FY2011 Annual Consolidated Financial Results

12 May 2011

(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.nsggroup.net)	
Representative:	Representative Executive Director President and CEO	Name:	Craig Naylor
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Date of annual general shareholders meeting:	29 June 2011
Submission of annual financial statements to MOF:	30 June 2011
Payment of dividends starts from:	8 June 2011
Annual result presentation papers:	Yes
Annual result presentation meeting:	Yes (For institutional investors)

Note: Fractional amounts rounded to nearest million yen

1. Consolidated business results for FY2011 (From 1 April 2010 to 31 March 2011)

(1) Consolidated business results

Percentages indicate year-on-year change

	Sales		Operating income		Ordinary Income		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2011	577,212	(1.9)	14,352	-	7,730	-	1,661	-
FY2010	588,394	(20.4)	(17,183)	-	(28,552)	-	(41,313)	-

Note: Comprehensive income

FY2011 ¥(15,206) million - % FY2010 ¥(40,157) million - %

	Net income per share - basic	Net income per share - diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
FY2011	¥ 0.13	¥ -	0.7%	0.9%	2.5%
FY2010	¥ (65.61)	¥ -	(17.3)%	(2.9)%	(2.9)%

Note: Income attributable to investments in affiliates

FY2011 ¥8,107 million FY2010 ¥2,396 million

(2) Changes in financial position

	Gross assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2011	868,588	226,874	24.9	239.40
FY2010	933,721	239,931	24.7	297.73

Note: Total Equity

FY2011 ¥215,976 million FY2010 ¥230,306 million

(3) Consolidated statement of cash flow

	Net cash generated from (used in) operating activities	Net cash generated from (used in) investing activities	Net cash generated from (used in) financial activities	Cash and cash equivalents as of term-end
	¥ million	¥ million	¥ million	¥ million
FY2011	31,203	(27,842)	(10,357)	46,491
FY2010	(2,768)	(5,887)	(11,130)	55,995

2. Dividends

	Dividends per share					Dividends (annual)	Payout ratio	Dividends over net assets
	Q1	Q2	Q3	Q4	Total			
FY2010 (actual)	-	¥3.00	-	¥3.00	¥6.00	¥4,009 m	-%	1.8%
FY2011 (actual)	-	¥3.00	-	¥3.00	¥6.00	¥5,413 m	4,615.4%	2.2%
FY2012 (forecast)	-	¥3.00	-	¥3.00	¥6.00	-	30.1%	-

Note: The above table includes dividends per share for common stock only. The dividends paid on preferred shares are set out on page 4. Payout ratio of FY2012 is based on the income per share - basic calculated by the International Financial Reporting Standards (IFRS).

3. Forecast for FY2012 (From 1 April 2011 to 31 March 2012)

	Sales		Operating income		Income before taxation		Income after taxation		Income attributable to equity shareholders		Income per share - basic
	¥millions	%	¥millions	%	¥millions	%	¥millions	%	¥millions	%	¥
Half Year	280,000	-	9,000	-	8,000	-	7,000	-	6,000	-	6.65
Full year	600,000	-	27,000	-	23,000	-	19,000	-	18,000	-	19.95

Note: The above forecast is calculated using International Financial Reporting Standards (IFRS), following the Group's decision to adopt IFRS from 1 April 2011. Consequently, percentage comparisons to FY2011 results, produced using Japanese GAAP, are not included in the above table.
For further details, please refer to the prospects section on page 10.

4. Other items

(1) Changes in status of principal subsidiaries, "Tokutei-Kogaisya", leading to a change in scope of consolidation: No
Newly established: 0; excluded: 0

(2) Changes implemented to the accounting policies, practices, and presentation
1) Changes implemented due to revisions in accounting standards: Yes
2) Changes due to other reasons: Yes
(for further details, please refer to page 27)

(3) Number of issued ordinary shares
1) Number of ordinary shares issued at the end of the period, including shares held as treasury stock:
903,550,999 shares as of 31 March 2011 and 669,550,999 shares as of 31 March 2010
2) Number of shares held as treasury stock as the end of the period:
1,404,087 shares as of 31 March 2011 and 1,427,080 shares as of 31 March 2010
3) Average number of shares in issue during the period, after deducting shares held as treasury stock
794,128,579 shares for the period ending 31 March 2011 and 668,125,633 shares for the period ending 31 March 2010
(for further details, please refer to page 36)

Unconsolidated financial results of the parent company

1. Financial results of FY2011 (From 1 April 2010 to 31 March 2011)

(1) Stand-alone business results

	Sales		Operating income		Ordinary Income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2011	114,278	4.0	3,323	-	2,875	-	292	-
FY2010	109,921	(26.4)	(9,395)	-	(1,932)	-	(4,832)	--

	Net income per share	Diluted earnings per share
FY2011	¥ (1.60)	¥ -
FY2010	¥ (11.01)	¥ -

(2) Stand-alone financial positions

	Gross assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY2011	606,434	302,835	49.8	334.93
FY2010	598,062	298,261	49.8	398.42

Note: shareholders equity

	¥ million
FY2011	302,154
FY2010	297,577

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

The consolidated financial results included in this document are out of scope for independent audit by the external auditors based on the Financial Instrument and Exchange Law of Japan (MOF). The audit procedures are still ongoing as of the date of announcement of this consolidated financial results.

Explanation for the appropriate usage of performance projections and other special items

1. 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 environment in major markets (such as Europe, Japan, North and South America, and Asia), 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 10 for qualitative information such as the assumptions used for the projections.

2. Per share numbers set out in the above business results sections are attributable only to the common stock of the company.

Dividends for preferred stock

On 1 July 2009, the Company issued 3,000,000 Type A preferred shares with an issue price of ¥10,000 per share. On 1 October 2010, the Company acquired and cancelled 980,000 shares of the preferred stock. Furthermore, on 18 February 2011, the Company acquired and cancelled all remaining 2,020,000 shares of the preferred stock. The preferred stock was unlisted and carried an annual dividend rate of 9.25 percent. The table below shows the dividends paid on these shares during FY2011.

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
Type A Preferred Stock					
FY2010 (Actual)	-	¥381.00	-	¥461.00	¥842.00
FY2011 (Actual)	-	¥463.00	-	-	¥463.00

Based on the above, total dividend on the preferred stock during FY2011 was ¥935million.

Items of the attachments

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

1. Business Performance and Financial Standing

(1) Business performance

1) Background to Results

The Group's major markets were relatively stable during the year, with gradual improvements in certain markets being experienced as the year progressed. Building products markets were better than last year, but developed market volumes are still significantly below pre-recession levels. Automotive markets demonstrated underlying improvements through the year although some softening of demand was experienced following the withdrawal of the few remaining government incentive schemes. Specialty Glass market conditions were relatively strong.

The NSG Group extends its most sincere condolences to the families and colleagues of people who lost their lives following the 11 March earthquake off North East Japan. The Group has confirmed that no NSG employees are missing following the earthquake and intends to provide support to those employees who have missing friends and relatives. Certain of the Group's properties suffered some minor damage and there was also some loss of inventories although, in total, the physical damage sustained was relatively light. The most significant ongoing impact will be felt by the Group's Automotive business, as customers restrict the volume of vehicles manufactured in response to difficulties sourcing component parts. The Group's Building Products business in Japan experienced some temporary disruption to production following the earthquake but has since been manufacturing glass at full capacity, and intends fully to support the rebuilding of the affected areas. Certain of the Group's Specialty Glass facilities in Japan also experienced disruption to production, but have again recommenced production successfully.

In Europe, building products market conditions were better than the previous year, with market prices gradually improving through the year. In automotive markets, cumulative light vehicle sales to European customers were slightly below previous years levels, which had been supported by incentive programs. Western European vehicle sales demonstrated some strengthening during the fourth quarter. The slight reduction in annual sales to European customers was more than offset by buoyant export markets, generating an increase in demand for the Group's products. The European automotive glass replacement (AGR) market continued to prove resilient to the low level of general economic activity. Demand for glass cord was strong, consistent with conditions experienced in the automotive business line

In Japan, conditions in construction markets were challenging for much of the year, although market conditions gradually improved during the third and fourth quarters of the year. New housing starts remain at low levels, but improved further during the quarter, aided by fiscal incentives. Headline prices were stable but continue to be below those of the previous year. Automotive market demand continued to fall in the quarter following the cessation, earlier in the year, of government incentives for purchasing environmentally-friendly vehicles. Demand was then further affected by the March earthquake as discussed above. Robust markets, particularly in areas such as consumer electronics, resulted in strong demand for the majority of the Groups' Specialty Glass products through the quarter, although, as with the Automotive business line, demand was impacted following the earthquake.

The North American economy continued to experience low levels of economic activity. In the building products market, both residential housing starts and levels of commercial construction activity remain at historically low levels. Sales of new cars continued to be above the previous year's levels. The AGR market continued to improve gradually.

In the rest of the world, the emerging markets in which the Group operates continued to perform relatively well compared to more developed markets.

2) Review by Business Segment

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

Building Products, representing 43 percent of Group cumulative 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 growing solar energy sector.

Automotive, with 46 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Specialty Glass, representing 11 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. The segmental split of sales and profit for the previous year has been restated following the introduction of a new segmental reporting standard in Japan. This does not affect the total consolidated figures for the Group.

