FY 2013 1st Quarter Consolidated Financial Results <IFRS>

2 August 2012

(English translation of the Japanese original)

Listed Company Name:	Nippon Sheet Glass Co., Ltd.	Stock Exchange Listing: Tokyo, Osaka	
Code Number	5202	(URL http://www.nsg.com)	
Representative:	Representative Executive Director, President and CEO	Name:	Keiji Yoshikawa
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Submission of quarterly report to MOF: 3 August 2012
Payment of dividends starts from: N/A
Quarterly result presentation papers: Yes
Quarterly result presentation meeting: Yes
(Teleconference for institutional investors)

1. Consolidated business results for FY 2013 Quarter 1 (From 1 April 2012 to 30 June 2012)

(1) Consolidated business results

	Revenue		Operating profit/(loss)		Profit/(loss) before taxation		Profit/(loss) for the period		Profit /(loss) attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Q1 FY 2013	131,221	(9.6)	(8,509)	-	(11,674)	-	(10,603)	-	(10,744)	-	(32,775)	-
Q1 FY 2012	145,162	(2.0)	3,615	(43.6)	1,852	(56.8)	1,879	(40.0)	1,590	(40.2)	(4,502)	-

	Earnings per share - basic	Earnings per share - diluted
Q1 FY 2013	¥ (11.91)	¥ (11.91)
Q1 FY 2012	¥ 1.76	¥ 1.76

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio
	¥ millions	¥ millions	¥ millions	%
FY 2013 Quarter 1	799,030	135,996	127,518	16.0
FY 2012 Full year	848,752	170,535	161,313	19.0

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
FY 2012 (Actual)	-	¥ 3.00	-	¥ 1.50	¥ 4.50
FY 2013 (Actual)	-	-	-	-	-
FY 2013 (Forecast)	-	¥0.00	-	¥ 0.00	¥ 0.00

Note: There have been no changes to the forecast dividends this quarter.

3. Forecast for FY 2013 (From 1 April 2012 to 31 March 2013)

	Revenue		Operating profit/(loss)		Profit/(loss) before taxation		Profit/(loss) for the period		Profit /(loss) attributable to owners of the parent		Earnings per share - basic
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Half Year	260,000	(9.9)	(13,000)	-	(19,000)	-	(17,000)	-	(17,000)	-	(18.84)
Full year	530,000	(4.0)	(18,000)	-	(30,000)	-	(27,000)	-	(28,000)	-	(31.03)

Note: There have been changes to the forecast results this quarter.
For further details, please refer to the prospects section on pages 7 through to 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--- No
- (ii) Changes due to other reasons --- No
- (iii) Changes in accounting estimates -- No

(c) Number of shares outstanding (common stock)

- (i) Number of shares issued at the end of the period, including shares held as treasury stock:
  903,550,999 shares as of 30 June 2012 and 903,550,999 shares as of 31 March 2012
- (ii) Number of shares held as treasury stock at the end of the period:
  1,203,557 shares as at 30 June 2012 and 1,200,613 shares as at 31 March 2012
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
  902,349,011 shares for the period ending 30 June 2012 and 902,144,704 shares for the period ending 30 June 2011

Status of quarterly review procedures taken by external auditors for the quarterly results

These quarterly consolidated financial results are out of scope for independent review by the external auditors based on the Financial Instrument and Exchange Law of Japan (MOF). The review procedures are still ongoing as of the date of announcement of the quarter consolidated financial results.

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 the Group and certain assumptions considered reasonable. Hence, the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Japan, Europe, North and South America, Asia, etc.), product supply/demand shifts, fluctuations in currency exchange and interest rates, as well as price changes in primary fuels and raw materials. Please refer to the section entitled “Prospects” on pages 7 through to 8 for qualitative information such as assumptions used for the projections.

[Attachments]

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

1 Narratives about financial results

(1) Business Performance and Financial Standing

(a) Background to Results

During the first quarter of the year, many of the Group's core markets deteriorated significantly. Consequently, volumes in the Group's Architectural and Automotive markets have been below expectations. Solar Energy volumes were stable but significantly below the previous year. Technical glass markets were relatively strong.

