FY 2016 2nd Quarter Consolidated Financial Results <IFRS> 29 October 2015

(English translation of the Japanese original)

Listed Company Name:	Nippon Sheet Glass Co., Ltd.	Stock Exchange Listing:	Tokyo
Code Number:	5202	(URL: http://www.nsg.com)	

Representative:	Representative Executive Officer, President and CEO	Name:	Shigeki Mori
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Submission of quarterly report to MOF: 2 November 2015 Payment of dividends start from: N/A
Quarterly result presentation papers: Yes
Quarterly result presentation meeting: Yes (For institutional investors)

1. Consolidated business results for FY 2016 Quarter 2 (From 1 April to 30 September 2015)

(1) Consolidated business results

	Revenue		Operating profit		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	%
Q2 FY 2016	321,735	4.0	6,088	(0.1)	(4,667)	-	(1,603)	-	(2,738)	-	(2,012)	-
Q2 FY 2015	309,477	2.4	6,093	23.1	10,862	-	8,285	-	7,884	-	16,902	62.5

	Earnings per share - basic	Earnings per share - diluted
Q2 FY 2016	¥ (3.03)	¥ (3.03)
Q2 FY 2015	¥ 8.73	¥ 8.71

Note:
Operating profit in the above table is defined from FY 2016 as being operating profit stated before exceptional items. The Group believes that this definition of profitability can be forecast with a greater degree of accuracy than operating profit after exceptional items.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio
	¥ millions	¥ millions	¥ millions	%
FY 2016 Quarter 2	907,366	183,431	173,432	19.1
FY 2015 Full year	920,106	186,008	175,746	19.1

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
FY 2015 (Actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00
FY 2016 (Actual)	-	¥ 0.00	-	-	¥ 0.00
FY 2016 (Forecast)	-	-	-	¥ 0.00	¥ 0.00

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

3. Forecast for FY 2016 (From 1 April 2015 to 31 March 2016)

	Revenue		Operating profit	
	¥ millions	%	¥ millions	%
Full year	650,000	3.7	19,000	12.8

Note: There have been changes to the forecast results this quarter.
For further details, please refer to the prospects section on page 7.

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 --- Yes

  Note: For further details, please refer to the changes in accounting principles, practices and presentations section on page 8.

(c) Numbers 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 September 2015 and 903,550,999 shares as of 31 March 2015
- (ii) Number of shares held as treasury stock at the end of the period:
  246,818 shares as at 30 September 2015 and 415,309 shares as at 31 March 2015
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
  903,211,449 shares for the period ending 30 September 2015 and 902,837,990 shares for the period ending 30 September 2014

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 quarterly 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 page 7 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

Second quarter market conditions continued to be mixed. European architectural markets were broadly flat, although activity in automotive markets continued to benefit from a gradual recovery in vehicle sales. In Japan, architectural markets improved slightly from the previous year, whilst automotive markets were negatively affected by revised eco-car tax exemption rules. North American markets showed further growth, particularly in architectural. Automotive markets in South America continued to suffer from a difficult economic environment. Overall, technical glass markets were mixed, with challenging conditions in display glass markets only partly offset by improvements in other areas.

Second quarter cumulative operating profits were similar to the previous year. The Group recorded a trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) of ¥ 10,146 million (FY15 ¥ 10,277 million). The loss attributable to owners of the parent was ¥ 2,738 million (FY15 restated profit of ¥ 7,884 million).

Comparison of actual results and previous forecast results

Operating profit, profit before taxation, loss for the period and loss attributable to owners of the parent for the half-year to 30 September 2015 differs from the previous forecast, originally issued on 14 May 2015, as set out below.

