NSG Group
FY2025/3 Quarter 1 Results
(from 1 April 2024 to 30 June 2024)

Nippon Sheet Glass Company, Limited

8 August 2024

Akihito Okochi

Senior Executive Officer and Chief Financial Officer

Agenda

1. Financial Year ending 31 March 2025 Quarter 1 Results
2. Forecast for Financial Year ending March 2025
3. Update of “2030 Vision : Shift the Phase” Financial Targets
4. Summary

1. Financial Year ending 31 March 2025 Quarter 1 Results

Consolidated Income Statement

Profits decreased mainly in Architectural, largely affected by economic slowdown in Europe, while revenue increase partly helped by weaker JPY

(JPY bn)	Q1 (3 months)		
	FY2024/3	FY2025/3	Change
Revenue	208.0	**216.4**	8.5
Operating profit	14.6	**4.8**	(9.8)
ROS : Return on sales	7.0%	**2.2%**	(4.8) pt
Exceptional items (net)	(0.8)	**0.2**	0.9
Operating profit after exceptional items	13.8	**4.9**	(8.9)
Finance expenses (net)	(6.4)	**(6.0)**	0.4
Reversal of previous impairment of financial receivables owed by JVs and associates	3.7	**-**	(3.7)
Share of JVs and associates' profits	1.0	**1.1**	0.1
Other gains/(losses) on equity method investments	1.1	**-**	(1.1)
Profit before taxation	13.3	**0.0**	(13.2)
Profit for the period	7.5	**2.7**	(4.9)
Net profit *	7.0	**2.4**	(4.6)
EBITDA	25.3	**17.5**	(7.9)

* Profit attributable to owners of the parent

Revenue increase in Automotive and Technical Glass while OP decrease in all businesses especially in Architectural

【Revenue and Operating Profit : vs PY】

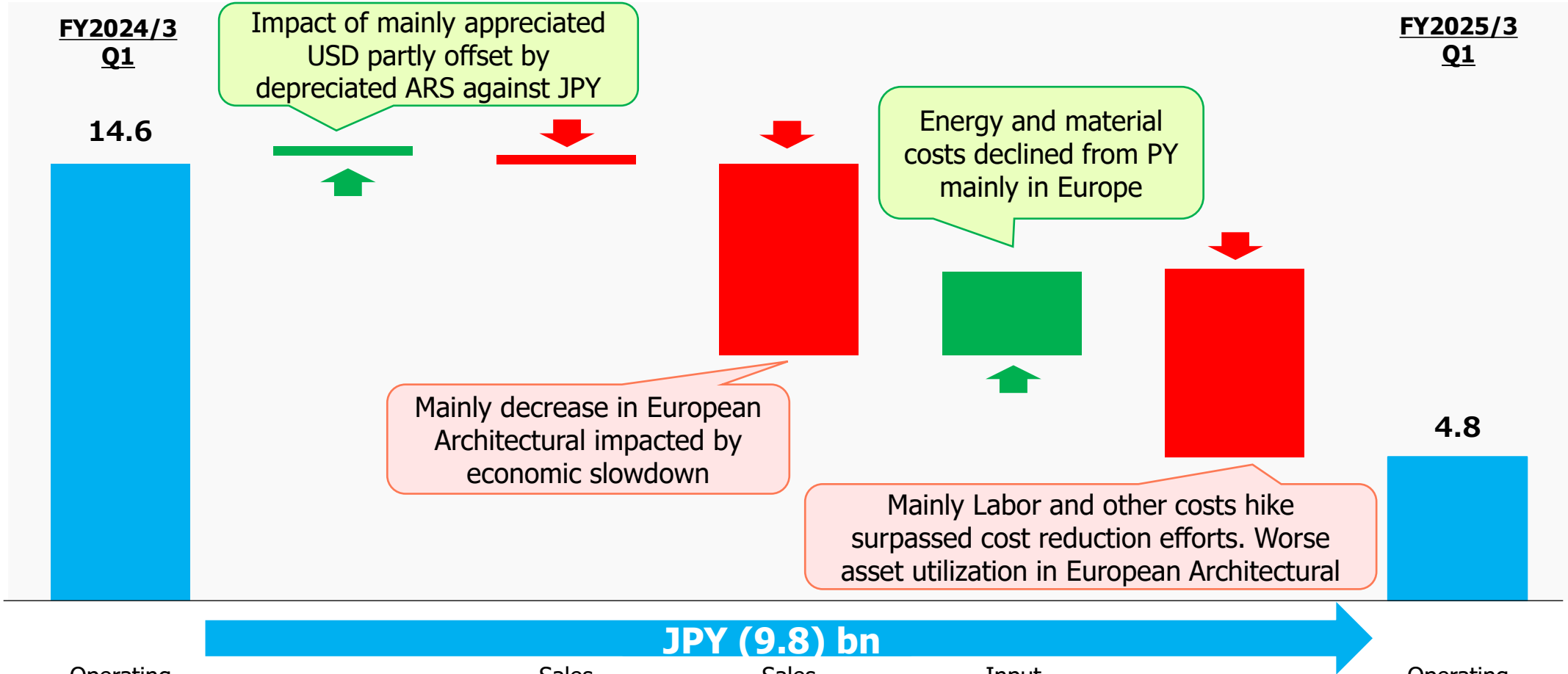
(JPY bn)	Revenue	OP
Architectural	(5.5)	(8.6)
Automotive	+ 12.7	(0.7)
Technical Glass	+ 2.4	(0.1)
Others	(1.1)	(0.4)
Group total	**+ 8.5**	**(9.8)**

Recorded gains on the reversal of previous impairments of balances and investments arising from the disposal of Russian JV business in PY

Includes taxation credit of JPY 2.6 bn

Change Analysis – Operating profit (Quarter 1 only)

