

NSG Group

2023/3 Quarter 3 Results

(from 1 April 2022 to 31 December 2022)

Nippon Sheet Glass Company, Limited
Reiko Kusunose
Senior Executive Officer & CFO

9th February 2023

Agenda

1. Financial Year ending 31 March 2023 Quarter 3 Results
2. Forecast for Financial Year ending 31 March 2023
3. Update of Transformation Initiatives under Revival Plan 24 (RP24)
4. Summary

1. Financial Year ending 31 March 2023 Quarter 3 Results

Consolidated Income Statement

Continued revenue and operating profit increase with price and volume increase, partly helped by weaker JPY.

Sales price improvements absorbed continued impact of input costs rise

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

Sales and OP increased in all businesses. (Without Battery Separator business disposed in 2021)

Price pass-through progressed especially in Architectural and Automotive Glass business mitigating input costs rise

[Sales and Operating Profit : vs PY]

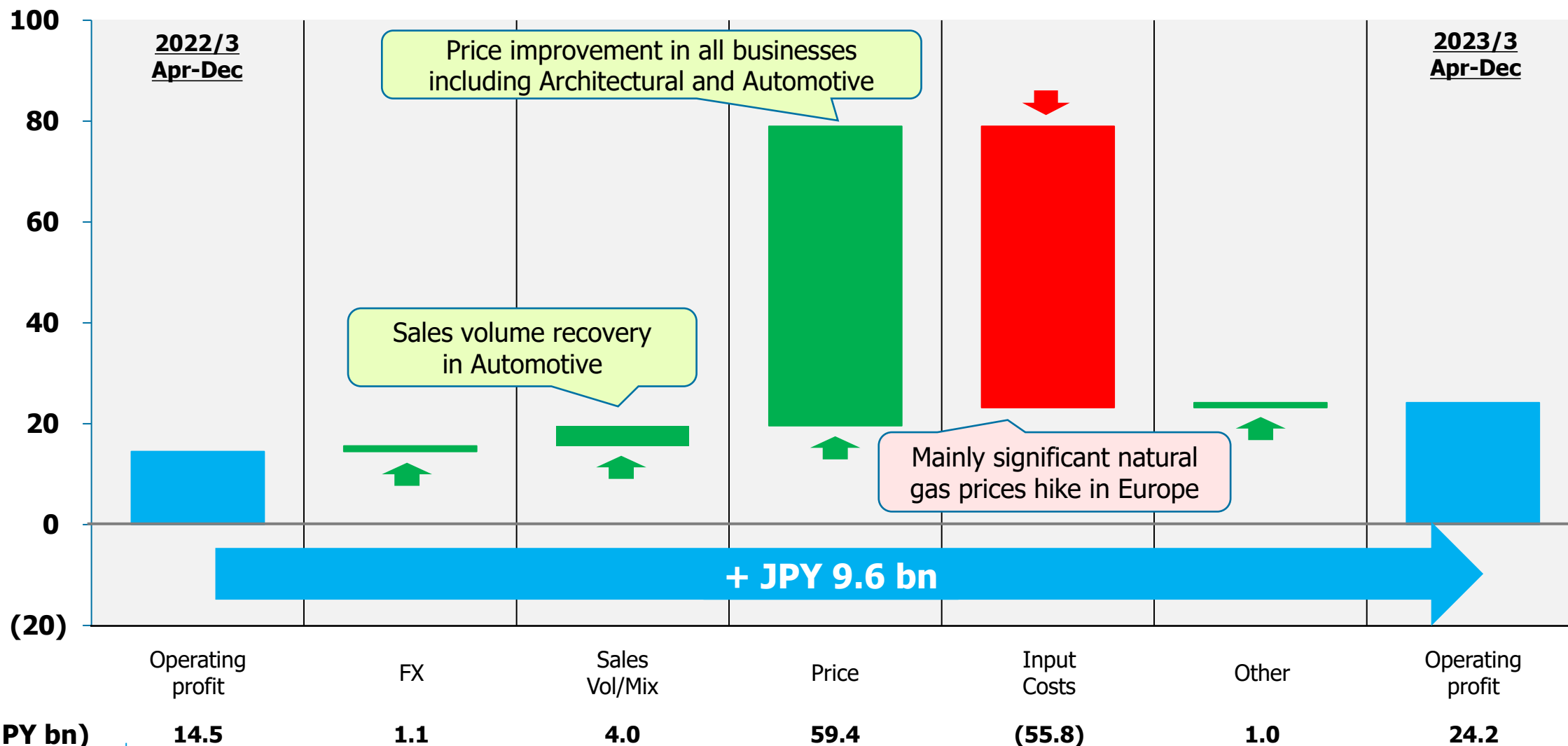
(JPY bn)	Sales	Operating profit
Architectural	+68.8	+5.8
Automotive	+55.1	+4.8
Technical	(1.0)	(0.5)
Others	+0.3	(0.4)
Group total	+123.3	+9.6

Impairment of goodwill and intangible assets related to European Automotive business in Q2