(Unit: JPY million, %)

	Revenue	Operating profit	Profit / (loss) before taxation	Loss for the period	Loss attributable to owners of the parent	Earnings per share - basic
Previous forecast (A) published on 14 May 2015	325,000	9,000	1,000	(1,000)	(1,750)	(1.94)
Actual results (B)	321,735	6,088	(4,667)	(1,603)	(2,738)	(3.03)
Change(B-A)	(3,265)	(2,912)	(5,667)	(603)	(988)	(1.09)
Change (%)	(1.0)	(32.4)	-	-	-	-
Previous H1 result (H1-FY2015)	309,477	6,093	10,862	8,285	7,884	8.73

The cumulative operating profit is lower than previously anticipated due mainly to difficult market conditions in the Group's display glass division, within the Technical Glass business line. The loss before taxation, loss for the period, and loss attributable to owners of the parent, are also further negatively impacted by the results of the Group's joint ventures and associates, due to exchange losses in Russia, and a decline in the profitability of the Group's joint ventures and associates in China.

(b) 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 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 segment.

¥ millions	Revenue		Operating profit	
	Q2 FY 2016	**Q2 FY 2015**	**Q2 FY 2016**	**Q2 FY 2015**
Architectural	133,067	123,935	9,120	5,752
Automotive	162,444	155,744	4,154	3,854
Technical Glass	25,823	29,182	179	2,431
Other Operations	401	616	(7,365)	(5,944)
Total	321,735	309,477	6,088	6,093

Architectural Business

Operating results in the Architectural business were better than the previous year due mainly to reduced input prices and further improvements in market conditions in North America. Revenues increased with the improvement in North American markets and the translational impact of the weakened Japanese yen.

In Europe, representing 36 percent of the Group's Architectural sales, demand remained at a low level, although some tentative signs of a market improvement were experienced during the second quarter, with prices firming in some regions. Cumulative local currency revenues were similar to the previous year. Profitability was negatively affected by a cold repair, offsetting the positive impact of lower input costs.

Japan represents 26 percent of Architectural sales. Cumulative volumes were slightly higher than the previous year. Market conditions prevented any significant upwards price pressure, although average selling prices were also above the previous year. Revenues and profitability increased with the improved volumes and prices.

In North America, representing 15 percent of Architectural sales, architectural glass markets continued to register year on year growth. The Group's revenues and profits improved from the previous year. Volumes increased, with domestic demand being particularly strong. Domestic price levels were above the previous year.

In the rest of the world, markets were generally at similar levels to the previous year. Solar glass dispatches were robust in South East Asia, although profits fell in South America, reflecting a cold repair in Argentina.

The Architectural business recorded revenues of ¥ 133,067 million and an operating profit of ¥ 9,120 million.

Automotive Business

In the Automotive business, revenues were slightly better than the previous year, due partly to the translational impact of a weaker Japanese yen.

Europe represents 44 percent of the Group's Automotive sales. Light-vehicle sales were ahead of the previous year, with growth in Western Europe indicating a sustainable market recovery. The Group also benefitted from strong volumes in its Automotive Glass Replacement (AGR) business. Total local currency revenues and profits were both slightly improved from the previous year.

In Japan, representing 17 percent of the Group's Automotive sales, OE revenues and profitability were both ahead of the previous year, despite light-vehicle sales falling after the implementation of revised eco-car tax exemption rules. AGR performance was similar to the previous year.

In North America, representing 28 percent of the Group's Automotive sales, cumulative revenues were slightly below the previous year. OE market volumes strengthened further. The Group's AGR revenues fell however.

In the rest of the world, weak market conditions persist in South America.

The Automotive business recorded sales of ¥ 162,444 million and an operating profit of ¥ 4,154 million.

Technical Glass Business

Revenues and profits in the Technical Glass business were below the previous year due to a challenging competitive environment in Display business, exacerbated by production issues at the Group's facilities.

Demand for components used in multi-function printers improved from the previous year. Volumes of glass cord used in engine timing belts were similar to the previous year.

The Technical Glass business recorded revenues of ¥ 25,823 million and an operating profit of ¥ 179 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 costs and consolidation adjustments incurred in Other Operations and Eliminations were above the previous year due to non-recurring consolidation adjustments .