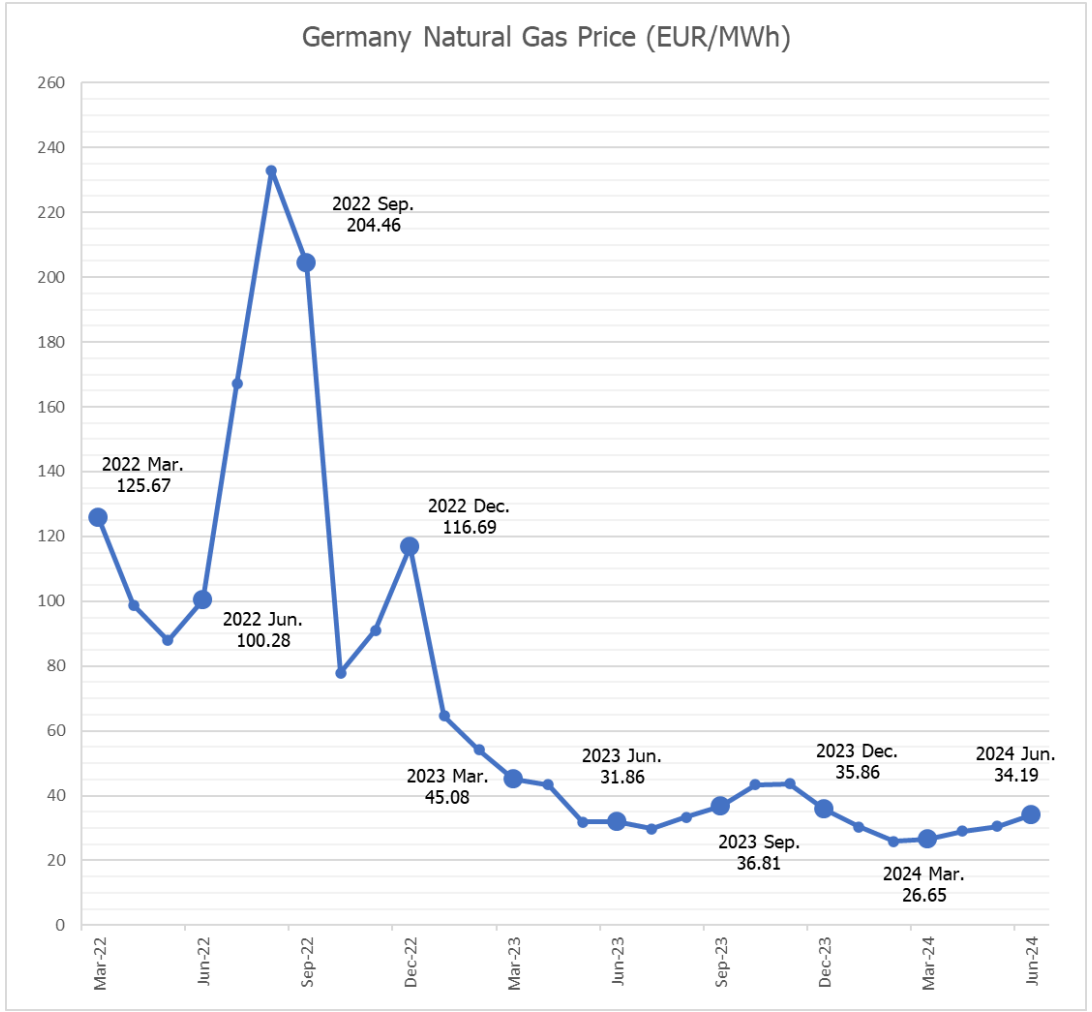
Sales price and asset utilization decrease in European Architectural affected by economic slowdown. Continuous increase of other costs particularly labor

