

### 3rd Quarter results of Financial Year ending 31 March 2023

- Continued revenue and operating profit increase with improved price and volume, partly helped by weaker JPY. Sales price improvements absorbed continuous impact of input costs rise
- Maintaining shareholder's equity ratio above 10% which is mid-term management plan RP24 target
- Full-year forecast revised upward reflecting relatively strong cumulative performance
- As an initiative of business structure reform in RP24, construction started to install online coating capacity for solar energy glass to an existing float furnace in Malaysia (Aiming at start of production from 2024/3 Q3).  
Solar energy glass expansion also under consideration in USA

#### 1. 3rd Quarter results of Financial Year ending March 2023

- Group revenue in Q3 of JPY 190.6 billion (+38.3 bn, +25.2% YoY), and operating profit of JPY 9.7 billion (+7.9 bn, +432.8% YoY). The Automotive glass business returned to the black for the first time since Q1 of the previous fiscal year due to progress in price improvement and a gradual recovery from the impact of semiconductor shortages
- The cumulative revenue of JPY 566.2 billion (+123.3 bn, +27.8% YoY), and operating profit of JPY 24.2 billion (+9.6 bn, +66.3% YoY). Continued revenue and operating profit increase YoY in all businesses with price and volume improvement, toward the "restoration of financial stability", key initiative of RP24
- Shareholder's equity ratio of 11.6% (-3.9 pt vs PY end), maintaining above 10% of RP24 target

#### < Consolidated Income Statement >

(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	2022/3	2023/3	Change	2022/3	2023/3	Change
Revenue	152.3	<b>190.6</b>	38.3	443.0	<b>566.2</b>	123.3
Operating profit	1.8	<b>9.7</b>	7.9	14.5	<b>24.2</b>	9.6
ROS: Return on sales	1.2%	<b>5.1%</b>	+3.9pt	3.3%	<b>4.3%</b>	+1.0pt
Exceptional items (net)	(0.2)	<b>1.0</b>	1.2	4.4	<b>(43.9)</b>	(48.3)
Operating profit/(loss) after exceptional items	1.7	<b>10.7</b>	9.1	18.9	<b>(19.8)</b>	(38.7)
Finance expenses (net)	(3.2)	<b>(4.8)</b>	(1.6)	(9.0)	<b>(11.3)</b>	(2.3)
Share of JVs and associates' profits	2.2	<b>2.1</b>	(0.1)	5.6	<b>5.4</b>	(0.2)
Other gains/(losses) on equity method investments	-	<b>(0.4)</b>	(0.4)	-	<b>(1.1)</b>	(1.1)
Profit/(loss) before taxation	0.7	<b>7.7</b>	7.0	15.4	<b>(26.8)</b>	(42.2)
Profit/(loss) for the period	1.0	<b>2.2</b>	1.2	10.5	<b>(34.8)</b>	(45.3)
Net profit/(loss) *	0.0	<b>1.7</b>	1.6	8.6	<b>(37.2)</b>	(45.8)
EBITDA	11.1	<b>20.2</b>	9.1	42.2	<b>54.4</b>	12.1
Free Cash Flow	2.4	<b>(11.9)</b>	(14.3)	1.1	<b>(21.4)</b>	(22.5)

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

(JPY bn)	31 March 2022	31 December 2022	Change
Total Assets	939.3	<b>945.6</b>	6.4
Shareholders' equity	145.3	109.6	(35.6)
Shareholders' Equity Ratio	15.5%	<b>11.6%</b>	(3.9)pt

## <Business Results>

Architectural Glass	Remarkable revenue increase due to solid demand in all regions, partly helped by weaker JPY. OP improved with price increase mitigating input cost rises, particularly energy. Demand softened during Q3 in Europe. Continued robust demand for solar energy glass
Automotive Glass	Further progress in price improvement resulted in Q3 quarterly profit for the first time since Q1 of the previous fiscal year. Constrained vehicle build due to parts shortage continues but being resolved gradually
Technical Glass	Cumulative revenue and OP increase maintained with stable demand and cost reduction efforts (like-for-like basis without battery separator business disposed in September 2021). Sales volume decline due to lockdown in China and costs rise leading to less profitability in Q3