Consequently, this segment recorded revenues of ¥ 401 million and operating costs of ¥ 7,365 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates losses was worse than the previous year. Profits at Cebrace, the Group's joint venture in Brazil, improved. Trading results improved at the Group's joint venture in Russia, although this was offset by exchange losses following the devaluation of the Ruble. The Group's share of its associates losses in China were higher than in the previous year.

The Group's share of joint ventures and associates loss after tax was ¥ 466 million (Q2 FY15 profit of ¥ 397 million).

(2) Financial Condition

Total assets at the end of September 2015 were ¥ 907,366 million, representing a decrease of ¥ 12,740 million from the end of March 2015. Total equity was ¥ 183,431 million, representing a decrease of ¥ 2,577 million due to the translational impact of Japanese yen strengthening against South American currencies, partly offset by a reduction in net retirement benefit obligations following an update to actuarial assumptions used to evaluate this liability during the first quarter.

Net financial indebtedness increased by ¥ 24,373 million from 31 March 2014 to ¥ 398,465 million at the period end. The increase in indebtedness arose mainly from seasonal increases in working capital during the first quarter of the year, which are expected to be reversed during the remainder of the year. Currency movements generated an increase in net debt of approximately ¥ 1,940 million over the period. Gross debt was ¥ 459,590 million at the period end. As of 30 September 2015, the Group had un-drawn, committed facilities of ¥ 36,760 million.

Cash outflows from operating activities were ¥ 3,039 million. Cash outflows from investing activities were ¥ 17,523 million, including capital expenditure on property, plant, and equipment of ¥ 16,996 million. As a result, total cash outflows before financing were ¥ 20,562 million.

(3) Prospects

The forecast of revenue and operating profit is set out on page 1. This has been amended from that issued on 14 May 2015 due to the challenging market conditions currently being faced by the Group's display glass business within the Technical Glass business line. The performance of the Group's other businesses remain approximately in line with previous expectations. Due to uncertainties regarding the realization of exceptional items, both gains and losses, the Group's forecast of profit before taxation and profit for the period is undefined at this stage. The Group will provide an update, when clearer prospect becomes available regarding exceptional items.

The Group anticipates a gradual improvement in market conditions during the remainder of FY2016 in its main businesses, except for the display glass business, which is expected to remain challenging. In Europe, Architectural markets are likely to be broadly flat. Automotive markets should benefit from a continuation of the positive vehicle sales recently experienced, although will still be significantly below pre-recession levels. Architectural markets in Japan are likely to register a modest improvement. Automotive markets in Japan are expected to be generally flat, although tax changes could continue to impact sales in the short-term. Volumes in North America are expected to be robust, although automotive volumes in South America will continue to suffer from a challenging economic environment. Market conditions in South East Asia are likely to improve further, and demand for Solar Energy glass should continue to improve. Technical glass markets are expected to be mixed.

Our strategic vision is to transform the NSG Group into a VA Glass Company. This is the core concept of our strategy and the basis for our longer-term growth plans. On 15 May 2014, the Group announced its medium-term plan (MTP), covering the financial years to 31 March 2018.

The overall objectives of the MTP are to achieve financial sustainability and to further develop the NSG Group's position as a VA Glass Company. The Group has established two very clear financial targets to be achieved by 31 March 2018, Net financial debt / EBITDA of 3X and Operating return on sales of greater than 8%. Under MTP, the Group aims at achieving Return on equity (ROE) of greater than 10% in FY2018.

2. Other information

(1) Changes in status of principle subsidiaries

There was no change.

(2) Changes in accounting principles, practices and presentations

Operating profit presented in the condensed quarterly consolidated income statement is defined from FY2016 as being operating profit stated before exceptional items. The Group believes that this definition of profitability can be forecast with a greater degree of accuracy than operating profit after exceptional items.

During FY2015, the Group changed its accounting policy towards the recognition of retirement benefit scheme assets and liabilities in light of ongoing debate by the IFRS foundation in respect of IFRIC 14 and IAS 19. Due to the change in accounting policy, in accordance with IAS 8, the Group has restated its comparative information in the primary condensed quarterly consolidated financial statements for the first half of the previous year. For further details, see note 6-(k).