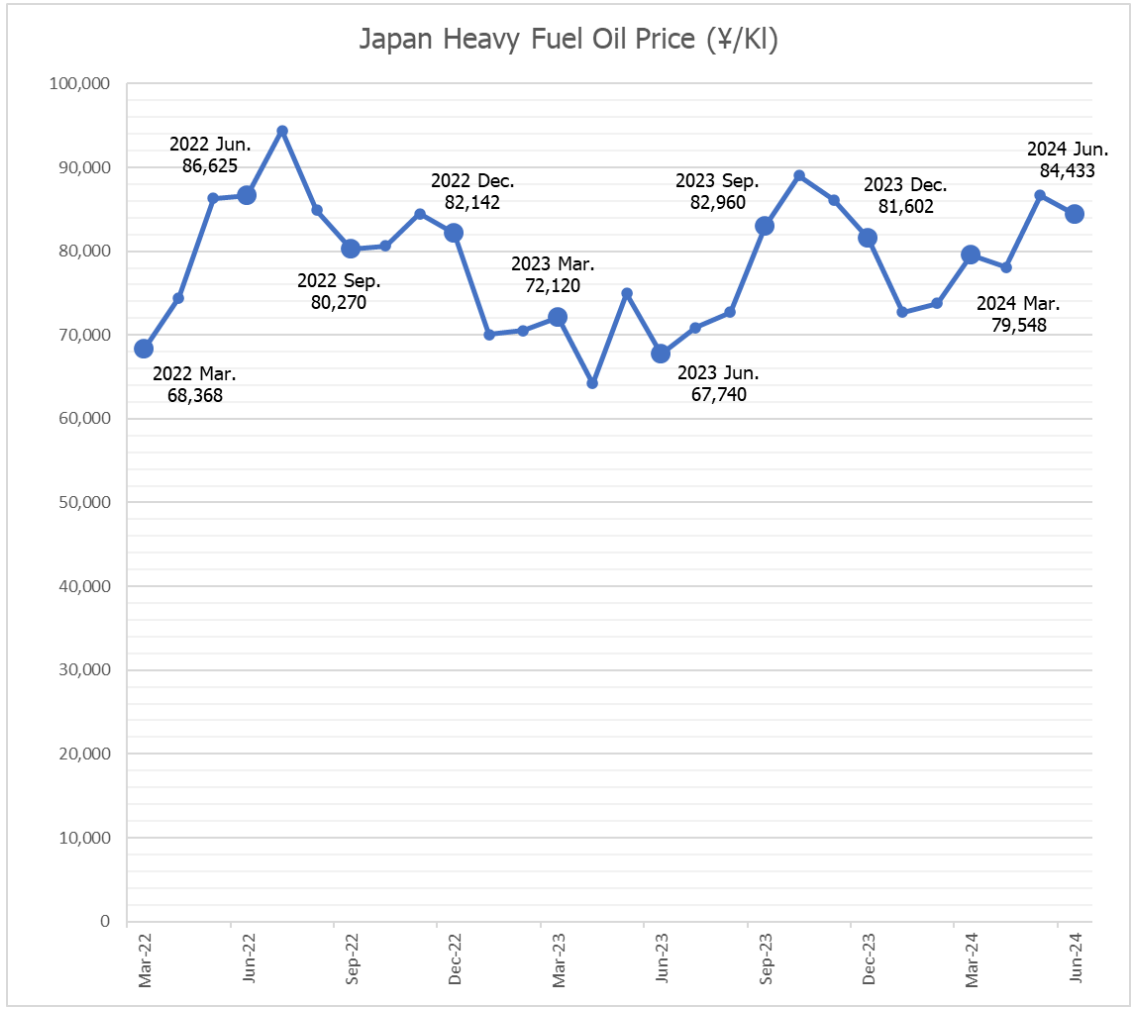


	Operating profit	FX	Sales Vol/Mix	Sales Price	Input Costs	Other	Operating profit
(JPY bn)	14.6	0.3	(0.3)	(6.4)	2.8	(6.3)	4.8

Energy Price Movement

German natural gas price : stable since the previous year
Japanese heavy fuel oil price : stayed at a high level





Consolidated Balance Sheet

Shareholders' equity ratio increase to 13.9% by 1.6pt from previous year end. Interest-bearing debt increase due to negative FCF with seasonal WC movement

(JPY bn)	31 March 2024	30 June 2024	Change
Total Assets	**1007.6**	**1,058.5**	**50.9**
Non-current assets	686.3	728.8	42.6
Current assets	321.3	329.7	8.4
Total Liabilities	**853.7**	**876.5**	**22.8**
Current liabilities	369.9	361.7	(8.2)
Non-current liabilities	483.9	514.9	31.0
Total Equity	**153.8**	**182.0**	**28.1**
Shareholders' equity	124.3	147.3	23.0
Shareholders' Equity Ratio	**12.3%**	**13.9%**	**+1.6pt**
Interest-bearing Debt	**506.5**	**541.8**	**35.4**

Mainly due to increase in property, plant and equipment reflecting foreign exchange movements

Mainly increase in interest-bearing debt

Above 13%, shareholders' equity ratio improved with a combination of foreign exchange gains and Argentina's inflationary uplift of asset values

JPY 35.3 bn increase mainly due to negative FCF with seasonal working capital movement

Consolidated Statement of Cash Flows

Free cash flow at the same level as the previous year.
Management of working capital mitigating OP decrease in CF from operating activities

(JPY bn)	Q1 (3 months)		
	FY2024/3	FY2025/3	Change
Net cash flows from operating activities	**(17.5)**	**(19.4)**	**(1.8)**
included above : Net change in working capital	(38.4)	(29.2)	9.2
Net cash flows from investing activities	**(14.1)**	**(12.3)**	**1.7**
included above : Purchase of property, plant and equipment	(13.8)	(11.8)	2.0
Free cash flow	**(31.6)**	**(31.7)**	**(0.1)**
Net cash flows from financing activities	**5.1**	**22.3**	**17.1**
Increase/ (decrease) in cash and cash equivalents	**(26.5)**	**(9.4)**	**17.1**
Cash and cash equivalents at the end of the period	**46.2**	**37.5**	**(8.7)**

