FY 2015 Annual Consolidated Financial Results <IFRS>

14 May 2015

(English translation of the Japanese original)

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

Representative: Representative Executive Officer, President and CEO — Name: Shigeki Mori
Inquiries to: Corporate Officer, General Manager Corporate Communications Dept. — Name: Kazumitsu Fujii
Tel: +81 3 5443 9477

Annual general shareholders' meeting: 26 June 2015
Submission of annual financial statements to MOF: 29 June 2015
Annual result presentation papers: Yes
Annual result presentation meeting: Yes (For institutional investors)

Payment of dividends starts from: N/A

1. Consolidated business results for FY2015 (From 1 April 2014 to 31 March 2015)

(1) Consolidated business results

	Revenue		Operating profit		Profit/(loss) before taxation		Profit/(loss) for the period		Profit/(loss) attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2015	626,713	3.4	22,338	-	4,807	-	2,893	-	1,668	-	(6,578)	-
FY2014	606,095	16.3	734	-	(15,120)	-	(15,460)	-	(16,605)	-	25,155	-

	Earnings per share - basic	Earnings per share - diluted	Ratio of profit/(loss) attributable to owners of the parent to average equity attributable to owners of the parent	Profit/(loss) before tax ratio to total assets	Operating profit ratio to revenue
	¥	¥	%	%	%
FY2015	1.85	1.84	0.9	0.5	3.6
FY2014	(18.40)	(18.40)	(9.7)	(1.7)	0.1

Share of post-tax profit of joint ventures and associates accounted for using the equity method FY2015 ¥413 million (FY2014 ¥1,002 million)

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2015	920,106	186,008	175,746	19.1	194.60
FY2014	926,208	193,486	183,974	19.9	203.78

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash used in investing activities	Net cash generated /(used in) from financing activities	Cash and cash equivalents as of term-end
	¥ millions	¥ millions	¥ millions	¥ millions
FY2015	24,593	(23,192)	7,295	62,340
FY2014	17,880	(17,106)	(20,744)	52,293

2. Dividends

	Dividends per share					Dividends (annual)	Payout ratio	Dividends over net assets
	Q1	Q2	Q3	Q4	Total			
FY2014 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-
FY2015 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-
FY2016 (forecast)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-

Note: For further details, please refer to the dividend policy section on page 7.

3. Forecast for FY2016 (From 1 April 2015 to 31 March 2016)

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Earnings per share - basic
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Half year	325,000	5.0	9,000	47.7	1,000	(90.8)	(1,000)	-	(1,750)	-	(1.94)
Full year	655,000	4.5	24,000	42.5	8,000	66.4	3,500	21.0	2,000	19.9	2.22

Note: For further details, please refer to the prospects section on pages 6 and 7.

Note: Operating profit as forecast in the above table is defined from FY2016 as being operating profit stated before exceptional items. The Group believes that this definition of profitability can be forecast with a greater degree of accuracy than operating profit after exceptional items.

4. Other items

(a) Changes in status of principal subsidiaries --- No

(b) Changes implemented to the accounting policies, practice and presentations related to the preparation of quarterly consolidated financial statements
- (i) Changes due to revisions in accounting standards under IFRS--- No
- (ii) Changes due to other reasons --- Yes
- (iii) Changes in accounting estimates – No

Note: For further details, please refer to the restatement of FY2014 comparative information section on page 24.

Number of shares outstanding (common stock)

- (i) Number of shares issued at the end of the period, including shares held as treasury stock: 903,550,999 shares as of 31 March 2015 and 903,550,999 shares as of 31 March 2014
- (ii) Number of shares held as treasury stock at the end of the period: 415,309 shares as at 31 March 2015 and 758,952 shares as at 31 March 2014
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock: 902,919,080 shares for the period ending 31 March 2015 and 902,617,647 shares for the period ending 31 March 2014

Status of audit procedures taken by external auditors for the annual 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 these consolidated financial results.

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

The projections contained in this document are based on information currently available to the Group and certain assumptions considered reasonable. Hence, the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Japan, Europe, North and South America, Asia, etc.), product supply/demand shifts, fluctuations in currency exchange and interest rates, as well as price changes in primary fuels and raw materials. Please refer to the section entitled "Prospects" on page 6 for qualitative information such as assumptions used for the projections.

[Attachments]

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

1. Business Performance and Financial Standing

(1) Business performance

1) Background to Results

Conditions in the Group's major markets were mixed, with improvements in some regions and reductions in others. European markets were weak, although signs of improvement were seen in Western European automotive markets during the fourth quarter. In Japan, architectural volumes were negatively affected by the increase in indirect taxation at the start of the year, although automotive volumes held up relatively well. North American markets showed further growth, particularly in architectural. South American markets were affected by difficult economic conditions. Overall, technical glass markets were mixed, with improvements in some areas and reductions in others.