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

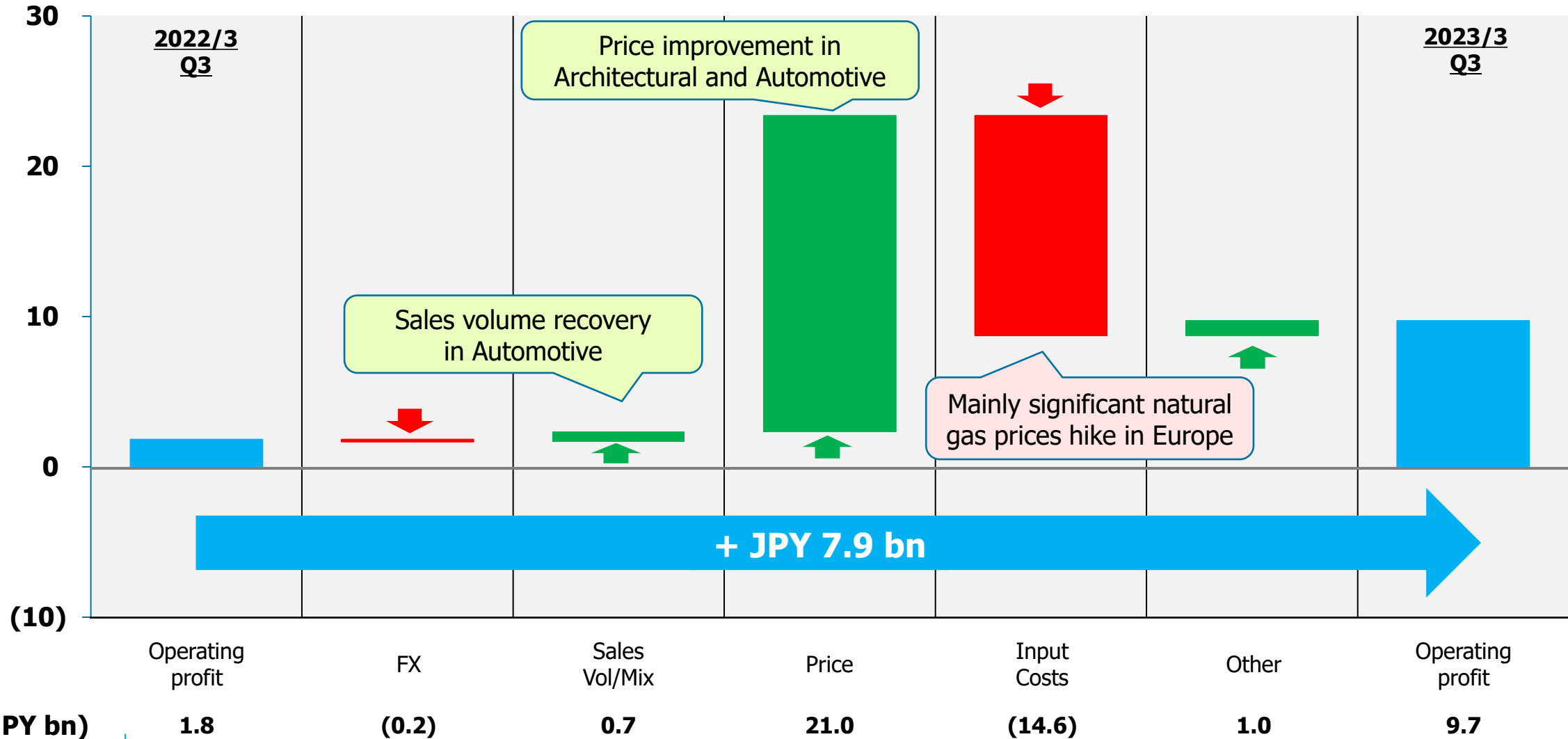
Change Analysis – Operating profit (9 months cumulative)

Sales vol/mix and price increases absorbed the impact of input and other costs



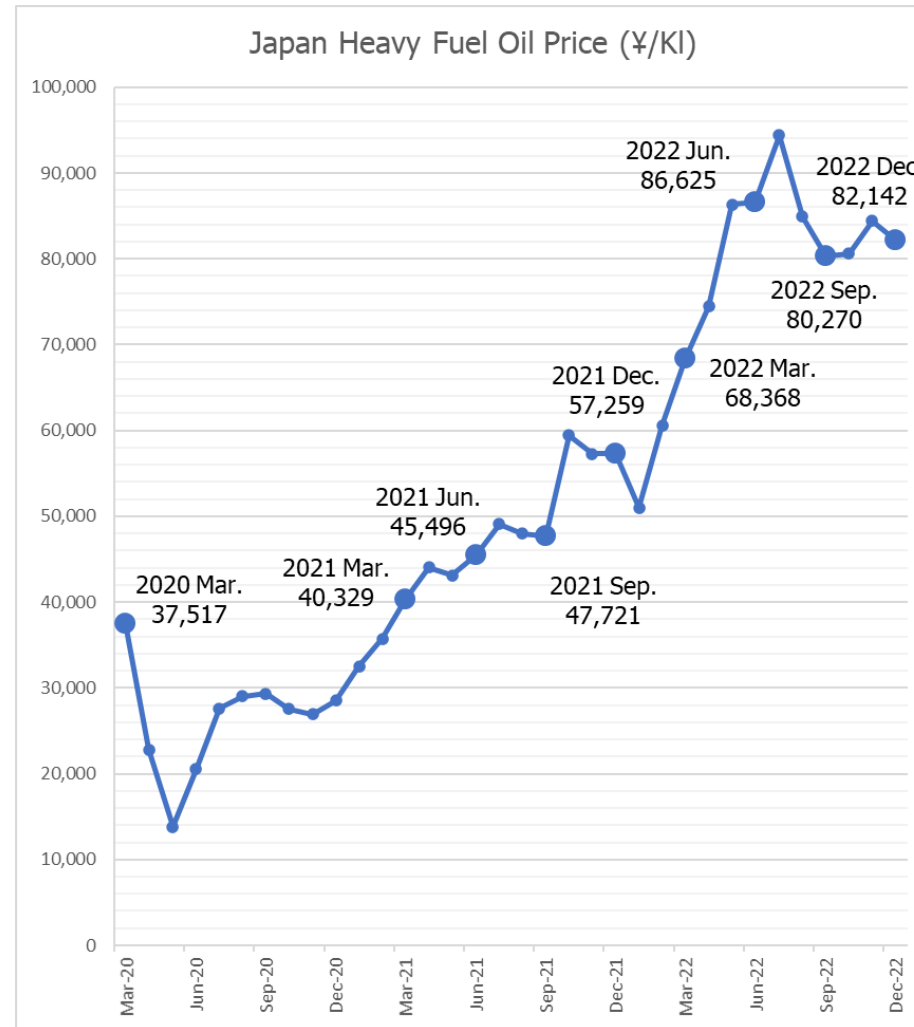
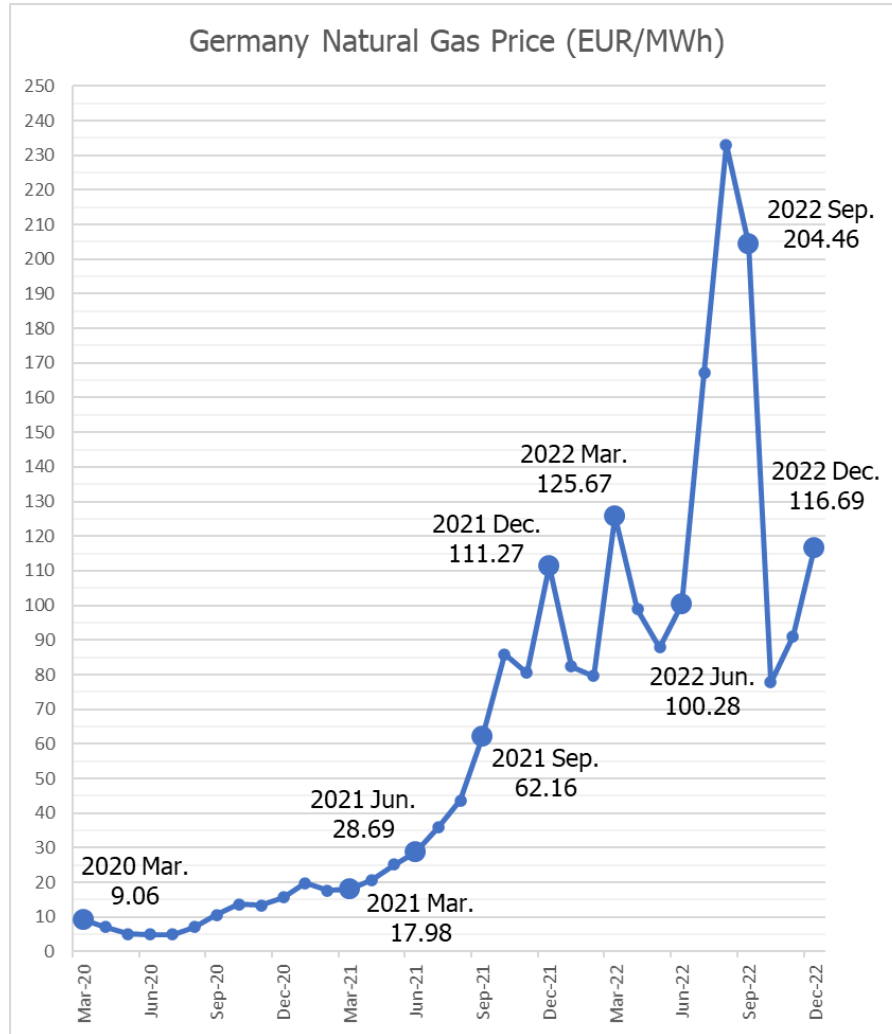
Change Analysis – Operating profit (Quarter 3 only)

