FY 2019 Annual Consolidated Financial Results <IFRS>

10 May 2019

(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)
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Annual general shareholders' meeting: 27 June 2019
Submission of annual financial statements to MOF: 28 June 2019
Payment of dividends start from: 6 June 2019
Annual result presentation papers: Yes
Annual result presentation meeting: Yes (For institutional investors)

1. Consolidated business results for FY2019 (From 1 April 2018 to 31 March 2019)

(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	%
FY2019	612,789	2.3	36,855	3.4	22,730	2.6	14,378	81.8	13,287	115.6	(374)	-
FY2018	598,897	-	35,632	-	22,146	-	7,907	-	6,164	-	10,956	-

	Earnings per share - basic	Ratio of profit attributable to owners of the parent to average equity attributable to owners of the parent	Profit before tax ratio to total assets	Operating profit ratio to revenue
	¥	%	%	%
FY2019	115.16	10.3	2.9	6.0
FY2018	48.27	4.7	2.8	5.9

Share of post-tax profit of joint ventures and associates accounted for using the equity method
FY2019: ¥ 6,244 million FY2018: ¥ 2,403 million

Note:
- FY 2018 data is restated as a result of adopting IFRS15 'Revenue from Contracts with Customers'. Consequently, percentage movements from the previous year (FY 2017) are not provided.
- 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	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2019	761,869	132,506	123,760	16.2	978.50
FY2018	788,592	143,715	135,192	17.1	1,042.72

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash used in investing activities	Net cash generated from /(used in) from financing activities	Cash and cash equivalents as of term-end
	¥ millions	¥ millions	¥ millions	¥ millions
FY2019	29,030	(28,143)	(11,358)	50,292
FY2018	34,716	(17,912)	(33,889)	62,799

2. Dividends

	Dividends per share					Dividends (annual) (¥ millions)	Payout ratio	Dividends to net assets ratio (%)
	Q1	Q2	Q3	Q4	Total			
FY2018 (actual)	-	¥ 0.00	-	¥ 20.00	¥ 20.00	¥ 1,809	41.4	2.0
FY2019 (actual)	-	¥ 10.00	-	¥ 20.00	¥ 30.00	¥ 2,716	26.1	3.0
FY2020 (forecast)	-	¥ 0.00	-	¥ 20.00	¥ 20.00		21.2	

Note:
- The Group distributed centennial commemoration dividend of 10 per share as the interim dividend.
- 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.
- For further details, please refer to the dividend policy section on page 8.

3. Forecast for FY2020 (From 1 April 2019 to 31 March 2020)

	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	310,000	0.6	17,000	(4.8)	-	-	-	-	-	-	-
Full year	620,000	1.2	35,000	(5.0)	19,000	(16.4)	12,000	(16.5)	11,000	(17.2)	94.40

Note:
- As the Group forecast only the annual figures of Profit before taxation, Profit for the period, and Profit attributable to owners of the parent, disclosure for the half year forecast is limited to Revenue and Operating profit.
- Forecast of basic earnings per share for FY2020 is calculated by dividing the profit attributable to owners of the parent after deducting dividends and redemption premium paid to holders of class A shares, by 90,574,981 shares.
- For further details, please refer to the prospects section on page 8.

4. Other items

(a) Changes in status of principal subsidiaries: No

(b) 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 --- Yes
- (ii) Changes due to other reasons --- Yes
- (iii) Changes in accounting estimates --- No

Note:
- For further details, please refer to the changes in accounting policy section on page 17.

(c) Number of shares outstanding (common stock)
- (i) Number of shares issued at the end of the period, including shares held as treasury stock: 90,593,399 shares as at 31 March 2019 and 90,487,499 shares as at 31 March 2018
- (ii) Number of shares held as treasury stock at the end of the period: 18,418 shares as at 31 March 2019 and 14,465 shares as at 31 March 2018
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock: 90,509,179 shares for the period ending 31 March 2019 and 90,402,543 shares for the period ending 31 March 2018

Status of audit procedures taken by external auditors for the annual results

This document (Tanshin) is out of scope for independent audit by the external auditors.

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 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.

(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				
	Q1	Q2	Q3	Q4	Total
Class A Shares					
FY2018 (Actual)	-	¥ 0.00	-	¥ 45,000.00	¥ 45,000.00
FY2019 (Actual)	-	¥ 27,575.30	-	¥ 27,424.70	¥ 55,000.00
FY2020 (Forecast)		¥ 0.00		¥ 55,000.00	¥ 55,000.00

(Note) Number of Class A Shares in issue are 35,000 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. The forecast of dividends, for class A shares that have dividend record dates belonging to FY2020, is ¥ 1,700 million which is considered acquisition and retirement of 5,000 shares on 6 June 2019.

[Attachments]

Table of contents in the attachments (including mandatory disclosure items)

1. Overview about business performance etc.
(1) Overview about business performance

1) Background to Results

During FY2019, the Group experienced sluggish conditions in European and North American automotive markets, particularly so later in the year, but this was more than offset by stable or improving conditions in others areas.

European architectural markets continued to be strong with high levels of demand leading to a robust pricing environment. Automotive markets became progressively difficult during the year however, with relatively weak domestic demand and subdued conditions in certain key export markets. In Asia, architectural markets were flat, although demand for solar energy glass was above the previous year. Automotive markets in Asia were at similar levels to the previous year. In the Americas, architectural demand was strong in North America, although automotive demand gradually weakened during the year. In South America, vehicle sales continued to recover in Brazil, although sales in Argentina remain at a low level. The Group's technical glass markets were positive with improving volumes being experienced in several areas.

Group revenues improved from the previous year due to an increase in volumes, and, also prices in certain areas. Profitability also improved as the higher volumes were only partly offset by an increase in input costs.

The Group recorded revenues of ¥ 612,789 million (Q4 FY18 restated ¥ 598,897 million) and a trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) of ¥ 38,824 million (Q4 FY18 restated ¥ 37,663 million). Operating profits of ¥ 36,855 million were slightly ahead of the previous year (Q4 FY18 restated ¥ 35,632 million). The profit attributable to owners of the parent significantly increased to ¥ 13,287 million (Q4 FY18 restated ¥ 6,164 million) due to the improved operating profits, a year-on-year reduction in financial costs, a significant improvement in the share of profits of joint ventures and associates, including the impact of a one-off gain at the Group's architectural joint venture in Brazil, and the non-recurrence of a tax charge in the previous year following a change in U.S corporate tax rates.

2) Review by Business Segment

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

Architectural, representing 41 percent of cumulative Group sales, 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 51 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 8 percent of Group sales, 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, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

The table below shows a summary of cumulative results by business segment.