JPY millions	**Sales**		**Operating income**	
	FY2010	**FY2011**	**FY2010**	**FY2011**
Building Products	249,503	244,792	1,285	16,515
Automotive	265,137	264,042	13,020	18,672
Specialty Glass	66,112	62,955	3,668	7,523
Other Operations and Eliminations	7,642	5,423	(35,156)	(28,358)
Total	588,394	577,212	(17,183)	14,352

Following the introduction of a new segmental reporting standard in Japan, the Group no longer allocates consolidation adjustments and certain other costs incurred within other operations and eliminations to the Group's three main business lines. The most significant change relates to the amortization of goodwill and other intangible assets arising on the acquisition of Pilkington plc, previously allocated to business lines but now included within Other Operations and Eliminations above. As a result of this change, the FY2010 operating result for the Building Products business line improved by ¥10,899 million, the operating result for the Automotive business line increased by ¥12,799 million, and the operating result for the Specialty Glass business line increased by ¥25 million. The operating loss in Other Operations and Eliminations increased by ¥23,723 million. Also as a result of this change, FY2010 external sales in the Building Products business line increased by ¥5,267 million and external sales in the Automotive business line increased by ¥120 million. External sales in Other Operations and Eliminations decreased by ¥5,387 million.

For further details, please refer the notes of segmental information on page 30.

Building Products (BP) Business

In the Building Products (BP) business, the cumulative result represents an improvement on the previous year. Profitability improved due mainly to cost savings realized from previous restructuring actions, higher volumes, and improved prices.

In Europe, representing 44 percent of the Group's BP sales, revenues in local currency were above the previous year. Volumes improved but were partially offset by the impact of previous year disposals and reduced engineering revenue. Profits also improved, due to the increased volumes and cost savings. Prices increased in the final quarter, mitigating rising headline energy costs, and for the year as a whole, average price levels were higher than the previous year. The Group restarted the second line at the Greengate site in the UK during the quarter, after this had previously been mothballed. This line will primarily produce the Group's NSG TEC solar energy products.

Revenues in Japan, representing 34 percent of BP sales, were higher than in the previous year as markets continued to improve gradually from a low base. Profitability improved, as reduced prices were more than offset by increases in volumes and the continued realization of cost savings. The business suffered some disruption following the 11 March earthquake, but has since operated at maximum capacity.

In North America, representing 9 percent of BP sales, revenues in local currency were higher than the prior year. Domestic market conditions remain challenging. The reduction in domestic volumes was offset by increasing exports and sales of value-added products. Profits increased as a result of better asset utilization, cost savings, and an improving product mix.

In the rest of the world, revenues and profits improved strongly from the previous year, due mainly to increased market prices, and the consolidation of the Group's rolled glass facility in China from the start of the current financial year. On 19 January 2011, the Group announced the re-commissioning of its VGI float glass facility in Vietnam to manufacture the Group's NSG TEC solar energy products. On 17 March 2011, the Group announced that the Vidrios Lirquén float tank in Chile had resumed production after being repaired following the earthquake that struck the region in February 2010. The Solar Energy business continues to grow in both revenue and volume, in line with our expectations.

The Building Products business achieved sales of ¥244,792 million and an operating profit of ¥16,515 million.

Automotive Business

In the Automotive business, the cumulative result was significantly ahead of the previous year, due principally to strong demand across all of the Group's main automotive markets.

Europe represents 47 percent of the Group's Automotive sales. In the European Original Equipment (OE) sector, local currency revenues increased strongly from last year's levels, due to robust volumes, with a consequent improvement in profits. Results in the fourth quarter were mixed, with improved volumes in the stronger Northern European markets offset by weakness in Southern regions. Local currency results in the Automotive Glass Replacement (AGR) business were similar to the levels of the previous year.

In Japan, representing 17 percent of the Group's Automotive sales, revenues were slightly above the previous year. Improved demand in the first two quarters was offset by reductions in volumes following the subsequent cessation of government incentives for purchasing environmentally-friendly vehicles, and then the earthquake of 11 March. Profits benefited from further cost savings and efficiency improvements. Results in the AGR business continued to improve.

In North America, representing 21 percent of the Group's Automotive sales, OE revenues were significantly above the previous year, again due to increased volumes. Profits also benefited from the continued realization of cost savings and efficiency gains. Fourth quarter results were positive, with increased demand from all major customers. AGR profitability was further improved from the previous year.

In the rest of the world, cumulative revenues and profits increased strongly from the previous year, with strong demand across each region.

The Automotive business recorded sales of ¥264,042 million and an operating profit of ¥18,672 million.

Specialty Glass Business

Revenues in Specialty Glass were below the previous year, as robust market conditions were more than offset by previous year disposals. Profits, however, were above the prior year, with most of the Groups' Specialty Glass businesses continuing to experience robust demand, particularly in sectors such as touch panel technology for mobile devices. Demand continued at satisfactory levels through the fourth quarter. Demand for the Group's Selfoc Lens Array (SLA) equipment used in multi-function printers started to recover from the middle of the previous financial year and this has continued through the current year. Sales of glass cord for engine timing belts were supported by robust vehicle production in Europe. Production at some of the Group's facilities was disrupted following the 11 March earthquake, but has since resumed with relatively little impact on the FY2011 results.

The Specialty Glass business recorded sales of ¥62,955 million and an operating profit of ¥7,523 million.

Other Operations

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above, and the amortization of goodwill and other intangible assets related to the acquisition of Pilkington plc. Operating losses incurred in Other Operations and Eliminations were below the previous year, due to a reduction in general corporate expenses and the translational effect of a strong Japanese Yen.

Consequently, this segment recorded sales of ¥5,423 million and an operating loss of ¥28,358 million.

Joint Ventures and Associates

The Group's share of the results of its joint ventures and associates is included within non-operating income in the income statement. The Group's share of joint ventures and associates profits was higher than in the previous year, due mainly to improving year-on-year profits at Cebrace, the Group's joint venture in Brazil, and an improved performance in the Group's joint ventures and associates in China and Russia.

The Group's share of joint ventures and associates profits after tax was ¥8,107 million.

3) Prospects

The forecast of operating income, ordinary income and net income is set out on page 2.

The first half-year forecast reflects stable building products markets with continued difficulties in automotive markets, as the Group's automotive customers reduce their production levels in response to difficulties in sourcing component parts, and certain specialty glass markets. During the second half of the year the Group expects automotive light vehicle build rates to gradually return to normal levels. In addition, the second half of the year will see the Group's investments in value added production capacity increase their contribution to the Group's results.

Increasing purchase prices, particularly with respect to energy costs, are likely to impact the Group's results in FY2012. The Group actively hedges the increases in such costs through the use of derivatives, but these techniques cannot protect the Group from increased input costs indefinitely. The Group intends to mitigate the impact of increasing input costs with further improvements in efficiencies, and, where possible, increasing sales prices.

The long-term prospects for the Group's businesses remain positive. The Group has identified geographical expansion into high-growth emerging markets and opportunities offered by the increasing demand for 'environmental' glass products utilizing its technology, as the two main drivers to support its future growth.

On 24 August 2010, the Group announced its intention to issue new ordinary shares in order to support its future growth strategy. Final net proceeds after fees etc. were ¥ 40,237 million. The proceeds were used partly for the repayment of preference shares and other indebtedness, and will partly be applied to capital expenditures supporting the twin growth themes of emerging markets and "environmental" products.

On 4 November 2010, the Group issued details of its strategic management plan, covering the financial years FY2012 to FY2014. The Group believes that the share issuance during the second quarter of FY2011 provides a firm financial foundation to support this Plan.

The Group has already commenced the various investments that support its strategic management plan:

- On 29 November 2010, the Group announced plans, together with Saint-Gobain, to build a new joint venture float glass plant in Bahia state, in North east Brazil.
- On 8 December 2010, the Group announced plans to expand and upgrade its Automotive glazing operations in Mexicali, Mexico.
- On 19 January 2011, the Group announced the re-commissioning of its VGI float line at My Xuan in Southern Vietnam. This line will primarily produce coated glass for photovoltaic applications.
- On 22 February 2011, the Group announced the commissioning of a new automotive laminating line in Caçapava, Brazil, representing a 50 percent increase in the Group's Brazilian automotive laminating capacity.
- On 10 March 2011, the Group announced that it was commencing the construction of a major new automotive facility at Chmielow, Poland.
- On 13 April 2011, the Group announced the construction of an off-line coating facility in St Helens, UK, to produce a range of high performance low-emissivity products for building products applications.

The above investments are expected to produce a significant, and increasing, contribution to the Group's profitability during the period covered by the strategic management plan.

(2) Financial condition

Total assets at the end of March 2011 2010 were ¥868,588 million, representing a decrease of ¥65,133 million from the end of March 2010, the reduction being mainly due to the strengthening of the yen. The Group has adopted "Net Debt" (interest-bearing debt minus cash and cash equivalents) as a Key Performance Indicator for its financial performance. 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	314,646
FY2011 Full year	31 March 2011	309,166

Net financial indebtedness decreased by ¥5,480 million from 31 March 2010 to ¥309,166 million at the period end. During the year the Group issued 234,000,000 new ordinary shares with net proceeds of ¥40,237 million. The Group also redeemed its Type A preferred shares during the year. On 1 October 2010, the Group acquired for cancellation 980,000 Type A preferred shares with an aggregate acquisition price of ¥10,081 million. On 18 February 2011, the Group acquired for cancellation 2,020,000 Type A preferred shares with an aggregate acquisition price of ¥20,542 million. Currency movements generated a reduction in net debt of approximately ¥6,500 million over the period. Gross debt was ¥370,072 million at the period end.

During the year, the Group refinanced external debt of approximately ¥33,000 million such that all remaining borrowings maturing in FY2012 have now been refinanced, and the Group has access to sufficient levels of surplus headroom for its forecasted needs during FY2012. As at 31 March 2011, the Group had unused committed financial facilities of ¥37,000 million maturing in September 2013, and ¥40,000 million maturing in November 2013.

Cash inflows from operating activities were ¥31,203 million. Cash outflows from investing activities were ¥27,842 million, including capital expenditure on tangible fixed assets of ¥29,874 million. As a result, total cash inflows before financing were ¥3,361 million.