In Europe, Architectural markets were weak, as economic uncertainty affected levels of public, commercial, and residential construction. Volumes declined from previous quarters, and prices weakened across most regions. Automotive markets were also increasingly challenging, with declining consumer demand in most major markets leading to reductions in vehicle production. Exports of premium vehicles continued to provide some support to production levels. Automotive Glass Replacement (AGR) demand also fell, as consumers postponed replacing damaged windshields where possible. In Technical glass markets, volumes of glass cord for engine timing belts fell in line with conditions experienced in the automotive business.

Architectural markets in Japan are still at a low level, although there are also some signs of improvement. Automotive markets were strong with eco-car subsidies and new model launches contributing to improving levels of consumer demand. AGR markets were also positive. Technical glass markets continued to improve with relatively strong demand for consumer electronics, printers, and scanners.

In North America, architectural markets were stable, but are still significantly below the level of 2008. Market volumes in Automotive continued to improve and are significantly above the previous year. Demand in AGR markets was soft.

In the rest of the world, the Group's architectural and automotive markets in South America were challenging, with declining demand. Market conditions in South East Asia were also difficult with a weak pricing environment resulting from continued exports of glass from China.

(b) Review by Business Segment

The Group's business lines cover three core product sectors: Building Products, Automotive, and Specialty Glass.

Architectural, representing 40 percent of Group sales in the first quarter, 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 48 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 12 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small 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 line.

JPY millions	**Revenue**		**Operating profit before exceptional items**	
	Q1 FY13	**Q1 FY12**	**Q1 FY13**	**Q1 FY12**
Architectural Glass	52,371	63,703	(3,278)	4,159
Automotive	63,154	66,207	2,615	2,021
Technical Glass	15,134	14,881	1,504	1,645
Other Operations & Eliminations	562	371	(1,902)	(4,210)
Total	131,221	145,162	(1,061)	3,615

Architectural Business

The Architectural business generated a loss for the quarter due to a decline in market volumes, largely in Europe. Solar Energy dispatches, as expected, were significantly below the previous year.

In Europe, representing 41 percent of the Group's Architectural sales, revenues and profits fell from the previous year. Volumes fell by approximately 10 percent from the rate towards the end of the previous financial year. This then resulted in overcapacity and a weak pricing environment. Prices are now at historically low levels. On 14 May 2012, the Group announced its intention to keep one of the two furnaces of its Gladbeck float plant in Germany out of operation until at least the end of calendar year 2012. This followed the completion of a planned cold repair of that line. On 6 July 2012, the Group announced its intention to put the Architectural float furnace at Porto Marghera, Venice, Italy, on 'hot-hold'. This means that the furnace will be kept in an active state from which it can be restarted at short notice when market conditions permit.

Revenues in Japan, representing 33 percent of Architectural sales, were below the previous year, with flat domestic markets and reduced dispatches of Solar Energy glass. An improving product mix in the downstream business offset some of the volume reductions.

In North America, representing 8 percent of Architectural sales, revenues and profits were below the previous year. Dispatches of Solar Energy glass fell, whilst domestic residential and commercial volumes were flat. On 6 July 2012, the Group announced that one of the two float lines at the Group's plant in Laurinburg, USA, will be idled. This process is expected to be completed between August and September 2012. It is intended that production will recommence on this line when market conditions permit.

In the rest of the world, revenues improved from the previous year with a full quarter of sales generated by the Group's Solar Energy float line in Vietnam, which commenced production during the previous year. Market conditions were challenging, with volumes in South America being below the previous year. Market conditions in South East Asia were also difficult, although the Group's Solar Energy rolled line in China experienced improved demand.

The Architectural business achieved revenues of ¥ 52,371 million and an operating loss of ¥ 3,278 million.

Automotive Business

In the Automotive business, revenues fell from the previous year due to a significant decline in volumes in Europe. This was partly offset by improving market conditions in Japan, with the first quarter of the previous year being badly affected by the March 2011 earthquake.

Europe represents 44 percent of the Group's Automotive sales. In the European Original Equipment (OE) sector, revenues and profits fell from the previous year due to declining demand. Results in the Automotive Glass Replacement (AGR) business also fell, with reduced demand being partly offset by an increasing proportion of sales of higher value-added products.