¥ millions	Revenue		Operating profit	
	FY2019	FY2018 (restated)	FY2019	FY2018 (restated)
Architectural	247,348	237,966	25,811	26,246
Automotive	314,645	311,428	15,118	14,209
Technical Glass	49,106	48,429	8,062	5,403
Other Operations	1,690	1,074	(12,136)	(10,226)
Total	612,789	598,897	36,855	35,632

Architectural

The Architectural business recorded revenues of ¥ 247,348 million (Q4 FY18 restated ¥ 237,966 million) and an operating profit of ¥ 25,811 million (Q4 FY18 restated ¥ 26,246 million).

Architectural revenues improved from the previous year with higher volumes across most regions, and increased dispatches of glass for solar energy. Despite the strong underlying trading conditions, profits fell, being affected by the Group's furnace cold repair schedule and an increase in energy-related input costs.

In Europe, representing 39 percent of the Group's architectural sales, markets continued to be positive with strong demand leading to high levels of capacity utilization and a robust pricing environment. Profits increased slightly, despite a cold repair in Germany earlier in the year and input cost increases.

In Asia, representing 37 percent of the Group's architectural sales, revenues improved whilst profits were similar to the previous year. Demand in South East Asia was generally strong although new competitor capacity helped generate an increasingly competitive marketplace. The Group benefitted from an increase in sales of glass for solar energy however. Results improved in Japan due to improved volumes and prices, despite an increase in input costs.

In the Americas, representing 24 percent of the Group's architectural sales, revenues improved, whilst profits fell slightly, largely due to the adoption of hyperinflationary accounting in Argentina, see section "Changes in accounting principles, practices and presentations" below. Underlying market conditions in Argentina continue to be in line with the Group's expectations. In North America, the Group benefitted from the full operation of the Ottawa plant and a buoyant domestic market, although the second half of the year was affected by lower yields for certain VA products and weaker prices due to higher imports and increased competitor capacity.

Automotive

The Automotive business recorded sales of ¥ 314,645 million (Q4 FY18 restated ¥ 311,428 million) and an operating profit of ¥ 15,118 million (Q4 FY18 restated ¥ 14,209 million).

In the Automotive business, revenues were slightly above the previous year, and profits also increased with strong European results experienced during the earlier part of the year.

Europe represents 45 percent of the Group's automotive sales. Results improved in the Group's original equipment (OE) business, although demand softened markedly from the third quarter of the year, effected by both a decline in domestic light-vehicle sales and weakening exports of luxury vehicles. Results also improved in the Automotive Glass Replacement (AGR) business with an increase in volumes and an improving mix of VA products from the previous year.

In Asia, representing 22 percent of the Group's automotive sales, revenues and profits both increased from the previous year. In Japan, light vehicle sales were similar to the previous year. The Group's OE revenues improved despite interruptions to the automotive supply chain caused by natural disasters. Results in the AGR business improved as a consequence of increased volumes.

In the Americas, representing 33 percent of the Group's automotive sales, revenues and profitability were both slightly higher than the previous year. In North America, the Group's OE volumes reflected a progressive weakening during the year of light-vehicle sales in the region. Profitability improved in South America, with a further recovery of volumes from the previous year in Brazil. In Argentina, the Group's automotive results were impacted by the adoption of hyperinflationary accounting as noted above.

Technical Glass

The Technical Glass business recorded revenues of ¥ 49,106 million (Q4 FY18 restated ¥ 48,429 million) and an operating profit of ¥ 8,062 million (Q4 FY18 restated ¥ 5,403 million).

In the fine glass business, improving revenues and previous-year cost reduction efforts provided a strong foundation for a further improvement in results. In the information devices business, demand for glass components used in printers and scanners, declined slightly. Demand for glass cord used in engine timing belts also softened, particularly in Europe and China towards the end of the year in line with conditions in automotive markets. Metashine® product sales increased with demand being strong in both the car paint and cosmetic fields. In other areas, ISS battery separator demand in Japan continued to be at a good level.

Other Operations and Eliminations

The Other Operations and Eliminations recorded revenues of ¥ 1,690 million (Q4 FY18 restated ¥ 1,074 million) and operating costs of ¥ 12,136 million (Q4 FY18 restated cost of ¥ 10,226 million).

This segment covers 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 plc. Operating costs and consolidation adjustments incurred in Other Operations and Eliminations increased from the previous year due partly to the inclusion of the Group's newly established Business Innovation Center, an organization specifically tasked with accelerating new business development.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits after tax was ¥ 6,244 million (Q4 FY18 ¥ 2,403 million).

The Group's share of joint ventures and associates profits increased from the previous year due to improved results at Cebrace, the Group's architectural joint venture in Brazil. During the second quarter of the year, this joint venture recorded a one-off gain, the Group's share of which was ¥ 2,321 million, following the conclusion of a legal challenge regarding the calculation of sales-based taxes borne by the company in previous years. The underlying trading performance at Cebrace was also positive.

(2) Overview about financial condition and cash flows

Total assets at the end of March 2019 were ¥ 761,869 million, representing a decrease of ¥ 26,723 million from ¥ 788,592 million at the end of March 2018 (restated). Total equity was ¥ 132,506 million, representing a decrease of ¥ 11,209 million from the restated March 2018 figure of ¥ 143,715 million. Total equity decreased, as the profit recorded for the period and an increase in asset values in Argentina following the adoption of hyperinflationary accounting, were more than offset by other movements, include exchange differences arising on the strengthening of the yen compared to the Group's other operating currencies.

Net financial indebtedness increased by ¥ 11,231 million from 31 March 2018 to ¥ 317,701 million at the period end. Gross debt was ¥ 371,508 million at the period end. As of 31 March 2019, the Group had un-drawn, committed facilities of ¥ 74,591 million.

Cash inflows from operating activities were ¥ 29,030 million. Cash outflows from investing activities were ¥ 28,143 million, including capital expenditure on property, plant, and equipment of ¥ 28,125 million. As a result, free cash flow was an inflow of ¥ 887 million.

(3) Prospects

The forecast of revenue, operating profit, profit before taxation, profit for the period, profit attributable to owners of the parent and earnings per share for the year to 31 March 2020 is set out on page 2. The forecast of earnings per share has been shown after considering the effect of dividends and redemption premium related to Class A shares.

Revenues in FY2020 are expected to be slightly above FY2019, with a further improvement in VA sales to offset an adverse impact from more challenging market conditions. Profitability will be modestly impacted as an increase in input costs, particularly relating to energy costs and the costs of inputs that are partly energy related, such as raw materials and logistics costs, is unlikely to be fully passed on through sales prices.

In Architectural, markets are expected to be generally stable although profitability will reflect an increase in input costs. Markets in Europe and North America are expected to become increasingly competitive with an increase in glass capacity at the Group's competitors. Sales of glass for solar energy are expected to increase.

Automotive markets in Europe will be subdued, reflecting generally weak consumer confidence. North American markets are expected to continue the weakness experienced during the latter half of FY2019, although South American markets will benefit from a further improvement in vehicle sales in Brazil. Results in Japan will reflect an increase in costs.