Cash flow indices

	FY2008	FY2009	FY2010	FY2011
Equity ratio	27.2%	24.1%	24.7%	24.9%
Equity ratio based on market value	22.3%	15.8%	19.7%	24.9%
Interest-bearing debts over net cash provided by operating activities	9.2	(13.1)	(142.5)	11.9
Interest coverage ratio	1.8	(1.7)	(0.1)	2.3

Notes:
Formulas for the computation of indices
Equity ratio: (Net assets – Minority interest – Stock options) / Total assets
Equity ratio based on market value: Total market capitalization / Total assets
Interest-bearing debts over net cash provided by operating activities: Gross financial indebtedness / Net cash provided by operating activities
Interest coverage ratio: Operating cash flows / Interest payment

1. All of the indices presented above are calculated based on consolidated financial figures.
2. Total market capitalization is calculated based on the number of outstanding shares after the deduction of treasury stocks.
3. Operating cash flows represent net cash provided by operating activities in the cash flow statement.
4. Interest bearing debts represent all debts on the consolidated balance sheet for which interest is paid.

2. Management Policy and Long-Term Mission and Strategy

The fundamental principles of the Company's basic management policy are ensuring open and fair business dealings, adhering to corporate ethical standards, and contributing to the resolution of global environmental issues; all aimed at establishing a company with a spirit of innovation and a global presence, and maximizing Group company value for all stakeholders.

Included with the Strategic Management Plan issued on 4 November 2010 was a new Group Vision and Mission .

The Group's vision statement is "Making a difference to our world through glass technology".

The mission of the NSG Group is "to be the global leader in innovative high-performance glass and glazing solutions, contributing to the conservation and generation of energy, working safely and ethically".

Both the Group Vision and the Group Mission underpin the strategic management plan.

The strategic management plan covers the financial years to 31 March 2014 and aims to take the Group to the next level of its development, by:

- Maximizing profitable growth while reducing the Group's net debt / EBITDA ratio,
- Ensuring highest standards of ethics, safety, environmental responsibility and sustainability in all of the Group's activities,
- Being innovative in everything the Group does.

The Group aims to build on the good progress already made in moving from integration and consolidation into geographical expansion and growth in value added products.

The financial targets set out in the Strategic Management Plan will be achieved through focusing on geographical expansion into high-growth emerging markets, and maximizing opportunities offered by the increasing demand for 'environmental' glass products. In achieving this growth the Group's intends to utilize fully its experience and existing presence in emerging markets, its reduced cost base, and its technology and brands. The Group will make selective investments consistent with the above objectives, and this process has already started as set out in the prospects section above. Further growth opportunities are expected from the Group's technology pipeline.

3. Consolidated financial statements

(1) Consolidated balance sheet

(¥ millions)

	FY 10 As of 31 March 2010	FY 11 As of 31 March 2011
Assets		
Current assets		
Cash and deposits	79,796	60,906
Notes and accounts receivable – trade	97,680	95,640
Merchandise and finished goods	56,107	55,183
Work in process	10,375	14,019
Raw materials and supplies	32,309	31,574
Deferred tax assets (current)	560	1,022
Other current assets	24,765	20,966
Allowance for doubtful accounts	(4,146)	(4,444)
Total: Current assets	**297,446**	**274,866**
Non-current assets		
Property, plant and equipment		
Buildings and structures	141,122	141,111
Accumulated depreciation	(78,184)	(81,468)
Buildings and structures, net	62,938	59,643
Machinery, equipment and vehicles	357,689	365,547
Accumulated depreciation	(199,666)	(212,369)
Machinery, equipment and vehicles, net	158,023	153,178
Tools, furniture and fixtures	45,330	48,286
Accumulated depreciation	(28,768)	(31,296)
Tools, furniture and fixtures, net	16,562	16,990
Land	39,774	36,922
Leased assets	8,179	7,588
Accumulated depreciation	(3,820)	(4,239)
Leased assets, net	4,359	3,349
Construction in progress	1,486	1,205
Total: Property, plant and equipment	283,140	271,287
Intangible assets		
Goodwill	122,653	107,690
Other intangible assets	113,381	95,283
Total: intangible assets	236,034	202,973
Investments and other assets		
Joint ventures, associates and other investments	59,224	62,712
Deferred tax assets (non-current)	47,836	43,121
Other non-current assets	12,009	15,109
Allowance for doubtful accounts	(1,969)	(1,480)
Total: Investments and other assets	117,100	119,462
Total: Non-current assets	**636,275**	**593,722**
Total: Assets	**933,721**	**868,588**

Consolidated balance sheet (continued)

(¥ millions)

	FY 10 As of 31 March 2010	FY 11 As of 31 March 2011
Liabilities		
Current liabilities		
Notes and accounts payable – trade	68,898	73,927
Short-term loans payable	25,619	14,925
Current portion of long-term loans payable	41,533	13,932
Current portion of bonds payable	10,000	25,000
Lease obligations	1,984	1,694
Income taxes payable	6,023	2,172
Provision for employees' bonuses	5,405	5,146
Provision for directors' bonuses	14	17
Provision for Netherlands fine	625	912
Provision for warranties and claims	7,225	5,097
Provision for restructuring expenditure	3,485	2,232
Provision for German minority interest	353	339
Provision for loss from Japan earthquake & tsunami	-	133
Deferred tax liabilities (current)	5,562	1,035
Other current liabilities	58,409	54,889
Total: Current liabilities	**235,134**	**201,450**
Non-current liabilities		
Bonds payable	50,000	49,000
Long-term loans payable	262,326	264,342
Lease obligations	2,980	1,179
Provision for retirement benefits	59,319	52,065
Provision for rebuilding furnaces	10,560	10,961
Environmental provision	7,401	6,071
Asset retirement obligation	-	664
Deferred tax liabilities (non-current)	45,919	40,998
Other non-current liabilities	20,152	14,984
Total: Non-current liabilities	**458,656**	**440,264**
Total: Liabilities	**693,790**	**641,714**

Consolidated balance sheet (continued)

(¥ millions)

	FY 10 As of 31 March 2010	FY 11 As of 31 March 2011
Net assets		
Shareholders' equity		
Capital stock	96,147	116,449
Capital surplus	135,290	125,587
Retained earnings	71,696	66,132
Treasury stock	(589)	(563)
Total: Shareholders' equity	**302,544**	**307,605**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	836	660
Deferred gains or losses on hedges	(5,026)	(894)
Foreign currency translation adjustment	(68,048)	(91,395)
Total: Valuation and translation adjustments	**(72,238)**	**(91,629)**
Subscription rights to shares	684	681
Minority interests	8,942	10,217
Total: Net assets	**239,931**	**226,874**
Total: Liabilities and net assets	**933,721**	**868,588**

(2) Consolidated income statement

(¥ millions)

	FY 10 For the period 1 April 2009 to 31 March 2010	FY 11 For the period 1 April 2010 to 31 March 2011
Net sales	**588,394**	**577,212**
Cost of sales	440,055	420,931
Gross profit	**148,339**	**156,281**
Selling, general and administrative expenses	165,522	141,929
Operating income / (loss)	**(17,183)**	**14,352**
Non-operating income		
Interest income	1,929	1,887
Dividend income	780	672
Share of profits of affiliates	2,396	8,107
Other non-operating income	1,336	656
Total: Non-operating income	6,441	11,322
Non-operating expenses		
Interest expense	14,252	13,292
Foreign exchange loss	-	1,972
Other non-operating expenses	3,558	2,680
Total: Non-operating expenses	17,809	17,944
Ordinary income / (loss)	**(28,552)**	**7,730**
Extraordinary income		
Gain on sales of fixed assets	1,809	1,128
Gain on reversal of impairment	-	679
Gain on sales of investment securities	4,137	-
Gain on sales of investments in affiliates	-	733
Gain on reversal of impairment of valuation of affiliates	-	1,020
Other extraordinary income	3,367	409
Total: Extraordinary income	9,313	3,969
Extraordinary loss		
Loss on sales of non current assets	164	447
Impairment loss	10,669	1,851
Restructuring expenditure	4,629	3,444
Loss on Japan earthquake & tsunami	-	1,043
Other extraordinary losses	7,714	1,554
Total: Extraordinary losses	23,176	8,339
Income / (loss) before income taxes	**(42,414)**	**3,360**
Income taxes		
Income tax (current)	5,538	5,130
Income tax (deferred)	(8,015)	(6,812)
Total: Income taxes	(2,477)	(1,682)
Income before minority interests	**-**	**5,042**
Minority interests	1,375	3,381
Net income / (loss)	**(41,313)**	**1,661**

(3) Consolidated statement of comprehensive income

(¥ millions)

	FY 10 For the period 1 April 2009 to 31 March 2010	FY 11 For the period 1 April 2010 to 31 March 2011
Income before minority interests	-	**5,042**
Other comprehensive income, net of tax		
Valuation difference on available for sale securities	-	(176)
Deferred gains or losses on hedges	-	4,132
Foreign currency translation adjustments	-	(22,771)
Share of other comprehensive income of affiliates accounted for using equity method	-	(1,433)
Total: Other comprehensive income, net of tax	-	(20,248)
Total comprehensive income	-	**(15,206)**
Total comprehensive income attributable to:	-	
Owners of the parent	-	(17,729)
Minority interests	-	2,523

(4) Consolidated statement of changes in net assets

(¥ millions)