In Japan, representing 19 percent of the Group's Automotive sales, revenues and profits were higher than the previous year. Following the March 2011 earthquake, which significantly impacted the first quarter of the previous year, market volumes improved steadily during FY2012, and this positive trend has continued during the first quarter of the current year.

In North America, representing 24 percent of the Group's Automotive sales, OE revenues and profits improved from the previous year due to increased volumes. AGR revenues fell however, with reduced market demand. Profits fell less significantly with cost savings and an improving product mix, offsetting the lower volumes.

In the rest of the world, revenues and profits both fell, mainly due to challenging market conditions in South America, where slowing economies have led to a decline in consumer vehicle purchases.

The Automotive business recorded sales of ¥ 63,154 million and an operating profit of ¥ 2,615 million.

Technical Glass Business

Revenues and profits in the Technical Glass Business were similar to the previous year. Demand for thin glass for displays increased for some thicknesses, but declined for others. End-customer demand in sectors such as smart phones and tablet pc's was generally positive. Demand for components used in multi-function printers improved. Demand for glass cord used in engine timing belts increased in Japan but fell in Europe, consistent with market conditions experienced in the Automotive business.

The Technical Glass business recorded revenues of ¥ 15,134 million and an operating profit of ¥ 1,504 million.

Other Operations and Eliminations

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 losses incurred in Other Operations and Eliminations fell from the previous year due to cost savings and some non-recurring gains.

Consequently, this segment recorded revenues of ¥ 562 million and operating costs of ¥ 1,902 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits fell as these business experienced market conditions similar to the Group's Architectural subsidiary businesses. Profits at Cebrace, the Group's joint venture in Brazil, fell due to reduced volumes and prices. Profitability at the Group's Architectural joint ventures in China also fell.

The Group's share of joint ventures and associates losses after tax was ¥ 103 million (Q1 FY11 profit of ¥ 1,959 million).

(2) Financial condition

Total assets at the end of June 2012 were ¥ 799,030 million, representing a decrease of ¥ 49,722 million from the end of March 2012. The Group has adopted "Net Debt" (interest–bearing debt minus cash and cash equivalents) as a Key Performance Indicator for its level of indebtedness. The table below shows the movement of "Net Debt" following the acquisition of Pilkington in June 2006.

		Net Debt
		JPY million
FY2007 Quarter 1	30 June 2006	514,097
FY2007 Full year	31 March 2007	400,203
FY2008 Full year	31 March 2008	328,479
FY2009 Full year	31 March 2009	331,343
FY2010 Full year	31 March 2010	357,562
FY2011 Full year	31 March 2011	313,131
FY2012 Full year	31 March 2012	351,155
FY2013 Quarter 1	30 June 2012	359,198

Net financial indebtedness increased by ¥ 8,043 million from 31 March 2012 to ¥ 359,198 million at the period end. Increases in indebtedness were caused primarily by the low overall level of profitability and also seasonally negative cash flows. Cash outflows from operating activities were ¥ 6,787 million. Cash outflows from investing activities were ¥ 6,554 million, including capital expenditure on property, plant, and equipment of ¥ 7,492 million. As a result, total cash outflows before financing were ¥ 13,341 million. Currency movements generated a reduction in net debt of approximately ¥ 11,040 million over the period. Gross debt was ¥ 402,216 million at the period end.

As at 30 June 2012 the Group had un-drawn committed forward start facilities of ¥30,000 million, maturing in FY2019, which were arranged to refinance loans maturing in FY 2013. In addition, at 30 June 2012 the Group had access to committed un-drawn revolving credit facilities of ¥50,000 million, ¥30,000 of which mature in FY2015 and the remainder mature in FY 2016 and FY 2017.

(3) Prospects

The forecast of sales, operating profit, profit before taxation, profit after taxation, profit attributable to owners of the parent and income per share is set out on page 2. This forecast has been amended from that first issued on 10 May 2012.