Results in the Technical Glass business unit will continue to improve.

Prospects for the years after FY2020 are expected to be positive, with further improvements in VA sales and an incremental impact from the Group's strategic investments, contributing to further improvements in the Group's financial performance.

(4) Dividend policy

The Group's dividend policy is to secure dividend payments based on sustainable business results. Additionally, the Group has set up a new guideline to aim for a 30 percent dividend payout ratio (consolidation basis) after the redemption of Class A shares

The Group intends to distribute a year-end ordinary dividend of ¥ 20 per share. The full-year dividend payment for FY2019 will be ¥ 30 per share including the interim dividend (centennial commemoration dividend) of ¥ 10 per share. Please see page 2 for dividends projected for FY2019 and FY2020.

Dividends related to Class A Shares are detailed on page 3.

2. Basic concept regarding selection of accounting standards

The Group applies International Financial Reporting Standards (IFRS) in the preparation of its consolidated financial statements. The Group has a detailed set of specific accounting policies, complying with IFRS, which all subsidiary companies apply when preparing financial statements for the purposes of Group consolidation. The application of a common accounting language, based on IFRS, enables the Group to measure business performance and assess business decisions, using consistently prepared comparable financial data.

With the Group's global spread of operations and shareholders base, the application of IFRS reflects the Group's position as an international company headquartered in Japan.

3. Consolidated Financial Statements

(1). (a) Consolidated income statement

¥ millions

	Note	**FY2019 For the period 1 April 2018 to 31 March 2019**	FY2018 For the period 1 April 2017 to 31 March 2018 (restated)
Revenue	(6)-(f)	**612,789**	598,897
Cost of sales		**(452,095)**	(436,963)
Gross profit		**160,694**	161,934
Other income		**1,130**	2,571
Distribution costs		**(55,582)**	(54,536)
Administrative expenses		**(63,999)**	(66,613)
Other expenses		**(5,388)**	(7,724)
Operating profit	(6)-(f)	**36,855**	35,632
Exceptional items	(6)-(g)	**(7,068)**	(1,265)
Operating profit after exceptional items		**29,787**	34,367
Finance income	(6)-(h)	**2,131**	1,080
Finance expenses	(6)-(h)	**(15,432)**	(15,704)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**6,244**	2,403
Profit before taxation		**22,730**	22,146
Taxation	(6)-(i)	**(8,352)**	(4,649)
Adjustment in respect of US tax rate change	(6)-(i)	**-**	(9,590)
Profit for the period		**14,378**	7,907
Profit attributable to non-controlling interests		**1,091**	1,743
Profit attributable to owners of the parent		**13,287**	6,164
		14,378	7,907
Earnings per share attributable to owners of the parent	(6)-(j)		
Basic		**115.16**	48.27
Diluted		**85.14**	38.87

(1). (b) Consolidated statement of comprehensive income

¥ millions

	Note	**FY2019 For the period 1 April 2018 to 31 March 2019**	FY2018 For the period 1 April 2017 to 31 March 2018 (restated)
Profit for the period		**14,378**	7,907
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(6)-(o)	**697**	1,749
Revaluation of Assets held at Fair Value through Other Comprehensive Income - equity investments (net of taxation)		**(157)**	(6,357)
Sub total		**540**	(4,608)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**(18,054)**	6,552
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)		**36**	(302)
Cash flow hedges:			
- fair value losses, net of taxation		**(103)**	1,407
Hyperinflation adjustment	(6)-(q)	**2,829**	-
Sub total		**(15,292)**	7,657
Total other comprehensive income for the period, net of taxation		**(14,752)**	3,049
Total comprehensive income for the period		**(374)**	10,956
Attributable to non-controlling interests		**508**	735
Attributable to owners of the parent		**(882)**	10,221
		(374)	10,956

(2) Consolidated balance sheet

¥ millions

	FY2019 as at 31 March 2019	FY2018 as at 31 March 2018 (restated)
ASSETS		
Non-current assets		
Goodwill	**107,349**	112,455
Intangible assets	**53,790**	57,249
Property, plant and equipment	**241,506**	244,105
Investment property	**371**	413
Investments accounted for using the equity method	**18,294**	17,655
Retirement benefit asset	**27,557**	27,144
Contract assets	**1,047**	1,110
Trade and other receivables	**14,327**	16,159
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**18,640**	17,290
- Derivative financial instruments	**435**	445
Deferred tax assets	**32,411**	35,901
Tax receivables	**561**	912
	516,288	530,838
Current assets		
Inventories	**119,645**	114,774
Contract assets	**1,645**	3,142
Trade and other receivables	**63,994**	70,430
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**-**	100
- Derivative financial instruments	**966**	938
Cash and cash equivalents	**52,406**	64,801
Tax receivables	**1,721**	3,569
	240,377	257,754
Assets held for sale	**5,204**	-
	245,581	257,754
Total Assets	**761,869**	788,592

(2) Consolidated balance sheet continued

	FY2019 as at 31 March 2019	FY2018 as at 31 March 2018 (restated)
		¥ millions
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**41,054**	96,470
- Derivative financial instruments	**1,132**	1,093
Trade and other payables	**127,425**	131,991
Contract liabilities	**3,780**	3,566
Taxation liabilities	**3,084**	4,655
Provisions	**13,880**	16,416
Deferred income	**1,191**	809
	191,546	255,000
Liabilities related to assets held for sale	**1,432**	-
	192,978	255,000
Non-current liabilities		
Financial liabilities:		
- Borrowings	**328,598**	274,185
- Derivative financial instruments	**724**	906
Trade and other payables	**481**	680
Contract liabilities	**590**	879
Deferred tax liabilities	**18,469**	18,418
Taxation liabilities	**2,408**	2,307
Retirement benefit obligations	**66,177**	71,937
Provisions	**14,184**	15,903
Deferred income	**4,754**	4,662
	436,385	389,877
Total liabilities	**629,363**	644,877
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,588**	116,546
Capital surplus	**160,953**	166,661
Retained earnings	**(40,530)**	(51,350)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(45,203)**	(28,617)
Total shareholders' equity	**123,760**	135,192
Non-controlling interests	**8,746**	8,523
Total equity	**132,506**	143,715
Total liabilities and equity	**761,869**	788,592

