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Recognition of Exceptional Gain and Cost and Revision of Forecast for Full Year FY2021

The NSG Group announces the recognition of exceptional gain and cost in the third quarter, as well as a revision of its forecast for the full year FY2021 (the fiscal year ending on 31 March 2021) previously published on 5 November 2020, as set out below.

I. Recognition of Exceptional Gain and Cost in FY2021 Q3

1. Settlement of litigation
Pilkington Brasil Limitada, a wholly-owned subsidiary in Brazil, successfully concluded a legal challenge regarding the calculation of sales-based taxes borne by it in previous years. Consequently, the Group has recorded an exceptional gain of JPY3,423 million during the third quarter.
2. Restructuring costs, including employee termination payments
Regarding the voluntary retirement program in Japan announced on 29 December 2020, the Group has recognized restructuring costs of JPY2,192 million, including additional retirement allowances, as an exceptional cost in the third quarter. The final outcome of the program together with associated costs will be announced when confirmed.

The Group announced a direction to execute a Group-wide business transformation initiative including a headcount reduction, and the costs associated with this program to be incurred during the fourth quarter will be announced when these become clear.

II. Revision of Forecast for Full Year FY2021 (From 1 April 2020 to 31 March 2021)

1. Consolidated Financial Forecast

	(JPY million)					
	Revenue	Operating profit	(Loss)/profit before taxation	(Loss)/profit for the period	(Loss)/profit attributable to owners of parent	Earnings per share – basic
Previous forecast (A)	480,000	9,000	-	-	-	-
Revised forecast (B)	490,000	12,000	-	-	-	-
Change (B-A)	10,000	3,000	-	-	-	-
Change (%)	2.1	33.3	-	-	-	-
Ref: FY2020	556,178	21,177	(13,549)	(17,518)	(18,925)	¥ (235.96)

[Note: The forecast of earnings per share has been shown after considering the effect of dividends and redemption premium related to Class A shares.]

The forecast for the operating loss including the costs of COVID-19 has also been revised to a loss of JPY2,000 million from the previous forecast of JPY7,000 million.


2. Background

The Group's revised revenue and operating profit forecast reflects the improved market conditions during the third quarter and also the latest outlook for the remainder of the year. The full year forecast for (loss)/profit before taxation, (loss)/profit for the period and (loss)/profit attributable to owners of parent will be provided when the exceptional gains from anticipated disposals and also the cost of the Group-wide business transformation initiative become reasonably clear.

<Excerpt from NSG Group FY2021 Q3 financial results presentation>

FY2021 Forecast

Revenue and operating profit revised upward again. Full-year forecast below operating profit to be published when exceptional items confirmed. Asset disposals anticipated to mitigate the expected restructuring cost



(JPY bn)	FY2021				FY2020	
	Q3 Cumulative Actuals	Q4 3 months Forecast	Full year Forecast (Latest)	Full year Forecast (Previous)	Q4 3 months Actuals	Full year Cumulative Actuals
Revenue	357.4	133.0	490.0	480.0	130.4	556.2
Operating profit	8.0	4.0	12.0	9.0	3.2	21.2
Operating (loss)/profit after COVID-19 related exceptional items	(6.0)	4.0	(2.0)	(7.0)	1.0	19.0
Exceptional items (Other)	0.2	–	–	–	(17.4)	(21.8)
Finance expenses (net)	(7.5)	–	–	–	(2.3)	(11.8)
Share of JVs and associates' profits/ (losses)	0.8	–	–	–	(0.1)	1.1
(Loss)/profit before taxation	(12.5)	–	–	–	(18.8)	(13.5)
(Loss)/profit for the period	(13.5)	–	–	–	(19.4)	(17.5)
(Loss)/profit attributable to owners of the parent	(13.9)	–	–	–	(20.1)	(18.9)

4 February 2021 | FY2021 Quarter 3 Results Presentation

[Note: 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.]