The market conditions faced by the Group during the first quarter of the year were significantly worse than previously expected, particularly in Europe, which accounts for approximately 40 percent of the Group's revenues. Economic uncertainty has led to a decline in volumes of many of the Group's core products. Consumers, faced with a deteriorating economic outlook, have increasingly sought to postpone significant spending decisions. Excess glass manufacturing capacity in China has resulted in exports from China into South East Asia and beyond, causing an erosion of price levels in those markets. Volumes of Solar Energy glass, whilst still growing over the medium-term, declined during the third and fourth quarters of FY2012 and have since been stable at significantly reduced levels. The strong Japanese yen continues to have a negative translational impact on the Group's published results, as well as causing a reduction in demand for exports from Japan containing the Group's glass. The Group does not expect to experience a significant improvement in market conditions during the remainder of the financial year, although operating results are expected to improve, as cost savings, arising from the Group's restructuring program are increasingly realized.

The Group has announced a series of actions to improve profitability in the current challenging environment. On 2 February 2012, the Group announced a program of capacity rationalization and headcount reduction, with a total cash cost of ¥25,000 million and recurring cash benefits of ¥20,000 million. On 10 May 2012, the Group announced an acceleration of this program such that it would be completed within two years rather than three as originally anticipated.

The Group has subsequently announced further capacity reductions, in order to align supply and demand, that were not included in the original restructuring program announced. On 14 May 2012, the Group announced its intention to keep one of the two furnaces of its Gladbeck float plant in Germany out of operation until at least the end of calendar year 2012. This followed the completion of a planned cold repair of that line. On 6 July 2012, the Group announced its intention to put its Architectural float furnace at Porto Marghera, Venice, Italy, on 'hot-hold'. This means that the furnace will be kept in an active state from which it can be restarted at short notice when market conditions permit. Also on 6 July 2012, the Group announced that one of the two float lines at the Group's plant in Laurinburg, USA, will be idled. This process is expected to be completed between August and September 2012 and it is intended that production will recommence on this line when market conditions permit.

The Group now anticipates a higher level of benefits as a result of these additional restructuring actions, together with other actions not yet separately announced. Total annualized restructuring benefits, which were expected to be ¥ 20,000 million per year, are now anticipated to be ¥ 25,000 million per year. Total restructuring costs of ¥ 25,000 million are not expected to change, however non-cash impairments are expected to increase from ¥ 3,000 million to ¥ 9,000 million as a consequence of the additional plant closures anticipated.

2 Other information

(1) Changes in status of principal subsidiaries

There was no change.

(2) Changes in accounting principles, practices and presentations

There was no change

3 Consolidated Financial Statements

(1). (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**Quarter 1 FY13 For the period 1 April 2012 to 30 June 2012**	Quarter 1 FY12 For the period 1 April 2011 to 30 June 2011
Revenue	(6)-(a)	**131,221**	**145,162**
Cost of sales		**(103,010)**	**(106,857)**
Gross profit		**28,211**	**38,305**
Other income		**1,927**	**1,364**
Distribution costs		**(11,950)**	**(13,510)**
Administrative expenses		**(15,844)**	**(18,640)**
Other expenses		**(3,405)**	**(3,904)**
Operating profit before exceptional items	(6)-(a)	**(1,061)**	**3,615**
Exceptional items	(6)-(b)	**(7,448)**	-
Operating profit	(6)-(a)	**(8,509)**	**3,615**
Finance income	(6)-(c)	**484**	**524**
Finance expenses	(6)-(c)	**(3,546)**	**(4,246)**
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**(103)**	**1,959**
Profit before taxation		**(11,674)**	**1,852**
Taxation	(6)-(d)	**1,071**	**27**
Profit for the period		**(10,603)**	**1,879**
Profit attributable to non-controlling interests		**141**	**289**
Profit attributable to owners of the parent		**(10,744)**	**1,590**
		(10,603)	**1,879**
Earnings per share attributable to owners of the parent	(6)-(e)		
Basic		**(11.91)**	**1.76**
Diluted		**(11.91)**	**1.76**