(3) Consolidated statement of changes in equity

¥ millions

FY2019	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total share holders equity**	Non-controlling interests	**Total equity**
At 1 April 2018 (restated)	**116,546**	**166,661**	**(51,350)**	**(68,048)**	**(28,617)**	**135,192**	**8,523**	**143,715**
Hyperinflation adjustment	**-**	**-**	**770**	**-**	**-**	**770**	**598**	**1,368**
At 1 April 2018 (after hyperinflation adjustment)	**116,546**	**166,661**	**(50,580)**	**(68,048)**	**(28,617)**	**135,962**	**9,121**	**145,083**
Profit for the period	**-**	**-**	**13,287**	**-**	**-**	**13,287**	**1,091**	**14,378**
Other comprehensive income	**-**	**-**	**2,432**	**-**	**(16,601)**	**(14,169)**	**(583)**	**(14,752)**
Total Comprehensive Income	**-**	**-**	**15,719**	**-**	**(16,601)**	**(882)**	**508**	**(374)**
Transactions with owners								
Dividends paid	**-**	**-**	**(5,669)**	**-**	**-**	**(5,669)**	**(472)**	**(6,141)**
Share based payments	**42**	**42**	**-**	**-**	**19**	**103**	**-**	**103**
Purchase of treasury stock	**-**	**-**	**-**	**-**	**(5,754)**	**(5,754)**	**-**	**(5,754)**
Retirement of treasury stock	**-**	**(5,750)**	**-**	**-**	**5,750**	**-**	**-**	**-**
Equity transaction with non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(411)**	**(411)**
At 31 March 2019	**116,588**	**160,953**	**(40,530)**	**(68,048)**	**(45,203)**	**123,760**	**8,746**	**132,506**

¥ millions

FY2018 (restated)	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total share holders equity**	Non-controlling interests	**Total equity**
At 1 April 2017	**116,463**	**166,578**	**(58,890)**	**(68,048)**	**(31,201)**	**124,902**	**9,562**	**134,464**
Profit for the period	**-**	**-**	**6,164**	**-**	**-**	**6,164**	**1,743**	**7,907**
Other comprehensive income	**-**	**-**	**1,749**	**-**	**2,308**	**4,057**	**(1,008)**	**3,049**
Total Comprehensive Income	**-**	**-**	**7,913**	**-**	**2,308**	**10,221**	**735**	**10,956**
Transactions with owners								
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(1,774)**	**(1,774)**
Share based payments	**83**	**83**	**-**	**-**	**(95)**	**71**	**-**	**71**
Purchase of treasury stock	**-**	**-**	**-**	**-**	**(3)**	**(3)**	**-**	**(3)**
Disposal of treasury stock	**-**	**-**	**-**	**-**	**1**	**1**	**-**	**1**
Transfer of other reserves to retained earnings	**-**	**-**	**(373)**	**-**	**373**	**-**	**-**	**-**
At 31 March 2018	**116,546**	**166,661**	**(51,350)**	**(68,048)**	**(28,617)**	**135,192**	**8,523**	**143,715**

(4) Consolidated statement of cash flows

	Note	FY2019 for the period 1 April 2018 to 31 March 2019	FY2018 for the period 1 April 2017 to 31 March 2018 (restated)
			¥ millions
Cash flows from operating activities			
Cash generated from operations	(6)-(m)	**44,434**	51,042
Interest paid		**(12,047)**	(11,596)
Interest received		**2,019**	1,021
Tax paid		**(5,376)**	(5,751)
Net cash inflows from operating activities		**29,030**	34,716
Cash flows from investing activities			
Dividends received from joint ventures and associates		**3,606**	2,508
Purchase of associates		**-**	(575)
Proceeds on disposal of joint ventures and associates		**15**	-
Proceeds on disposal of subsidiaries		**-**	156
Purchases of property, plant and equipment		**(28,125)**	(29,135)
Proceeds on disposal of property, plant and equipment		**479**	4,065
Purchases of intangible assets		**(2,380)**	(2,166)
Proceeds on disposal of intangible assets		**1**	944
Purchase of assets held at FVOCI		**(1,801)**	(208)
Proceeds on disposal of assets held at FVOCI		**10**	5,313
Loans advanced to joint ventures, associates & third parties		**(502)**	(500)
Loans repaid from joint ventures, associates & third parties		**555**	1,484
Others		**(1)**	202
Net cash outflows from investing activities		**(28,143)**	(17,912)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(5,656)**	-
Dividends paid to non-controlling interests		**(472)**	(1,774)
Repayment of borrowings		**(107,973)**	(94,736)
Proceeds from borrowings		**108,907**	62,624
Increase in Treasury stock		**(5,754)**	(3)
Others		**(410)**	-
Net cash (out)/inflows from financing activities		**(11,358)**	(33,889)
(Decrease)/increase in cash and cash equivalents (net of bank overdrafts)		**(10,471)**	(17,085)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(n)	**62,799**	79,808
Effect of foreign exchange rate changes		**(3,558)**	76
Hyperinflation adjustment	(6)-(q)	**1,522**	-
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(n)	**50,292**	62,799

(5) 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.

(6) Notes to the Consolidated Financial Statements

(a) Reporting entity

Nippon Sheet Glass Company, Limited and its consolidated subsidiaries (the Group) is a world leader in the supply of flat glass for architectural and automotive applications. In addition, the Group has a number of discreet technical glass businesses, operating in high technology areas. The parent company of the Group, Nippon Sheet Glass Company, Limited (the Company) is domiciled in Japan and has shares publicly traded on the Tokyo Stock Exchange. The registered office is located at 5-27, Mita 3-chome, Minato-ku, Tokyo, 108-6321, Japan.

(b) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to the provision of article 93 of "Regulations Concerning Terminology, Forms, and Method for Preparing Financial Statements" (Ministry of Finance Ordinance No. 28, issued in 1976).

The Company meets the requirement of the provision of article 1-2 of the regulations and satisfies the status of a qualified company for filing the financial statements in IFRS "Tokutei-kaisha" of the provision.

The consolidated financial statements have been prepared on a historical cost basis, except for investment property, derivative financial instruments and assets held at fair value through other comprehensive income that have been measured at fair value, and also except for the application of hyperinflationary accounting at the group subsidiaries in Argentina.

The consolidated financial statements are presented in Japanese yen and are rounded to the nearest million yen (¥m) except where otherwise indicated.

(c) New standards, amendments and interpretations issued but not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's annual accounting periods beginning on or after 1 April 2019 and are considered to be relevant and potentially material to the Group's primary financial statements. The Group has elected not to adopt early the standards as described below:

IFRS 16 "Leases" addresses the principles for the recognition and measurement of leases, and will be effective from FY2020. This new standard will replace IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'. The Group will adopt this new standard using the modified retrospective approach. This involves adjusting the opening balance sheet as at 1 April 2019 to conform to IFRS16 accounting rules. The Group will record intangible "right-of-use" assets and associated lease liabilities for arrangements previously considered to be operating leases. The initial values of the assets and liabilities created will be identical. Leases previously considered to be finance leases will be reclassified within the balance sheet but without any change in their value. There will be no material impact on the Group's overall equity balance, although a material offsetting increase in both assets and liabilities will be recorded. The income statement impact is likely to be relatively immaterial and will involve operating lease rental costs being removed from the Group's income statement and being replaced with an amortization charge on right-of-use assets and a finance charge on lease liabilities. For the purposes of preparing an FY2020 income statement forecast, the Group has estimated that operating profit will increase by ¥ 1,000 million, but that the impact on profit before taxation, profit for the period, and profit attributable to shareholders will be approximately nil.