The Group has revised its actuarial assumptions used to assess net retirement benefit obligations following a significant change in applicable discount rates during the first quarter. For further details, see note 6-(i).

There were no other material changes to the Group’s accounting principles, practices and presentations arising as a result of amended IFRS accounting standards and interpretations during the quarter.

3. Consolidated financial statements

(1) (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**Quarter 2 For the period 1 April 2015 to 30 September 2015**	Quarter 2 For the period 1 April 2014 to 30 September 2014 (restated)
Revenue	(6)-(a)	**321,735**	309,477
Cost of sales		**(246,577)**	(234,931)
Gross profit		**75,158**	74,546
Other income		**1,551**	1,497
Distribution costs		**(29,195)**	(29,278)
Administrative expenses		**(35,002)**	(32,916)
Other expenses		**(6,424)**	(7,756)
Operating profit	(6)-(a)	**6,088**	6,093
Exceptional items	(6)-(b)	**(1,455)**	13,161
Operating profit after exceptional items	(6)-(a)	**4,633**	19,254
Finance income	(6)-(c)	**683**	1,047
Finance expenses	(6)-(c)	**(9,517)**	(9,836)
Share of post-tax profit/(loss) of joint ventures and associates accounted for using the equity method		**(466)**	397
Profit/(loss) before taxation		**(4,667)**	10,862
Taxation	(6)-(d)	**3,064**	(2,577)
Profit/(loss) for the period		**(1,603)**	8,285
Profit attributable to non-controlling interests		**1,135**	401
Profit/(loss) attributable to owners of the parent		**(2,738)**	7,884
		(1,603)	8,285
Earnings per share attributable to owners of the parent	(6)-(e)		
Basic		**(3.03)**	8.73
Diluted		**(3.03)**	8.71

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

¥ millions

	Note	Quarter 2 For the period 1 April 2015 to 30 September 2015	Quarter 2 For the period 1 April 2014 to 30 September 2014 (restated)
Profit / (loss) for the period		**(1,603)**	8,285
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	6-(i)	**8,133**	-
Sub-total		**8,133**	-
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**(7,714)**	8,643
Revaluation of available-for-sale investments		**227**	92
Cash flow hedges:			
- fair value losses, net of taxation		**(1,055)**	(118)
Sub-total		**(8,542)**	8,617
Total other comprehensive income for the period, net of taxation		**(409)**	8,617
Total comprehensive income for the period		**(2,012)**	16,902
Attributable to non-controlling interests		**371**	312
Attributable to owners of the parent		**(2,383)**	16,590
		(2,012)	16,902

(2) Condensed quarterly consolidated balance sheet

¥ millions

	Quarter 2 as at 30 September 2015	FY 2015 as at 31 March 2015
ASSETS		
Non-current assets		
Goodwill	**131,504**	130,734
Intangible assets	**71,821**	75,680
Property, plant and equipment	**290,019**	293,529
Investment property	**897**	867
Investments accounted for using the equity method	**29,863**	30,528
Retirement benefit asset	**14,770**	9,754
Trade and other receivables	**15,154**	17,855
Financial assets:		
- Available-for-sale investments	**31,454**	31,870
- Derivative financial instruments	**80**	75
Deferred tax assets	**60,812**	62,072
	646,374	652,964
Current assets		
Inventories	**113,395**	113,662
Construction work-in-progress	**1,037**	825
Trade and other receivables	**84,390**	80,568
Financial assets:		
- Available-for-sale investments	**387**	3
- Derivative financial instruments	**949**	882
Cash and cash equivalents	**60,096**	67,695
	260,254	263,635
Assets held for sale	**738**	3,507
	260,992	267,142
Total assets	**907,366**	920,106