OP improved significantly due to sales price increases while impacted by energy, material and other cost rises



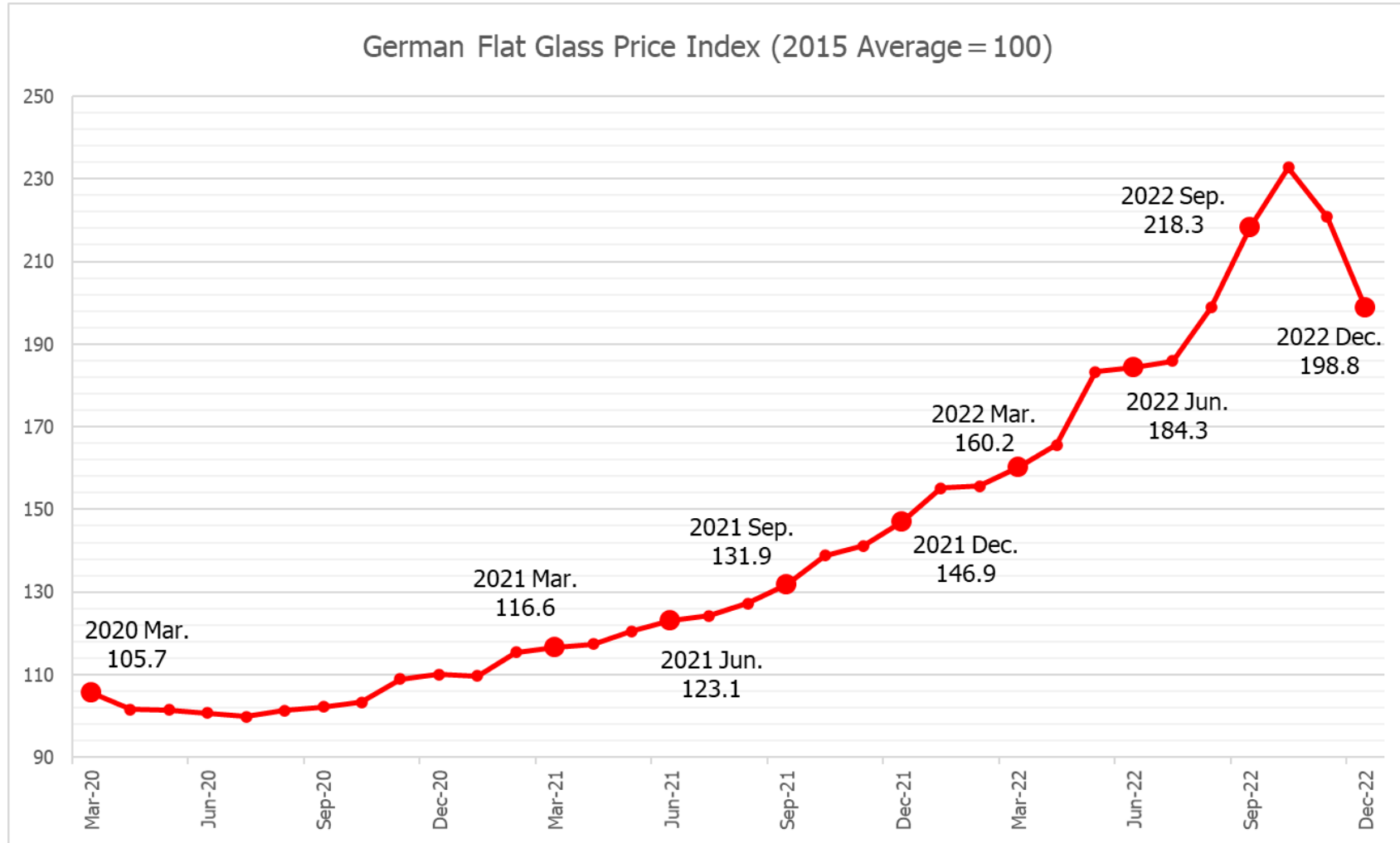
Energy Price Movement

German natural gas price: still remained high level though declined during Q3
Japanese heavy fuel oil price: moved in high prices above JPY80,000/KI during Q3



Glass Market Price Movement

Dec. 2022 German glass price increased 1.4x from Dec. 2021. Offsetting impact of higher input costs especially natural gas



Consolidated Balance Sheet

Maintained shareholders' equity ratio above 10% of RP24 target despite goodwill impairment in Q2

(JPY bn)	31 March 2022	31 December 2022	Change	
Total Assets	939.3	945.6	6.4	Decrease of goodwill and intangible assets due to impairment in Q2
Non-current assets	637.0	621.9	(15.1)	Mainly increase in inventories, and trade and other receivables
Current assets	302.2	323.8	21.5	
Total Liabilities	769.9	806.8	36.9	Mainly increase in loans, with shift from long term to short term
Current liabilities	306.7	434.5	127.7	
Non-current liabilities	463.2	372.4	(90.8)	Decreased due to impairment in Q2, partly offset by reduction in retirement benefit obligations and hyper inflation adjustment.
Total Equity	169.4	138.8	(30.5)	Shareholders' equity ratio maintained above 11%
Shareholders' equity	145.3	109.6	(35.6)	
Shareholders' Equity Ratio	15.5%	11.6%	(3.9)pt	
Net Debt	365.2	419.5	54.3	Increase mainly by free cash outflow and weaker JPY

Consolidated Statement of Cash Flows

Free cash outflow due to working capital movement.

