FY 2025 1st Quarter Consolidated Financial Results <IFRS> 8 August 2024

(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)
Representative:	Representative Executive Officer, President and CEO	Name:	Munehiro Hosonuma
Inquiries to:	General Manager, Investor Relations	Name:	Hiroyuki Genkai
		Tel:	+81 3 5443 0100

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 2025 1st Quarter (From 1 April to 30 June 2024)

(1) Consolidated business results

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
1Q FY 2025	216,423	4.1	4,762	(67.3)	43	(99.7)	2,656	(64.8)	2,400	(65.8)	19,969	(6.2)
1Q FY 2024	207,954	16.9	14,578	76.4	13,273	50.5	7,543	129.1	7,027	195.0	21,283	(38.8)

	Earnings per share - basic
1Q FY 2025	¥21.01
1Q FY 2024	¥71.95

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 2025 1st Quarter	1,058,520	181,975	147,320	13.9
FY 2024 Full year	1,007,585	153,838	124,275	12.3

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
FY 2024 (Actual)	—	¥ 0.00	—	¥ 0.00	¥ 0.00
FY 2025 (Actual)	—				
FY 2025 (Forecast)		¥ 0.00	—	¥ 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 2025 (From 1 April 2024 to 31 March 2025)

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Earnings per share - basic
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Half year	410,000	(2.4)	12,000	(53.9)	1,500	(92.2)	1,000	(90.5)	—	—	(10.73)
Full year	840,000	0.9	30,000	(16.3)	7,000	(60.2)	2,000	(81.7)	—	—	(21.40)

Note:
- There have been changes to the forecast results this quarter.
- Forecast of basic earnings per share for FY2025 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 2025), by 91,108,504 shares which is the number of ordinary shares issued at 30 June 2024, reduced by the number of treasury stock and restricted shares (272,500 shares).
- For details, please refer to the "Revision to Forecast for Financial Year ending on 31 March 2025" and the slides on FY2025 forecast in FY2025 1st 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:
  91,414,899 shares as of 30 June 2024 and 91,401,499 shares as at 31 March 2024
  (ii) Number of shares held as treasury stock at the end of the period:
  33,895 shares as at 30 June 2024 and 33,404 shares as at 31 March 2024
  (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
  91,100,146 shares for the period ending 30 June 2024 and 90,919,720 shares for the period ending 30 June 2023

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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					
FY2024 (Actual)	—	¥ 0.00	—	¥ 65,000.00	¥ 65,000.00
FY2025 (Actual)	—				
FY2025 (Forecast)		¥ 0.00	—	¥ 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 FY2025, is ¥ 1,950 million.

[Attachments]

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1. Overview about business performance etc.

(1) Overview about business performance

(a) Background to Results

The Group experienced adverse conditions in many of its largest markets during the first quarter of the year. In particular, architectural markets in Europe were significantly below the previous year, and architectural markets elsewhere also deteriorated. Demand for solar energy glass was positive. Automotive markets were also challenging, with volumes being flat or slightly reduced across many regions. Technical glass markets were generally positive.

Group revenues increased by four percent to ¥ 216,423 million (1Q FY2024 ¥ 207,954 million), with the improvement being recorded in the Automotive business. Operating profits fell to ¥ 4,762 million (1Q FY2024 ¥ 14,578 million), with the decline being mainly due to reduced profitability in the Architectural business. Exceptional items amounted to a net credit of ¥ 177 million (1Q FY2024: net charge of ¥ 764 million). Net financial expenses decreased to ¥ 5,984 million (1Q FY2024 ¥ 6,383 million) and the Group's share of the post-tax profit of joint ventures and associates improved to ¥ 1,088 million (1Q FY2024: ¥ 959 million). During the previous year, the Group also recorded one-off gains arising from the disposal of its joint venture business in Russia of ¥ 4,883 million. The taxation credit of ¥ 2,613 million (1Q FY2024: charge of ¥ 5,730 million) is calculated based on the effective rate expected for the full-year. As a consequence of the reduced operating profit and no repeat of the previous-year gains arising with respect to equity method investments, the Group recorded a reduced profit attributable to owners of the parent of ¥ 2,400 million (1Q FY2024 ¥ 7,027 million).