	FY10 For the period 1 April 2009 to 31 March 2010	FY11 For the period 1 April 2010 to 31 March 2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	96,147	96,147
Changes of items during the period		
Issuance of new shares	15,000	20,302
Transfer of capital stock to capital surplus	(15,000)	
Total changes of items during the period	-	20,302
Balance at the end of current period	**96,147**	**116,449**
Capital surplus		
Balance at the end of previous period	105,287	135,290
Changes of items during the period		
Movement in treasury stock	3	12
Issuance of new shares	15,000	20,302
Transfer of capital stock to capital surplus	15,000	
Cancellation of treasury stock	-	(30,623)
Transfer of retained earnings to capital surplus	-	606
Total changes of items during the period	30,003	(9,703)
Balance at the end of current period	**135,290**	**125,587**
Retained earnings		
Balance at the end of previous period	118,159	71,696
Changes of items during the period		
Dividends from surplus	(5,152)	(7,029)
Net income / (loss)	(41,313)	1,661
New inclusion of a subsidiary	-	420
Transfer of retained earnings to capital surplus	-	(606)
Other	-	(11)
Total changes of items during the period	(46,465)	(5,565)
Balance at the end of current period	**71,696**	**66,132**
Treasury stock		
Balance at the end of previous period	(585)	(589)
Changes of items during the period		
Changes in shareholders' equity due to exercise of share options	-	44
Purchase of treasury stock	(15)	(30,643)
Disposal of treasury stock	11	2
Cancellation of treasury stock	-	30,623
Total changes of items during the period	(4)	26
Balance at the end of current period	**(589)**	**(563)**

Consolidated statement of changes in net assets (continued)

(¥ millions)

	FY10 For the period 1 April 2009 to 31 March 2010	FY11 For the period 1 April 2010 to 31 March 2011
Total shareholders' equity		
Balance at the end of previous period	319,009	302,544
Changes of items during the period		
Issuance of new shares	30,000	40,604
Changes in shareholders' equity due to exercise of share options	-	44
Dividends from surplus	(5,152)	(7,029)
Net income / (loss)	(41,313)	1,661
Purchase of treasury stock	(15)	(30,643)
Disposal of treasury stock	14	14
New inclusion of a subsidiary	-	420
Other	-	(11)
Total changes of items during the period	(16,466)	5,060
Balance at the end of current period	**302,544**	**307,605**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	2,339	836
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,503)	(176)
Total changes of items during the period	(1,503)	(176)
Balance at the end of current period	**836**	**660**
Deferred gains or losses on hedges		
Balance at the end of previous period	(10,756)	(5,026)
Changes of items during the period		
Net changes of items other than shareholders' equity	5,730	4,132
Total changes of items during the period	5,730	4,132
Balance at the end of current period	**(5,026)**	**(894)**
Foreign currency translation adjustment		
Balance at the end of previous period	(63,944)	(68,048)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,104)	(23,347)
Total changes of items during the period	(4,104)	(23.347)
Balance at the end of current period	**(68,048)**	**(91,395)**
Total valuation and translation adjustments		
Balance at the end of previous period	(72,361)	(72,238)
Changes of items during the period		
Net changes of items other than shareholders' equity	123	(19,391)
Total changes of items during the period	123	(19,391)
Balance at the end of current period	**(72,238)**	**(91,629)**

Consolidated statement of changes in net assets (continued)

(¥ millions)

	FY10 For the period 1 April 2009 to 31 March 2010	FY11 For the period 1 April 2010 to 31 March 2011
Subscription rights to shares		
Balance at the end of previous period	493	684
Changes of items during the period		
Net changes of items other than shareholders' equity	191	(3)
Total changes of items during the period	191	(3)
Balance at the end of current period	**684**	**681**
Minority interests		
Balance at the end of previous period	10,082	8,942
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,140)	1,275
Total changes of items during the period	(1,140)	1,275
Balance at the end of current period	**8,942**	**10,217**
Total net assets		
Balance at the end of previous period	257,223	239,931
Changes of items during the period		
Issuance of new shares	30,000	40,604
Changes in shareholders' equity due to exercise of share options	-	44
Dividends from surplus	(5,152)	(7,029)
Net income / (loss)	(41,313)	1,661
Purchase of treasury stock	(15)	(30,643)
Disposal of treasury stock	14	14
New inclusion of a subsidiary	-	420
Other	-	(11)
Net changes of items other than shareholders' equity	(826)	(18,119)
Total changes of items during the period	(17,292)	(13,059)
Balance at the end of current period	**239,931**	**226,874**

(5) Consolidated statement of cash-flow

(¥ millions)

	FY 10 For the period 1 April 2009 to 31 March 2010	FY 11 For the period 1 April 2010 to 31 March 2011
Cash flows from operating activities		
Income before income taxes	(42,414)	3,360
Adjustments for:		
Depreciation and amortization	49,560	41,621
Amortization of goodwill	7,501	6,489
Impairment Loss	10,669	1,851
Increase / (decrease) in allowance for doubtful accounts	876	36
Increase / (decrease) in provision for retirement benefits	(1,340)	(3,166)
Increase in provision for furnace repairs	401	401
Increase / (decrease) in provision for German minority interest	(2,839)	(14)
Increase / (decrease) in provision for Netherlands fine	(1,965)	287
Increase / (decrease) in provision for restructuring expenditures	(7,456)	(1,254)
Increase / (decrease) in provision for loss following earthquake / tsunami	-	133
Net (gain) / loss on sales and disposals of fixed assets	(873)	(154)
Net (gain) / loss on sales and valuation of investment securities	(4,137)	23
Net loss on sales of investments in affiliates	1,086	(511)
Interest and dividend income	(2,709)	(2,560)
Interest expenses	15,261	13,292
Equity in earnings of affiliates	(2,396)	(8,107)
(Increase) / decrease in notes and accounts receivable	(12,696)	(1,974)
(Increase) / decrease in inventories	12,845	(6,104)
Increase / (decrease) in notes and accounts payable	736	7,444
Other, net	9,440	(3,994)
Subtotal	**29,553**	**47,099**
Interest and dividends income received	5,797	6,526
Interest expenses paid	(19,523)	(13,567)
Income taxes paid	(18,594)	(8,855)
Net cash (used in) / provided by operating activities	**(2,768)**	**31,203**

Consolidated statement of cash-flow (continued)

(¥ millions)

	FY 10 For the period 1 April 2009 to 31 March 2010	FY 11 For the period 1 April 2010 to 31 March 2011
Cash flows from investing activities		
Payments into time deposits	(361)	-
Withdrawals from time deposits	454	361
Purchase of investment securities	(17)	(10)
Proceeds from sales of investment securities	7,668	30
Purchase of investments in subsidiaries and affiliates	(7,016)	(1,555)
Proceeds from sales of stocks of subsidiaries and affiliates	14,454	151
Purchase of property, plant and equipment	(15,746)	(29,874)
Proceeds from sales of property, plant and equipment	2,920	1,708
Purchase of intangible assets	(1,012)	(360)
Proceeds from intangible assets	-	22
(Increase) / decrease in short-term loans receivable	(2,055)	39
Payments of long-term loans receivable	(10,720)	(569)
Proceeds from repayments of long-term loans receivable	5,543	2,216
Other, net	-	(1)
Net cash (used in) / provided by investing activities	**(5,887)**	**(27,842)**
Cash flows from financing activities		
Increase / (decrease) in short-term loans payable	441	(2,410)
Proceeds from long-term loans payable	144,846	40,218
Repayment of long-term loans payable	(176,030)	(60,920)
Repayments of finance lease obligations	(3,087)	(2,139)
Proceeds from issuance of bonds	-	23,854
Redemption of bonds	-	(10,000)
Proceeds from issuance of stocks	30,000	40,237
Purchase of treasury stock	-	(30,643)
Cash dividends paid	(5,152)	(7,029)
Cash dividends paid to minority shareholders	(862)	(1,524)
Other, net	(1,285)	(1)
Net cash (used in) / provided by financing activities	**(11,130)**	**(10,357)**
Effect of exchange rate change on cash and cash equivalents	**181**	**(2,867)**
Net increase / (decrease) in cash and cash equivalents	**(19,603)**	**(9,863)**
Cash and cash equivalents at beginning of period	**75,598**	**55,995**
Increase in cash and cash equivalents resulting from change of scope of consolidation	**-**	**359**
Cash and cash equivalents at end of period	**55,995**	**46,491**

(6) Notes regarding going concern

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

(7) Summary of significant accounting policies

1. Scope of consolidation

	Count	Notes
(1) Consolidated subsidiaries as of 31 March 2011	226	
(2) Subsidiaries not included in the consolidation	4	None are accounted for by the equity-method
(3) Joint ventures and affiliates	29	20 are accounted for by the equity-method
(4) Changes in scope of consolidation		
Newly added to the group in the period	12	Glass Master, S.A. DE C.V. and other 11 companies
Removed from the group in the period	9	Nihon Tokusyu Sangyo Co. Ltd. and other 8 companies
Affiliates newly accounted by equity-method	2	DyeTec Solar, Inc. and another company
Affiliates ceased to be accounted by equity method	2	Penstone Inc and another company

2. Balance sheet dates of consolidated subsidiaries

All consolidated subsidiaries are consolidated using a balance sheet date of 31 March.

3. Accounting policies and practices

(1) Valuation method of assets

1) Securities

Other securities:

- Securities with fair value
  Stated at fair value by reference to market price, etc., as of the closing date, with changes in unrealized holding gain or loss charged directly to net assets and any disposal value determined by the moving average method
- Securities with no fair value
  Stated at cost determined by the moving-average method

2) Derivatives

Stated at their fair market value

3) Inventories

- Parent company and subsidiaries in Japan:
  Principally stated at cost determined by the moving average method (with provision for reducing the balance in case net realizable value decreases).
- Subsidiaries located outside Japan:
  Principally stated at the lower of cost and net realizable value, determined by the first-in, first-out (FIFO) method.