Aiming to achieve free cash inflow and RP24 target above JPY 10 billion for the full-year by working capital improvement, consistent with the previous year

(JPY bn)	Q3 (3 months)			Cumulative (9 months)			
	2022/3	2023/3	Change	2022/3	2023/3	Change	
Net cash flows from operating activities	6.7	(3.1)	(9.7)	21.1	8.3	(12.8)	Increase in inventories, trade and other receivables due to higher costs and improved sales prices
included above: Net change in working capital	0.0	(17.2)	(17.2)	(8.7)	(32.6)	(23.9)	
Net cash flows from investing activities	(4.2)	(8.8)	(4.6)	(20.1)	(29.7)	(9.7)	Proceeds on disposal of battery separator business in 2022/3
included above: Purchase of property, plant and equipment	(5.7)	(9.3)	(3.6)	(26.0)	(28.4)	(2.4)	Increased due to weaker JPY
Free cash flow	2.4	(11.9)	(14.3)	1.1	(21.4)	(22.5)	Almost same amount of inflow with 2022/3 excluding working capital movement. Aiming to achieve free cash inflow for the full-year
Net cash flows from financing activities	(0.1)	11.3	11.4	(12.0)	12.8	24.8	
Increase/ (decrease) in cash and cash equivalents	2.3	(0.6)	(2.9)	(10.9)	(8.6)	2.3	
Cash and cash equivalents at the end of the period				44.6	52.8	8.2	

Segmental Information

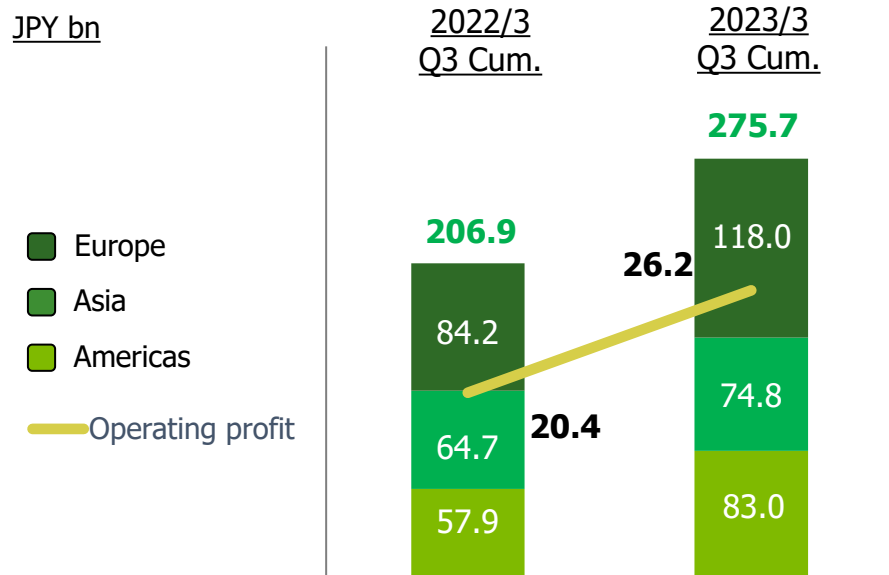
(JPY bn)	2021/3 Q3 Cum.				2022/3 Q3 Cum.			2023/3 Q3 Cum.			Change	
	Revenue	%	Operating profit	Operating profit after COVID*	Revenue	%	Operating profit	Revenue	%	Operating profit	Revenue	Operating Profit
Architectural	156.1	44%	11.5	5.8	206.9	47%	20.4	275.7	49%	26.2	68.8	5.8
Europe	60.6	17%			84.2	19%		118.0	21%		33.7	
Asia	58.3	16%			64.7	15%		74.8	13%		10.0	
Americas	37.2	10%			57.9	13%		83.0	15%		25.0	
Automotive	173.6	49%	(1.1)	(9.4)	203.3	46%	(5.9)	258.4	46%	(1.1)	55.1	4.8
Europe	72.1	20%			86.4	20%		107.6	19%		21.2	
Asia	43.4	12%			44.4	10%		49.4	9%		5.0	
Americas	58.1	16%			72.5	16%		101.5	18%		29.0	
Technical Glass	26.6	7%	4.5	4.3	30.8	7%	7.8	29.8	5%	7.2	(1.0)	(0.5)
Europe	4.6	1%			5.9	1%		6.8	1%		0.9	
Asia	21.2	6%			24.0	5%		21.8	4%		(2.2)	
Americas	0.8	0%			0.9	0%		1.2	0%		0.3	
Other	1.1	0%	(6.9)	(6.7)	2.0	0%	(7.7)	2.3	0%	(8.2)	0.3	(0.4)
Total	357.4	100%	8.0	(6.0)	443.0	100%	14.5	566.2	100%	24.2	123.3	9.6

*Operating profit after COVID-19 related exceptional items

Architectural (Cum. Rev ▲, Profit ▲ : Q3 Rev ▲, Profit ▲)

Remarkable revenue increase due to price increases and favourable demand in all regions, partly helped by weaker JPY.

OP improved with price increase mitigating input cost rises, particularly energy



Europe (Cum. Rev ▲, Profit ▲ : Q3 Rev ▲, Profit ▲)

- Demand softened during Q3 due to inflation and interest rates rise
- Sales prices continue to offset input cost increase

Asia (Cum. Rev ▲, Profit ▲ : Q3 Rev ▲, Profit ▼)

- Sales price increases in Japan
- Sales volume and price decrease due to strong competition in other countries
- Robust demand for solar energy glass

Americas (Cum. Rev ▲, Profit ▲ : Q3 Rev ▲, Profit ▲)