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	Quarter 2 as at 30 September 2015	FY 2015 as at 31 March 2015
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**137,806**	112,119
- Derivative financial instruments	**3,484**	3,090
Trade and other payables	**119,756**	135,876
Provisions	**11,165**	12,509
Deferred income	**3,263**	3,345
	275,474	266,939
Non-current liabilities		
Financial liabilities:		
- Borrowings	**314,714**	325,008
- Derivative financial instruments	**3,586**	2,527
Trade and other payables	**648**	1,391
Deferred tax liabilities	**19,459**	20,700
Retirement benefit obligations	**83,067**	89,924
Provisions	**17,435**	17,826
Deferred income	**9,552**	9,783
	448,461	467,159
Total liabilities	**723,935**	734,098
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	**(19,708)**	(25,082)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**17,228**	24,916
Total shareholders' equity	**173,432**	175,746
Non-controlling interests	**9,999**	10,262
Total equity	**183,431**	186,008
Total liabilities and equity	**907,366**	920,106

(3) Condensed quarterly consolidated statement of changes in equity

¥ millions

Quarter 2 FY 2016	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2015	116,449	127,511	(25,082)	(68,048)	24,916	**175,746**	10,262	**186,008**
Total Comprehensive Income	-	-	5,395	-	(7,778)	**(2,383)**	371	**(2,012)**
Dividends paid	-	-	-	-	-	**-**	(634)	**(634)**
Stock options	-	-	-	-	92	**92**	-	**92**
Issuance & purchase of treasury stock	-	(21)	-	-	(2)	**(23)**	-	**(23)**
Transfer from retained earnings to capital surplus	-	21	(21)	-	-	**-**	-	**-**
At 30 September 2015	**116,449**	**127,511**	**(19,708)**	**(68,048)**	**17,228**	**173,432**	**9,999**	**183,431**

¥ millions

Quarter 2 FY 2015 (restated)	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2014	116,449	127,511	(11,773)	(68,048)	19,835	**183,974**	9,512	**193,486**
Total Comprehensive Income	-	-	7,884	-	8,706	**16,590**	312	**16,902**
Dividends paid	-	-	-	-	-	**-**	(685)	**(685)**
Stock options	-	-	-	-	78	**78**	-	**78**
Issuance & purchase of treasury stock	-	2	-	-	(1)	**1**	-	**1**
At 30 September 2014	**116,449**	**127,513**	**(3,889)**	**(68,048)**	**28,618**	**200,643**	**9,139**	**209,782**

(4) Condensed quarterly consolidated statement of cash flow

¥ millions

	Note	**Quarter 2 For the period 1 April 2015 to 30 September 2015**	Quarter 2 For the period 1 April 2014 to 30 September 2014
Cash flows from operating activities			
Cash generated from operations	(6)-(g)	**7,447**	9,138
Interest paid		**(9,093)**	(9,020)
Interest received		**445**	954
Tax paid		**(1,838)**	(1,982)
Net cash outflows from operating activities		**(3,039)**	(910)
Cash flows from investing activities			
Dividends received from joint ventures and associates		**9**	147
Purchase of joint ventures and associates		**-**	(183)
Purchase of subsidiaries and businesses		**-**	(489)
Proceeds on disposal of subsidiaries and businesses (net of cash disposed)		**-**	144
Purchases of property, plant and equipment		**(16,996)**	(15,594)
Proceeds on disposal of property, plant and equipment		**230**	5,104
Purchases of intangible assets		**(731)**	(549)
Proceeds on disposal of intangible assets		**-**	22
Purchase of available-for-sale investments		**(4)**	(3)
Proceeds from available-for-sale investments		**31**	3
Loans advanced to joint ventures, associates and third parties		**(361)**	(839)
Loans repaid from joint ventures, associates and third parties		**6**	567
Others		**293**	639
Net cash outflows from investing activities		**(17,523)**	(11,031)
Cash flows from financing activities			
Dividends paid to shareholders		**-**	(6)
Dividends paid to non-controlling interests		**(628)**	(685)
Repayment of borrowings		**(52,289)**	(56,122)
Proceeds from borrowings		**58,242**	66,769
Other		**(2)**	(2)
Net cash inflows from financing activities		**5,323**	9,954
Decrease in cash and cash equivalents (net of bank overdrafts)		**(15,239)**	(1,987)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(h)	**62,340**	52,293
Effect of foreign exchange rate changes		**(97)**	1,167
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(h)	**47,004**	51,473

