

11 May 2018

## FY2018 ANNUAL RESULTS

(1 April 2017 to 31 March 2018)

- **Fifth consecutive year of operating profit improvement in FY2018, with significant improvement of profit before taxation to 22.2 billion yen**
- **Free cash flow comfortably above forecast of 10 billion yen**
- **Final dividend reflecting recovering profit**
- **Forecast FY2019 operating profit growth for sixth consecutive year, along with improvement in net profit to 14 billion yen**
- **Good start for first year of MTP P2. Accelerating actions in second year, based on Shift to "VA + Growth"**

### **Fifth consecutive year of operating profit improvement in FY2018, with significant improvement of profit before taxation to 22.2 billion yen**

- Group revenues of ¥ 603.9bn increased from the previous year (FY2017: ¥ 580.8bn)
- Trading profit of ¥ 37.7bn, supported by robust European markets, improving profitability in Technical Glass and further improvements in operational performance (FY2017: ¥ 33.1bn)

	Revenue		Operating Profit	
	<b>FY2018</b>	FY2017	<b>FY2018</b>	FY2017
Architectural Glass	<b>¥ 241.7bn</b>	¥ 237.7bn	<b>¥ 26.2bn</b>	¥ 27.0bn
Automotive Glass	<b>¥ 312.7bn</b>	¥ 296.6bn	<b>¥ 14.3bn</b>	¥ 12.7bn
Technical Glass	<b>¥ 48.4bn</b>	¥ 46.1bn	<b>¥ 5.4bn</b>	¥ 1.8bn

### **Free cash flow comfortably above forecast of 10 billion yen**

- Supported by solid operational performance, disposal of non-core assets and reduction of working capital

### **Final dividend reflecting profit recovery**

- Final dividend of ¥20 per ordinary share, reflecting continuing recovery in profitability

### **Forecast FY2019 operating profit growth for sixth consecutive year, along with improvement in net profit to 14 billion yen**


- To attain revenue growth, sixth consecutive year of operating profit growth. Net profit improvement also expected

### **Good start for first year of MTP P2. Accelerating actions in second year, based on Shift to "VA + Growth"**

- Through three key initiatives - Profit enhancement in core businesses; top-line increase from growth businesses; and new business development
  - Investment in two new lines for coated products
  - Business Innovation Center (BIC) to expedite new business development
- ESG (Environment, Society and Governance) initiatives to provide framework for sustainable growth

**Excerpt from NSG Group FY2018 Annual financial results presentation,  
11 May 2018**

### Consolidated Income Statement




(JPY bn)	<u>FY2017</u>	<u>FY2018</u>
<b>Revenue</b>	<b>580.8</b>	<b>603.9</b>
<b>Trading profit</b>	<b>33.1</b>	<b>37.7</b>
Amortization *	(3.2)	(2.0)
<b>Operating profit</b>	<b>29.9</b>	<b>35.7</b>
Exceptional items	2.9	(1.3)
Finance expenses (net)	(19.1)	(14.6)
Share of JVs and associates	1.1	2.4
<b>Profit before taxation</b>	<b>14.8</b>	<b>22.2</b>
Taxation	(7.5)	(4.7)
Adjustment in respect of US tax rate change	-	(9.6)
<b>Profit for the period</b>	<b>7.3</b>	<b>7.9</b>
<b>Profit attributable to owners of the parent</b>	<b>5.6</b>	<b>6.1</b>
EBITDA	62.1	66.2

\* Amortization arising from the acquisition of Pilkington plc only

**Continued improvement in profitability**

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### FY2019 Forecast



(JPY bn)	<u>Actuals FY2018</u>	<u>Forecast FY2019</u>
<b>Revenue</b>	<b>603.9</b>	<b>630.0</b>
<b>Trading profit</b>	<b>37.7</b>	<b>43.0</b>
Amortization*	(2.0)	(2.0)
<b>Operating profit</b>	<b>35.7</b>	<b>41.0</b>
Exceptional items	(1.3)	(7.0)
Finance expenses (net)	(14.6)	(13.0)
Share of JVs and associates	2.4	3.0
<b>Profit before taxation</b>	<b>22.2</b>	<b>24.0</b>
<b>Profit for the period</b>	<b>7.9</b>	<b>16.0</b>
<b>Profit attributable to owners of the parent</b>	<b>6.1</b>	<b>14.0</b>

\* Amortization arising from the acquisition of Pilkington plc only

**Revenue Growth; forecasting sixth year of trading profit growth.  
Continued net profit improvement**

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