(1). (b) Condensed quarterly consolidated statement of comprehensive income

¥ millions

	Quarter 1 FY13 For the period 1 April 2012 to 30 June 2012	Quarter 1 FY12 For the period 1 April 2011 to 30 June 2011
Profit for the period	**(10,603)**	**1,879**
Other comprehensive income:		
Foreign currency translation adjustments	**(20,020)**	**(5,812)**
Revaluation of available-for-sale investments	**(129)**	**73**
Cash flow hedges:		
- fair value gains, net of taxation	**(2,013)**	**(642)**
Other	**(10)**	-
Other comprehensive income for the period, net of taxation	**(22,172)**	**(6,381)**
Total comprehensive income for the period	**(32,775)**	**(4,502)**
Attributable to non-controlling interests	**(333)**	**47**
Attributable to owners of the parent	**(32,442)**	**(4,549)**
	(32,775)	**(4,502)**

(2) Condensed quarterly consolidated balance sheet

¥ millions

	Quarter 1 FY13 as of 30 June 2012	FY12 as of 31 March 2012
ASSETS		
Non-current assets		
Goodwill	**95,460**	105,018
Intangible assets	**79,380**	87,475
Property, plant and equipment	**248,247**	260,597
Investment property	**630**	675
Investments accounted for using the equity method	**44,791**	50,359
Trade and other receivables	**9,479**	7,806
Financial assets:		
- Available-for-sale investments	**8,742**	9,156
- Derivative financial instruments	**382**	1,356
Deferred tax assets	**58,797**	61,248
	545,908	583,690
Current assets		
Inventories	**101,797**	106,112
Construction work-in-progress	**1,116**	576
Trade and other receivables	**106,595**	111,583
Financial assets:		
- Available-for-sale investments	**3**	3
- Derivative financial instruments	**2,314**	2,354
Cash and cash equivalents	**40,321**	43,346
	252,146	263,974
Assets held for sale	**976**	1,088
	253,122	265,062
Total Assets	**799,030**	848,752
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**143,150**	110,375
- Derivative financial instruments	**2,694**	2,363
Trade and other payables	**104,494**	112,746
Provisions	**16,412**	14,896
Deferred income	**2,161**	2,493
	268,911	242,873

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	Quarter 1 FY13 as of 30 June 2012	FY12 as of 31 March 2012
Non-current liabilities		
Financial liabilities:		
- Borrowings	**254,284**	283,565
- Derivative financial instruments	**2,086**	1,909
Trade and other payables	**1,011**	2,751
Deferred tax liabilities	**34,623**	37,849
Retirement benefit obligations	**80,891**	87,306
Provisions	**15,051**	15,733
Deferred income	**6,177**	6,231
	394,123	435,344
Total liabilities	**663,034**	678,217
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,449**	116,449
Capital surplus	**127,511**	127,511
Retained earnings	**18,684**	30,793
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(67,078)**	(45,392)
Total shareholders' equity	**127,518**	161,313
Non-controlling interests	**8,478**	9,222
Total equity	**135,996**	170,535
Total liabilities and equity	**799,030**	848,752

(3) Condensed quarterly consolidated statement of changes in equity

¥ million

	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders equity**	Non-controlling interests	**Total equity**
At 1 April 2012	116,449	127,511	30,793	(68,048)	(45,392)	**161,313**	9,222	**170,535**
Total Comprehensive Income			(10,755)		(21,687)	**(32,442)**	(333)	**(32,775)**
Dividends paid			(1,354)			**(1,354)**	(411)	**(1,765)**
Issuance & purchase of treasury stock					1	**1**		**1**
At 30 June 2012	**116,449**	**127,511**	**18,684**	**(68,048)**	**(67,078)**	**127,518**	**8,478**	**135,996**

¥ million

	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders equity**	Non-controlling interests	**Total equity**
At 1 April 2011	116,449	127,510	63,475	(68,048)	(23,154)	**216,232**	10,345	**226,577**
Total Comprehensive Income			1,590		(6,139)	**(4,549)**	47	**(4,502)**
Dividends paid			(2,704)			**(2,704)**	(23)	**(2,727)**
Issuance & purchase of treasury stock					(1)	**(1)**		**(1)**
At 30 June 2011	**116,449**	**127,510**	**62,362**	**(68,048)**	**(29,295)**	**208,978**	**10,371**	**219,349**