Management of working capital movement mitigated OP decrease

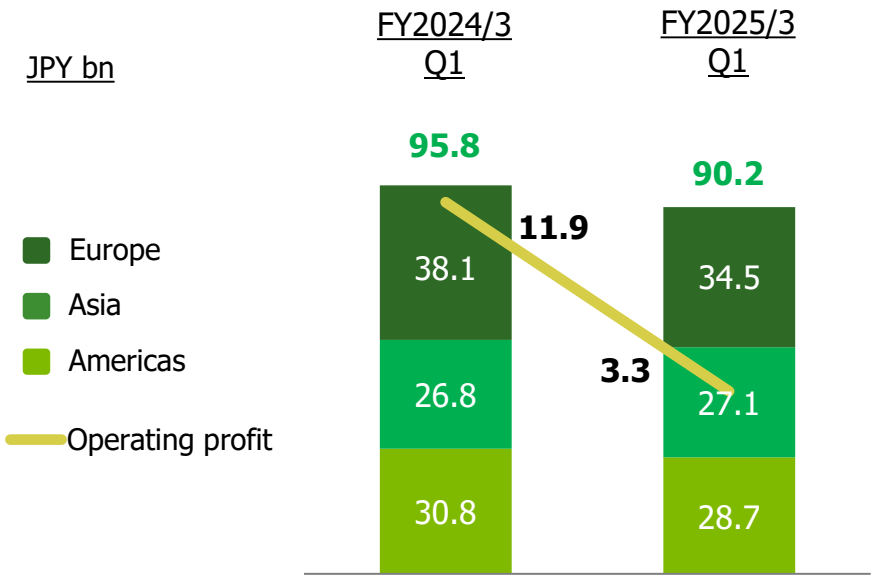
Same level as the previous year

Segmental Information

(JPY bn)	FY2023/3 Q1			FY2024/3 Q1			FY2025/3 Q1			Change	
	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	Operating Profit
Architectural	**85.6**	**48%**	**8.9**	**95.8**	**46%**	**11.9**	**90.2**	**42%**	**3.3**	**(5.5)**	**(8.6)**
Europe	38.2	21%		38.1	18%		34.5	16%		(3.6)	
Asia	22.9	13%		26.8	13%		27.1	13%		0.2	
Americas	24.5	14%		30.8	15%		28.7	13%		(2.2)	
Automotive	**81.6**	**46%**	**(0.7)**	**100.9**	**49%**	**3.2**	**113.6**	**52%**	**2.5**	**12.7**	**(0.7)**
Europe	33.7	19%		42.5	20%		47.6	22%		5.1	
Asia	14.5	8%		17.9	9%		19.6	9%		1.7	
Americas	33.4	19%		40.5	19%		46.4	21%		5.9	
Technical Glass	**9.9**	**6%**	**3.2**	**10.0**	**5%**	**2.1**	**12.4**	**6%**	**2.0**	**2.4**	**(0.1)**
Europe	2.1	1%		2.5	1%		2.8	1%		0.4	
Asia	7.5	4%		7.1	3%		9.1	4%		2.0	
Americas	0.4	0%		0.4	0%		0.5	0%		0.1	
Other	**0.8**	**0%**	**(3.1)**	**1.3**	**1%**	**(2.7)**	**0.2**	**0%**	**(3.1)**	**(1.1)**	**(0.4)**
Total	**177.9**	**100%**	**8.3**	**208.0**	**100%**	**14.6**	**216.4**	**100%**	**4.8**	**8.5**	**(9.8)**

Architectural (Rev▼, Profit▼)

Sales and OP decrease year-on-year due to sales volumes and prices decrease in many regions mainly in Europe



(JPY bn)	Q1 (3 months)		
	FY2024/3	FY2025/3	Change
Revenue	**95.8**	**90.2**	**(5.5)**
Europe	38.1	34.5	(3.6)
Asia	26.8	27.1	0.2
Americas	30.8	28.7	(2.2)
OP	**11.9**	**3.3**	**(8.6)**

Europe (Rev▼, Profit▼)

- Sales volumes and prices decrease with economic slowdown
- Input costs decline mitigating the impact of deteriorating business environment
- Early closure of a float line in Germany

Asia (Rev▲, Profit▼)

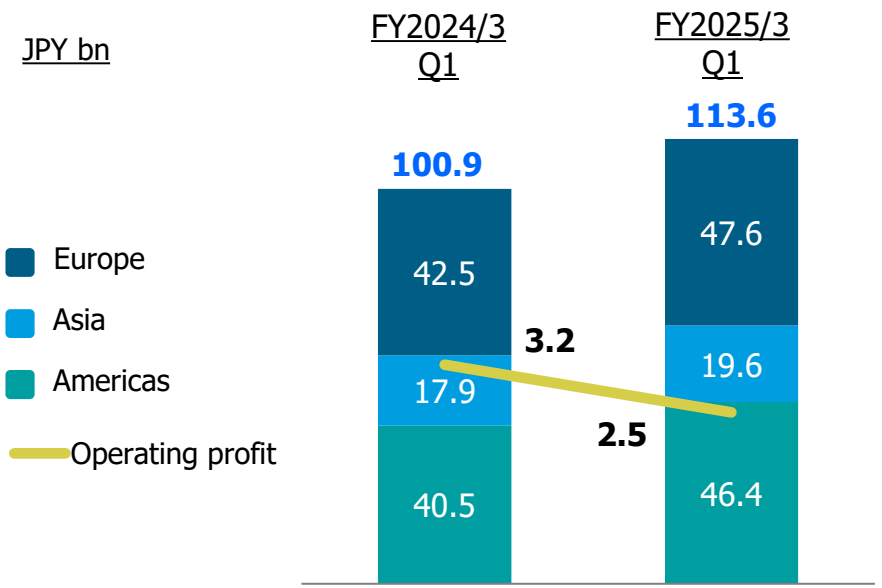
- Stable sales prices while sales volumes decrease in Japan
- Markets remain depressed in South-East Asian countries
- Continuous robust demand for solar energy glass. Contribution of a new facility in Malaysia

Americas (Rev▼, Profit▼)

- In North America, sales price and volumes decrease with continuous weak demand in domestic markets
- In South America, sales volume decrease with less demand
- Strong demand continuing for solar energy glass. Good progress in conversion of an existing float line in USA

Automotive (Rev▲, Profit▼)

Revenue increase with price improvements and partly helped by weaker JPY. OP decrease year-on-year reflecting labor and other costs rise



(JPY bn)	Q1 (3 months)		
	FY2024/3	FY2025/3	Change
Revenue	**100.9**	**113.6**	**12.7**
Europe	42.5	47.6	5.1
Asia	17.9	19.6	1.7
Americas	40.5	46.4	5.9
OP	**3.2**	**2.5**	**(0.7)**

Europe (Rev▲, Profit▼)

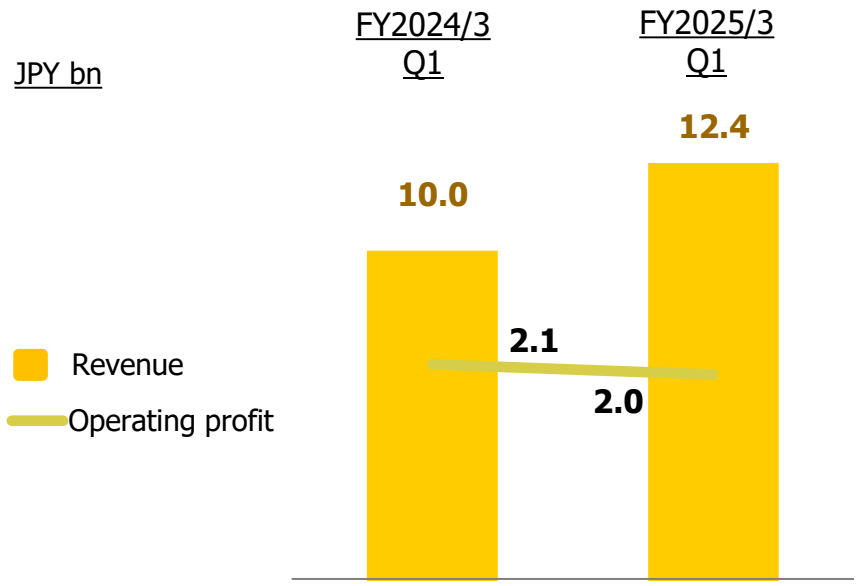
Asia (Rev▲, Profit▲)

