

2 February 2017

FY2017 QUARTER 3 RESULTS

(from 1 April 2016 to 31 December 2016)

- **Significant increase in trading profit from the previous year despite translational impact of yen appreciation**
- **Steady improvement in cash generation**
- **Increasing trend in value-added volumes across our businesses**
- **FY2017 full-year forecast maintained**
- **Issuance of ¥ 40 billion Class A Shares**

Significant increase in trading profit from the previous year despite translational impact of yen appreciation

- Cumulative Group revenues of ¥ 430.7bn decreased from the previous year, due to the strengthened Japanese Yen (Q3 FY2016: ¥ 479.6bn)
- Trading profit, before amortization and exceptional items of ¥ 22.8bn, showed significant improvement from the previous year, supported by the recovery in European markets and lower input costs as well as a steady progress in "VA shift" (Q3 FY2016: ¥ 16.6bn)
- Architectural revenue ¥ 178.1bn (Q3 FY2016: ¥ 201.4bn) and profits of ¥ 20.7bn (Q3 FY2016: ¥ 16.7bn)
- Automotive revenue ¥ 217.9bn (Q3 FY2016: ¥ 239.7bn) and profits of ¥ 7.8bn (Q3 FY2016: ¥ 5.0bn)
- Technical Glass revenue ¥ 34.4bn (Q3 FY2016: ¥ 37.8bn) and profits of ¥ 0.4bn (Q3 FY2016: ¥ 0.3bn)

Steady improvement in cash generation

- Cash inflow before financing activities improved to ¥ 3.2bn (Q3 FY2016: ¥ 22.2bn outflow)

Increasing trend in value-added volumes across our businesses


- Increased value-added volumes improved profitability in Architectural Europe and North America

Issuance of ¥ 40 billion Class A Shares

- Enhance shareholders' equity and increase financial stability through reduction of financial expenses
- Secure fund for investment to execute VA No.1 Strategy
- Subject to resolution at the extraordinary shareholders' meeting on 24 March 2017

Extract from NSG Group FY2017 Quarter 3 financial results presentation, 2 February 2017

Consolidated Income Statement



(JPY bn)	<u>FY2016</u> <u>Q3</u>	<u>FY2017</u> <u>Q3</u>	<u>Change</u> <u>from</u> <u>FY2016</u>
Revenue	479.6	430.7	-10% ²
Trading profit	16.6	22.8	37% ³
Amortization ¹	(6.0)	(2.7)	
Operating profit	10.6	20.1	90%
Exceptional items	(3.2)	5.4	
Finance expenses (net)	(13.7)	(13.8)	
Share of JVs and associates	(1.0)	0.8	
Profit/(loss) before taxation	(7.3)	12.5	
Profit/(loss) for the period	(12.3)	5.9	
Profit/(loss) attributable to owners of the parent	(14.1)	4.6	
EBITDA	41.9	44.3	6%

¹ Amortization arising from the acquisition of Pilkington plc only
² Increase of 3% based on constant exchange rates
³ Increase of 64% based on constant exchange rates

Profits improved despite foreign exchange movements

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