(4) Condensed quarterly consolidated statement of cash flows

¥ millions

	Note	Quarter 1 FY13 for the period 1 April 2012 to 30 June 2012	Quarter 1 FY12 for the period 1 April 2011 to 30 June 2011
Cash flows from operating activities			
Cash generated from operations	(6)-(h)	(3,062)	(3,196)
Interest paid		(2,558)	(2,760)
Interest received		335	339
Tax paid		(1,502)	(2,425)
Net cash outflows from operating activities		(6,787)	(8,042)
Cash flows from investing activities			
Dividends received from joint ventures and associates		34	102
Purchase of joint ventures and associates		(52)	(369)
Purchase of subsidiaries (net of cash disposed)		(1,217)	-
Purchases of property, plant and equipment		(7,492)	(8,613)
Proceeds on disposal of property, plant and equipment		1,402	180
Purchases of intangible assets		(293)	(305)
Purchase of available-for-sale investments		(2)	(1)
Proceeds from available-for-sale investments		-	40
Loans with joint ventures, associates & third parties		961	(1,038)
Others		105	123
Net cash outflows from investing activities		(6,554)	(9,881)
Cash flows from financing activities			
Dividends paid to shareholders		(1,244)	(2,593)
Dividends paid to non-controlling interests		(408)	(26)
Repayment of borrowings		(7,507)	(27,188)
Proceeds from borrowings		20,607	35,074
Net cash inflows from financing activities		11,448	5,267
Decrease in cash and cash equivalents (net of bank overdrafts)		(1,893)	(12,656)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(i)	24,797	46,491
Effect of foreign exchange rate changes		(1,243)	(803)
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(i)	21,661	33,032

(5) Notes regarding going concern

There were no issues or events arising during the quarter, which negatively affect the ability of the Group to continue as a going concern.

(6) Notes to the Group Results

(a) Segmental information

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

From this first quarter, names of business segments were changed to Architectural Glass, Automotive and Technical Glass, which were previously Building Products, Automotive and Specialty Glass, respectively.

Architectural Glass, 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 growing 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 for small 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.

The segmental results for the first quarter to 30 June 2012 were as follows:

¥ millions

Quarter 1 FY13 For the period 1 April 2012 to 30 June 2012	Architectural Glass	Automotive	Technical Glass	Other Operations	Total
Revenue					
External revenue	52,371	63,154	15,134	562	131,221
Inter-segmental revenue	3,301	125	47	1,287	4,760
Total revenue	55,672	63,279	15,181	1,849	135,981
Segmental result before amortization arising from the acquisition of Pilkington plc	(3,278)	2,615	1,504	(190)	651
Amortization arising from the acquisition of Pilkington plc	-	-	-	(1,712)	(1,712)
Operating profit before exceptional items	(3,278)	2,615	1,504	(1,902)	(1,061)
Exceptional items					(7,448)
Operating profit after exceptional items					(8,509)
Finance costs – net					(3,062)
Share of post tax profit from joint ventures and associates					(103)
Profit before taxation					(11,674)
Taxation					1,071
Profit for the period from continuing operations					(10,603)

(a) Segmental information continued

The segmental results for the quarter to 30 June 2011 were as follows:

¥ millions

Quarter 1 FY12 For the period 1 April 2011 to 30 June 2011	Architectural Glass	Automotive	Technical Glass	Other Operations	Total
Revenue					
External revenue	63,703	66,207	14,881	371	145,162
Inter-segmental revenue	3,858	79	79	1,307	5,323
Total revenue	67,561	66,286	14,960	1,678	150,485
Segmental result before amortization arising from the acquisition of Pilkington plc	4,159	2,021	1,645	(2,274)	5,551
Amortization arising from the acquisition of Pilkington plc	-	-	-	(1,936)	(1,936)
Operating profit	4,159	2,021	1,645	(4,210)	3,615
Finance costs – net					(3,722)
Share of post tax profit from joint ventures and associates					1,959
Profit before taxation					1,852
Taxation					27
Profit for the period from continuing operations					1,879

The segmental assets at 30 June 2012 and capital expenditure for the first quarter ended 30 June 2012 were as follows:

¥ millions

	Architectural Glass	Automotive	Technical Glass	Other Operations	Total
Net trading assets	**156,893**	**165,811**	**48,618**	**215**	**371,537**
Capital expenditure (including intangibles)	**2,687**	**5,023**	**368**	**29**	**8,107**

The segmental assets at 31 March 2012 and capital expenditure for the first quarter ended 30 June 2011 were as follows:

¥ millions

	Architectural Glass	Automotive	Technical Glass	Other Operations	Total
Net trading assets	165,510	178,905	47,884	(3,707)	388,592
Capital expenditure (including intangibles)	1,632	4,548	235	16	6,431

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.

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

(b) Exceptional items

	Quarter 1 FY13 for the period 1 April 2012 to 30 June 2012	Quarter 1 FY12 for the period 1 April 2011 to 30 June 2011
	¥ millions	¥ millions
Exceptional Items (gains):		
Gain on acquisition of a subsidiary	**276**	-
Gain on joint venture dilution	**326**	-
	602	-
Exceptional Items (losses):		
Impairments of property, plant & equipment	**(3,302)**	-
Restructuring costs, including employee termination payments	**(4,679)**	-
Others	**(69)**	
	(8,050)	-
	(7,448)	-

The gain on subsidiary acquisition arises on the acquisition of the shares of Flovetro SpA, see note K, business combinations.

The gain on joint venture dilution arises on a refinancing of the Group's joint venture in Russia, where new investors have injected equity into the joint venture at a subscription price in excess of the accounting net asset value per share prior to the subscription.

The impairments arising during the quarter relate principally to the Group's architectural facility in Venice, Italy.

Restructuring costs arise in a variety of locations around the world and relate the Group's program to reduce costs as previously announced.

(c) Finance income and expenses

	Quarter 1 FY13 for the period 1 April 2012 to 30 June 2012	Quarter 1 FY12 for the period 1 April 2011 to 30 June 2011
	¥ millions	¥ millions
Finance income		
Interest income	**409**	417
Foreign exchange transaction gains	**4**	43
Fair value gains on financial instruments		
- interest rate swaps	**71**	64
	484	524
Finance expenses		
Interest expense:		
- bank and other borrowings	**(2,988)**	(3,682)
Dividend on non-equity preference shares due to minority shareholders	**(54)**	(62)
Foreign exchange transaction losses	**(156)**	(3)
Other interest and similar charges	**-**	(54)
	(3,198)	(3,801)
Unwinding discounts on provisions	**(71)**	(68)
Retirement benefit obligations - finance costs less finance income	**(277)**	(377)
	(3,546)	(4,246)

(d) Taxation

The tax rate on losses before taxation, excluding the Group's share of net profits of joint ventures and associates, is 9.3 per cent in the first quarter to 30 June 2012 (30 June 2011 – 25.2 per cent). The tax charge for the quarter is based on the estimated effective rate for the year to 31 March 2013.

(e) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

	Quarter ended 30th June 2012	Quarter ended 30th June 2011
	¥ millions	¥ millions
Profit attributable to owners of the parent	**(10,744)**	1,590
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,349**	902,145
	¥	¥
Basic earnings per share	**(11.91)**	1.76

(e) Earnings per share continued

(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. 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 compared with the number of shares that would have been issued assuming the exercise of the share options.

	Quarter ended 30th June 2012	Quarter ended 30th June 2011
	¥ millions	¥ millions
Earnings		
Profit attributable to owners of the parent	**(10,744)**	1,590
Profit used to determine diluted earnings per share	**(10,744)**	1,590

	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,349**	902,145
Adjustment for;		
- Share options	**-**	1,794
Weighted average number of ordinary shares for diluted earnings per share	**902,349**	903,939

	¥	¥
Diluted earnings per share	**(11.91)**	1.76

(f) Dividends paid

	Quarter ended 30th June 2012	Quarter ended 30th June 2011
	¥ millions	¥ millions
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the year ended 31 March 2012 ¥ 1.5 per share (2011: ¥ 3 per share)	**1,244**	2,593