The full-year operating profit represents an improvement on the previous year due mainly to reduced costs levels following the Group's restructuring program. The Group recorded a trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) of ¥ 25,270 million (FY14 ¥ 22,452 million). Profit attributable to owners of the parent improved to ¥ 1,668 million (FY14 restated loss of ¥ 16,605 million) due to the increased trading profit and the credit recorded in exceptional items.

The full-year results differ from the previous forecast, originally issued on 15 May 2014, as set out below.

(Unit: JPY million, %)

	Revenue	Operating profit	Profit / (loss) before taxation	Profit / (loss) for the period	Profit / (loss) attributable to owners of the parent	Earnings per share - basic
Previous forecast (A) published on 15 May 2014	620,000	21,000	5,000	2,000	1,000	1.11
Actual results (B)	626,713	22,338	4,807	2,893	1,668	1.85
Change(B-A)	6,713	1,338	(193)	893	668	0.74
Change (%)	1.1	6.4	(3.9)	44.7	66.8	66.7
FY2014 (restated)	606,095	734	(15,120)	(15,460)	(16,605)	(18.40)

The profit for the period and the profit attributable to owners of the parent differ from the previous forecast due to the taxation charge for the year being lower than had originally been assumed.

As presented in (6) Notes to the Consolidated Financial Statements (d) Principal accounting policies and (p) Restatement of FY2014 Comparative Information, the Group has restated its comparative results for FY2014. The values related to the results for FY2014 in this Business Performance and Financial Standing narrative are written in the restated values.

2) Review by Business Segment

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

Architectural, representing 40 percent of the Group's annual sales, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

Automotive, with 50 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 10 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

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

¥ millions	Revenue		Operating profit before exceptional items	
	FY2015	**FY2014**	**FY2015**	**FY2014**
Architectural	252,914	240,606	17,020	10,951
Automotive	313,956	305,114	9,372	11,154
Technical Glass	58,741	59,355	4,922	5,898
Other Operations	1,102	1,020	(14,466)	(13,436)
Total	626,713	606,095	16,848	14,567

Architectural

Operating results in the Architectural business were better than the previous year due to cost savings arising from the Groups' restructuring program and improved market conditions in North America. Revenues increased due to the translational impact of the weakened Japanese yen, and the improved market conditions in North America.

In Europe, representing 37 percent of the Group's Architectural sales, low levels of economic activity continued to depress construction and refurbishment activity. Cumulative local currency revenues fell slightly, due to soft market conditions and the mothballing of under-utilized production facilities during the previous year. While the difficult market conditions prevented any sustained upward selling price pressure, the Group's restructuring actions generated an improved level of asset utilization, enabling an improvement in profitability.

In Japan, representing 27 percent of Architectural sales, cumulative volumes fell following the increase in consumption taxes earlier in the year. Revenues fell due to the reduced volumes.

In North America, representing 13 percent of Architectural sales, architectural glass markets continued to perform strongly. The Group's revenues and profits improved from the previous year. Volumes increased, with strengthening domestic demand and higher dispatches of Solar Energy glass. Domestic price levels were above the previous year.

In the rest of the world, markets in South East Asia were strong, with improving domestic demand and increased dispatches of Solar Energy glass. Expressed in US Dollars, revenues in South America were similar to the previous year.

The Architectural business recorded revenues of ¥ 252,914 million and an operating profit of ¥ 17,020 million.

Automotive

In the Automotive business, revenues were slightly better than the previous year due to the translational impact of the weaker Japanese yen. Profits fell slightly with market conditions remaining challenging across many regions.

Europe represents 46 percent of the Group's Automotive sales. Cumulative light-vehicle sales were ahead of the previous year, with year-on-year increases during the fourth quarter potentially indicating a meaningful recovery. In the OE sector, the Group's cumulative local currency revenues were similar to the previous year. Automotive Glass Replacement (AGR) revenues were below the previous year with weather related sluggish demand, although profitability increased with an improved mix of products.

In Japan, representing 17 percent of the Group's Automotive sales, cumulative OE volumes were stronger than the previous year. Domestic demand was generally robust despite the consumption tax increase earlier in the year. Vehicle sales weakened slightly during the fourth quarter however. The Group's cumulative revenues improved with the increased demand, although profitability was impacted by increased input costs. AGR markets were below the previous year.

In North America, representing 26 percent of the Group's Automotive sales, cumulative revenues and profitability improved. OE market volumes continued to increase, and the AGR business benefited from robust demand.

In the rest of the world, revenues and profits fell. Market conditions in South America continued to be challenging.

The Automotive business recorded sales of ¥ 313,956 million and an operating profit of ¥ 9,372 million.