(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 condensed quarterly consolidated financial statements

(a) 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 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 second quarter to 30 September 2015 were as follows:

¥ millions

Quarter 2 FY 2016 For the period 1 April to 30 September 2015	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	**133,067**	**162,444**	**25,823**	**401**	**321,735**
Inter-segmental revenue	**11,057**	**1,192**	**23**	**2,761**	**15,033**
Total revenue	**144,124**	**163,636**	**25,846**	**3,162**	**336,768**
Trading profit	**9,120**	**4,154**	**179**	**(3,307)**	**10,146**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(4,058)**	**(4,058)**
Operating profit	**9,120**	**4,154**	**179**	**(7,365)**	**6,088**
Exceptional items					**(1,455)**
Operating profit after exceptional items					**4,633**
Finance costs – net					**(8,834)**
Share of post-tax loss from joint ventures and associates					**(466)**
Loss before taxation					**(4,667)**
Taxation					**3,064**
Loss for the period from continuing operations					**(1,603)**

(a) Segmental information continued

The segmental results for the second quarter to 30 September 2014 were as follows:

¥ millions

Quarter 2 FY 2015 For the period 1 April to 30 September 2014 (restated)	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	123,935	155,744	29,182	616	309,477
Inter-segmental revenue	11,646	1,276	18	2,548	15,488
Total revenue	135,581	157,020	29,200	3,164	324,965
Trading profit	5,752	3,854	2,431	(1,760)	10,277
Amortization arising from the acquisition of Pilkington plc	-	-	-	(4,184)	(4,184)
Operating profit	5,752	3,854	2,431	(5,944)	6,093
Exceptional items					13,161
Operating profit after exceptional items					19,254
Finance costs – net					(8,789)
Share of post-tax profit from joint ventures and associates					397
Profit before taxation					10,862
Taxation					(2,577)
Profit for the period from continuing operations					8,285

The segmental assets at 30 September 2015 and capital expenditure for the second quarter ended 30 September 2015 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	**160,593**	**170,817**	**52,394**	**2,261**	**386,065**
Capital expenditure (including intangibles)	**7,279**	**6,145**	**350**	**132**	**13,906**

The segmental assets at 30 September 2014 and capital expenditure for the second quarter ended 30 September 2014 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	157,868	164,461	50,158	5,319	377,806
Capital expenditure (including intangibles)	4,594	5,162	2,740	578	13,074

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

¥ millions

	Quarter 2 For the period 1 April 2015 to 30 September 2015	Quarter 2 For the period 1 April 2014 to 30 September 2014
Exceptional items (gains):		
Gain on dilution of investment in associate	**96**	-
Gain on reclassification of investments	**-**	13,349
Gain on disposal of non-current assets	**-**	4,469
Reversal of impairment of non-current assets	**6**	9
Others	**-**	204
	102	18,031
Exceptional items (losses):		
Restructuring costs, including employee termination payments	**(1,093)**	(4,153)
Impairments of non-current assets	**-**	(560)
Settlement of litigation matters	**(460)**	(157)
Others	**(4)**	-
	(1,557)	(4,870)
	(1,455)	13,161

The gain on dilution of shares in an associate arose following a placing of shares by Holding Concorde SA in which the Group did not participate.