IFRIC 23 "Uncertainty over Income Tax Treatments" clarifies the recognition and measurement guidance contained within IAS 12 "Income Taxes" with respect to uncertain tax treatments. An uncertain tax treatment is any tax treatment, applied in local tax filings, where there is uncertainty whether the local tax authority will accept that tax treatment according to local laws. This new interpretation is effective from the Group's financial period commencing 1 April 2019. The Group intends to adopt this new interpretation retrospectively with the cumulative effect of initial application recognized in the opening balance sheet on 1 April 2019. The Group has not yet calculated the impact of adopting this new interpretation.

IFRS 17 "Insurance Contracts" addresses accounting for insurance contracts and will be effective from the Group's financial period commencing 1 April 2021. This new standard will replace IFRS 4 "Insurance Contracts". The Group has not yet calculated the impact of the adoption of this standard.

(d) Principal accounting policies

The principal accounting policies applied to the consolidated financial statements for the year ended 31 March 2019 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2018, except for the changes described below:

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' effective from the Group's financial period commencing 1 April 2018. Due to the change in accounting policy, in accordance with IAS 8, the Group has restated its comparative information in the consolidated financial statements for the previous year. For further details, see note 6-(p).

From the second quarter of FY2019, the Group has applied hyperinflationary accounting adjustments when consolidating the financial results and position of its subsidiaries in Argentina as required by IAS 29 "Financial Reporting in Hyperinflationary Economies". Adjustments have been made to present the financial results and position of the Group's subsidiaries in Argentina using the measuring unit current as at the period end date. This has involved applying Argentina inflation to the underlying results and balance sheet net assets of these businesses. As required by IAS 21 "The Effects of Changes in Foreign Exchange Rate", the Group has used closing period-end exchange rates when consolidating the cash flows and comprehensive income of its subsidiaries in Argentina. The financial effect of applying this approach as at Q4 FY2019, is a decrease in revenues of ¥ 1,650 million, a decrease in operating profit of ¥ 560 million, a decrease in profit for the period of ¥ 1,620 million and a decrease in profit attributable to owners of the parent of ¥ 920 million. Shareholders' equity was increased by ¥ 1,680 million.

From FY2019, the Group has early-adopted an amendment to IAS19 'Employee benefits' regarding plan amendments, curtailments or settlements that would otherwise have been applicable to the Group's financial periods from FY2020. This requires that, in the event of a plan amendment, curtailment or settlement, at one of the Group's post-retirement benefit schemes, the Group will update the actuarial assumptions determining current service cost and finance cost as at the date of the plan amendment, curtailment or settlement. The previous accounting treatment would have been to continue to calculate current service costs and finance costs using actuarial assumptions set from the start of the financial period. The financial effect of adopting this amended approach as at Q4 FY2019 is to reduce operating costs by ¥ 22 million and to reduce finance costs by ¥ 57 million. This change in accounting treatment is applicable to UK pension schemes only, due to the past service cost recorded for these schemes during the third quarter. This past service cost is generated from the equalization of guaranteed minimum pensions recorded as an exceptional item during the third-quarter. For further details, see note 6 (g).

(e) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not usually be equal to the resulting actual outcome.

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.

(f) Segmental information

The Group is organized on a worldwide basis into the following principal business segments.

Architectural, 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 Solar Energy sector.

Automotive, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, 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, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

Other operations include head office and other central costs, consolidation adjustments and other non-core activities.

External revenue is disaggregated into three categories; Europe, Asia which includes Japan, and Americas which comprises of North and South Americas.

The segmental results for the financial period to 31 March 2019 were as follows:

¥ millions

FY2019 For the period 1 April 2018 to 31 March 2019	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	**263,930**	**316,488**	**50,437**	**5,328**	**636,183**
Inter-segmental revenue	**(16,582)**	**(1,843)**	**(1,331)**	**(3,638)**	**(23,394)**
External revenue	**247,348**	**314,645**	**49,106**	**1,690**	**612,789**
Disaggregation of external revenue by geographical regions:					
Europe	***95,976***	***140,169***	***8,125***	***735***	***245,005***
Asia	***92,928***	***70,601***	***39,448***	***955***	***203,932***
Americas	***58,444***	***103,875***	***1,533***	***-***	***163,852***
Trading profit	**25,811**	**15,118**	**8,062**	**(10,167)**	**38,824**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(1,969)**	**(1,969)**
Operating profit	**25,811**	**15,118**	**8,062**	**(12,136)**	**36,855**
Exceptional items	**(4,172)**	**(4,596)**	**3,327**	**(1,627)**	**(7,068)**
Operating profit after exceptional items					**29,787**
Finance costs – net					**(13,301)**
Share of post-tax profit from joint ventures and associates					**6,244**
Profit before taxation					**22,730**
Taxation					**(8,352)**
Profit for the period from continuing operations					**14,378**

(f) Segmental information continued

The segmental results for the financial period to 31 March 2018 were as follows:

¥ millions

FY2018 For the period 1 April 2017 to 31 March 2018 (restated)	Architectural	Automotive	Technical Glass	Other Operations	Total
Total revenue	**257,288**	**313,839**	**48,801**	**4,656**	**624,584**
Inter-segmental revenue	**(19,322)**	**(2,411)**	**(372)**	**(3,582)**	**(25,687)**
External revenue	**237,966**	**311,428**	**48,429**	**1,074**	**598,897**
Disaggregation of external revenue by geographical regions:					
Europe	***93,844***	***139,978***	***7,876***	***633***	***242,331***
Asia	***86,151***	***67,822***	***39,207***	***441***	***193,621***
Americas	***57,971***	***103,628***	***1,346***	***-***	***162,945***
Trading profit	**26,246**	**14,209**	**5,403**	**(8,195)**	**37,663**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(2,031)**	**(2,031)**
Operating profit	**26,246**	**14,209**	**5,403**	**(10,226)**	**35,632**
Exceptional items	**(4,617)**	**(2,675)**	**109**	**5,918**	**(1,265)**
Operating profit after exceptional items					**34,367**
Finance costs – net					**(14,624)**
Share of post-tax profit from joint ventures and associates					**2,403**
Profit before taxation					**22,146**
Taxation					**(14,239)**
Profit for the period from continuing operations					**7,907**

The segmental assets at 31 March 2019 and capital expenditure for the period ended 31 March 2019 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	**140,370**	**137,588**	**31,972**	**7,379**	**317,309**
Capital expenditure (including intangibles)	**15,150**	**14,110**	**1,919**	**971**	**32,150**

The segmental assets at 31 March 2018 and capital expenditure for the period ended 31 March 2018 were as follows:

¥ millions

(Restated)	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	**133,455**	**138,801**	**38,738**	**6,755**	**317,749**
Capital expenditure (including intangibles)	**16,488**	**16,926**	**1,737**	**361**	**35,512**

Net trading assets consist of property, plant and equipment, investment property, intangible assets excluding those arising from a business combination, inventories, construction work-in-progress, trade and other receivables and trade and other payables, contract assets and liabilities.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

(g) Exceptional items

	FY2019 for the period 1 April 2018 to 31 March 2019	FY2018 for the period 1 April 2017 to 31 March 2018
	¥ millions	¥ millions
Exceptional Items (gains):		
Reversal of impairment of non-current assets	**2,717**	72
Exchange gain on business closure	**698**	-
Settlement of litigation matters	**271**	190
Reversal of impairment of investments in joint ventures	**-**	4,065
Gain on disposal of non-current assets	**-**	2,139
Gain on disposal of investments in joint ventures and associates	**-**	1,541
Gain on settlement of insurance proceeds	**-**	997
Others	**-**	115
	3,686	9,119
Exceptional Items (losses):		
Restructuring costs, including employee termination payments	**(4,415)**	(5,190)
Impairments of non-current assets	**(3,544)**	(436)
Retirement benefit obligations – past service cost	**(1,385)**	-
Suspension of facilities	**(968)**	(4,621)
Settlement of litigation matters	**(194)**	(137)
Others	**(248)**	-
	(10,754)	(10,384)
	(7,068)	(1,265)

The reversal of impairment of non-current assets relates mainly to a float line in Vietnam. This line was previously mothballed after being impaired during the year to 31 March 2016. The Group will convert this line from its former usage as thin-glass line into a solar-energy line.

The exchange gain on business closure relates to gains previously posted to reserves using the Statement of Comprehensive Income which have now been recycled to retained earnings through the income statement having been realized following the closure of a technical Glass business in China.

The settlement of litigation matters relates to legal claims arising as a result of transactions that were previously recorded as exceptional items.

The previous-year reversal of impairment of investments in joint ventures related to the Group's investment in SP Glass Holdings BV, a joint venture owning production facilities in Russia.

The previous-year gain on disposal of non-current assets related to assets in Technical Glass in China which were disposed following the completion of restructuring activities undertaken earlier in that year.

The gain on the disposal of investments in joint ventures in the previous year related to the disposal of the Group's interest in Tianjin SYP Pilkington Glass Co., Ltd. The exceptional gain included a partial reversal of a previous impairment and a gain on recycling to the income statement of previous foreign exchange postings made directly to the Statement of Comprehensive Income.

The previous-year gain on settlement of insurance proceeds relates to insurance monies received following the Tornado that struck the Group's plant at Ottawa, Illinois, U.S.A, on 28 February 2017.

Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment. The most significant projects during the year were in Architectural and Automotive Europe, and Architectural in Japan. The previous year costs were related to restructuring activities in Technical Glass in China, Automotive Europe, and a number of more minor projects elsewhere.

The impairment of non-current assets relates to assets in both Architectural and Automotive Europe as a consequence of restructuring projects in these businesses. The previous year impairment related mainly to assets in Automotive North America and also assets at the Ottawa facility.

The past service cost on retirement benefit obligations relates to a court ruling in the U.K. regarding Guaranteed Minimum Pensions (GMP's). Following this judgement, U.K. pension schemes are required to equalize benefits in excess of the GMP as between male and female scheme members for the period between 1990 and 1997. GMP's represent an element of the Group's pension liability which was designed to substitute for pension benefits that would otherwise have been provided by the state, with the state-provided pension benefits being unequal between men and women resulting in inequality of the scheme-provided benefit. The exceptional item recognized consists of a gross charge of ¥ 2,144 million and a credit with respect to taxation on pension surplus of ¥ 759 million.

The suspension of facilities includes the cost of repair to a float line in Japan required as a direct result of typhoon damage during the third quarter, and also the temporary suspension of automotive facilities in Europe to equate the Group's production capacity with levels of demand.

The suspension of facilities in the previous year relates to the Group's decision to proceed with an expedited repair of the furnace at Ottawa, Illinois, U.S.A..

(h) Finance income and expenses

	Note	**FY2019 for the period 1 April 2018 to 31 March 2019**	FY2018 for the period 1 April 2017 to 31 March 2018
		¥ millions	¥ millions
Finance income			
Interest income		**2,003**	1,072
Foreign exchange transaction gains		**128**	8
		2,131	1,080
Finance expenses			
Interest expense:			
- bank and other borrowings		**(12,219)**	(13,190)
Dividend on non-equity preference shares due to minority shareholders		**(258)**	(260)
Foreign exchange transaction losses		**(90)**	(8)
Other interest and similar charges		**(697)**	(1,028)
		(13,264)	(14,486)
Unwinding discounts on provisions		**(205)**	(218)
Retirement benefit obligations - net finance charge	(6)-(o)	**(480)**	(1,000)
Loss on net monetary position	(6)-(q)	**(1,483)**	-
		(15,432)	(15,704)

(i) Taxation

	FY2019 for the period 1 April 2018 to 31 March 2019 ¥ millions	FY2018 for the period 1 April 2017 to 31 March 2018 (Restated) ¥ millions
Current tax		
Charge for the period	**(6,159)**	(6,261)
Adjustment in respect of prior periods	**(254)**	(464)
	(6,413)	(6,725)
Deferred tax		
Credit/(charge)for the period	**(2,119)**	1,852
Adjustment in respect of prior periods	**192**	279
Adjustment in respect of rate changes	**(12)**	(9,645)
	(1,939)	(7,514)
Taxation charge for the period	**(8,352)**	(14,239)

The previous-year tax charge in the above table includes a one-time accounting tax charge of ¥ 9,590 million following U.S. tax reforms enacted during the third quarter of the previous year. The headline rate of U.S. federal corporate tax fell from 35 percent to 21 percent with a corresponding decrease in the accounting value of the Group's deferred tax assets.

The Group has a tax charge for FY2019 which results in an effective rate of tax of 50.7 percent on the profit before taxation for the period, after excluding the Group's share of net profits of joint ventures and associates (FY2018: a tax charge of 72.1 percent).

The tax charge for the year is calculated as the sum of the total current and deferred tax charge or credit arising in each territory in which the Group operates.

(j) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent, after deducting dividends and redemption premium 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.

	Period ended 31st March 2019	Period ended 31st March 2018 (restated)
	¥ millions	¥ millions
Profit attributable to owners of the parent	**13,287**	6,164
Adjustment for;		
- Dividends on class A shares	**(2,114)**	(1,800)
- Redemption premium paid on class A shares	**(750)**	-
Profit used to determine basic earnings per share	**10,423**	4,364
	Thousands	Thousands
Weighted average number of ordinary shares in issue	**90,509**	90,403
	¥	¥
Basic earnings per share	**115.16**	48.27

(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. 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. 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.