(b) Review by Business Segment

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

Architectural, representing 42 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 52 percent of cumulative revenues, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 6 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)	
	1st Quarter FY 2025	**1st Quarter FY 2024**	**1st Quarter FY 2025**	**1st Quarter FY 2024**
Architectural	90,207	95,751	3,314	11,890
Automotive	113,603	100,897	2,537	3,230
Technical Glass	12,399	9,960	2,008	2,137
Other Operations	214	1,346	(3,097)	(2,679)
Total	216,423	207,954	4,762	14,578

Architectural Business

The Architectural business recorded cumulative revenues of ¥ 90,207 million (1Q FY2024: ¥ 95,751 million) and an operating profit of ¥ 3,314 million (1Q FY2024: ¥ 11,890 million).

Architectural revenues and profits decreased from the previous year due to reduced volumes and prices across most markets, and especially in Europe.

In Europe, representing 38 percent of the Group's architectural sales, revenues were below the previous year as volumes and prices declined in line with deteriorating economic activity. The impact of the weaker market conditions was mitigated somewhat by a decline in input costs.

In Asia, representing 30 percent of the Group's architectural sales, revenues were similar to the previous year, whilst profits declined. Results deteriorated in Japan due to lower market volumes, although prices were stable. Markets remain difficult elsewhere across South-East Asia. Volumes of glass for solar energy were positive.

In the Americas, representing 32 percent of the Group's architectural sales, revenues and profits were below the previous year. In North America, results declined in line with lackluster commercial markets. Demand in South America was also negative, with results reflecting difficult market conditions in Argentina.

Automotive Business

The Automotive business recorded cumulative revenues of ¥ 113,603 million (1Q FY2024: ¥ 100,897 million) and an operating profit of ¥ 2,537 million (1Q FY2024: ¥ 3,230 million). Exchange factors, reflecting the falling value of JPY, contributed to the increased revenues, together with higher underlying sales revenues across some regions.

Europe represents 42 percent of the Group's automotive sales. Revenues in local currency were stable, although revenues were improved on consolidation due to exchange factors. Profitability was similar to the previous year.

In Asia, representing 17 percent of the Group's automotive sales, revenues and profits improved from the previous year. Volumes in Japan reflected disruption to production activity at some customers, but were otherwise stable.

In the Americas, representing 41 percent of the Group's automotive sales, revenues increased from the previous year, although profits fell. Volumes in North America also reflected disruptions to production at some customers, against a stable market background overall. Compared to the previous year, volumes in Brazil were positive, although volumes fell in Argentina.

Technical Glass Business

The Technical Glass business recorded cumulative revenues of ¥ 12,399 million (1Q FY2024: ¥ 9,960 million) and an operating profit of ¥ 2,008 million (1Q FY2024: ¥ 2,137 million).

Technical Glass revenues were improved from the previous year, with positive demand across most business areas. Profits were similar to the previous year.

In the Fine Glass business, revenues were slightly recovered from previous year. In the Information Devices business, demand was boosted by recovering demand for printers and scanners. Volumes of glass cord used in engine timing belts benefitted from high demand in automotive glass replacement markets. Metashine sales increased for cosmetics applications.

Joint Ventures and Associates

The Group's share of the post-tax profit of joint ventures and associates improved to ¥ 1,088 million (1Q FY2024: ¥ 959 million). During the previous year, the Group also recorded one-off gains arising from the disposal of its joint venture business in Russia of ¥ 4,883 million.

(2) Overview about financial condition

Total assets at the end of June 2024 were ¥ 1,058,520 million, representing an increase of ¥ 50,935 million from the end of March 2024. Total equity was ¥ 181,975 million, representing an increase of ¥ 28,137 million from the March 2024 figure of ¥ 153,838 million. The increase in total equity was largely due to a combination of foreign exchange gains and the IAS29 inflationary uplift of asset values in Argentina.

Net financial indebtedness increased by ¥ 46,156 million from 31 March 2024 to ¥ 493,652 million at the period end. The increase in indebtedness arose largely from seasonal working capital movements and also foreign exchange movements. Foreign exchange movements generated an increase in net indebtedness of ¥ 11,230 million. Gross debt was ¥ 541,818 million at the period end.

Cash outflows from operating activities were ¥ 19,360 million. Cash outflows from investing activities were ¥ 12,329 million, including capital expenditure on property, plant, and equipment of ¥ 11,801 million. As a result, free cash flow was an outflow of ¥ 31,689 million (1Q FY2024 free cash outflow of ¥31,601 million).