Technical Glass

Revenues in the Technical Glass business were below the previous year due partly to reduced price levels for certain products. Profits fell, largely due to the reduced prices, although this was partly offset by improved asset utilization and cost savings.

Increased competition negatively affected revenues from thin glass for displays. On 10 June, the Group started up its new Ultra Fine Flat (UFF) glass production line in Vietnam. This line commenced production during the third quarter. Demand for components used in multi-function printers improved from the previous year. Volumes of glass cord used in engine timing belts were similar to the previous year.

The Technical Glass business recorded revenues of ¥ 58,741 million and an operating profit of ¥ 4,922 million.

Other Operations and Eliminations

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above and the amortization of other intangible assets related to the acquisition of Pilkington plc. Operating costs incurred in Other Operations and Eliminations increased slightly from the previous year, with the translational impact of the weakened Japanese yen offsetting underlying cost reductions.

Consequently, this segment recorded revenues of ¥ 1,102 million and operating costs of ¥ 14,466 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits was below the previous year. Profits at Cebrace, the Group's joint venture in Brazil, were similar to the previous year. Losses widened at the Group's joint venture in Russia however, due largely to exchange translation losses following a significant reduction in the value of the Ruble during the third quarter. Results at the Group's associate in Colombia improved, with the previous year including costs associated with the start up of this company's float glass facility. The Group's share of its associates' profits in China were below the previous year.

The Group's share of joint ventures and associates profits after tax was ¥ 413 million (FY14 ¥ 1,002 million).

3) Prospects

The forecast of revenue, operating profit, profit before taxation, profit for the period, profit attributable to owners of the parent and earnings per share for the year to 31 March 2016 is set out on page 2.

The forecast of operating profit for FY2016 refers to operating profits as stated before charging or crediting exceptional items. The Group believes that this definition of profitability can be forecast with a greater degree of accuracy than operating profit after exceptional items. The FY2015 consolidated income statement, as set out on page 9, refers to this definition of profit as "Operating profit before exceptional items".

The Group expects a gradual improvement in market conditions during FY2016. In Europe, Architectural markets are likely to be broadly flat. Automotive markets should benefit from a continuation of the positive vehicle sales experienced during the fourth quarter of FY2015, although will still be significantly below pre-recession levels. Architectural markets in Japan are likely to register a modest improvement. Automotive markets in Japan are expected to be generally flat, although tax changes could impact sales in the short-term. Volumes in North

America are expected to be robust, although volumes in South America will continue to suffer from a challenging economic environment. Market conditions in South East Asia are likely to improve further, and demand for Solar Energy glass should continue to recover. Technical glass markets are generally expected to improve.

Taking account of the above factors, the Group expects to record a further improvement in operating profitability.

(2) Financial condition

Total assets at the end of March 2015 were ¥ 920,106 million, representing a decrease of ¥ 6,102 million from the end of March 2014. Total equity was ¥ 186,008 million, representing a decrease of ¥ 7,478 million, mainly due to the re-measurement of retirement benefit obligations during the fourth quarter.

Net financial indebtedness decreased by ¥ 5,021 million from 31 March 2014 to ¥ 374,092 million at the period end. Currency movements generated a decrease in net debt of approximately ¥ 8,310 million over the period. Gross debt was ¥ 442,743 million at the period end. As of 31 March 2015, the Group had un-drawn, committed facilities of ¥ 19,371 million.

Cash inflows from operating activities were ¥ 24,593 million. Cash outflows from investing activities were ¥ 23,192 million, including capital expenditure on property, plant, and equipment of ¥ 32,602 million. As a result, total cash inflows before financing were ¥ 1,401 million.

(3) Dividend policy

The Group's dividend policy is to secure dividend payments based on sustainable business results. As a consequence of the current market conditions faced by the Group, the directors do not recommend a dividend for the year to 31 March 2015. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

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.

Long-term Strategic Vision

Our strategic vision is to transform the NSG Group into a VA Glass Company. This is the core concept of our strategy and the basis for our longer-term growth plans.

Our aim is to:

- Consolidate our trusted reputation as a glass specialist
- Work closely with our customers in a range of global industries to deliver unique value through our products and services
- Transform our flat glass business, moving from traditional business model towards one increasingly focused on VA

To transform the Group into a VA Glass Company, we will become:

- Less asset-intensive;
- Less cyclical, with greater agility; and
- A more profitable glass business

Medium-Term plan (MTP)

On 15 May 2014, the Group has announced its medium-term plan (MTP), covering the financial years to 31 March 2018.

The overall objectives of the MTP are to achieve financial sustainability and to further develop the NSG Group's position as a VA glass company.

Successful restructuring has restored the Group's profitability, helping create a more agile, leaner, lower cost organization to implement the MTP. NSG aims to be well-positioned to respond appropriately to the changing and diversified global economy, with a balanced global footprint and business mix.