	Period ended 31st March 2019	Period ended 31st March 2018 (Restated)
	¥ millions	¥ millions
Earnings		
Profit attributable to owners of the parent	**13,287**	6,164
Profit used to determine diluted earnings per share	**13,287**	6,164
	Thousands	Thousands
Weighted average number of ordinary shares in issue	**90,509**	90,403
Adjustment for:		
- Share options	611	609
- Preferred shares	64,934	67,572
Weighted average number of ordinary shares for diluted earnings per share	**156,054**	158,584
	¥	¥
Diluted earnings per share	**85.14**	38.87

(k) Dividends paid and proposed

	Year ended 31st March 2019	Year ended 31st March 2018
	¥ millions	¥ millions
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the year ended 31 March 2018 ¥ 20 per share (2017: ¥ 0 per share)	**1,809**	-
Interim dividend for the year ended 31 March 2019 ¥ 10 per share * (2018: ¥ 0 per share)	**905**	-
Dividends on ordinary shares declared after the end of the reporting period and not recognized as a liability:		
Final dividend for the year ended 31 March 2019 ¥ 20 per share (2018: ¥ 20 per share)	**1,811**	1,809

* Centennial commemoration dividend

	Year ended 31st March 2019	Year ended 31st March 2018
	¥ millions	
Dividends on Class A shares declared and paid during the period:		
Final dividend for the year ended 31 March 2018 ¥ 45,000 per share (2017: ¥ 0 per share)	**1,800**	
Interim dividend for the year ended 31 March 2019 ¥ 27,575.30 per share (2018: ¥ 0 per share)	**1,103**	-
The Daily Prorated Preferred Dividend for partial acquisition During FY2019 ¥ 10,246.60 per share (2018: ¥ 0 per share)	**51**	-
Dividends on Class A shares declared after the end of the reporting period and not recognized as a liability:		
Final dividend for the year ended 31 March 2019 ¥ 27,424.70 per share (2018: ¥ 45,000 per share)	**960**	1,800

(l) Exchange rates

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

	FY2019 31 March 2019		FY2018 31 March 2018	
	Average	**Closing**	Average	Closing
GBP	**146**	**144**	147	150
US dollar	**111**	**111**	111	106
Euro	**129**	**124**	130	132
Argentine peso	**-**	**2.53**	6.30	5.30

(m) Cash flows generated from operations

	Note	**FY2019 for the period 1 April 2018 to 31 March 2019** ¥ millions	FY2018 for the period 1 April 2017 to 31 March 2018 (restated) ¥ millions
Profit for the period from continuing operations		**14,378**	7,907
Adjustments for:			
Taxation	(6)-(i)	**8,352**	14,239
Depreciation		**24,218**	25,342
Amortization		**3,692**	4,094
Impairment		**4,614**	622
Reversal of impairment of non-current assets		**(2,735)**	(4,195)
Profit on sale of property, plant and equipment		**(157)**	(2,381)
Profit on sales of subsidiaries, joint ventures, associates and businesses		**(4)**	(51)
Exchange gain on business closure		**(698)**	-
Gain on disposal of investments in associates		**-**	(1,541)
Grants and deferred income		**768**	(256)
Finance income	(6)-(h)	**(2,131)**	(1,080)
Finance expenses	(6)-(h)	**15,432**	15,704
Share of profits from joint ventures and associates		**(6,244)**	(2,403)
Other items		**(1,433)**	(1,399)
Operating cash flows before movement in provisions and working capital		**58,052**	54,602
Decrease in provisions and retirement benefit obligations		**(8,593)**	(5,671)
Changes in working capital:			
- inventories		**(10,045)**	(4,688)
- trade and other receivables		**2,211**	(993)
- trade and other payables		**1,394**	6,486
- contract balances		**1,415**	1,306
Net change in working capital		**(5,025)**	2,111
Cash flows generated from operations		**44,434**	51,042

(n) Cash and cash equivalents

	As at 31 March 2019 ¥ millions	As at 31 March 2018 ¥ millions
Cash and cash equivalents	**52,406**	64,801
Bank overdrafts	**(2,114)**	(2,002)
	50,292	62,799

(o) Post-retirement benefits

(Charges) and credits, relating to defined benefit type post-retirement benefit arrangements were recorded in the income statement and statement of comprehensive income as follows:

FY2019 for the period 1 April 2018 to 31 March 2019

	Operating costs ¥ millions	**Exceptional costs ¥ millions**	**Finance costs ¥ millions**	**SoCI* ¥ millions**
Post-employment benefits	**(3,611)**	**(2,144)**	**359**	**(465)**
Post-retirement healthcare benefits	**(26)**	**-**	**(839)**	**3,682**
Deferred income and other taxes**	**-**	**759**	**-**	**(2,520)**
	(3,637)	**(1,385)**	**(480)**	**697**

FY2018 for the period 1 April 2017 to 31 March 2018

	Operating costs ¥ millions	Exceptional costs ¥ millions	Finance costs ¥ millions	SoCI* ¥ millions
Post-employment benefits	(3,858)	-	(89)	6,367
Post-retirement healthcare benefits	(27)	-	(911)	(677)
Deferred income and other taxes**	-	-	-	(3,941)
	(3,885)	-	(1,000)	1,749

* Consolidated Statement of Comprehensive Income
** Included within deferred income and other taxes is a deferred tax charge of ¥ 943 million (FY2018: charge of ¥ 566 million) and other taxes of ¥ 1,577million (FY2018: ¥ 3,375 million), which represent a charge against the pension asset.

A summary of the main assumptions, applying to the Group's most material retirement benefit obligations is set out below.

	As at 31 March 2019 %	As at 31 March 2018 %
UK discount rate	**2.4**	2.6
UK inflation	**2.1**	2.0
Japan discount rate	**0.6**	0.7
US discount rate	**3.6**	3.8
Eurozone discount rates (range)	**1.0-1.4**	1.0-1.5

(p) Restatement of FY2018 Comparative Information

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' effective from the Group's financial period commencing 1 April 2018. The Group applied IFRS 15 retrospectively using the practical expedient in paragraph C5(c) of IFRS 15, under which the Group does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Group expects to recognize that amount as revenue for all reporting periods presented before 1 April 2018.

The main practical change is that the Group will, in certain circumstances, recognize revenue from the sale of tooling to automotive customers on acceptance of that tooling by the customer. The Group's previous policy was to recognize this revenue over the life of the associated automotive supply contract. This may result in a change to the level of revenue recognized with respect to automotive tooling in any given year, although the Group expects no material impact over the medium-term.