(3) Prospects

The Group's forecast for the financial year FY2025 is shown on page 2.

For details, please refer to the "Revision to Forecast for Financial Year ending on 31 March 2025" and the slides on FY2025 forecast in FY2025 1st Quarter Results presentation.

NSG Group has set out its new medium-term plan, "2030 Vision: Shift the Phase", for a six-year- period from FY2025 to FY2030 aiming to drive forward reforms aligned with transitioning to the next phase of its development and positioning the Group as a vital contributor to the development of a sustainable society.

The Group has established a set of key financial metrics as targets for the period to FY2027, representing an interim stage on its journey towards achieving its 2030 Medium-Term Plan.

Profitability (P/L)	Operating profit	¥ 64.0 billion
	Return on sales	7%
Cash Generation (C/F)	Free cash flow	¥ 27.0 billion
Stabilization of Financial Status (B/S)	Interest-Bearing Debt	¥ 442.0 billion
	Shareholders' equity ratio	15%

The Group aims to achieve its Medium-Term Plan targets through four strategic pillars:
•Business Development – to strengthen new products and business development efforts,
•Decarbonization – as part of the Group's contribution to societal decarbonization,
•Digital transformation – through high-value operations utilizing digital technologies to their full extent,
•Diverse talent - In order to realize a truly diverse and inclusive team that brings about the phase shift the Group needs.

2. Consolidated financial statements and their notes

(1) (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**1st Quarter FY 2025 For the period 1 April to 30 June 2024**	1st Quarter FY 2024 For the period 1 April to 30 June 2023
Revenue	(5)-(c)	**216,423**	207,954
Cost of sales		**(172,091)**	(158,575)
Gross profit		**44,332**	49,379
Other income		**205**	247
Distribution costs		**(17,319)**	(15,871)
Administrative expenses		**(21,145)**	(18,546)
Other expenses		**(1,311)**	(631)
Operating profit	(5)-(c)	**4,762**	14,578
Exceptional items (gains)	(5)-(d)	**315**	—
Exceptional items (losses)	(5)-(d)	**(138)**	(764)
Operating profit after exceptional items		**4,939**	13,814
Finance income	(5)-(e)	**1,315**	2,549
Finance expenses	(5)-(e)	**(7,299)**	(8,932)
Reversal of previous impairment of financial receivables owed by joint ventures and associates		—	3,740
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**1,088**	959
Other gains/(losses) on equity method investments		—	1,143
Profit before taxation		**43**	13,273
Taxation	(5)-(f)	**2,613**	(5,730)
Profit for the period		**2,656**	7,543
Profit attributable to non-controlling interests		**256**	516
Profit attributable to owners of the parent		**2,400**	7,027
		2,656	7,543
Earnings per share attributable to owners of the parent			
Basic	(5)-(g)	**21.01**	71.95
Diluted	(5)-(g)	**16.89**	49.42

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

¥ millions

	1st Quarter FY 2025 For the period 1 April to 30 June 2024	1st Quarter FY 2024 For the period 1 April to 30 June 2023
Profit for the period	**2,656**	7,543
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Re-measurement of retirement benefit obligations (net of taxation)	**(148)**	(183)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)	**(1,136)**	(1,825)
Sub-total	**(1,284)**	(2,008)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	**15,979**	18,228
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)	**(88)**	(303)
Cash flow hedges:		
– fair value gains, net of taxation	**2,706**	(2,177)
Sub-total	**18,597**	15,748
Total other comprehensive income for the period, net of taxation	**17,313**	13,740
Total comprehensive income for the period	**19,969**	21,283
Attributable to non-controlling interests	**664**	(1,561)
Attributable to owners of the parent	**19,305**	22,844
	19,969	21,283