(2) Depreciation method of depreciable assets

1) Tangible fixed assets

Depreciation is calculated by the straight-line method.
The estimated useful lives applied are principally as follows:

- Parent company and subsidiaries in Japan:

Buildings and structures	3-50 years
Machinery, equipment and vehicles	3-30 years

- Subsidiaries located outside Japan:

Buildings and structures	20-50 years
Machinery, equipment and vehicles	5-25 years

2) Intangible fixed assets

Amortization is calculated by the straight-line method. For computer software used in the parent company and subsidiaries within Japan, the estimated useful lives are determined within a period of 10 years. Intangible assets recognized upon acquisition of Pilkington, such as relationships with customers, brand, and developed technology, have depreciation periods not exceeding 20 years.

3) Leased assets

Leased assets procured by finance lease transactions, in which ownership is not transferred to the lessees are depreciated by the straight-line method to a nil residual value with the estimated useful lives assumed to be the same as the lease term periods.

(3) Provisions

1) Allowance for doubtful accounts

Allowance for doubtful accounts is calculated based on the historical experience with bad debts plus an estimate of certain uncollectible amounts determined after an analysis of specific individual receivables.

2) Provision for employees' bonuses

Provision for employees' bonuses is calculated on an accruals basis for the financial year on the expected amount to be paid to the employees.

3) Provision for directors' bonuses

Provision for directors' bonuses is calculated on an accruals basis for the financial year on the expected amount to be paid to the directors.

4) Provision for restructuring expenditure

Provision for restructuring expenditure is calculated based on costs associated with the restructuring initiatives performed by the Company and its subsidiaries, less amounts already spent.

5) Provision for German minority interests

Provision for German minority interests is calculated based on additional payments of principal and interest expected to be paid to former minority interest shareholders of Dahlbusch AG, a German subsidiary of the Group.

6) Provision for Netherlands fine

Provision for Netherlands fine is created for potential future payments following an investigation undertaken by the Netherlands Competition Commission. The amount is calculated consistent with the fine announced by the Netherlands Competition Commission.

7) Provision for warranties and claims

Provision for warranties and claims is calculated based on future financial risk incurring from warranties and claims of products sold.

8) Accrued retirement benefit for employees

Accrued retirement benefit for employees is provided at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets.

Past years' service costs related to pension schemes are generally expensed as incurred, and actuarial gain or loss is amortized, commencing the year following the year in which the gain or loss is recognized, by the straight-line method over a period of five years, which is shorter than the average remaining years of service of the eligible employees.

9) Provision for rebuilding furnaces

Provisions for rebuilding furnaces are Japan is calculated in consideration of the estimated cost of scheduled repairs and the number of hours of operation prior to the next repair date, in order to prepare for periodic large-scale repairs to furnaces. Provisions are not made with respect to future furnace rebuilds outside of Japan.

10) Environmental provision

The environmental provision is calculated based on future expected environmental remediation costs.

11) Provision for loss from Japan earthquake & tsunami

Provision for loss on disasters is calculated based on reasonable estimate of the costs, which are expected to arise during this financial year, of all costs related to repairs of or recovery from the damage caused by the earthquake in Tohoku, Japan.

(4) Hedge accounting

Parent company and subsidiaries in Japan:

1) Hedge accounting methods

The recognition of gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged item is recognized. Interest rate swaps that meet certain conditions are accounted for, by "Special method", as if the interest rates applied to the swaps had originally applied to the underlying debt.

2) Hedging instruments and hedged items

Hedging instruments: Forward foreign exchange contracts
Hedged items : Accounts receivable and accounts payable denominated in foreign currencies and forecast transactions denominated in foreign currencies
Hedging instruments: Interest rate swaps
Hedged items : Interest on loans
Hedging instruments: Commodity swaps
Hedged items : Forecast energy purchases

3) Hedging policy

The Company and its domestic consolidated subsidiaries utilize derivative financial instruments to hedge the risks associated with fluctuations in 1) foreign exchange rates and 2) interest rates 3) commodity prices in accordance with Group Treasury Policies.

4) Assessment method of hedge effectiveness

The Company and its consolidated subsidiaries evaluate the effectiveness of their hedging activities by comparing the latest valuations and projections of hedged items with the hedges currently in place on a semi-annual basis.
As for interest swaps accounted for by "Special method", the above assessment process is omitted, as conditions for "Special methods" are satisfied.

Subsidiaries located outside Japan:

The relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions, are documented at the inception of the transaction.

1) Fair value hedge

Changes in the fair value of derivatives, designated and qualifying as fair value hedges, are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability, attributable to the hedged risk.

2) Cash flow hedge

The effective portion of changes in the fair value of derivatives, designated and qualifying as cash flow hedges, is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

3) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in equity.

4) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instruments not qualifying for hedge accounting are recognized immediately in the income statement.

(5) Other important policies for the preparation of the financial statements

1) Accounting for consumption tax

All accounts are presented net of consumption tax.

2) Treatment of deferred assets

Expenses incurred upon issuance of corporate bonds and shares are charged to the income statement

3) Difference of accounting policies between the parent company and overseas subsidiaries

Financial statements of overseas subsidiaries are prepared based on accounting principles which are generally accepted in each respective country or region.

The Company applied Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No.18, Issued: 17 May 2006), and for those items stated in this PITF, necessary adjustments are made upon consolidation.

4) Amortization of goodwill

Goodwill is amortized by the straight-line method within a period of 20 years

5) Construction contracts

The construction contracts with assured progress as of the end of this financial year are accounted by the percentage of completion basis method with cost proportion method. The other construction contracts are accounted by the completed work basis method.

4. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, deposits with banks redeemable on demand, and short-term investments, which are readily convertible to cash subject to an insignificant risk of any change in their value and which were purchased with an original maturity of three months or less.

Note: As well as positive cash balances, cash and cash equivalents include overdrawn balances on the balance sheet within short term borrowings.

(8) Changes in significant accounting policies

1. Application of the accounting standard for asset retirement obligations

From the first quarter of the financial year ending 31 March 2011, "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Statement No.18, issued on 31 March 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, issued on 31 March 2008) have been applied.

There was no impact from the application of this accounting standard on the Group's results of operations for the period.

2. Application of the accounting standard for business combinations

From the first quarter of the financial year ending 31 March 2011, “Accounting Standard for Business Combinations” (ASBJ Statement No.21, issued on 26 December 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, issued on 26 December 2008), “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No.23, issued on 26 December 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No.7, revised on 26 December 2008), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No.16, partially revised on 26 December 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10, revised on 26 December 2008) have been applied.

There was no impact from the application of this accounting standard on the Group’s results of operations for the period.

3. Application of the accounting standard for equity method accounting

From the first quarter of the financial year ending 31 March 2011, “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No.16, issued on 10 March 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ PITF No.24, issued on 10 March 2008) have been applied.

There was no impact from the application of this accounting standard.

4. Application of the accounting standard for measurement of inventories

From the first quarter of the financial year ending 31 March 2011, “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9, revised on 26 September 2008) has been applied.

There was no material impact from the application of this accounting standard.

5. Change in the accounting method for interest swap contracts

To better reflect the expected timing of benefits arising from interest rate swap contracts from the first quarter of the financial year ending 31 March 2011, the Company changed its accounting method for interest rate swap contracts held by the Company, which had previously been accounted for under the exceptional method to the hedge accounting method. Prior to the change, those interest swap contracts were accounted for as if the interest rates applied to the swaps had originally applied to the underlying debt.

There was no impact from the application of this accounting method on the Group’s results of operations during the period.

(9) Change in presentation

From this financial year, “Income before minority interest” has been presented, pursuant to the “Partial Amendment to Regulations Concerning Terminology, Forms, and Method for Preparing Financial Statements” (Cabinet Ordinance No. 5, issued on 24 March 2009) following issuance of “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, issued on 26 December 2008)

(10) Additional information

1. Change in the useful life of tangible fixed assets

From the first quarter of the financial year ending 31 March 2011, the Company has changed the estimated useful life of machinery, equipment and vehicles to be within the range of 3 to 30 years, which was previously 3 to 9 years. Similarly, the Company has changed the estimated useful life of tools, furniture and fixtures to be 5 years, which was previously within the range of 2 to 10 years. Also from the first quarter of the financial year ending 31 March 2011, the Company has changed its depreciation method for tangible fixed assets acquired before and on 31 March 2007, so that they are depreciated to a nominal value as a residual value by the straight-line method over the useful economic life. These fixed assets were previously depreciated to the value of 5% of the acquisition cost, and then after reaching 5% of the acquisition cost, the remaining balance of the assets was depreciated to a nominal value by the straight-line method over a period of five years commencing a year after.

These changes were made to more accurately reflect the utilization of such assets over their expected useful life.

As a result of these changes, operating income and income before income taxes and minority interests increased by ¥835 million during the period.

2. Change in the useful life of intangible fixed assets

From the first quarter of the financial year ending 31 March 2011, the Company has changed the estimated useful life of computer software to 5 or 10 years, which was previously 5 years. This change was also made to more accurately reflect the utilization of such assets over their expected useful life.

As a result of this change, operating income, and income before income taxes and minority interests increased by ¥ 1,388 million during the period. (Application of accounting standard for construction contracts)

3. Adoption of Accounting Standard for Presentation of Comprehensive Income

Commencing in the year ended March 31, 2011, the Group adopted the ASBJ Statement No. 25, "*Accounting Standard for Presentation of Comprehensive Income"*, issued by the ASBJ on June 30, 2010.

The amounts presented as "Accumulated other comprehensive income/(loss)" and "Total accumulated other comprehensive income/(loss)" in the consolidated financial statements for the year ended March 31, 2010 represent amounts of "Valuation and translation adjustments" and "Total valuation and translation adjustments", respectively.