The MTP is focused on achieving financial sustainability, transitioning to strategic growth in longer term, based on value-added products and services.

Medium-Term plan – financial targets

With an experienced management team and strong leadership, the Group is committed to creating shareholder value, through ambitious but attainable financial targets.

The Group has established two very clear financial targets to be achieved by 31 March 2018, covering both the Groups' financial performance and position:

- Net financial debt / EBITDA of 3X
- Operating return on sales of greater than 8%

3. Basic concept regarding selection of accounting standards

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

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

4. Consolidated Financial Statements

(1). (a) Consolidated income statement

¥ millions

	Note	**FY2014 For the period 1 April 2014 to 31 March 2015**	FY2014 For the period 1 April 2013 to 31 March 2014 (restated)
Revenue	(6)-(f)	**626,713**	606,095
Cost of sales		**(473,194)**	(459,821)
Gross profit		**153,519**	146,274
Other income		**3,929**	7,205
Distribution costs		**(59,131)**	(57,677)
Administrative expenses		**(68,788)**	(66,619)
Other expenses		**(12,681)**	(14,616)
Operating profit before exceptional items	(6)-(f)	**16,848**	14,567
Exceptional items	(6)-(g)	**5,490**	(13,833)
Operating profit		**22,338**	734
Finance income	(6)-(h)	**2,201**	3,338
Finance expenses	(6)-(h)	**(20,145)**	(20,194)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**413**	1,002
Profit / (loss) before taxation		**4,807**	(15,120)
Taxation	(6)-(i)	**(1,914)**	(340)
Profit / (loss) for the period		**2,893**	(15,460)
Profit attributable to non-controlling interests		**1,225**	1,145
Profit / (loss) attributable to owners of the parent		**1,668**	(16,605)
		2,893	(15,460)
Earnings per share attributable to owners of the parent	(6)-(j)		
Basic		**1.85**	(18.40)
Diluted		**1.84**	(18.40)

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

¥ millions

	Note	**FY2015 For the period 1 April 2014 to 31 March 2015**	FY2014 For the period 1 April 2013 to 31 March 2014 (restated)
Profit / (loss) for the period		**2,893**	(15,460)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(6)-(n)	**(13,199)**	1,956
Share of other comprehensive income of affiliates		**(1,721)**	602
Sub total		**(14,920)**	2,558
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**7,009**	38,569
Revaluation of available-for-sale investments		**795**	(571)
Cash flow hedges:			
- fair value losses, net of taxation		**(2,355)**	59
Sub total		**5,449**	38,057
Total other comprehensive income for the period, net of taxation		**(9,471)**	40,615
Total comprehensive income for the period		**(6,578)**	25,155
Attributable to non-controlling interests		**1,728**	(110)
Attributable to owners of the parent		**(8,306)**	25,265
		(6,578)	25,155

(2) Consolidated balance sheet

¥ millions

	FY2015 as of 31 March 2015	FY2014 as of 31 March 2014 (restated)
ASSETS		
Non-current assets		
Goodwill	**130,734**	135,826
Intangible assets	**75,680**	86,999
Property, plant and equipment	**293,529**	289,389
Investment property	**867**	644
Investments accounted for using the equity method	**30,528**	50,070
Retirement benefit asset	**9,754**	4,624
Trade and other receivables	**16,656**	15,615
Financial assets:		
- Available-for-sale investments	**31,870**	6,743
- Derivative financial instruments	**75**	893
Deferred tax assets	**62,072**	51,980
Tax receivables	**1,199**	1,619
	652,964	644,402
Current assets		
Inventories	**113,662**	109,167
Construction work-in-progress	**825**	982
Trade and other receivables	**79,010**	92,523
Financial assets:		
- Available-for-sale investments	**3**	94
- Derivative financial instruments	**882**	1,434
Cash and cash equivalents	**67,695**	73,864
Tax receivables	**1,558**	1,943
	263,635	280,007
Assets held for sale	**3,507**	1,799
	267,142	281,806
Total Assets	**920,106**	926,208

(2) Consolidated balance sheet continued

¥ millions

	FY2015 as of 31 March 2015	FY2014 as of 31 March 2014 (restated)
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**112,119**	119,954
- Derivative financial instruments	**3,090**	1,514
Trade and other payables	**133,550**	127,858
Taxation liabilities	**2,326**	2,510
Provisions	**12,509**	19,179
Deferred income	**3,345**	3,027
	266,939	274,042
Liabilities related to assets held for sale	**-**	332
	266,939	274,374
Non-current liabilities		
Financial liabilities:		
- Borrowings	**325,008**	331,839
- Derivative financial instruments	**2,527**	1,996
Trade and other payables	**741**	573
Deferred tax liabilities	**20,700**	23,190
Taxation liabilities	**650**	1,837
Retirement benefit obligations	**89,924**	72,636
Provisions	**17,826**	16,477
Deferred income	**9,783**	9,800
	467,159	458,348
Total liabilities	**734,098**	732,722
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,449**	116,449
Capital surplus	**127,511**	127,511
Retained earnings	**(25,082)**	(11,773)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**24,916**	19,835
Total shareholders' equity	**175,746**	183,974
Non-controlling interests	**10,262**	9,512
Total equity	**186,008**	193,486
Total liabilities and equity	**920,106**	926,208