In accordance with IAS1, as the Group considers the financial impact of adopting IFRS15 to be relatively immaterial, a third full comparative statement of financial position as at 1 April 2017 is not provided. The following tables summarize the impacts of adopting IFRS 15 on the Group's consolidated financial statements:

Consolidated balance sheet

¥ millions

As at 1 April 2017	**Impact of changes in accounting policies**		
	As previously reported	Adjustments	**As restated**
Total Assets	790,192	(4,158)	**786,034**
Total Liabilities	656,484	(4,914)	**651,570**
Retained earnings	(59,646)	756	**(58,890)**
Other	183,792	-	**183,792**
Total shareholders' equity	124,146	756	**124,902**
Non-controlling interests	9,562	-	**9,562**
Total Equity	133,708	756	**134,464**
Total Liabilities and Equity	790,192	(4,158)	**786,034**

Consolidated balance sheet continued

¥ millions

As at 31 March 2018	Impact of changes in accounting policies		
	As previously reported	Adjustments	**As restated**
Intangible assets	57,389	(140)	**57,249**
Property, plant and equipment	252,778	(8,673)	**244,105**
Deferred tax assets	36,115	(214)	**35,901**
Contract assets	-	4,252	**4,252**
Trade and other receivables	90,262	(3,673)	**86,589**
Inventories	108,975	5,799	**114,774**
Construction work-in-progress	641	(641)	**-**
Other	245,722	-	**245,722**
Total Assets	791,882	(3,290)	**788,592**
Trade and other payables	134,290	(1,619)	**132,671**
Contract liabilities	-	4,445	**4,445**
Deferred income	12,296	(6,825)	**5,471**
Deferred tax liabilities	18,567	(149)	**18,418**
Other	483,872	-	**483,872**
Total Liabilities	649,025	(4,148)	**644,877**
Retained earnings	(52,140)	790	**(51,350)**
Other reserves	(28,685)	68	**(28,617)**
Other	215,159	-	**215,159**
Total shareholders' equity	134,334	858	**135,192**
Non-controlling interests	8,523	-	**8,523**
Total Equity	142,857	858	**143,715**
Total Liabilities and Equity	791,882	(3,290)	**788,592**

Consolidated income statement

¥ millions

For the period 1 April 2017 to 31 March 2018	Impact of changes in accounting policies		
	As previously reported	Adjustments	**As restated**
Revenue	603,852	(4,955)	**598,897**
Cost of sales	(441,887)	4,924	**(436,963)**
Other net operating costs	(126,302)	-	**(126,302)**
Operating profit	35,663	(31)	**35,632**
Exceptional items	(1,265)	-	**(1,265)**
Finance costs – net	(14,624)	-	**(14,624)**
Share of post-tax profit from joint ventures and associates	2,403	-	**2,403**
Profit before taxation	22,177	(31)	**22,146**
Taxation	(14,304)	65	**(14,239)**
Profit for the period	7,873	34	**7,907**
Profit attributable to non-controlling interests	1,743	-	**1,743**
Profit attributable to owners of the parent	6,130	34	**6,164**
	7,873	34	**7,907**

Consolidated statement of comprehensive income

¥ millions

For the period 1 April 2017 to 31 March 2018	Impact of changes in accounting policies		
	As previously reported	Adjustments	**As restated**
Profit for the period	7,873	34	**7,907**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign currency translation adjustments	6,484	68	**6,552**
Other	(3,503)	-	**(3,503)**
Total comprehensive income for the period	10,854	102	**10,956**
Profit attributable to non-controlling interests	735	-	**735**
Profit attributable to owners of the parent	10,119	102	**10,221**
	10,854	102	**10,956**

Consolidated statement of cash flow

¥ millions

For the period 1 April 2017 to 31 March 2018	Impact of changes in accounting policies		
	As previously reported	Adjustments	**As restated**
Profit for the period	7,873	34	**7,907**
Adjustments for:			
Taxation	14,304	(65)	**14,239**
Depreciation	27,896	(2,554)	**25,342**
Amortization	4,134	(40)	**4,094**
Grants and deferred income	65	(321)	**(256)**
Changes in working capital:			
Inventories	(2,362)	(2,326)	**(4,688)**
Construction work-in-progress	41	(41)	**-**
Trade and other receivables	(2,898)	1,905	**(993)**
Trade and other payables	6,831	(345)	**6,486**
Contract balances	-	1,306	**1,306**
Other	(18,721)	-	**(18,721)**
Net cash inflows from operating activities	37,163	(2,447)	**34,716**
Purchases of property, plant and equipment	(31,582)	2,447	**(29,135)**
Purchases of intangible assets	(2,166)	-	**(2,166)**
Other	13,389	-	**13,389**
Net cash outflows from investing activities	(20,359)	2,447	**(17,912)**
Net cash outflows from financing activities	(33,889)	-	**(33,889)**
Decrease in cash and cash equivalents (net of bank overdrafts)	(17,085)	-	**(17,085)**

(q) Hyperinflationary accounting adjustments

As from Q2 FY2019, 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	9.709
31 March 2007	103.9	9.348
31 March 2008	120.2	8.077
31 March 2009	128.7	7.544
31 March 2010	146.5	6.628
31 March 2011	165.5	5.867
31 March 2012	186.7	5.200
31 March 2013	211.1	4.599
31 March 2014	265.6	3.656
31 March 2015	305.7	3.176
31 March 2016	390.6	2.486
31 March 2017	467.2	2.078
31 March 2018	596.1	1.629
30 April 2018	606.8	1.600
31 May 2018	652.3	1.488
30 June 2018	694.7	1.398
31 July 2018	727.4	1.335
31 August 2018	763.0	1.273
30 September 2018	812.6	1.195
31 October 2018	827.9	1.173
30 November 2018	854.0	1.137
31 December 2018	877.9	1.106
31 January 2019	901.4	1.077
28 February 2019	935.4	1.038
31 March 2019	970.9	1.000

The Group's subsidiaries in Argentina have restated 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 considered to be 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).

(7) Significant subsequent events

Partial acquisition and retirement of Class A Shares

On 10 May 2019 the Group announced its intention to undertake a partial acquisition and retirement of Class A shares. The Company intends to redeem 5,000 shares, leaving 30,000 Class A shares remaining in issue. Including preferred dividends and acquisition premium payable, the total acquisition cost of these shares will be ¥ 5,800 million. The acquisition date will be 6 June 2019 and as a result, other capital surplus will be reduced by ¥ 5,750 million.
The Company originally issued Class A Shares of ¥ 40,000 million on 31 March 2017 in order to expedite the enhancement of shareholders' equity and achieve a stable financial base. The NSG Group's subsequent efforts to improve its financial position and reduce interest cost have been successfully achieved, enabling a continuous improvement of the Group's earnings. Consequently in December 2018, the Company first acquired and retired 5,000 shares (issue price JPY5,000 million) as a part of the issued Class A shares (acquisition and retirement), aiming for reducing preferred dividend and redemption premium payments. The second acquisition and retirement was decided for the same purpose.

The Company intends to redeem the remaining Class A Shares in a timely and flexible manner, while maintaining financial stability, in order to ultimately redeem all of the Class A shares in future for money.