The gain on reclassification of investments in the previous year related to the Group's interests in Shanghai Yaohua Pilkington Glass Group Co., Ltd (SYP). The Group owns a shareholding in SYP of 15.18 percent. Previously the Group carried this investment in its balance sheet as an affiliated company using the equity method of accounting. Following a decrease in the level of the Group's management involvement with SYP, the Group is no longer able to exert a significant influence over SYP. IAS 28 "Investments in Associates and Joint Ventures" contains a rebuttable presumption that a shareholding of less than 20 percent does not enable an investor to exert significant influence over an investee. Previously the Group has been able to rebut this presumption due to the level of its management involvement with SYP. As a consequence of this change, the Group is no longer able to rebut this presumption in IAS 28. The Group is therefore required to record its investment in SYP at fair value, and reclassify it as an available-for-sale asset on the Group's balance sheet. The gain in the table above includes a credit, of ¥926 million, arising on the recycling to the income statement of items relating to SYP previously posted to reserves using the Statement of Comprehensive Income.

The gain on disposal of non-current assets in the previous year arose on the sale and lease-back of land at Itami City, Hyogo prefecture, Japan, as announced on 26 September 2014.

Restructuring costs arise in a variety of locations around the world and principally includes the cost of compensating redundant employees for the termination of their contracts of employment.

The impairment of non-current assets in the previous year related to property, plant and equipment in Japan.

The settlement of litigation matters relates to claims made by certain of the Group's Automotive customers in Europe, following the European Commission's earlier decision to fine the Group for alleged breaches of European competition law.

(c) Finance income and expenses

¥ millions

	Quarter 2 For the period 1 April 2015 to 30 September 2015	Quarter 2 For the period 1 April 2014 to 30 September 2014 (restated)
Finance income		
Interest income	**589**	962
Foreign exchange transaction gains	**94**	85
	683	1,047
Finance expenses		
Interest expense:		
- bank and other borrowings	**(8,364)**	(8,621)
Dividend on non-equity preference shares due to minority shareholders	**(136)**	(140)
Foreign exchange transaction losses	**(123)**	(20)
	(8,623)	(8,781)
Unwinding discounts on provisions	**(121)**	(93)
Retirement benefit obligations		
- net finance charge	**(773)**	(962)
	(9,517)	(9,836)

(d) Taxation

The tax credit on losses before taxation, excluding the Group's share of net results of joint ventures and associates, is a rate of 72.9 percent in the second quarter to 30 September 2015 (30 September 2014: tax charge on profit at a rate of 24.6 percent). The tax credit for the quarter is based on the estimated effective rate for the year to 31 March 2016.

(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 30 September 2015	Quarter ended 30 September 2014 (restated)
	¥ millions	¥ millions
Profit/(loss) attributable to owners of the parent	**(2,738)**	7,884
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**903,211**	902,838
	¥	¥
Basic earnings per share	**(3.03)**	8.73

(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 subscription rights attached to the outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Quarter ended 30 September 2015	Quarter ended 30 September 2014 (restated)
	¥ millions	¥ millions
Earnings		
Profit/(loss) attributable to owners of the parent	**(2,738)**	7,884
Profit/(loss) used to determine diluted earnings per share	**(2,738)**	7,884
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**903,211**	902,838
Adjustment for:		
- Share options	**-**	2,168
Weighted average number of ordinary shares for diluted earnings per share	**903,211**	905,006
	¥	¥
Diluted earnings per share	**(3.03)**	8.71

Diluted earnings per share do not include stock options due to anti-dilutive effect caused by the losses during the quarter ended 30 September 2015.

(f) Exchange rates

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

	Quarter 2 FY 2016 30 September 2015		Year ended 31 March 2015		Quarter 2 FY 2015 30 September 2014	
	Average	**Closing**	Average	Closing	Average	Closing
GBP	**188**	**182**	177	178	173	178
US dollar	**122**	**121**	110	120	103	109
Euro	**135**	**135**	139	130	140	139