(3) Consolidated statement of changes in equity

¥ millions

FY2015	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders equity**	Non-controlling interests	**Total equity**
At 1 April 2014	116,449	127,511	(11,773)	(68,048)	19,835	**183,974**	9,512	**193,486**
Profit for the period	-	-	1,668	-	-	**1,668**	1,225	**2,893**
Other comprehensive income	-	-	(14,920)	-	4,946	**(9,974)**	503	**(9,471)**
Total Comprehensive Income	-	-	(13,252)	-	4,946	**(8,306)**	1,728	**(6,578)**
Transactions with owners								
Stock options	-	-	-	-	138	**138**	-	**138**
Dividends paid	-	-	-	-	-	**-**	(978)	**(978)**
Issuance & purchase of treasury stock	-	(57)	-	-	(3)	**(60)**	-	**(60)**
Transfer of retained earnings to capital surplus	-	57	(57)	-	-	**-**	-	**-**
At 31 March 2015	**116,449**	**127,511**	**(25,082)**	**(68,048)**	**24,916**	**175,746**	**10,262**	**186,008**

¥ millions

FY2014 (restated)	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders equity**	Non-controlling interests	**Total equity**
At 1 April 2013	116,449	127,511	2,133	(68,048)	(19,606)	**158,439**	10,422	**168,861**
Profit / (loss) for the period	-	-	(16,605)	-	-	**(16,605)**	1,145	**(15,460)**
Other comprehensive income	-	-	2,558	-	39,312	**41,870**	(1,255)	**40,615**
Total Comprehensive Income	-	-	(14,047)	-	39,312	**25,265**	(110)	**25,155**
Transactions with owners								
Stock options	-	-	-	-	135	**135**	-	**135**
Dividends paid	-	-	-	-	-	**-**	(646)	**(646)**
Issuance & purchase of treasury stock	-	(7)	-	-	(6)	**(13)**	-	**(13)**
Acquisition of additional investments in subsidiaries	-	-	148	-	-	**148**	(154)	**(6)**
Transfer of retained earnings to capital surplus	-	7	(7)	-	-	**-**	-	**-**
At 31 March 2014	**116,449**	**127,511**	**(11,773)**	**(68,048)**	**19,835**	**183,974**	**9,512**	**193,486**

(4) Consolidated statement of cash flows

¥ millions

	Note	**FY2015 for the period 1 April 2014 to 31 March 2015**	FY2014 for the period 1 April 2013 to 31 March 2014
Cash flows from operating activities			
Cash generated from operations	(6)-(l)	**44,935**	37,508
Interest paid		**(18,314)**	(18,830)
Interest received		**2,168**	2,877
Tax paid		**(4,196)**	(3,675)
Net cash inflows from operating activities		**24,593**	17,880
Cash flows from investing activities			
Dividends received from joint ventures and associates		**3,131**	3,199
Purchase of joint ventures and associates		**(183)**	(22)
Proceeds on disposal of joint ventures and associates		**162**	3
Purchase of subsidiaries (net of cash disposed)		**(488)**	(122)
Proceeds on disposal of businesses (net of cash disposed)		**144**	1,097
Purchases of property, plant and equipment		**(32,602)**	(25,686)
Proceeds on disposal of property, plant and equipment		**6,229**	3,292
Purchases of intangible assets		**(2,338)**	(1,717)
Proceeds on disposal of intangible assets		**21**	25
Purchase of available-for-sale investments		**(10)**	(16)
Proceeds from available-for-sale investments		**203**	996
Loans advanced to joint ventures, associates & third parties		**(1,486)**	(593)
Loans repaid from joint ventures, associates & third parties		**630**	1,964
Others		**3,395**	474
Net cash outflows from investing activities		**(23,192)**	(17,106)
Cash flows from financing activities			
Dividends paid to shareholders		**(11)**	(13)
Dividends paid to non-controlling interests		**(978)**	(646)
Repayment of borrowings		**(135,828)**	(154,359)
Proceeds from borrowings		**144,115**	134,280
Others		**(3)**	(6)
Net cash in/(out)flows from financing activities		**7,295**	(20,744)
Increase/(decrease) in cash and cash equivalents (net of bank overdrafts)		**8,696**	(19,970)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(m)	**52,293**	65,173
Effect of foreign exchange rate changes		**1,351**	7,090
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(m)	**62,340**	52,293

(5) Notes regarding going concern

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

(6) Notes to the Consolidated Financial Statements

(a) Reporting entity

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

(b) Basis of preparation

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

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

The consolidated financial statements have been prepared on a historical cost basis, except for investment property, derivative financial instruments and available-for-sale investments that have been measured at fair value.