Americas (Rev▲, Profit▼)

- Sales volumes continuing to improve as a whole while affected by disruption to production activity at some customers in Asia and North America
- Further progress in concluding price agreements with customers to offset high material and other costs. OP decreased mainly due to labor and other costs hike despite the sales price increase
- Unfavorable production efficiency although improving in North America
- Progressing continuously cost reduction efforts, expansion of VA products, and sales prices improvement

Technical Glass (Rev▲, Profit▼)

Revenue increase due to improving demand in many businesses with a sign of markets recovery.
OP similar to the previous year with other cost rises



(JPY bn)	Q1 (3 months)		
	FY2024/3	FY2025/3	Change
Revenue	**10.0**	**12.4**	**2.4**
OP	**2.1**	**2.0**	**(0.1)**

- Improving price levels for some products for fine glass
- Demand for printer lenses recovering
- Sales volumes in glass cord recovered, benefitting from high demand in automotive glass replacement markets
- Demand for Metashine® increased for cosmetic applications

2. Forecast for Financial Year ending March 2025

Forecast for Financial Year ending March 2025

Profits forecasts revised downward reflecting Q1 results with European economic slowdown. Taking any appropriate actions to improve profits throughout the Group

(JPY bn)	FY2025/3 Forecast (Previous)		FY2025/3 Forecast (Revised)		Change		FY2024/3 Full-year Act (Reference)
	H1	Full-year	H1	Full-year	H1	Full-year	
Revenue	**410.0**	**840.0**	**410.0**	**840.0**	**0.0**	**0.0**	**832.5**
Operating profit	**16.0**	**37.0**	**12.0**	**30.0**	**(4.0)**	**(7.0)**	**35.9**
Exceptional items (net)	-	-	-	-	-	-	0.1
Operating profit after exceptional items	**16.0**	**37.0**	**12.0**	**30.0**	**(4.0)**	**(7.0)**	**36.0**
Finance expenses (net)	(14.0)	(29.0)	(13.0)	(28.0)	1.0	1.0	(28.2)
Reversal of previous impairment of financial receivables owed by JVs and associates	-	-	-	-	-	-	3.7
Share of JVs and associates' profits	2.5	5.0	2.5	5.0	0.0	0.0	5.1
Other gains on equity method investments	-	-	-	-	-	-	1.0
Profit before taxation	**4.5**	**13.0**	**1.5**	**7.0**	**(3.0)**	**(6.0)**	**17.6**
Profit for the period	**2.0**	**6.0**	**1.0**	**2.0**	**(1.0)**	**(4.0)**	**10.9**
Net profit*	**1.0**	**4.0**	**0.0**	**0.0**	**(1.0)**	**(4.0)**	**10.6**

*Profit attributable to owners of the parent

Assumptions for FY2025/3 Forecast

Group	**Profits forecasts revised downward impacted significantly by economic slowdown in Europe. Taking any appropriate actions to improve profits including cost reductions throughout the Group** • Maintaining assumption of appreciated JPY for major foreign currencies, compared to FY2024/3 • Stable energy and material costs assumed while other costs including labor to increase reflecting inflation • Continue cost reduction, expansion of VA products and sales price increases
Architectural Glass	**Economic slowdown in Europe continuing for the time being while favorable Solar business expected** • Europe : affected by sales volume and price decrease arising from economic slowdown and cost increase • Asia : stable sales prices in Japan. Challenging market condition to remain in other SE Asian countries • North America : sales volumes to decrease with continuous softening domestic demand. Need close watch on economic trends in USA • South America : favorable performance in local currency while softening demand in Argentina • Solar energy glass : robust demand to continue and full-year contribution from a new facility in Malaysia
Automotive Glass	**Continuing price negotiations while impact of higher input costs including labor** • Sales volumes recovering modestly with vehicle demand • Price negotiations to continue with all customers to recover input cost increases • Aiming for further profitability improvement with cost reduction efforts, expansion of VA products and price increases
Technical Glass	**Signs of markets recovery, absorbing cost increase with sales volumes and prices improvement** • Sign of IT market recovery in fine glass • Sign of demand recovery for printer lenses, but close monitoring needed • Demand for glass cord recovering gradually for vehicles

3. Update of “2030 Vision : Shift the Phase” Financial Targets

Update of "2030 Vision : Shift the Phase" Financial Targets

Start with headwind affected by economic slowdown in Europe.
Continue to improve profitability and cash generation to stabilize financial status

		FY2027/3 Targets	FY2030/3 Targets	FY2025/3 Q1 (3 months) Actual
Profitability (P/L)	Operating profit	JPY 64.0 bn		JPY 4.8 bn : challenging start toward the forecast, but improved from JPY 3.8 bn in FY2024/3 Q4
	ROS	7%	10% or more	2.2% : improved from 1.7% in FY2024/3 Q4
Cash Generation (C/F)	Free cash flow	JPY 27.0 bn		JPY (31.7) bn : similar to the previous year Management of working capital mitigating OP decrease in net cash flows from operating activities
Stabilization of Financial Status (B/S)	Interest-bearing debt	JPY 442.0 bn		JPY 541.8 bn : increase mainly due to negative FCF with seasonal working capital movement
	Shareholders' equity ratio	15%		13.9% : improved by 1.6pt from the previous year end

2030 Vision : Shift the Phase
https://www.nsg.com/-/media/nsg/site-content/ir/ir-presentations/mtp2030presentation_e02.pdf