(11) Notes of Consolidated statement of comprehensive income

(¥ millions)

	FY 10 For the period 1 April 2009 to 31 March 2010
Comprehensive income	
Owners of the parent	(41,182)
Minority interests	1,025
Total comprehensive income	**(40,157)**
Other comprehensive income, net of tax	
Valuation difference on available for sale securities	(1,497)
Deferred gains or losses on hedges	5,730
Foreign currency translation adjustments	(5,985)
Share of other comprehensive income of affiliates accounted for using equity method	1,533
Total other comprehensive income, net of tax	**(219)**

(12) Segmental information

By Business Line (the information was disclosed in FY2010)

FY2010 (1 April 2009 to 31 March 2010) (JPY million)

	Building Products	Automotive	Specialty Glass	Other Operations	Total	Eliminations	Consolidated
Sales and operating income							
Sales							
(1) Sales to customers	244,236	265,017	66,112	13,029	588,394	-	588,394
(2) Inter-segmental sales	12,015	2,449	1,219	4,323	20,006	(20,006)	-
Total sales	256,251	267,466	67,331	17,352	608,400	(20,006)	588,394
Operating expenses	265,865	267,245	63,688	28,786	625,583	(20,006)	605,577
Operating income	(9,614)	221	3,643	(11,434)	(17,183)	-	(17,183)
Total assets	350,387	371,940	65,217	146,177	933,721	-	933,721
Depreciation and amortization	23,520	26,351	3,584	3,606	57,061	-	57,061
Asset impairment charges	5,075	1,861	144	3,590	10,669	-	10,669
Capital expenditures	5,689	12,723	2,051	352	20,814	-	20,814

Notes:

1. Method of segmentation

Segmentations are defined by the categorization of parent company's external sales.

2. Products included in business segments

Building products: Glass (float, laminated, coated etc) for building materials, and solar energy glass

Automotive: Processed glass related to automotive and transportation applications

Specialty glass: Micro optics, fine glass, industrial glass, LCD, specialized glass fiber products

Other: Engineering and general corporate expenses

3. Depreciation, amortization and capital expenditure amounts include those with respect to non-current prepaid expenses.

4. Effects due to changes in method of accounting.

FY2010 (For the period of 1 April 2009 to 31 March 2010)

Changes in standards to record construction revenue and the cost of construction work

As presented in the "Summary of significant accounting policies", from FY2010, "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan Statement No.15, issued on 27 December 2007) and the "Guideline to Apply the Accounting Standards on Construction Contracts" (Guideline to Apply the Accounting Standards Board of Japan Statement No.18, issued on 27 December 2008) have been applied. The application of this accounting standard did not have a material impact on the Group's financial results or balance sheet for the period.

Provision for warranties and claims

As presented in the "Summary of significant accounting policies", for FY2010, the method of booking provision for warranties and claims has been changed. Due to this change, operating loss for the "Building products" business decreased by ¥470 million and operating income for "Specialty glass" business increased by ¥40 million in FY2010.

By Geography (the information was disclosed in FY2010)

FY2010 (1 April 2009 to 31 March 2010)

(JPY million)

	Japan	Europe	North America	Rest of World	Total	Eliminations	Consolidated
Sales and operating income Sales							
(1) Sales to customers	167,306	258,720	78,417	83,951	588,394	-	588,394
(2) Inter-segmental sales	114,392	158,542	19,203	24,414	316,551	(316,551)	-
Total sales	281,698	417,262	97,620	108,365	904,945	(316,551)	588,394
Operating expenses	285,754	431,016	104,320	101,039	922,129	(316,551)	605,577
Operating income	(4,056)	(13,754)	(6,700)	7,326	(17,183)	-	(17,183)
Total assets	144,049	521,061	129,036	139,576	933,721	-	933,721

Notes:

1. Method of segmentation

Segmentations are defined by the geographical relevance of countries and regions in which the businesses operate.

2. Countries and regions included in the geographical segments

Europe: United Kingdom, Germany, Italy and others

North America: United States of America, Canada and Mexico

Rest of World: Brazil, Argentina, Chile, China, Malaysia and others

3. Effect due to changes in method of accounting

FY2010 (For the period of 1 April 2009 to 31 March 2010)

Changes in standards to record construction revenue and the cost of construction work

As presented in the "Summary of significant accounting policies", from FY2010, "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan Statement No.15, issued on 27 December 2007) and the "Guideline to Apply the Accounting Standards on Construction Contracts" (Guideline to Apply the Accounting Standards Board of Japan Statement No.18, issued on 27 December 2008) have been applied. The application of this accounting standard did not have a material impact on the Group's financial results or balance sheet for the period.

Provision for warranties and claims

As presented in the "Summary of significant accounting policies", from FY2010, the method of booking provision for warranties and claims has been changed. Due to this change, operating loss for "Japan" decreased by ¥ 510 million in FY2010.

Overseas sales (the information was disclosed in FY2010)

FY2010 (1 April 2009 to 31 March 2010)

(JPY million)

	Europe	North America	Asia	Rest of World	Total
Overseas sales	245,974	73,799	69,021	52,906	441,700
Consolidated sales					588,394
Percentage of overseas sales to consolidated sales	41.8%	12.5%	11.7%	9.0%	75.1%

Notes:

1. Method of segmentation

Segmentations are defined by the geographical relevance of countries and regions in which the businesses operate.
2. Overseas sales consist of export sales of the Company and domestic consolidated subsidiaries, and sales (other than exports to Japan) of the overseas consolidated subsidiaries.

3. Countries and regions included in the geographical segments

Europe:	United Kingdom, Germany, Italy and others
North America:	United States of America, Canada and Mexico
Asia:	China, Malaysia, Philippines and others
Rest of World:	Brazil, Argentina and others

Segmental information (by management approach)

1. Overview of reporting segments

Reporting segments of the Group are designated as business segments whose segregated financial information can be obtained and to which the board of directors regularly reviews to decide allocation of managerial and financial resources and to evaluate their financial performance.
The Group has three business lines categorized by the Group's main product sectors. Each business line establishes comprehensive business strategies related to the product sectors and manages these business operations.
The Group's business lines cover three core product sectors; Building Products, Automotive and Specialty Glass, and so the three business lines are defined as reporting segments of the Group.
The Building Products segment engages in the manufacturing, processing and sale of a variety of glass products for various applications within the building materials and solar energy sectors. The Automotive segment engages in the manufacturing, processing and sale of glass products mainly for the Automotive Original Equipment (OE) and Glass Replacement (AGR) markets. The Specialty Glass segment engages in the manufacturing, processing and sale of micro optics and fine glass, industrial glass, LCD, specialized glass fiber products and environmental amenity products.

2. Basis of measurement for profits and assets for reporting segments

This segmental analysis for reporting segments is prepared by taking almost the same methods as explained in "Summary of significant accounting policies" section. Profits for reporting segments are calculated, based on operating profit before allocation of general corporate costs and amortization of intangible fixed assets and goodwill arising from the acquisition of Pilkington plc. Inter-segmental sales are calculated, referring to actual market prices of products or using other methodologies considered as appropriate, depending on the business sectors and geographic locations. Assets and liabilities for reporting segments are calculated on the components from the consolidated balance sheet, as detailed in the table in Note 4 in "3 Information about profit (or loss) and assets per reporting segments" section, which are defined as "Net Trading Assets" by the Group. "Net Trading Assets" consists of inventories, notes and accounts receivables – trade, notes and accounts payables – trade, property, plant & equipment and other intangible assets using the average exchange rate for the financial year.

3. Information about sales and profit or loss per reporting segments

FY2010 (1 April 2009 to 31 March 2010)

(in ¥ millions)

	Reporting segments				Other (Note 1)	Adjust ments (Note 2)	Total	Amortization of goodwill etc. (Note 3)	Amount on consolidated P/L (Note 4)
	Building Products	Automotive	Specialty Glass	Sub-total					
Sales									
Sales to customers	249,503	265,137	66,112	580,752	7,642	-	588,394	-	588,394
Inter-segmental sales	12,015	2,461	1,219	15,695	4,311	(20,006)	-	-	-
Total sales	261,518	267,598	67,331	596,447	11,953	(20,006)	588,394	-	588,394
Segmental profit (loss)	1,285	13,020	3,668	17,973	1,884	(18,996)	861	(18,044)	(17,183)
Net trading assets	169,137	176,115	49,282	394,534	4,642	11,537	410,713	-	410,713
Other items									
Depreciation and amortization	16,188	17,622	4,395	38,205	812	-	39,017	18,044	57,061
Capital Expenditure	8,562	12,319	2,304	23,185	509	-	23,694	-	23,694

(Note 1) "Other" consists of business segments, which do not comprise separate reporting segments.

(Note 2) The details of "Adjustments" are as follows..

(1) The segmental profit (loss) is the corporate costs which are not allocated to reporting segments.

(2) Net trading assets consist of other assets and liabilities, ¥ 16, 670 millions, and the adjustment of the foreign exchange rate, ¥ (5,133) millions.

(Note 3) "Amortization of goodwill etc." is the amortization of intangible fixed assets and goodwill arising from the acquisition of Pilkington plc.

(Note 4) (1) Segmental profit (loss) is reconciled to operating income on the income statement.

(2) Net trading assets are reconciled to the balance sheet as the below table.