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

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

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's annual accounting periods beginning on or after 1 April 2015 and are considered to be relevant and potentially material to the Group's primary financial statements. The Group has elected not to adopt early the standards as described below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities and the Group expects this standard to become effective from the Group's financial period commencing 1 April 2018. This new standard will replace certain elements of IAS 39. The Group has not yet calculated the impact of the adoption of this new standard.

IFRS 15 'Revenue from Contracts with Customers' addresses the recognition of revenues and will be effective from the Group's financial period commencing 1 April 2017. This new standard will replace IAS 18 'Revenue' and IAS 11 'Construction Contracts'. The Group has not yet calculated the impact of the adoption of this new standard.

(d) Principal accounting policies

The principal accounting policies applied to the consolidated financial statements for the year ended 31 March 2015 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2014, except as noted below.

The Group has re-assessed its policy towards the recognition of retirement benefit scheme assets and liabilities in light of ongoing debate by the IFRS foundation in respect of IFRIC 14 and IAS 19. The Group has previously had a policy of imposing a nil-value asset ceiling on the recognition of pension assets arising at its main UK pension scheme on the basis that the trustee has the discretionary ability to take actions that could reduce or extinguish the surplus. The Group has also then had a policy of recognizing a further liability with respect to the funding requirements of this scheme. Consistent with the latest proposals made by the IFRS foundation, the Group has revised its policy with respect to the application of an asset ceiling. The Group has an unconditional right to a refund of surplus, as defined under IFRIC 14 and considers that the possibility that a surplus could be reduced or extinguished by discretionary actions by the trustee does not affect the existence of the asset at the end of the reporting period. Given these circumstances, a nil-value asset ceiling is no longer applied by the Group. Consequently the Group now recognizes a pension asset with respect to this scheme and no longer recognizes an additional liability with respect to further funding contributions. The accounting impact of this change has been applied retrospectively in accordance with IAS8. The Group has therefore restated its comparative opening equity as at 31 March 2013, its comparative income statement and statement of comprehensive income for the period to 31 March 2014, and its comparative balance sheet as at 31 March 2014.

The impact of this change is summarized in note 6-(p).

(e) Critical accounting estimates and assumptions

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(f) Segmental information

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

Architectural, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

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

Technical Glass, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

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

(f) Segmental information continued

The segmental results for the financial period to 31 March 2015 were as follows:

¥ millions

FY2015 For the period 1 April 2014 to 31 March 2015	Architectural	Automotive	Technical Glass	Other Operations	Total
Revenue					
External revenue	**252,914**	**313,956**	**58,741**	**1,102**	**626,713**
Inter-segmental revenue	**21,142**	**2,424**	**26**	**5,132**	**28,724**
Total revenue	**274,056**	**316,380**	**58,767**	**6,234**	**655,437**
Trading profit	**17,020**	**9,372**	**4,922**	**(6,044)**	**25,270**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(8,422)**	**(8,422)**
Operating profit before exceptional items	**17,020**	**9,372**	**4,922**	**(14,466)**	**16,848**
Exceptional items					**5,490**
Operating profit after exceptional items					**22,338**
Finance costs - net					**(17,944)**
Share of post tax profit from joint ventures and associates					**413**
Profit before taxation					**4,807**
Taxation					**(1,914)**
Profit for the period from continuing operations					**2,893**

The segmental results for the financial period to 31 March 2014 were as follows:

¥ millions

FY2014 For the period 1 April 2013 to 31 March 2014 (restated)	Architectural	Automotive	Technical Glass	Other Operations	Total
Revenue					
External revenue	240,606	305,114	59,355	1,020	606,095
Inter-segmental revenue	15,494	2,147	89	5,411	23,141
Total revenue	256,100	307,261	59,444	6,431	629,236
Trading profit	10,951	11,154	5,898	(5,551)	22,452
Amortization arising from the acquisition of Pilkington plc	-	-	-	(7,885)	(7,885)
Operating profit before exceptional items	10,951	11,154	5,898	(13,436)	14,567
Exceptional items					(13,833)
Operating profit after exceptional items					734
Finance costs - net					(16,856)
Share of post tax profit from joint ventures and associates					1,002
Loss before taxation					(15,120)
Taxation					(340)
Loss for the period from continuing operations					(15,460)