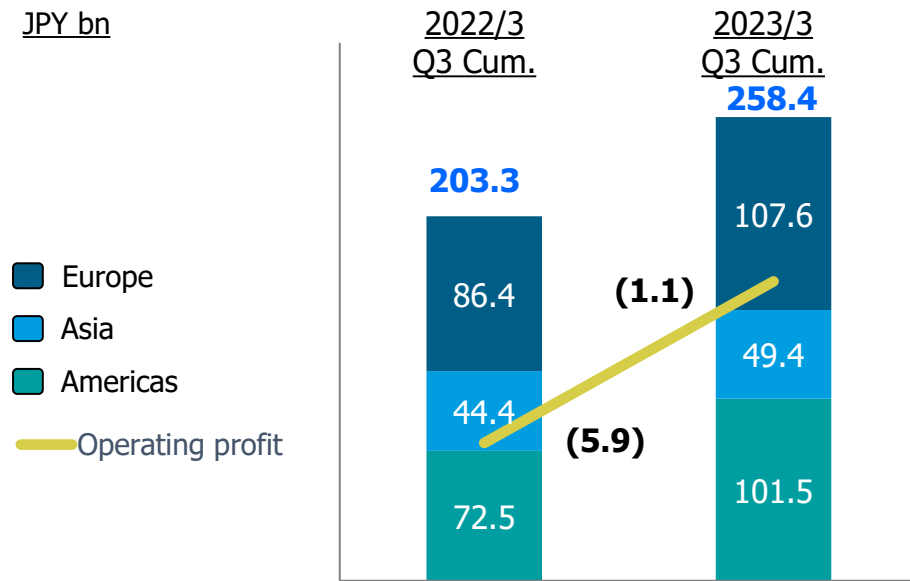
- Increased sales price reflecting strong demand, constrained shipments resolved in North America
- Continued strong demand for solar energy glass
- Strong demand continuing in South America

(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	2022/3	2023/3	Change	2022/3	2023/3	Change
Revenue	74.8	93.6	18.7	206.9	275.7	68.8
Europe	29.3	39.1	9.8	84.2	118.0	33.7
Asia	24.5	25.8	1.3	64.7	74.8	10.0
Americas	21.0	28.7	7.6	57.9	83.0	25.0
OP	6.8	10.7	3.9	20.4	26.2	5.8

Automotive (Cum. Rev ▲, Profit ▲ : Q3 Rev ▲, Profit ▲)

Progress in price improvement resulted in Q3 operating profit for the first time since Q1 of the previous year. Constrained vehicle build due to parts shortage remains but being resolved gradually

JPY bn



Europe (Cum. Rev ▲, Profit ▲ : Q3 Rev ▲, Profit ▲)

Asia (Cum. Rev ▲, Profit ▼ : Q3 Rev ▲, Profit ▲)

Americas (Cum. Rev ▲, Profit ▼ : Q3 Rev ▲, Profit ▼)

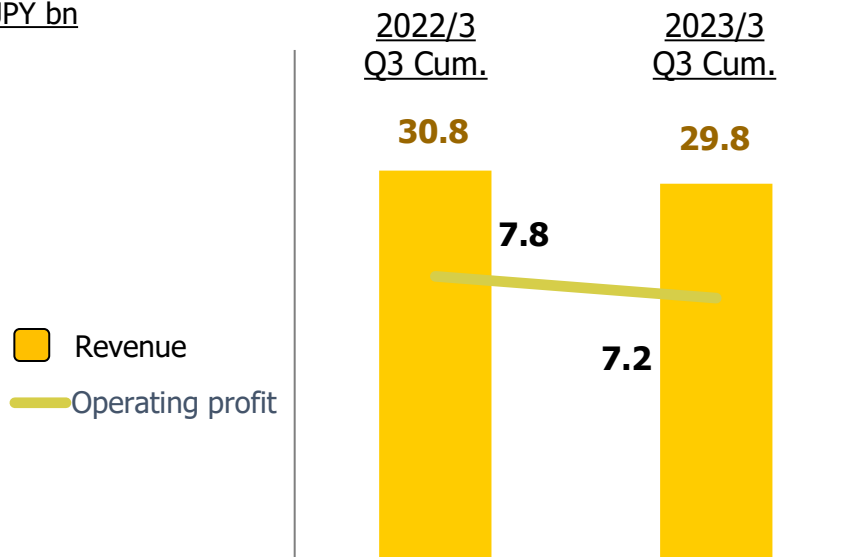
- Further progress during Q3 in concluding price improvement agreements with vehicle manufacturers to offset high input costs
- Constrained vehicle build due to shortage of component parts remains but gradually resolved in Europe
- Production efficiency improved after cold repair at Maizuru in Japan
- Decrease in OP reflecting energy, freight and other costs rise, although favourable demand in Americas

(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	2022/3	2023/3	Change	2022/3	2023/3	Change
Revenue	68.1	86.6	18.5	203.3	258.4	55.1
Europe	27.3	37.7	10.4	86.4	107.6	21.2
Asia	16.4	17.0	0.6	44.4	49.4	5.0
Americas	24.4	31.9	7.5	72.5	101.5	29.0
OP	(4.9)	0.6	5.4	(5.9)	(1.1)	4.8

Technical Glass (Cum. Rev ▲, Profit ▲ : Q3 Rev ▲, Profit ▼)

Sales volume decline due to lockdown in China and costs rise leading to worse profitability in Q3. Continued cumulative revenue and OP increase (like-for-like basis without battery separator business disposed in September 2021)

JPY bn



(JPY bn)	Q3 (3 months)			Cumulative (9 months)		
	2022/3	2023/3	Change	2022/3	2023/3	Change
Revenue	9.1	9.6	0.5	30.8	29.8	(1.0)
OP	2.1	1.5	(0.5)	7.8	7.2	(0.5)

- Q3 fine glass sales impacted by economic slowdown, although cumulative performance was stable with continuous cost reduction efforts
- Demand for printer lenses declined slightly in North America and Europe, although semiconductor shortage largely resolved in Q3
- Sales volume for glass cord impacted by supply chain issues at customers, although seeing stable demand particularly in replacement market
- Demand for Metashine[®] decreased slightly for automotive and cosmetic applications