(g) Cash flows generated from operations

¥ millions

	Quarter 2 For the period 1 April 2015 to 30 September 2015	Quarter 2 For the period 1 April 2014 to 30 September 2014 (restated)
Profit/(loss) for the period from continuing operations	**(1,603)**	8,285
Adjustments for:		
Taxation	**(3,064)**	2,577
Depreciation	**15,580**	15,099
Amortization	**5,392**	5,473
Impairment	**27**	892
Reversal of impairments	**(9)**	(37)
Gain on sale of property, plant and equipment	**(122)**	(4,449)
Gain on sale of subsidiaries, joint ventures and associates	**-**	(26)
Gain on reclassification of investment	**-**	(13,349)
Deemed disposal of share of associate	**(96)**	-
Grants and deferred income	**(383)**	(158)
Finance income	**(683)**	(1,047)
Finance expenses	**9,517**	9,836
Share of (profit)/loss from joint ventures and associates	**466**	(397)
Other items	**199**	(225)
Operating cash flows before movement in provisions and working capital	**25,221**	22,474
Decrease in provisions and retirement benefit obligations	**(6,753)**	(11,128)
Changes in working capital:		
- inventories	**(640)**	(2,973)
- construction work-in-progress	**(189)**	(100)
- trade and other receivables	**(4,265)**	6,002
- trade and other payables	**(5,927)**	(5,137)
Net change in working capital	**(11,021)**	(2,208)
Cash flows generated from operations	**7,447**	9,138

(h) Cash and cash equivalents

¥ millions

	As at 31 March 2015	As at 31 March 2014
Cash and cash equivalents	**67,695**	73,864
Bank overdrafts	**(5,355)**	(21,571)
	62,340	52,293

¥ millions

	As at 30 September 2015	As at 30 September 2014
Cash and cash equivalents	**60,096**	70,590
Bank overdrafts	**(13,092)**	(19,117)
	47,004	51,473

(i) Post-retirement benefits

Due to the level of volatility in global debt and equity markets, the Group performed a revaluation, on a roll-forward basis, of its material retirement benefit obligations at the end of June 2015. This revaluation involved updating period-end scheme asset values and recalculating scheme liabilities based on appropriate discount and inflation rates prevailing at the end of June 2015. Other factors, such as changes in longevity, were not considered. The effect of this revaluation, together with subsequent movements during the second quarter, has been an reduction in net retirement benefit obligations of ¥ 9,522 million, gross of related deferred taxation, and ¥ 8,133 million, net of related deferred taxation. A summary of the main changes in assumptions used is set out below.

	As at 30 September 2015 %	As at 31 March 2015 %
UK discount rate	**3.7**	3.1
UK inflation	**2.2**	2.0
US discount rate	**4.0**	3.5
Eurozone discount rates (range)	**1.0 – 2.3**	1.0 – 1.3

(j) Contingent liabilities

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 alleged activities. The Group intends to defend itself against such claims. 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 outflow of economic benefits to the claimants.

(k) Restatement of FY 2015 comparative information

As described on page 8, the Group has restated its comparative results following a re-assessment of its accounting treatment with respect to the application of an asset ceiling on retirement benefit obligations. This accounting treatment was amended during the fourth quarter of FY 2015 and accordingly the comparative amounts included within the financial statements for the first three quarterly periods of FY 2015 are restated from those presented during the previous financial year. The table below sets out the adjustments made to Q2 FY 2015 comparative data.

	FY 2015 ¥ millions
Opening balance sheet as of 1 April 2014	
Increase in total shareholders' equity	18,988
Increase in total equity	18,988
As of 30 September 2014	
Decrease in finance expenses	535
Increase in profit before taxation	535
Increase in taxation charge	107
Increase in profit for the period	428
Increase in other comprehensive income for the period, net of taxation	790
Increase in total comprehensive income for the period	1,218
Increase in retirement benefit assets	4,813
Decrease in deferred taxation assets	3,848
Decrease in retirement benefit obligations	19,241
Increase in total shareholders' equity	20,206
Increase in total equity	20,206
Increase in profit per share attributable to owners of the parent (basic) - yen	0.47
Increase in profit per share attributable to owners of the parent (diluted) - yen	0.47

(7) Significant subsequent events

There were no significant subsequent events.