(2) Condensed quarterly consolidated balance sheet

¥ millions

	1st Quarter FY 2025 as at 30 June 2024	FY 2024 as at 31 March 2024
ASSETS		
Non-current assets		
Goodwill	**89,583**	**84,172**
Intangible assets	**50,208**	**46,734**
Property, plant and equipment	**458,061**	**431,212**
Investment property	**144**	**136**
Investments accounted for using the equity method	**27,519**	**26,164**
Retirement benefit asset	**30,648**	**28,704**
Contract assets	**310**	**320**
Trade and other receivables	**6,464**	**4,787**
Financial assets:		
— Assets held at Fair Value through Other Comprehensive Income	**23,113**	**23,537**
— Derivative financial instruments	**5,661**	**4,718**
Deferred tax assets	**37,128**	**35,802**
	728,839	**686,286**
Current assets		
Inventories	**184,926**	**173,068**
Contract assets	**1,971**	**1,280**
Trade and other receivables	**94,517**	**87,853**
Financial assets:		
— Assets held at Fair Value through Other Comprehensive Income	**422**	—
— Derivative financial instruments	**3,436**	**3,063**
Cash and cash equivalents	**39,069**	**51,183**
	324,341	**316,447**
Assets held for sale	**5,340**	**4,852**
	329,681	**321,299**
Total assets	**1,058,520**	**1,007,585**

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	1st Quarter FY 2025 as at 30 June 2024	FY 2024 as at 31 March 2024
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
— Borrowings	**155,664**	**144,223**
— Derivative financial instruments	**2,917**	**3,816**
Trade and other payables	**164,606**	**184,149**
Contract liabilities	**17,177**	**17,560**
Provisions	**19,414**	**18,286**
Deferred income	**494**	**512**
	360,272	**368,546**
Liabilities related to assets held for sale	**1,414**	**1,346**
	361,686	**369,892**
Non-current liabilities		
Financial liabilities:		
— Borrowings	**382,183**	**356,332**
— Derivative financial instruments	**1,054**	**2,089**
Trade and other payables	**4,228**	**4,125**
Contract liabilities	**31,397**	**29,331**
Deferred tax liabilities	**20,707**	**19,711**
Retirement benefit obligations	**51,772**	**49,336**
Provisions	**19,594**	**19,237**
Deferred income	**3,924**	**3,694**
	514,859	**483,855**
Total liabilities	**876,545**	**853,747**
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Share capital	**116,859**	**116,853**
Capital surplus	**155,833**	**155,840**
Retained earnings	**(50,877)**	**(56,882)**
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	**(68,048)**
Other reserves	**(6,447)**	**(23,488)**
Total shareholders' equity	**147,320**	**124,275**
Non-controlling interests	**34,655**	**29,563**
Total equity	**181,975**	**153,838**
Total liabilities and equity	**1,058,520**	**1,007,585**

(3) Condensed quarterly consolidated statement of changes in equity

¥ millions

1st Quarter FY 2025	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 2024	116,853	155,840	(56,882)	(68,048)	(23,488)	**124,275**	29,563	**153,838**
Total Comprehensive Income	—	—	2,252	—	17,053	**19,305**	664	**19,969**
Hyperinflation adjustment	—	—	5,703	—	—	**5,703**	4,716	**10,419**
Dividends paid	—	—	(1,950)	—	—	**(1,950)**	(85)	**(2,035)**
Share-based compensation with restricted shares	—	14	—	—	—	**14**	—	**14**
Stock options	6	6	—	—	(12)	**—**	—	**—**
Equity transaction with non-controlling interests	—	(27)	—	—	—	**(27)**	(203)	**(230)**
At 30 June 2024	**116,859**	**155,833**	**(50,877)**	**(68,048)**	**(6,447)**	**147,320**	**34,655**	**181,975**

¥ millions

1st Quarter FY 2024	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 2023	116,756	155,746	(86,675)	(68,048)	(20,739)	**97,040**	27,828	**124,868**
Total Comprehensive Income	—	—	6,844	—	16,000	**22,844**	(1,561)	**21,283**
Hyperinflation adjustment	—	—	6,533	—	—	**6,533**	5,474	**12,007**
Dividends paid	—	—	(1,950)	—	—	**(1,950)**	(546)	**(2,496)**
Share-based compensation with restricted shares	—	11	—	—	—	**11**	—	**11**
At 30 June 2023	**116,756**	**155,757**	**(75,248)**	**(68,048)**	**(4,739)**	**124,478**	**31,195**	**155,673**