(f) Segmental information continued

The segmental assets at 31 March 2015 and capital expenditure for the period ended 31 March 2015 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	**154,809**	**165,599**	**50,645**	**(1,955)**	**369,098**
Capital expenditure (including intangibles)	**13,783**	**17,500**	**4,513**	**762**	**36,558**

The segmental assets at 31 March 2014 and capital expenditure for the period ended 31 March 2014 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	150,007	168,738	48,310	561	367,616
Capital expenditure (including intangibles)	4,642	10,743	14,120	2,066	31,571

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

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

(g) Exceptional items

	FY2015 for the period 1 April 2014 to 31 March 2015 ¥ millions	FY2014 for the period 1 April 2013 to 31 March 2014 ¥ millions
Exceptional Items (gains):		
Gain on reclassification of investments	**13,349**	-
Gain on disposal of non-current assets	**5,141**	-
Reversal of impairment of non-current assets	**518**	1,227
Gain on dilution of shares in associate	**-**	2,056
Reduction of pension liabilities	**-**	1,098
Gain on disposal of available-for-sale assets	**-**	335
Others	**560**	802
	19,568	5,518
Exceptional Items (losses):		
Restructuring costs, including employee termination payments	**(8,922)**	(15,927)
Impairment of investment in associates	**(2,124)**	-
Settlement of litigation matters	**(1,337)**	(572)
Loss on dilution of investment in associates	**(649)**	-
Impairments of non-current assets	**(560)**	(2,034)
Loss on disposal or scrapping of non-current assets	**-**	(240)
Others	**(486)**	(578)
	(14,078)	(19,351)
	5,490	(13,833)

(g) Exceptional items continued

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

The gain on disposal of non-current assets arises mainly on the sale and lease-back of land at Itami City, Hyogo Prefecture, Japan, as announced on 26 September 2014. It also includes gains on disposals of property plant and equipment no longer in use following the Group's restructuring program.

The reversal of impairments of non-current assets relates to land located mainly in the UK, which has had its recoverable value re-assessed during the year, following an updated valuation.

The previous-year reversal of impairments of non-current assets relates to assets mainly in Sweden, which have either been given an alternative use elsewhere in the Group, or are anticipated to have an alternative use elsewhere in the Group.

The previous-year gain on dilution of shares in associates, relates to placings of new shares by Shanghai Yaohua Pilkington Glass Co Ltd (China) and Holding Concorde SA (Colombia), an NSG Group affiliate, in which the Group did not participate.

The previous-year reduction in pension liabilities arose at a UK subsidiary, where employees accepted a change to their terms and conditions, whereby pensionable salaries in the subsidiary's pension scheme were capped at their level on 1 January 2014.

The previous-year gain on disposal of available-for-sale investments related to the disposal of investments in Japan.

Restructuring costs arose in a variety of locations around the world representing the final stages of the Group's previously announced restructuring program. It also includes the cost of maintaining idle facilities, principally in Europe.

The restructuring costs incurred during the previous year include the costs arising from the Groups' decision to mothball its float line at Cowley Hill, St Helens, UK.

The impairment of investment in associates represents an impairment of the Group's interests in China Glass Holdings Ltd, following a review of the recoverable value of this investment.

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

The loss on dilution of shares in an associate arose following a placing of shares by China Glass Holdings Ltd in which the Group did not participate.

The impairments of non-current assets arising during the year relates to the Group's Architectural facilities in Japan.

The impairments arising during the previous year mainly related to the Group's Architectural facilities in Cowley Hill, UK, and Halmstad, Sweden.

The previous-year loss on disposal or scrapping of non-current assets relates to a variety of disposals, principally in China, Japan, and the Philippines.

(h) Finance income and expenses

	Note	**FY2015 for the period 1 April 2014 to 31 March 2015** ¥ millions	FY2014 for the period 1 April 2013 to 31 March 2014 (restated) ¥ millions
Finance income			
Interest income		**2,093**	2,929
Foreign exchange transaction gains		**108**	409
		2,201	3,338
Finance expenses			
Interest expense:			
- bank and other borrowings		**(15,852)**	(15,724)
Dividend on non-equity preference shares due to minority shareholders		**(278)**	(274)
Foreign exchange transaction losses		**(31)**	(88)
Other interest and similar charges		**(1,846)**	(1,892)
		(18,007)	(17,978)
Unwinding discounts on provisions		**(139)**	(293)
Retirement benefit obligations - net finance charge	(6)-(n)	**(1,999)**	(1,923)
		(20,145)	(20,194)