2. Forecast for Financial Year ending 31 March 2023

Assumptions for 2023/3 Full-year Forecast

Group	<p>Full-year revenue, OP, loss before taxation, loss for the period, and net loss forecast revised upward reflecting Q3 cumulative actuals</p> <ul style="list-style-type: none"> • Depreciation of JPY continuing • Assume continuous input cost increases, with higher energy costs and worldwide inflation trend • Uncertain business environment in Q4 still anticipated with potential recession caused by rising interest rates • Focusing on profitability improvement through continuous cost reduction, expansion of VA products and price increase across the whole Group
Architectural Glass	<p>Favourable demand and supply situation expected, while impact of energy price volatility and potential recession concern in Europe and the USA</p> <ul style="list-style-type: none"> • Europe : continuous price pass-through whilst energy price volatility and input costs hike. Slight sales volume decrease assumed • Asia : volume and price improving further in Japan. Monitor competitive situation in other countries • NA : favourable domestic market expected though recession concerned due to interest rates hike • SA : continued tight demand and supply environment. Contribution from new float furnace in Argentina • Solar energy glass : continued robust demand. Expansion in progress in Malaysia and under consideration in USA
Automotive Glass	<p>Demand affected by component shortage, despite strong market demand, continuous negotiation for price increase to offset higher input costs</p> <ul style="list-style-type: none"> • Anticipating continued strong vehicle demand and car inventory replenishment in all regions • Sales price improvement realizing gradually as negotiations with customers progressing further • Continued component shortages impacting demand but slowly being resolved • Cold repair at Maizuru completed, expected to contribute to profitability improvement • Aiming for cumulative operating profit with cost reduction efforts, expansion of VA products and price increase offsetting higher energy and material costs
Technical Glass	<p>Worse profitability due to costs increase and some demand weakness</p> <ul style="list-style-type: none"> • Continued cost reduction efforts while affected by economic slowdown in fine glass • Monitoring impact of components shortage in customers and weaker demand for printer lens • Stable demand mainly in replacement market for glass cord with close attention to supply chain issues at customers

Forecast for Financial Year ending 31 March 2023

Full-year forecast revised upward based on relatively strong cumulative performance. Loss before taxation, loss for the period and net loss also improved

	2023/3 Q3 Cum. Act	2023/3 Full-year fcst (Previous)	2023/3 Full-year fcst (Revised)	Change	2022/3 Full-year Act
Revenue	566.2	740.0	750.0	10.0	600.6
Operating profit	24.2	18.0	28.0	10.0	20.0
Exceptional items	(43.9)	(45.0)	(44.0)	1.0	3.6
Operating profit/(loss) after exceptional items	(19.8)	(27.0)	(16.0)	11.0	23.6
Finance expenses (net)	(11.3)	(13.0)	(15.0)	(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	6.0	1.0	7.5
Other gains/(losses) on equity method investments	(1.1)				(3.4)
Profit/(loss) before taxation	(26.8)	(35.0)	(25.0)	10.0	11.9
Profit/(loss) for the period	(34.8)	(38.0)	(34.0)	4.0	6.8
Net profit/(loss) *	(37.2)	(41.0)	(37.0)	4.0	4.1

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

3. Update of Transformation Initiatives under Revival Plan 24 (RP24)

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

4. Summary

Summary

1. Quarter 3 results of Financial Year ending March 2023

- Continued revenue and operating profit increase with price and volume increase, partly helped by weaker JPY
- Higher energy, materials and other costs offset by sales price and volume improvements
- Strong performance in Architectural continued, price pass-through progressed further in Automotive
- Decline in sales volume reflecting lockdown in China and costs rise leading to worse profitability in Technical glass
- Maintaining shareholder's equity ratio above RP24 target of 10%

2. Forecast for Financial Year ending March 2023

- Full-year forecast revised upward reflecting relatively strong cumulative performance
- Continuous impact of input cost increases anticipated, with higher energy costs and worldwide inflation trend
- Focusing on profitability improvement through continuous cost reduction, expansion of VA products and price increase across the whole Group

3. Update of Transformation Initiatives under Revival Plan 24

- 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
- Restoration of financial stability : Maintaining shareholders' equity ratio above RP24 target of 10%

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

Financial Year ending 31 March 2023 Quarter 3 Results

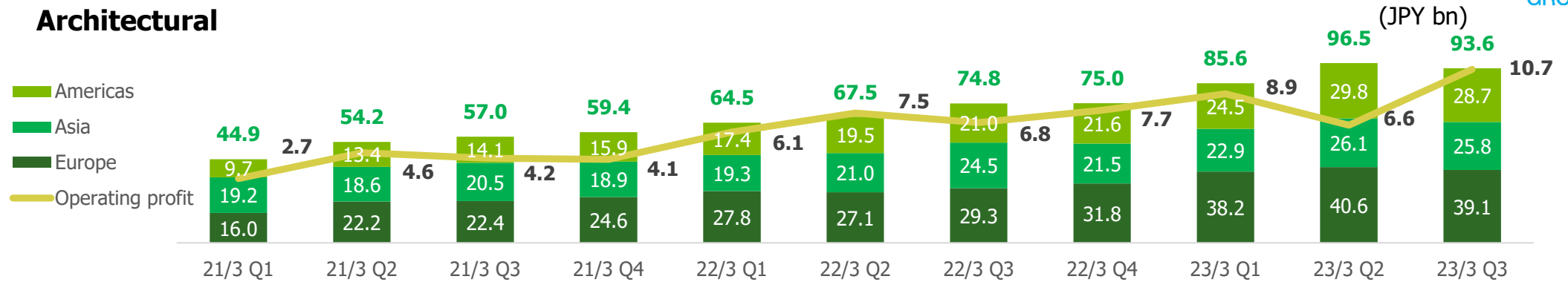
- Consolidated Income Statement – Quarterly Trend
- Revenue & Operating Profit – Quarterly Trend
- Segmental Information by Quarter
- Revenue & Operating Profit – by Region
- Exceptional Items
- Foreign Currency Exchange Rates and Sensitivity
- Depreciation & Amortization, Capital Expenditures, R&D Expenditures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