4. Summary

Summary

1. **Financial Year ending 31 March 2025 Quarter 1 Results**
   - Profits decrease mainly in Architectural largely affected by economic slowdown in Europe, while revenue increase
   - Sales price decrease in European Architectural affected by economic slowdown.
     Continuous increase of other costs particularly labor
   - Shareholders' equity ratio improved by 1.6pt to 13.9% from the previous year end
   - Interest-bearing debt increased from the previous year end mainly due to negative free cash flow with seasonal working capital movement
   - Free cash flow at the same level as the previous year.
     Managing seasonal working capital increase
2. **Forecast for Financial Year ending March 2025**
   - Profits forecasts revised downward impacted significantly by economic slowdown in Europe
   - Maintaining assumption of appreciated JPY for major foreign currencies, compared to FY2024/3
   - Stable energy and material costs assumed while other costs including labor to increase reflecting worldwide inflation trend
   - Taking any appropriate actions to improve profits including cost reductions throughout the Group
3. **Update of "2030 Vision : Shift the Phase" Financial Targets**
   - Start with headwind affected by economic slowdown in Europe.
     Continue to improve profitability and cash generation to stabilize financial status

Notice

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.

Nippon Sheet Glass Company, Limited

Appendices

- Consolidated Income Statement – Quarterly Trend
- Revenue & Operating Profit – Quarterly Trend
- Segmental Information by Quarter
- Revenue & Operating Profit – by Region
- Exceptional Items
- Foreign Currency Exchange Rates and Sensitivity
- Depreciation & Amortization, Capital Expenditures, R&D Expenditures
- Glass Market Price Movement

Consolidated Income Statement – Quarterly Trend

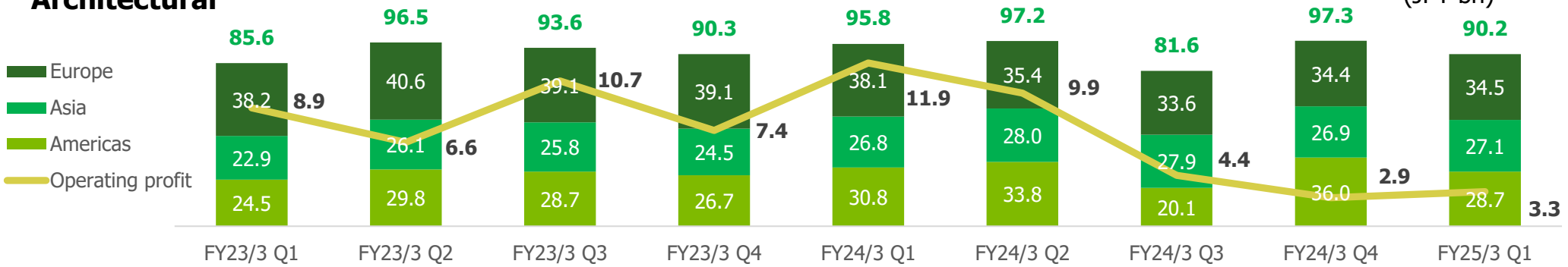
(JPY bn)	FY2023/3				FY2024/3				FY2025/3
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	**177.9**	**197.7**	**190.6**	**197.3**	**208.0**	**212.2**	**192.5**	**219.8**	**216.4**
Operating profit/(loss)	**8.3**	**6.2**	**9.7**	**10.7**	**14.6**	**11.5**	**6.1**	**3.8**	**4.8**
Operating profit margin	**4.6%**	**3.1%**	**5.1%**	**5.4%**	**7.0%**	**5.4%**	**3.2%**	**1.7%**	**2.2%**
Exceptional items (net)	2.3	(47.3)	1.0	(1.2)	(0.8)	1.1	0.6	(0.8)	0.2
Operating profit/(loss) after exceptional items	**10.6**	**(41.1)**	**10.7**	**9.4**	**13.8**	**12.5**	**6.7**	**2.9**	**4.9**
Finance expenses (net)	(2.8)	(3.7)	(4.8)	(6.1)	(6.4)	(7.7)	(6.4)	(7.8)	(6.0)
Reversal of previous impairment/ (impairment) of financial receivables owed by JVs and associates	-	-	-	-	3.7	-	-	-	-
Share of JVs and associates' profits	2.2	1.0	2.1	2.0	1.0	1.2	1.5	1.4	1.1
Other gains/(losses) on equity method investments	(1.2)	0.5	(0.4)	(0.4)	1.1	(0.0)	(0.1)	(0.0)	-
Profit/(loss) before taxation	**8.8**	**(43.4)**	**7.7**	**4.9**	**13.3**	**6.1**	**1.7**	**(3.5)**	**0.0**
Profit/(loss) for the period	**3.3**	**(40.3)**	**2.2**	**3.8**	**7.5**	**3.0**	**3.6**	**(3.2)**	**2.7**
Net profit/(loss) *	**2.4**	**(41.2)**	**1.7**	**3.4**	**7.0**	**2.7**	**3.7**	**(2.9)**	**2.4**
EBITDA	**18.0**	**16.1**	**20.2**	**20.7**	**25.3**	**22.6**	**17.0**	**16.8**	**17.5**

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

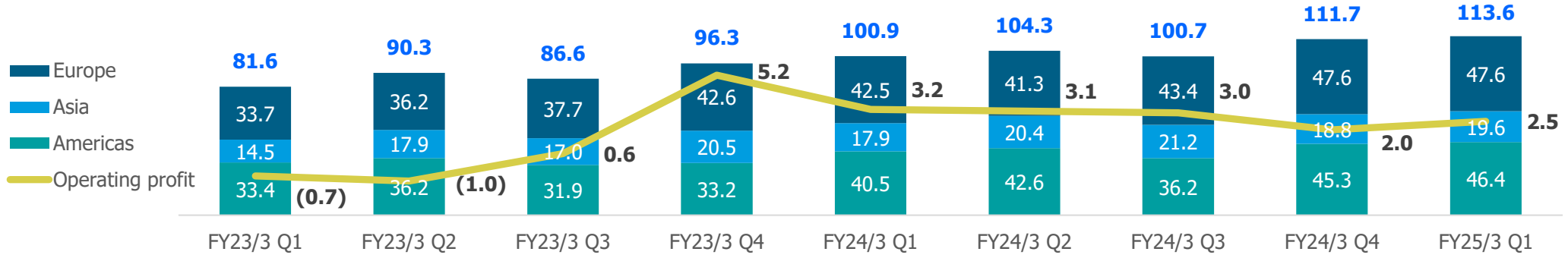
Revenue & Operating Profit – Quarterly Trend