(JPY bn)	2022/3		2023/3		Change	
	Q3	Cum.	Q3	Cum.	Q3	Cum.
<b>Revenue</b>						
Architectural Glass	74.8	206.9	93.6	275.7	18.7	68.8
Automotive Glass	68.1	203.3	86.6	258.4	18.5	55.1
Technical Glass	9.1	30.8	9.6	29.8	0.5	(1.0)
Other	0.3	2.0	0.9	2.3	0.6	0.3
<b>Total Revenue</b>	<b>152.3</b>	<b>443.0</b>	<b>190.6</b>	<b>566.2</b>	<b>38.3</b>	<b>123.3</b>
<b>Operating profit</b>						
Architectural Glass	6.8	20.4	10.7	26.2	3.9	5.8
Automotive Glass	(4.9)	(5.9)	0.6	(1.1)	5.4	4.8
Technical Glass	2.1	7.8	1.5	7.2	(0.5)	(0.5)
Other	(2.2)	(7.7)	(3.1)	(8.2)	(0.9)	(0.4)
<b>Total Operating profit</b>	<b>1.8</b>	<b>14.5</b>	<b>9.7</b>	<b>24.2</b>	<b>7.9</b>	<b>9.6</b>

## 2. Forecast for Financial Year ending 31 March 2023

- Full-year revenue, operating profit, loss before taxation, loss for the period and net loss forecast revised upward reflecting strong cumulative performance
- Assume continuous input cost increases, with higher energy costs and worldwide inflation trend. Uncertain business environment is still anticipated with potential economic slowdown caused by rising interest rates
- Focusing on profitability improvement through continuous cost reduction, expansion of VA products and price increase across the whole Group to achieve full-year forecast

## <Forecast for Financial Year ending 31 March 2023>

	2023/3 Q3 Cum. Act	2023/3 Full-year fcst (Previous)	2023/3 Full-year fcst (Revised)	Change	2022/3 Full-year Act
<b>Revenue</b>	566.2	740.0	<b>750.0</b>	10.0	600.6
<b>Operating profit</b>	24.2	18.0	<b>28.0</b>	10.0	20.0
Exceptional items	(43.9)	(45.0)	<b>(44.0)</b>	1.0	3.6
<b>Operating profit/(loss) after exceptional items</b>	(19.8)	(27.0)	<b>(16.0)</b>	11.0	23.6
Finance expenses (net)	(11.3)	(13.0)	<b>(15.0)</b>	(2.0)	(12.5)
Impairment of financial receivables owed by joint ventures and associates	-	-	-	-	(3.4)
Share of JVs and associates' profits	5.4	5.0	<b>6.0</b>	1.0	7.5
Other gains/(losses) on equity method investments	(1.1)				(3.4)
<b>Profit/(loss) before taxation</b>	(26.8)	(35.0)	<b>(25.0)</b>	10.0	11.9
<b>Profit/(loss) for the period</b>	(34.8)	(38.0)	<b>(34.0)</b>	4.0	6.8
<b>Net profit/(loss) *</b>	(37.2)	(41.0)	<b>(37.0)</b>	4.0	4.1

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

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

## Transformation Initiatives under Revival Plan 24



**Continued RP24 initiatives underway for business to grow sustainably. Maintaining shareholder's equity ratio above target even after large amount of impairment loss**

#### **Three Reforms**

##### ● **Business structure reform**

- Construction started to install online coating capacity for solar energy glass to an existing float furnace in Malaysia (Aiming at start of production from 2024/3 Q3)
- Solar energy glass expansion also under consideration in USA
- 2nd float furnace in Argentina started production in Q3



Float furnace in Malaysia

##### ● **Corporate culture reform**

- To promote cultural reform from leaders, the Group created "Leadership Behaviour Charter" in response to employee survey

#### **Two Key Initiatives**

##### ● **Restoration of financial stability (2023/3 Q3 Cumulative)**

- Maintaining shareholders' equity ratio above RP24 financial target of 10% even after slight strengthening of JPY during Q3 and decrease in derivative assets reflecting energy price decline in Q3
- JPY 58.6 bn of cash and JPY 26.3 bn unused commitment lines at the end of December 2022

9 February 2023 | 2023/3 Q3 Results Presentation RP24: [https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtprp24presentation2021\\_e02.pdf](https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtprp24presentation2021_e02.pdf)

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