Consolidated Income Statement – Quarterly Trend

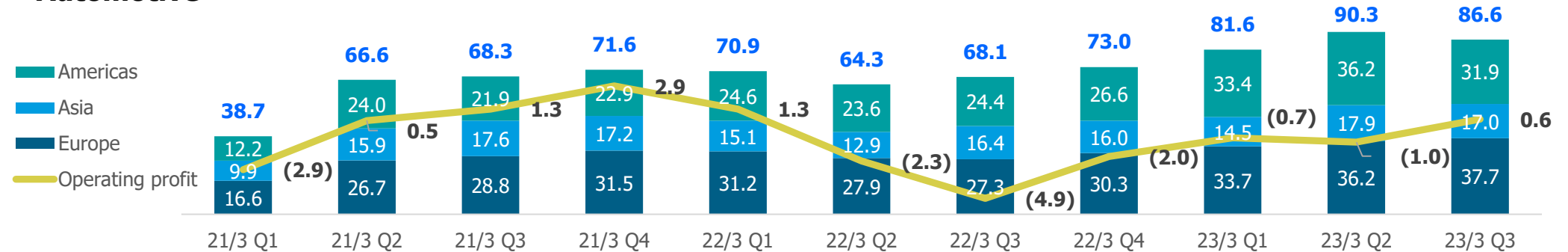
(JPY bn)	2021/3				2022/3				2023/3		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	91.9	129.7	135.8	141.9	147.7	143.0	152.3	157.6	177.9	197.7	190.6
Operating profit/(loss)	(0.6)	3.8	4.8	5.0	7.2	5.5	1.8	5.5	8.3	6.2	9.7
Operating profit margin	–	2.9%	3.5%	3.6%	4.8%	3.9%	1.2%	3.5%	4.6%	3.1%	5.1%
Exceptional items (COVID-19 related)	(11.5)	(1.3)	(1.2)	(2.1)	–	–	–	–	–	–	–
Operating profit/(loss) after COVID-19 related exceptional items	(12.1)	2.5	3.6	3.0	7.2	5.5	1.8	5.5	8.3	6.2	9.7
Exceptional items (net)	(0.1)	(0.8)	1.0	(6.1)	(0.2)	4.7	(0.2)	(0.7)	2.3	(47.3)	1.0
Operating profit/(loss) after exceptional items	(12.2)	1.7	4.6	(3.1)	7.0	10.2	1.7	4.8	10.6	(41.1)	10.7
Finance expenses (net)	(2.4)	(3.0)	(2.1)	(3.5)	(2.9)	(2.9)	(3.2)	(3.4)	(2.8)	(3.7)	(4.8)
Impairment of financial receivables owed by joint ventures and associates	-	-	-	-	-	-	-	(3.4)	-	-	-
Share of JVs and associates' profits	(0.4)	0.2	1.0	1.3	1.5	1.9	2.2	1.9	2.2	1.0	2.1
Other gains/(losses) on equity method investments	-	-	-	0.6	-	-	-	(3.4)	(1.2)	0.5	(0.4)
Profit/(loss) before taxation	(14.9)	(1.1)	3.5	(4.7)	5.5	9.2	0.7	(3.6)	8.8	(43.4)	7.7
Profit/(loss) for the period	(16.5)	(0.7)	3.7	(2.8)	2.9	6.7	1.0	(3.8)	3.3	(40.3)	2.2
Net profit/(loss) *	(16.4)	(0.9)	3.4	(3.0)	2.5	6.1	0.0	(4.5)	2.4	(41.2)	1.7
EBITDA	6.1	12.7	13.5	14.5	16.5	14.6	11.1	14.4	18.0	16.1	20.2

Revenue & Operating Profit – Quarterly Trend

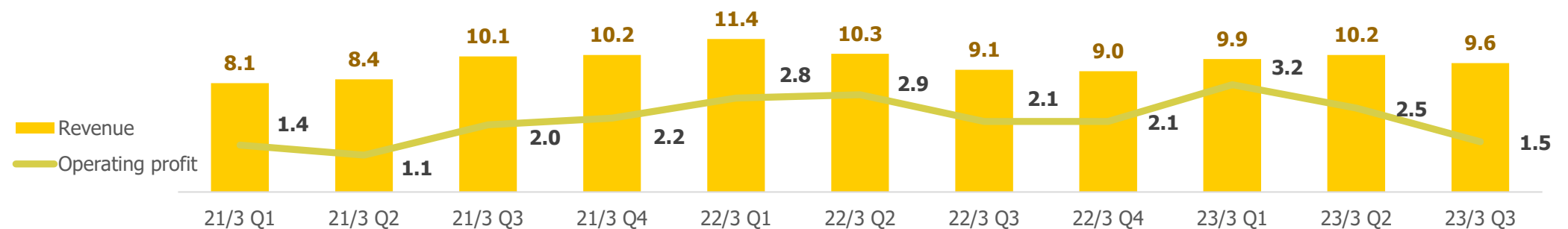
Architectural



Automotive



Technical Glass



Segmental Information by Quarter

(JPY bn)	2021/3					2022/3					2023/3			
	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Q3	Q4	Cum.	Q1	Q2	Q3	Cum.
Revenue: Architectural	44.9	54.2	57.0	59.4	215.5	64.5	67.5	74.8	75.0	281.8	85.6	96.5	93.6	275.7
Europe	16.0	22.2	22.4	24.5	85.2	27.8	27.1	29.3	31.8	116.0	38.2	40.6	39.1	118.0
Asia	19.2	18.6	20.5	18.9	77.2	19.3	21.0	24.5	21.5	86.2	22.9	26.1	25.8	74.8
Americas	9.7	13.4	14.1	16.0	53.1	17.4	19.4	21.0	21.6	79.5	24.5	29.8	28.7	83.0
Operating profit	2.7	4.6	4.3	4.1	15.7	6.1	7.5	6.8	7.7	28.1	8.9	6.6	10.7	26.2
OP after COVID*	(2.2)	4.1	3.8	3.4	9.1	-	-	-	-	-	-	-	-	-
Revenue: Automotive	38.7	66.7	68.2	71.6	245.2	70.9	64.3	68.1	73.0	276.2	81.6	90.3	86.6	258.4
Europe	16.6	26.7	28.8	31.5	103.6	31.2	27.9	27.3	30.3	116.7	33.7	36.2	37.7	107.6
Asia	9.9	15.9	17.6	17.3	60.6	15.1	12.9	16.4	16.0	60.4	14.5	17.9	17.0	49.4
Americas	12.2	24.1	21.9	22.9	81.0	24.6	23.6	24.4	26.6	99.2	33.4	36.2	31.9	101.5
Operating profit	(2.9)	0.5	1.3	2.9	1.8	1.3	(2.3)	(4.9)	(2.0)	(7.9)	(0.7)	(1.0)	0.6	(1.1)
OP after COVID*	(9.3)	(0.6)	0.4	1.7	(7.8)	-	-	-	-	-	-	-	-	-
Revenue: Technical	8.1	8.4	10.1	10.2	36.8	11.4	10.3	9.1	9.0	39.8	9.9	10.2	9.6	29.8
Europe	1.3	1.4	1.8	1.9	6.4	2.1	1.8	2.0	2.0	7.9	2.1	2.5	2.2	6.8
Asia	6.5	6.7	8.0	8.1	29.3	9.0	8.2	6.8	6.6	30.6	7.5	7.3	7.0	21.8
Americas	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.3	0.4	1.3	0.4	0.5	0.4	1.2
Operating profit	1.4	1.1	2.0	2.2	6.7	2.8	2.9	2.1	2.1	9.9	3.2	2.5	1.5	7.2
OP after COVID*	1.2	1.0	2.1	2.2	6.5	-	-	-	-	-	-	-	-	-
Revenue: Other	0.2	0.4	0.5	0.6	1.7	0.9	0.8	0.3	0.7	2.7	0.8	0.7	0.9	2.3
Operating profit	(1.8)	(2.3)	(2.8)	(4.2)	(11.1)	(3.1)	(2.5)	(2.2)	(2.4)	(10.1)	(3.1)	(1.9)	(3.1)	(8.2)
OP after COVID*	(1.8)	(2.0)	(2.7)	(4.3)	(10.8)	-	-	-	-	-	-	-	-	-
Revenue: Total	91.9	129.7	135.8	141.9	499.2	147.7	143.0	152.3	157.6	600.6	177.9	197.7	190.6	566.2
Operating profit	(0.6)	3.8	4.8	5.0	13.1	7.2	5.5	1.8	5.5	20.0	8.3	6.2	9.7	24.2
OP after COVID*	(12.1)	2.5	3.6	3.0	(3.0)	-	-	-	-	-	-	-	-	-