(JPY bn)

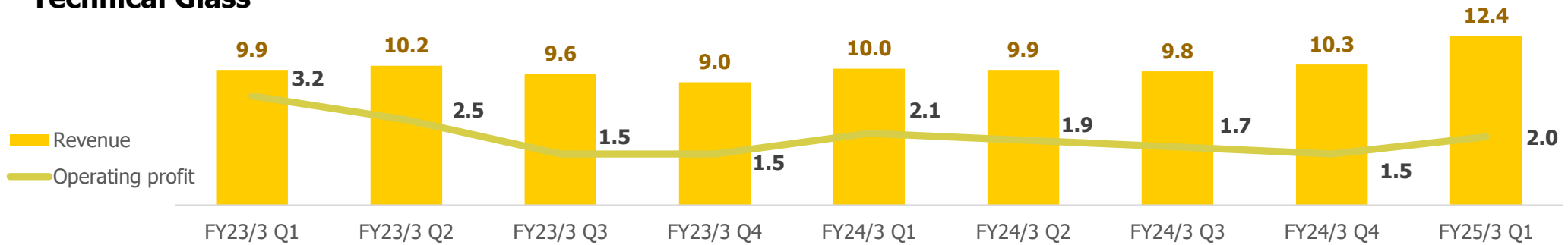
Architectural



Automotive



Technical Glass



Segmental Information by Quarter

(JPY bn)	FY2023/3					FY2024/3					FY2025/3
	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Q3	Q4	Cum.	Q1
Revenue : Architectural	**85.6**	**96.5**	**93.6**	**90.3**	**365.9**	**95.8**	**97.2**	**81.6**	**97.3**	**371.8**	**90.2**
Europe	38.2	40.6	39.1	39.1	157.1	38.1	35.4	33.6	34.4	141.5	34.5
Asia	22.9	26.1	25.8	24.5	99.2	26.8	28.0	27.9	26.9	109.6	27.1
Americas	24.5	29.8	28.7	26.7	109.6	30.8	33.8	20.1	36.0	120.6	28.7
Operating profit	**8.9**	**6.6**	**10.7**	**7.4**	**33.6**	**11.9**	**9.9**	**4.4**	**2.9**	**29.1**	**3.3**
Revenue : Automotive	**81.6**	**90.3**	**86.6**	**96.3**	**354.7**	**100.9**	**104.3**	**100.7**	**111.7**	**417.6**	**113.6**
Europe	33.7	36.2	37.7	42.6	150.2	42.5	41.3	43.4	47.6	174.7	47.6
Asia	14.5	17.9	17.0	20.5	69.9	17.9	20.4	21.2	18.8	78.3	19.6
Americas	33.4	36.2	31.9	33.2	134.7	40.5	42.6	36.2	45.3	164.5	46.4
Operating profit	**(0.7)**	**(1.0)**	**0.6**	**5.2**	**4.1**	**3.2**	**3.1**	**3.0**	**2.0**	**11.3**	**2.5**
Revenue: Technical	**9.9**	**10.2**	**9.6**	**9.0**	**38.8**	**10.0**	**9.9**	**9.8**	**10.3**	**39.9**	**12.4**
Europe	2.1	2.5	2.2	2.7	9.5	2.5	2.6	2.6	3.0	10.6	2.8
Asia	7.5	7.3	7.0	5.8	27.6	7.1	6.9	6.7	6.9	27.5	9.1
Americas	0.4	0.5	0.4	0.4	1.6	0.4	0.5	0.5	0.4	1.8	0.5
Operating profit	**3.2**	**2.5**	**1.5**	**1.5**	**8.7**	**2.1**	**1.9**	**1.7**	**1.5**	**7.1**	**2.0**
Revenue : Other	**0.8**	**0.7**	**0.9**	**1.8**	**4.1**	**1.3**	**0.8**	**0.5**	**0.6**	**3.3**	**0.2**
Operating profit	**(3.1)**	**(1.9)**	**(3.1)**	**(3.4)**	**(11.5)**	**(2.7)**	**(3.4)**	**(3.0)**	**(2.6)**	**(11.7)**	**(3.1)**
Revenue : Total	**177.9**	**197.7**	**190.6**	**197.3**	**763.5**	**208.0**	**212.2**	**192.5**	**219.8**	**832.5**	**216.4**
Operating profit	**8.3**	**6.2**	**9.7**	**10.7**	**34.8**	**14.6**	**11.5**	**6.1**	**3.8**	**35.9**	**4.8**

Revenue & Operating Profit – by Region

(JPY bn)	FY2024/3 Q1			FY2025/3 Q1			Change	
	Revenue	%	Operating profit/(loss)	Revenue	%	Operating profit	Revenue	Operating profit/(loss)
Europe	**83.1**	**40%**	**2.5**	**84.9**	**39%**	**(5.2)**	**1.8**	**(7.7)**
Asia	**51.8**	**25%**	**8.2**	**55.7**	**26%**	**7.4**	**3.9**	**(0.7)**
Americas	**71.8**	**35%**	**6.6**	**75.6**	**35%**	**5.6**	**3.8**	**(1.0)**
Other *	1.3	1%	(2.7)	0.2	0%	(3.1)	(1.1)	(0.4)
Total	**208.0**	**100%**	**14.6**	**216.4**	**100%**	**4.8**	**8.5**	**(9.8)**

* Revenue and Operating loss of Other Operation are not split by geographical regions.