(in ¥ millions)

Merchandise and finished goods	56,107
Work in process	10,375
Raw materials and supplies	32,309
Notes and accounts receivables - trade	97,680
Notes and accounts payables - trade	(68,898)
Property, plant & equipment	283,140
Total	410,713

FY2011 (1 April 2010 to 31 March 2011)

(in ¥ millions)

	Reporting segments				Other (Note 1)	Adjustments (Note 2)	Total	Amortization of goodwill etc. (Note 3)	Amount on consolidated P/L (Note 4)
	Building Products	Automotive	Specialty Glass	Sub-total					
Sales									
Sales to customers	244,792	264,042	62,955	571,789	5,423	-	577,212	-	577,212
Inter-segmental sales	14,233	924	161	15,318	5,545	(20,863)	-	-	-
Total sales	259,025	264,966	63,116	587,107	10,968	(20,863)	577,212	-	577,212
Segmental profit (loss)	16,515	18,672	7,523	42,710	1,384	(13,913)	30,181	(15,829)	14,352
Net trading assets	157,530	162,759	48,991	369,280	582	23,914	393,776	-	393,776
Other items									
Depreciation and amortization	13,801	14,455	3,390	31,646	635	-	32,281	15,829	48,110
Capital Expenditure	13,629	16,143	1,849	31,621	322	-	31,943	-	31,943

(Note 1) "Other" consists of business segments, which do not comprise separate reporting segments.

(Note 2) The details of "Adjustments" are as follows..

(1) The segmental profit (loss) is the corporate costs which are not allocated to reporting segments.

(2) Net trading assets consist of other assets and liabilities, ¥ 19,820 millions, and the adjustment of the foreign exchange rate, ¥ 4,094 millions.

(Note 3) "Amortization of goodwill etc." is the amortization of intangible fixed assets and goodwill arising from the acquisition of Pilkington plc.

(Note 4) (1) Segmental profit (loss) is reconciled to operating income on the income statement.

(2) Net trading assets are reconciled to the balance sheet as the below table.

(in ¥ millions)

Merchandise and finished goods	55,183
Work in process	14,019
Raw materials and supplies	31,574
Notes and accounts receivables - trade	95,640
Notes and accounts payables - trade	(73,927)
Property, plant & equipment	271,287
Total	393,776

Related segmental information

FY2011 (1 April 2010 to 31 March 2011)

4. Geographical information

(1) Sales per destination (in ¥ millions)

Japan	Europe	North America	Asia	Other	Total
152,662	226,694	72,729	63,474	61,653	577,212

(2) Tangible fixed assets per location (in ¥ millions)

Japan	Europe	North America	Asia	Other	Total
60,957	128,462	31,921	29,338	20,609	271,287

5. Information about major customers

There is no major customer which the NSG Group sells the products to more than 10% of total sales.

6. Information about impairment of fixed asse

FY2011 (1 April 2010 to 31 March 2011) (in ¥ millions)

	Reporting segments				Other	Total
	Building Products	Automotive	Specialty Glass	Sub-total		
Impairment loss	1,078	651	-	1,729	122	1,851

7. Information about amortization of goodwill and balance of goodwill

FY2011 (1 April 2010 to 31 March 2011) (in ¥ millions)

	Reporting segments				Other	Adjust ments	Total	Amortization of goodwill etc.	Amount on consolidated P/L (Note 4)
	Building Products	Automotive	Specialty Glass	Sub-total					
Amortization of goodwill	65	(3)	(41)	21	132	-	153	6,336	6,489
Balance of goodwill	710	-	7	717	2,323	-	3,040	104,650	107,690

8. Information about gain from negative goodwill

FY2011 (1 April 2010 to 31 March 2011) There is no transaction.

(Additional information)

From the first quarter of this financial year, “Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (Accounting Standards Board of Japan Statement No.17, issued on 27 March 2009) and the “Guidance on Accounting Standard for Disclosure about segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Guidance No.20, issued on 21 March 2008) have been applied.

(13) Per Share Information

(JPY)

	FY2010	FY2011
Net assets per share	297.73	239.40
Net (loss) / income per share	(65.61)	0.13
Diluted earnings per share	Diluted net income per share is not disclosed as a net loss was recorded during the period.	Diluted net income per share is not disclosed because of anti-dilution during the period.

Basis for the computation of amounts per share

	FY2010	FY2011
Net income per share		
Net (loss) / income for the period	¥ (41,313 million)	¥ 1,661 million
Income attributable to preference shareholders	¥ 2,526 million	¥ 1,558 million
Income / (loss) attributable to ordinary shareholders	¥ (43,839 million)	¥ 103 million
Average number of issued shares (No. of shares: in ‘000s)	668,126	794,129
Diluted earnings per share		
Common stock		
Bonds with stock options (No. of shares: in ‘000s)	-	-
Stock options (No. of shares: in ‘000s）	-	-
Summary of equity instruments which were not included in the basis for calculating diluted net income per share as they are anti-dilutive	Yen convertible bonds with stock subscription rights due 2011:(face amount ¥23,000 million) First stock subscription rights:(455) Second stock subscription rights: (495) Third stock subscription rights: (345) Subscription rights issued in September 2007:(272) Subscription rights issued in September 2008:(448) Subscription rights issued in September 2009:(796) Type A preferred stock:(number of issued shares 3 million, total amount ¥30,000 million)	Yen convertible bonds with stock subscription rights due 2011:(face amount ¥23,000 million) First stock subscription rights:(455) Second stock subscription rights: (495) Third stock subscription rights: (345) Subscription rights issued in September 2007:(215) Subscription rights issued in September 2008:(422) Subscription rights issued in September 2009:(771) Subscription rights issued in August 2010:(394) Type A preferred stock:(number of issued shares 3 million, total amount ¥30,000 million)

(14) Significant subsequent events

There were no significant subsequent events following the balance sheet date.

4. Unconsolidated financial statements of the parent company

(1) Balance sheet

(¥ millions)

	FY 10 As of 31 March 2010	FY 11 As of 31 March 2011
Assets		
Current assets		
Cash and deposits	14,838	10,640
Notes receivable – trade	2,454	2,745
Accounts receivable – trade	23,337	22,055
Merchandise and finished goods	13,374	13,564
Work in process	2,253	2,356
Raw materials and supplies	6,811	6,509
Prepaid expenses	522	643
Accounts receivable – other	10,075	7,849
Loans receivable to subsidiaries and affiliates	21,684	42,918
Other current assets	690	2,014
Allowance for doubtful accounts	(2,114)	(2,222)
Total: Current assets	**93,923**	**109,071**
Non-current assets		
Property, plant and equipment		
Buildings	69,301	69,181
Accumulated depreciation	(50,253)	(51,135)
Buildings, net	19,048	18,046
Structures	10,978	10,969
Accumulated depreciation	(9,221)	(9,356)
Structures, net	1,757	1,613
Machinery and equipment	114,053	114,054
Accumulated depreciation	(98,541)	(99,043)
Machinery and equipment, net	15,512	15,011
Vehicles	306	296
Accumulated depreciation	(285)	(280)
Vehicles, net	21	16
Tools and dies	15,703	15,809
Accumulated depreciation	(12,446)	(12,607)
Tools and dies, net	3,257	3,202
Land	10,232	10,060
Leased assets	2,197	2,221
Accumulated depreciation	(1,449)	(1,590)
Leased assets, net	748	631
Construction in progress	1,480	985
Total: Property, plant and equipment	52,055	49,564

Balance sheet (continued)

(¥ millions)

	FY 10 As of 31 March 2010	FY 11 As of 31 March 2011
Intangible assets		
Goodwill	31	23
Patents	36	29
Leasehold rights	37	37
Rights of using facilities	443	437
Software	4,473	3,875
Leased assets	900	680
Other intangible assets	51	52
Total: intangible assets	5,972	5,133
Investments and other assets		
Investments in securities	3,865	3,490
Investments in subsidiaries and affiliates	346,875	345,777
Loans receivable from outside of the group	9	9
Loans receivable from employees	10	9
Loans receivable from subsidiaries and affiliates	93,609	91,453
Accounts receivable from insolvent customers	257	21
Prepaid expenses (non-current)	850	577
Other non-current assets	1,015	1,396
Allowance for doubtful accounts	(379)	(66)
Total: Investments and other assets	446,112	442,666
Total: Non-current assets	**504,139**	**497,363**
Total: Assets	**598,062**	**606,434**

Balance sheet (continued)

(¥ millions)

	FY 10 As of 31 March 2010	FY 11 As of 31 March 2011
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,989	15,915
Current portion of long-term loans payable	7,811	9,938
Current portion of bonds payable	10,000	25,000
Lease obligations	1,187	1,052
Accounts payable (construction and other)	10,393	11,145
Income taxes payable	119	205
Accrued expenses	1,629	1,740
Deposits from customers	5,752	7,030
Provision for employees' bonuses	1,229	1,090
Provision for directors' bonuses	14	17
Provision for warranties and claims	1,310	844
Provision for loss from disaster	-	75
Deposits from employees	183	176
Deferred tax liabilities (current)	94	-
Other current liabilities	927	226
Total: Current liabilities	**56,636**	**74,453**
Non-current liabilities		
Bonds payable	50,000	49,000
Long-term loans payable	173,553	162,956
Lease obligations	1,181	156
Provision for retirement benefits	3,557	3,012
Environmental provision	862	224
Provision for rebuilding furnaces	10,560	10,961
Asset retirement obligation	-	628
Deferred tax liabilities (non-current)	2,625	1,708
Other non-current liabilities	828	501
Total: Non-current liabilities	**243,165**	**229,146**
Total: Liabilities	**299,801**	**303,599**

Balance sheet (continued)

(¥ millions)

	FY 10 As of 31 March 2010	FY 11 As of 31 March 2011
Net assets		
Shareholders' equity		
Capital stock	96,147	116,449
Capital surplus		
Additional paid-in capital	104,470	124,772
Other	30,005	-
Total: Capital surplus	134,474	124,772
Retained earnings		
Earned surplus	6,377	6,377
Other retained earnings		
Reserve for deferred gain on fixed assets	3,134	2,795
General reserve	44,977	44,977
Retained earnings carried over	13,116	6,112
Total: Other retained earnings	67,604	60,261
Treasury stock	(589)	(563)
Total: Shareholders' equity	**297,637**	**300,919**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	592	326
Deferred gains or losses on hedges	(651)	909
Total: Valuation and translation adjustments	**(59)**	**1,235**
Subscription rights to shares	684	681
Total: Net assets	**298,261**	**302,835**
Total: Liabilities and net assets	**598,062**	**606,434**