Revenue & Operating Profit – by Region

(JPY bn)	2022/3 Q3 Cum.			2023/3 Q3 Cum.			Change	
	Revenue	%	Operating profit/(loss)	Revenue	%	Operating profit	Revenue	Operating profit/(loss)
Europe	176.5	40%	(1.5)	232.4	41%	6.2	55.9	7.7
Asia	133.1	30%	15.7	145.9	26%	16.1	12.8	0.4
Americas	131.4	30%	8.0	185.6	33%	10.0	54.3	2.0
Other *	2.0	0%	(7.7)	2.3	0%	(8.2)	0.3	(0.4)
Total	443.0	100%	14.5	566.2	100%	24.2	123.3	9.6

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

Exceptional Items

(JPY bn)	2022/3 Q3 Cum.	2023/3 Q3 Cum.
Restructuring costs	(0.1)	(0.2)
Impairment of goodwill & intangible assets	-	(48.8)
Settlement of litigation matters - net	(0.3)	2.7
Gain on disposal of subsidiaries and businesses	4.4	1.5
Gain on disposal of non-current assets	-	0.6
Others	0.4	0.2
Exceptional items - net	4.4	(43.9)

Foreign Currency Exchange Rates and Sensitivity

Average rates used

	2021/3				2022/3				2023/3		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
GBP	133	135	136	139	153	152	153	153	163	163	164
EUR	118	121	123	124	132	131	131	130	138	139	140
USD	107	106	106	106	109	109	112	112	129	134	137
BRR	19.9	19.8	19.7	19.7	20.6	20.8	20.7	21.0	26.4	26.4	26.5
ARS	Closing rates are applied – hyperinflation										

Closing rates used

	2021/3				2022/3				2023/3		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
GBP	132	135	141	152	153	150	156	160	165	161	160
EUR	121	124	127	130	132	129	131	136	142	141	140
USD	107	105	103	111	111	112	116	122	136	145	132
BRR	19.9	18.7	19.8	19.1	22.3	20.6	20.4	25.5	26.2	26.7	25.7
ARS	1.53	1.38	1.22	1.20	1.16	1.13	1.12	1.10	1.09	0.98	0.76

Sensitivity

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

	2022/3
Equity	JPY 4.0 billion
Profit for the period	Improve by JPY 0.1 billion

Depreciation & Amortization, Capital Expenditures, R&D Expenditures

(JPY bn)	2022/3 Q3 Cum	2023/3 Q3 Cum	2023/3 Full-year Forecast
Depreciation & Amortization	27.7	30.2	39.0
Capital expenditures	15.3	26.3	40.0
Ordinary	13.4	22.6	
Strategic projects and other	1.9	3.7	
R&D expenditures	6.1	6.8	9.5
Architectural	1.8	2.1	
Automotive	1.8	2.0	
Technical Glass	0.7	0.7	
Other	1.8	2.0	

Energy Cost Breakdown (2022/3→2023/3)

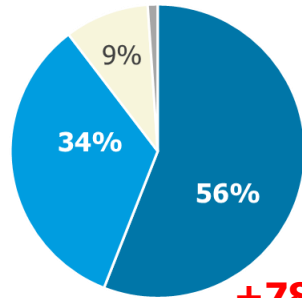
Energy costs **+78%*** YoY for the Group, **+104%** for natural gas.

Natural gas prices still in high levels, although declined during Q3.

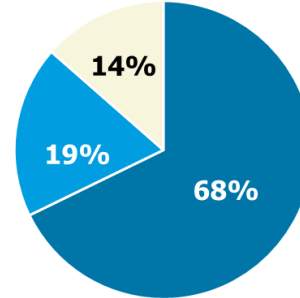
Huge cost pressures in Europe and Americas by region, and in Architectural by business

2022/3 (Q3 Cumulative)

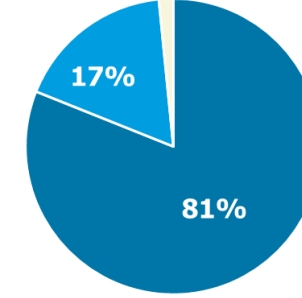
Group (by Energy)



Group natural gas (by Region)



Group natural gas (by business)



**+78%,
Natural gas+104%**

Europe+121%, Americas+85%

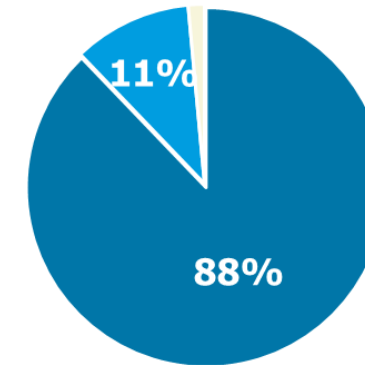
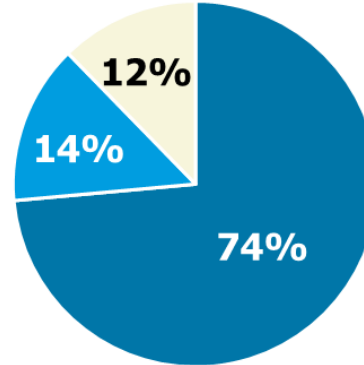
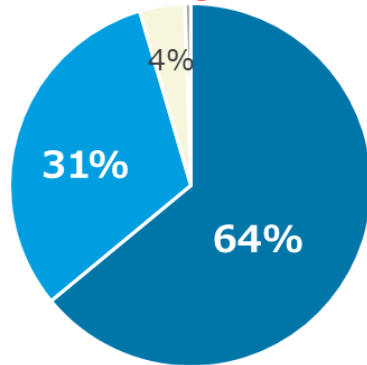
Architectural+121%

■ Natural Gas ■ Electricity ■ Oil ■ Others

■ Europe ■ Asia ■ Americas

■ Architectural ■ Automotive ■ Technical

2023/3 (Q3 Cumulative)



Energy Cost Breakdown (by region)

Significant impact to worldwide energy costs by natural gas price hike, especially in Europe and Americas