(g) Exchange rates

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

	Quarter 1 FY13 30 June 2012		Year ended 31 March 2012		Quarter 1 FY12 30 June 2011	
	Average	**Closing**	Average	Closing	Average	Closing
GBP	**127**	**125**	126	131	133	129
US dollar	**80**	**80**	79	82	82	80
Euro	**103**	**101**	109	109	118	116

(h) Cash flows generated from operations

	Quarter 1 FY13 for the period 1 April 2011 to 30 June 2012	Quarter 1 FY12 for the period 1 April 2011 to 30 June 2011
	¥ millions	¥ millions
Profit /(loss) for the period from continuing operations	**(10,603)**	1,879
Adjustments for:		
Taxation	**(1,071)**	(27)
Depreciation	**6,561**	7,605
Amortization	**2,350**	2,567
Impairment	**3,302**	1
Gain on sale of property, plant and equipment	**(799)**	(32)
Grants and deferred income released	**188**	85
Finance income	**(484)**	(524)
Finance expenses	**3,546**	4,246
Share of profit from joint ventures and associates	**103**	(1,959)
Other items	**(878)**	(325)
Operating cash flows before movement in provisions and working capital	**2,215**	13,516
Decrease in provisions and retirement benefit obligations	**(1,138)**	(6,328)
Changes in working capital:		
- inventories	**403**	(6,371)
- construction work-in-progress	**(583)**	(246)
- trade and other receivables	**(1,850)**	(540)
- trade and other payables	**(2,109)**	(3,227)
Net change in working capital	**(4,139)**	(10,384)
Cash flows generated from operations	**(3,062)**	(3,196)

(i) Cash and cash equivalents

	As of 31 March 2012	As of 31 March 2011
	¥ millions	¥ millions
Cash and cash equivalents	**43,346**	60,906
Bank overdrafts	**(18,549)**	(14,415)
	24,797	46,491

	As of 30 June 2012	As of 30 June 2011
	¥ millions	¥ millions
Cash and cash equivalents	**40,321**	43,926
Bank overdrafts	**(18,660)**	(10,894)
	21,661	33,032

(j) Contingent Liabilities

Guarantees
At 30 June 2012, the Group has guaranteed, in the ordinary course of business ¥230 million in respect of other entities.

Claims
Following the European Commission's decision announced on 12 November 2008 to impose a fine on the Group for alleged breaches of European competition laws, certain of the Group's Automotive customers have communicated to the Group their intention to pursue the Group for damages arising from the alleged activities. The Group intends to defend itself against such claims and notes that it is still pursuing an appeal against the European Commission fine. To cover the cost of defense as well as any potential financial impact as may result from the resolution of certain cases the Group has made a provision for amounts that may be payable. In certain other cases, the Group considers that it is too early to judge the probable future outcome of the claim and as such cannot determine that the claim will probably result in an outflow of economic benefits to the claimants.

(k) Business Combinations

On 2 April 2012, the Group acquired the remaining 50 percent interest in Flovetro SpA that it did not already own. Previously this had been accounted for as a joint venture with the Group owning 50 percent of the issued share capital. Flovetro SpA is a float glass manufacturing entity supplying flat glass to the Group's Automotive business in Europe.

Under the terms of the acquisition, the Group paid cash of JPY 407m to St Gobain, the Group's former joint venture partner in this company. The book value of the Group's joint venture investment at the acquisition date was JPY 407m, and the Group processed a gain on revaluation of this investment to fair value on JPY 138m. The total fair value of the acquisition was therefore JPY 952m.

The fair value of assets acquired consisted of property, plant, & equipment of JPY 3,216m, inventories of JPY 724m, receivables of JPY 1,556m, financial liabilities of JPY (2,640)m, trade payables of JPY (874)m, overdrawn cash balances of JPY (812)m, and other net liabilities of JPY (80)m. Total net assets acquired were therefore JPY 1,090m.

Negative goodwill arising on this transaction therefore amounted to JPY 138m and was recognized as a gain during the period. Including the revaluation gain on the previous joint venture investment, the total gain recognized in the consolidated income statement as an exceptional item was JPY 276m.

(7) Significant subsequent events

There were no significant subsequent events.