(2) Income statement

(¥ millions)

	FY 10 For the period 1 April 2009 to 31 March 2010	FY 11 For the period 1 April 2010 to 31 March 2011
Net sales	**109,921**	**114,278**
Cost of sales		
Merchandise and finished goods - beginning bl.	18,073	13,374
Production cost for finished goods	63,426	64,096
Purchase cost for merchandise	25,048	20,666
Sub-total	106,546	98,136
Transfer to other accounts	2,649	799
Merchandise and finished goods - ending bl.	13,374	13,564
Total: Cost of sales	90,523	83,773
Gross profit	**19,398**	**30,505**
Selling, general and administrative expenses	28,793	27,182
Operating income / (loss)	**(9,395)**	**3,323**
Non-operating income		
Interest income	1,954	3,266
Dividend income	12,275	1,813
Other non-operating income	610	485
Total: Non-operating income	14,839	5,564
Non-operating expenses		
Interest expense	3,862	3,872
Interest on bonds payable	763	780
Other non-operating expenses	2,752	1,360
Total: Non-operating expenses	7,377	6,012
Ordinary income / (loss)	**(1,932)**	**2,875**

Income statement (continued)

(¥ millions)

	FY 10 For the period 1 April 2009 to 31 March 2010	FY 11 For the period 1 April 2010 to 31 March 2011
Extraordinary income		
Gain on sales of fixed assets	1,182	618
Gain on sales of investment securities	4,088	-
Other extraordinary income	165	131
Total: Extraordinary income	5,436	749
Extraordinary loss		
Loss on sales of non current assets	2	81
Impairment loss	154	677
Loss on revaluation of investments in subsidiaries and affiliates	2,476	553
Loss on sales of investments in subsidiaries and affiliates	2,491	-
Warranty provision costs	1,820	-
Environmental provision costs	649	-
Loss on disasters	-	800
Loss on liquidation of subsidiaries	-	1,593
Other extraordinary losses	1,067	917
Total: Extraordinary losses	8,658	4,621
Income / (loss) before income taxes	**(5,155)**	**(997)**
Income taxes		
Income tax (current)	(5)	(542)
Income tax (deferred)	(317)	(747)
Total: Income taxes	(323)	(1,289)
Net income / (loss)	**(4,832)**	**292**

Statement of changes in net assets

(¥ millions)

	FY10 For the period 1 April 2009 to 31 March 2010	FY11 For the period 1 April 2010 to 31 March 2011
Shareholders' equity		
Capital stock		
Balance at the end of previous period	96,147	96,147
Changes of items during the period		
Issuance of new shares	15,000	20,302
Transfer of capital stock to capital surplus	(15,000)	-
Total changes of items during the period	-	20,302
Balance at the end of current period	**96,147**	**116,449**
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	104,470	104,470
Changes of items during the period		
Issuance of new shares	15,000	20,302
Transfer of legal capital surplus to other capital surplus	(15,000)	-
Total changes of items during the period	-	20,302
Balance at the end of current period	**104,470**	**124,772**
Other capital surplus		
Balance at the end of previous period	2	30,005
Changes of items during the period		
Movement in treasury stock	3	12
Cancellation of treasury shares	-	(30,623)
Transfer of capital stock to capital surplus	15,000	-
Transfer of legal capital surplus to other capital surplus	15,000	-
Transfer of retained earnings to capital surplus		606
Total changes of items during the period	30,003	(30,005)
Balance at the end of current period	**30,005**	**-**
Total capital surplus		
Balance at the end of previous period	104,472	134,474
Changes of items during the period		
Movement in treasury stock	3	12
Issuance of new shares	15,000	20,302
Transfer of capital stock to capital surplus	15,000	-
Cancellation of treasury shares	-	(30,623)
Transfer of retained earnings to capital surplus	-	606
Total changes of items during the period	30,003	(9,703)
Balance at the end of current period	**134,474**	**124,772**
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	6,377	6,377
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	**6,377**	**6,377**

Statement of changes in net assets (continued)

(¥ millions)

	FY10 For the period 1 April 2009 to 31 March 2010	FY11 For the period 1 April 2010 to 31 March 2011
Other retained earnings		
Reserve for special account for advanced depreciation of non current assets		
Balance at the end of previous period	137	-
Changes of items during the period		
Reversal of reserve for special account for advanced depreciation of non current assets	(137)	-
Total changes of items during the period	(137)	-
Balance at the end of current period	**-**	**-**
Reserve for advanced depreciation of non current assets		
Balance at the end of previous period	3,464	3,134
Changes of items during the period		
Reversal of reserve for advanced depreciation of non current assets	(330)	(339)
Total changes of items during the period	(330)	(339)
Balance at the end of current period	**3,134**	**2,795**
Special reserve		
Balance at the end of previous period	44,977	44,977
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	**44,977**	**44,977**
Retained earnings brought forward		
Balance at the end of previous period	28,149	13,116
Changes of items during the period		
Reversal of reserve for special account for advanced depreciation of non current assets	137	-
Reversal of reserve for advanced depreciation of non current assets	330	339
Dividends from surplus	(5,152)	(7,029)
Decrease due to a company split transaction	(5,515)	-
Net profit/(loss)	(4,832)	292
Transfer of retained earnings to capital surplus	-	(606)
Total changes of items during the period	(15,033)	(7,004)
Balance at the end of current period	**13,116**	**6,112**

Statement of changes in net assets (continued)

(¥ millions)

	FY10 For the period 1 April 2009 to 31 March 2010	FY11 For the period 1 April 2010 to 31 March 2011
Total retained earnings		
Balance at the end of previous period	83,103	67,604
Changes of items during the period		
Provision of reserve for advance depreciation of non current assets	-	-
Reversal of reserve for advanced depreciation of non current assets	-	-
Dividends from surplus	(5,152)	(7,029)
Decrease due to a company split transaction	(5,515)	-
Net profit/(loss)	(4,832)	292
Transfer of retained earnings to capital surplus	-	(606)
Total changes of items during the period	(15,499)	(7,343)
Balance at the end of current period	**67,604**	**60,261**
Treasury stock		
Balance at the end of previous period	(585)	(589)
Changes of items during the period		
Chang in shareholders' equity due to exercise of share options	-	44
Purchase of treasury stock	(15)	(30,643)
Disposal of treasury stock	11	2
Cancellation of treasury shares	-	30,623
Total changes of items during the period	(4)	26
Balance at the end of current period	**(589)**	**(563)**
Total shareholders' equity		
Balance at the end of previous period	283,137	297,637
Changes of items during the period		
Issuance of new shares	30,000	40,604
Transfer of capital stock to capital surplus	-	-
Transfer of legal capital surplus to other capital surplus	-	-
Provision of reserve for advance depreciation of non current assets	-	-
Reversal of reserve for advanced depreciation of non current assets	-	-
Dividends from surplus	(5,152)	(7,029)
Decrease due to a company split transaction	(5,515)	-
Net profit/(loss)	(4,832)	292
Purchase of treasury stock	(15)	(30,643)
Disposal of treasury stock	14	14
Chang in shareholders' equity due to exercise of share options	-	44
Total changes of items during the period	14,499	3,282
Balance at the end of current period	**297,637**	**300,919**

Statement of changes in net assets (continued)

(¥ millions)

	FY10 For the period 1 April 2009 to 31 March 2010	FY11 For the period 1 April 2010 to 31 March 2011
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	2,165	592
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,573)	(266)
Total changes of items during the period	(1,573)	(266)
Balance at the end of current period	**592**	**326**
Deferred gains or losses on hedges		
Balance at the end of previous period	(4,966)	(651)
Changes of items during the period		
Net changes of items other than shareholders' equity	4,314	1,560
Total changes of items during the period	4,314	1,560
Balance at the end of current period	**(651)**	**909**
Total valuation and translation adjustments		
Balance at the end of previous period	(2,801)	(59)
Changes of items during the period		
Net changes of items other than shareholders' equity	2,742	1,294
Total changes of items during the period	2,742	1,294
Balance at the end of current period	**(59)**	**1,235**
Subscription rights to shares		
Balance at the end of previous period	493	684
Changes of items during the period		
Net changes of items other than shareholders' equity	191	(3)
Total changes of items during the period	191	(3)
Balance at the end of current period	**684**	**681**

Statement of changes in net assets (continued)

(¥ millions)

	FY10 For the period 1 April 2009 to 31 March 2010	FY11 For the period 1 April 2010 to 31 March 2011
Total net assets		
Balance at the end of previous period	280,829	298,261
Changes of items during the period		
Issuance of new shares	30,000	40,604
Transfer of capital stock to capital surplus	-	-
Transfer of legal capital surplus to other capital surplus	-	-
Reversal of reserve for special account for advanced depreciation of non current assets	-	-
Provision of reserve for advance depreciation of non current assets	-	-
Reversal of reserve for advanced depreciation of non current assets	-	-
Dividends from surplus	(5,152)	(7,029)
Decrease due to a company split transaction	(5,515)	-
Net profit / (loss)	(4,832)	292
Chang in shareholders' equity due to exercise of share options	-	44
Purchase of treasury stock	(15)	(30,643)
Disposal of treasury stock	14	14
Net changes of items other than shareholders' equity	2,932	1,291
Total changes of items during the period	17,432	4,573
Balance at the end of current period	**298,261**	**302,835**

(4) Notes regarding going concern

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

(5) Change in presentation

Income statement

"Loss on sale of investments in subsidiaries" which was previously presented separately, was included in "Other extraordinary loss" from this financial year. The amount for "Loss on sale of investments in subsidiaries" for this financial year was ¥ 191 million.