(4) Condensed quarterly consolidated statement of cash flow

¥ millions

	Note	**1st Quarter For the period 1 April to 30 June 2024**	1st Quarter For the period 1 April to 30 June 2023
Cash flows from operating activities			
Cash flows generated from operations	(5)-(j)	**(12,835)**	(11,978)
Interest paid		**(5,605)**	(8,075)
Interest received		**1,070**	4,650
Tax paid		**(1,990)**	(2,133)
Net cash outflows from operating activities		**(19,360)**	(17,536)
Cash flows from investing activities			
Dividends received from joint ventures and associates		**318**	25
Purchases of property, plant and equipment		**(11,801)**	(13,792)
Proceeds on disposal of property, plant and equipment		**377**	74
Purchases of intangible assets		**(1,213)**	(320)
Proceeds on disposal of intangible assets		**1**	—
Purchase of assets held at FVOCI		**(5)**	(4)
Loans advanced to joint ventures, associates and third parties		**(10)**	(98)
Loans repaid from joint ventures, associates and third parties		**4**	50
Net cash outflows from investing activities		**(12,329)**	(14,065)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(1,950)**	(1,950)
Dividends paid to non-controlling interests		**(32)**	(326)
Repayment of borrowings		**(24,650)**	(35,386)
Proceeds from borrowings		**49,134**	42,795
Capital contribution for non-controlling interests		**(230)**	—
Net cash in flows from financing activities		**22,272**	5,133
Decrease in cash and cash equivalents (net of bank overdrafts)		**(9,417)**	(26,468)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(5)-(k)	**44,278**	68,518
Effect of foreign exchange rate changes		**1,620**	3,350
Hyperinflation adjustment	(5)-(l)	**994**	765
Cash and cash equivalents (net of bank overdrafts) at end of period	(5)-(k)	**37,475**	46,165

(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 30 June 2024 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2024.

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.

The Group performed a re-assessment of its identifiable CGUs across during the first quarter of the year. A separate Solar CGU has been identified based on the determination that the Solar business generates sufficiently independent cash flows. Solar business cash flows and relevant assets, including an element of goodwill and other intangible assets, which had previously been included in the CGUs covering Architectural Europe and North America, will now be considered within a separate Solar business CGU. The segmental disclosure of the Group's financial position and performance will remain unchanged.

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 deteriorating markets during the second half of FY2024, particularly within its European Architectural business and this has continued into the first quarter of FY2025. Many of the Group's markets are sensitive to general levels of consumer confidence and economic activity, which have been negatively affected by increased interest rates in many regions. During the remainder of FY2025 the Group expects such conditions to gradually improve, particularly during the second half of the year.

The recoverability of long-term investments in joint ventures, including loans receivable, is based on

the current and expected future trading environment. The expected future trading environment is assessed using reasonable estimates of possible future trading conditions. Where relevant, the Group will also consider the existence of legal restrictions that may prevent the payment of dividends or interest, or repayment of debt by the joint venture when assessing the recoverability of such investments. In addition, the Group would also consider any projected corporate restructurings or other similar transactions that the joint venture may enter, but only in circumstances where the Group considers there is a satisfactory level of confidence that such a transaction will be completed.

(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.

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 ¥42 million in FY2025 Q1 (FY2024 Q1: ¥57 million).

The segmental results for the first quarter to 30 June 2024 were as follows:

¥ millions

1st Quarter FY 2025 For the period 1 April to 30 June 2024	Architectural	Automotive	Technical Glass	Other Operations	Total
Total revenue	**99,400**	**113,685**	**12,856**	**536**	**226,477**
Inter-segmental revenue	**(9,193)**	**(82)**	**(457)**	**(322)**	**(10,054)**
External revenue	**90,207**	**113,603**	**12,399**	**214**	**216,423**
Disaggregation of external revenue by geographical regions:					
Europe	**34,483**	**47,602**	**2,837**	**35**	**84,957**
Asia	**27,072**	**19,557**	**9,067**	**179**	**55,875**
Americas	**28,652**	**46,444**	**495**	—	**75,591**
Operating profit/(loss)	**3,314**	**2,537**	**2,008**	**(3,097)**	**4,762**
Exceptional items (profits)	**315**	—	—	—	**315**
Exceptional items (losses)	**(74)**	**(64)**	—	—	**(138)**
Operating profit after exceptional items					**4,939**
Finance costs - net					**(5,984)**
Reversal of previous impairment of financial receivables owed by joint ventures and associates					—
Share of post-tax profit from joint ventures and associates					**1,088**
Other gains on equity method investments					—
Profit before taxation					**43**
Taxation					**2,613**
Profit for the period from continuing operations					**2,656**

(c) Segmental information continued

The segmental results for the first quarter to 30 June 2023 were as follows:

¥ millions

1st Quarter FY 2024 For the period 1 April to 30 June 2023	Architectural	Automotive	Technical Glass	Other Operations	Total
Total revenue	104,858	100,969	10,775	1,744	218,346
Inter-segmental revenue	(9,107)	(72)	(815)	(398)	(10,392)
External revenue	95,751	100,897	9,960	1,346	207,954
Disaggregation of external revenue by geographical regions:					
Europe	38,095	42,536	2,457	1,029	84,117
Asia	26,826	17,864	7,074	317	52,081
Americas	30,830	40,497	429	—	71,756
Operating profit/(loss)	11,890	3,230	2,137	(2,679)	14,578
Exceptional items (losses)	(738)	(26)	—	—	(764)
Operating profit after exceptional items					13,814
Finance costs - net					(6,383)
Reversal of previous impairment of financial receivables owed by joint ventures and associates					3,740
Share of post-tax profit from joint ventures and associates					959
Other gains on equity method investments					1,143
Profit before taxation					13,273
Taxation					(5,730)
Profit for the period from continuing operations					7,543

The segmental assets at 30 June 2024 and capital expenditure for the first quarter ended 30 June 2024 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	**275,824**	**216,797**	**36,033**	**3,443**	**532,097**
Capital expenditure (including intangibles)	**4,895**	**2,825**	**139**	**133**	**7,992**

The segmental assets at 30 June 2023 and capital expenditure for the first quarter ended 30 June 2023 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	240,434	199,400	36,031	10,804	486,669
Capital expenditure (including intangibles)	8,749	1,986	129	173	11,037

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

	1st Quarter FY 2025 For the period 1 April to 30 June 2024	1st Quarter FY 2024 For the period 1 April to 30 June 2023
Exceptional items (gains):		
Gain on disposal of non-current assets (a)	**302**	—
Reversal of impairment of non-current assets (b)	**13**	—
	315	—
Exceptional items (losses):		
Impairment of non-current assets (c)	**(67)**	(540)
Restructuring costs, including employee termination payments (d)	**(46)**	(8)
Settlement of litigation matters (e)	**(25)**	(22)
Write down of inventories (f)	—	(194)
	(138)	(764)
	177	(764)

(a) The gain on disposal relates to property, plant & equipment in the Architectural business in Europe.

(b) The reversal of impairment of non-current assets relates to property, plant & equipment in the Architectural business in Asia.

(c) The impairment of non-current assets in the current year relates mainly to property, plant & equipment in the Architectural business in Europe.

The impairment of non-current assets in the previous year related to property, plant & equipment in the Architectural business in Asia.

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

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

(f) The write-down of inventories in the previous year arises outside of the normal course of business and relates to the Architectural business in Asia as a result of the repurposing of the float glass line in Malaysia from Architectural products to glass for solar energy.

(e) Finance income and expenses

¥ millions

	1st Quarter FY 2025 For the period 1 April to 30 June 2024	1st Quarter FY 2024 For the period 1 April to 30 June 2023
Finance income		
Interest income	**753**	1,299
Foreign exchange transaction gains	**242**	217
Gain on net monetary position	**320**	1,033
	1,315	2,549
Finance expenses		
Interest expense:		
— bank and other borrowings	**(6,821)**	(6,295)
Dividend on non-equity preference shares due to minority shareholders	**(85)**	(75)
Foreign exchange transaction losses	**(70)**	(1,182)
Other interest and similar charges	**(248)**	(1,299)
	(7,224)	(8,851)
Unwinding discounts on provisions	**(89)**	(71)
Retirement benefit obligations		
— net finance charge	**14**	(10)
	(7,299)	(8,932)

(f) Taxation

The tax credit on the profit before taxation, excluding the Group's share of the net results of joint ventures and associates, is a rate of 250 percent in the first quarter to 30 June 2024 (1Q FY2024: a rate of 46.5 percent). The tax credit for the quarter is based on the estimated effective rate for the year to 31 March 2025.

(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.

	Quarter ended 30 June 2024	Quarter ended 30 June 2023
	¥ millions	¥ millions
Profit attributable to owners of the parent	**2,400**	7,027
Adjustment for;		
－ Dividends on Class A shares	**(486)**	(485)
Profit used to determine basic earnings per share	**1,914**	6,542
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**91,100**	90,920
	¥	¥
Basic earnings per share	**21.01**	71.95

(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.

