by applying the conversion coefficient based on when the items were initially recognized. Monetary items and non-monetary items held at current cost will not be restated, as they are expressed in terms of the measuring unit current at the period end date. The effect of inflation on the net monetary position of the Group's Argentinian subsidiaries is presented in the finance expenses section of the income statement.

The Argentinian subsidiaries' income statement and cash flow statement will also be restated, applying the conversion coefficient for the current financial year as shown in the above table.

For the purpose of consolidation, the results and financial position of the Group's Argentinian subsidiaries are translated using the closing exchange rates at the period end date. Comparative financial statements are not restated based on IAS 21 'The Effects of Changes in Foreign Exchange Rates' para 42(b).

(o) Significant subsequent events

There were no significant subsequent events.