Exceptional Items

(JPY bn)	FY2024/3 Q1	FY2025/3 Q1
Gains on disposal of non-current assets	-	0.3
Settlement of litigation matters - net	(0.0)	(0.0)
Restructuring costs, including employee termination payments	(0.0)	(0.0)
Impairment of non-current assets	(0.5)	(0.1)
Write down of inventories	(0.2)	-
Others	0.0	0.0
Exceptional items - net	**(0.8)**	**0.2**

Foreign Currency Exchange Rates and Sensitivity

Average rates used

	FY2023/3				FY2024/3				FY2025/3
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
GBP	163	163	164	163	172	177	179	182	197
EUR	138	139	140	141	150	153	154	157	168
USD	129	134	137	135	138	140	143	144	156
BRR	26.4	26.4	26.5	26.3	27.7	28.6	29.0	29.4	29.9
ARS	Closing rates are applied – hyperinflation								

FY2025/3
Original Forecast
171
150
140
28.9

Closing rates used

	FY2023/3				FY2024/3				FY2025/3
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
GBP	165	161	160	165	183	182	181	191	204
EUR	142	141	140	145	158	157	157	163	173
USD	136	145	132	133	145	148	143	152	162
BRR	26.2	26.7	25.7	26.2	29.8	29.5	29.2	30.4	29.3
ARS	1.09	0.98	0.76	0.64	0.57	0.42	0.18	0.18	0.18

Sensitivity

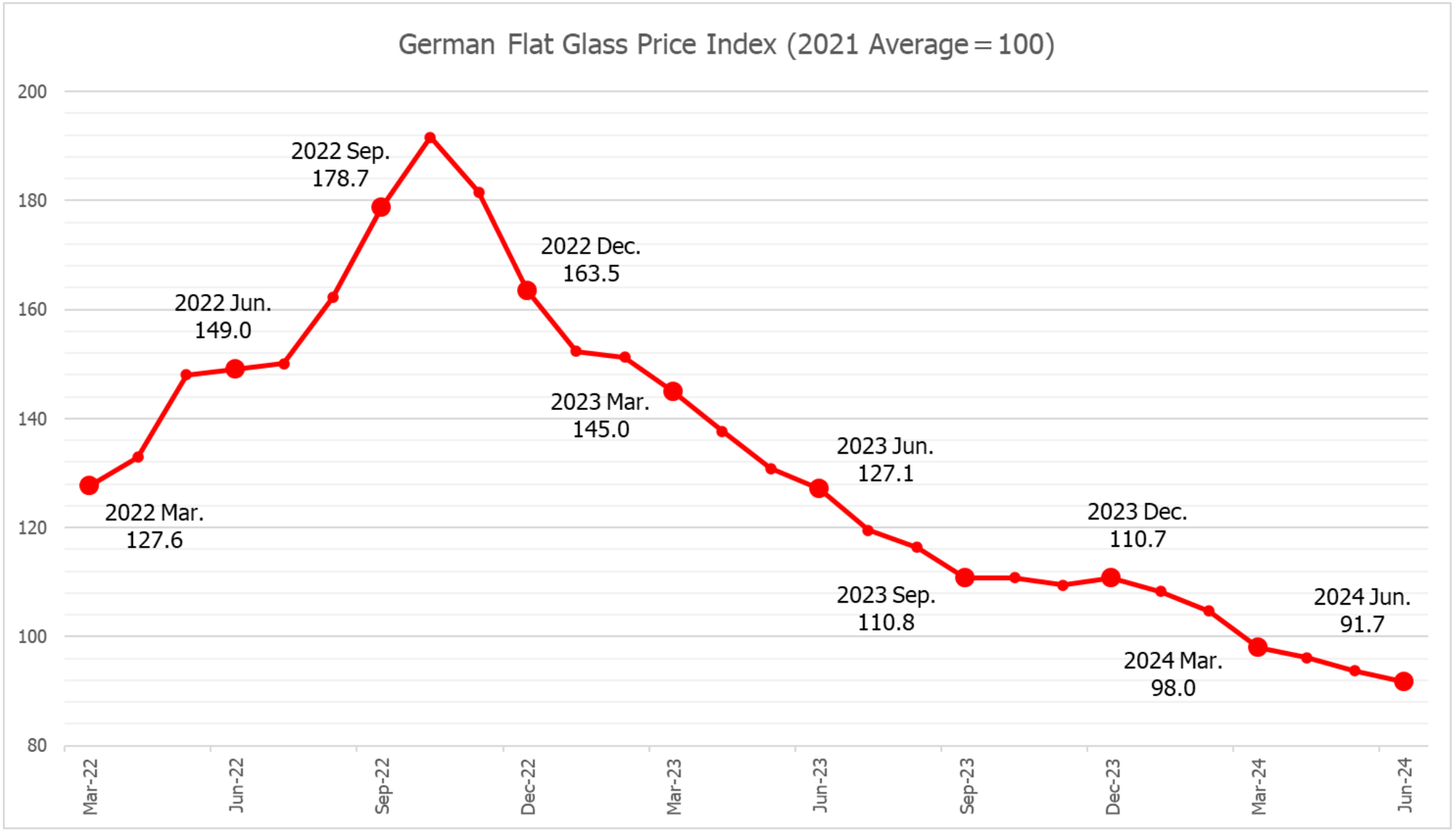
Increase (decrease) if the value of the yen depreciates by 1% - all other things being equal

	FY2024/3
Equity	JPY 3.8 bn
Profit for the period	Improve by JPY 0.1 bn

Depreciation & Amortization, Capital Expenditures, R&D Expenditures

(JPY bn)	FY2024/3 Q1	FY2025/3 Q1	FY2025/3 Full-year Forecast
Depreciation & Amortization	**10.8**	**12.7**	**49.0**
Capital expenditures	**11.0**	**8.0**	**63.0**
Ordinary	8.0	5.0	33.0
Strategic projects	3.0	3.0	30.0
R&D expenditures	**2.2**	**2.6**	**11.4**
Architectural	0.8	0.9	
Automotive	0.7	0.8	
Technical Glass	0.2	0.2	
Other	0.5	0.7	

Glass Market Price Movement




NSG
GROUP