	Quarter ended 30 June 2024	Quarter ended 30 June 2023
	¥ millions	¥ millions
Profit attributable to owners of the parent	**2,400**	7,027
Adjustment for;		
― Dividends on Class A shares	**―**	―
Profit used to determine diluted earnings per share	**2,400**	7,027
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**91,100**	90,920
Adjustment for:		
― Share options	**327**	492
― Class A shares	**50,679**	50,679
― Restricted shares	**―**	88
Weighted average number of ordinary shares for diluted earnings per share	**142,106**	142,179
	¥	¥
Diluted earnings per share	**16.89**	49.42

(h) Dividends

(i) Dividends on ordinary shares

	Quarter ended 30 June 2024	Quarter ended 30 June 2023
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 30 June 2024	Quarter ended 30 June 2023
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

(i) Exchange rates

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

	Quarter ended 30 June 2024		Year ended 31 March 2024		Quarter ended 30 June 2023	
	Average	**Closing**	Average	Closing	Average	Closing
GBP	**197**	**204**	182	191	172	183
US dollar	**156**	**162**	144	152	138	145
Euro	**168**	**173**	157	163	150	158
Argentine peso	—	**0.18**	—	0.18	—	0.57

(j) Cash flows generated from operations

¥ millions

	1st Quarter FY 2025 for the period 1 April 2024 to 30 June 2024	1st Quarter FY 2024 for the period 1 April 2023 to 30 June 2023
Profit for the period from continuing operations	**2,656**	7,543
Adjustments for:		
Taxation	**(2,613)**	5,730
Depreciation	**12,068**	10,230
Amortization	**640**	529
Impairment	**128**	546
Reversal of impairment of non-current assets	**(29)**	—
Gain on sale of property, plant and equipment	**(291)**	(2)
Grants and deferred income	**(40)**	(60)
Finance income	**(1,315)**	(2,549)
Finance expenses	**7,299**	8,932
Reversal of previous impairment of financial receivables owed by joint ventures and associates	—	(3,740)
Share of profit from joint ventures and associates	**(1,088)**	(959)
Other (gains)/losses on equity method investments	—	(1,143)
Other items	**(33)**	175
Operating cash flows before movement in provisions and working capital	**17,382**	25,232
Decrease in provisions and retirement benefit obligations	**(1,007)**	1,216
Changes in working capital:		
— inventories	**(4,391)**	(10,248)
— trade and other receivables	**(8,517)**	898
— trade and other payables	**(14,436)**	(27,651)
— contract balances	**(1,866)**	(1,425)
Net change in working capital	**(29,210)**	(38,426)
Cash flows generated from operations	**(12,835)**	(11,978)

(k) Cash and cash equivalents

¥ millions

	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	**51,183**	69,313
Bank overdrafts	**(6,905)**	(795)
	44,278	68,518

¥ millions

	As at 30 June 2024	As at 30 June 2023
Cash and cash equivalents	**39,069**	48,913
Bank overdrafts	**(1,594)**	(2,748)
	37,475	46,165

(l) 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	304.276
31 March 2007	103.9	292.955
31 March 2008	120.2	253.122
31 March 2009	128.7	236.415
31 March 2010	146.5	207.703
31 March 2011	165.5	183.863
31 March 2012	186.7	162.955
31 March 2013	211.1	144.112
31 March 2014	265.6	114.573
31 March 2015	305.7	99.519
31 March 2016	390.6	77.895
31 March 2017	467.2	65.124
31 March 2018	596.1	51.048
31 March 2019	970.9	31.339
31 March 2020	1,440.8	21.119
31 March 2021	2,046.4	14.869
31 March 2022	3,162.1	9.623
31 March 2023	6,402.2	4.753
31 March 2024	25,671.9	1.185
30 April 2024	27,685.1	1.099
31 May 2024	28,841.3	1.055
30 June 2024	30,427.6	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).

(m) Significant subsequent events

There were no significant subsequent events.

(n) Other

(Financial reporting framework)

The consolidated financial statements of the Group have been prepared in accordance with Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc's Standards for the Preparation of Quarterly Financial Statements (the Standards), applying the provisions for reduced disclosures as set forth in Article 5, Paragraph 5 of the Standards, accordingly certain disclosures and notes required by IAS 34 are not given.