(i) Taxation

	FY2015 for the period 1 April 2014 to 31 March 2015 ¥ millions	FY2014 for the period 1 April 2013 to 31 March 2014 (restated) ¥ millions
Current tax		
Charge for the period	**(3,483)**	(4,437)
Adjustment in respect of prior periods	**(24)**	(61)
	(3,507)	(4,498)
Deferred tax		
Credit for the period	**3,013**	1,419
Adjustment in respect of prior periods	**(691)**	(44)
Adjustment in respect of rate changes	**(729)**	2,783
	1,593	4,158
Taxation charge for the period	**(1,914)**	(340)

The Group has a tax charge for the financial period to 31 March 2015 equivalent to 43.56 per cent of the profit before taxation, excluding the Group's share of net profits of joint ventures and associates (31 March 2014 restated – a tax charge on losses of (2.11) per cent). The tax charge for the period is calculated as the sum of the total current and deferred tax charge or credit arising in each territory in which the Group operates and applying the prevailing statutory tax rate and tax law in that territory.

(j) Earnings per share

(i) Basic

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

	Period ended 31st March 2015	Period ended 31st March 2014 (restated)
	¥ millions	¥ millions
Profit/(loss) attributable to owners of the parent	**1,668**	(16,605)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,919**	902,618
	¥	¥
Basic earnings per share	**1.85**	(18.40)

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, following the exercise of share options. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Period ended 31st March 2015	Period ended 31st March 2014 (restated)
	¥ millions	¥ millions
Earnings		
Profit/(loss) attributable to owners of the parent	**1,668**	(16,605)
Profit/(loss) used to determine diluted earnings per share	**1,668**	(16,605)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,919**	902,618
Adjustment for:		
- Share options	4,575	-
Weighted average number of ordinary shares for diluted earnings per share	**907,494**	902,618
	¥	¥
Diluted earnings per share	**1.84**	(18.40)

FY2014 diluted earnings per share does not include stock options due to the anti-dilutive effect caused by the losses during the period ended 31 March 2014.

(k) Exchange rates

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

	FY2015 31 March 2015		FY2014 31 March 2014	
	Average	**Closing**	Average	Closing
GBP	**177**	**178**	159	171
US dollar	**110**	**120**	100	103
Euro	**139**	**130**	134	141

(l) Cash flows generated from operations

	Note	**FY2015 for the period 1 April 2014 to 31 March 2015** ¥ millions	**FY2014 for the period 1 April 2013 to 31 March 2014** ¥ millions (restated)
Profit /(loss) for the period from continuing operations		**2,893**	(15,460)
Adjustments for:			
Taxation	(6)-(i)	**1,914**	340
Depreciation		**30,778**	30,081
Amortization		**10,935**	10,330
Impairment		**3,544**	3,593
Reversal of impairment of non-current assets		**(1,506)**	(1,227)
Profit on sale of property, plant and equipment		**(5,216)**	(591)
(Profit)/loss on sale of subsidiaries and businesses		**(26)**	57
Gain on reclassification of investments		**(13,349)**	-
Deemed disposal of share of associate		**649**	(2,056)
Grants and deferred income		**493**	(896)
Finance income	(6)-(h)	**(2,201)**	(3,338)
Finance expenses	(6)-(h)	**20,145**	20,194
Share of profit from joint ventures and associates		**(413)**	(1,002)
Other items		**(1,449)**	(1,777)
Operating cash flows before movement in provisions and working capital		**47,191**	38,248
Decrease in provisions and retirement benefit obligations		**(16,134)**	(15,911)
Changes in working capital:			
- inventories		**(2,973)**	1,176
- construction work-in-progress		**154**	(437)
- trade and other receivables		**11,610**	8,424
- trade and other payables		**5,087**	6,008
Net change in working capital		**13,878**	15,171
Cash flows generated from operations		**44,935**	37,508

(m) Cash and cash equivalents

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

(n) Post-retirement benefits

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

FY2015 for the period 1 April 2014 to 31 March 2015

	Operating costs ¥ millions	**Finance costs ¥ millions**	**SoCI* ¥ millions**
Post-employment benefits	**(3,126)**	**(1,065)**	**(9,042)**
Post-retirement healthcare benefits	**(66)**	**(934)**	**(6,749)**
Deferred Taxation	**-**	**-**	**2,592**
	(3,192)	**(1,999)**	**(13,199)**

FY2014 for the period 1 April 2013 to 31 March 2014 (restated)

	Operating costs ¥ millions	**Finance costs ¥ millions**	**SoCI* ¥ millions**
Post-employment benefits	(2,710)	(1,047)	5,326
Post-retirement healthcare benefits	(76)	(876)	2,322
Deferred Taxation	-	-	(5,692)
	(2,786)	(1,923)	1,956

* Consolidated Statement of Comprehensive Income

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

	As at 31 March 2015 %	As at 31 March 2014 %
UK discount rate	**3.1**	4.2
UK inflation	**2.0**	3.4
Japan discount rate	**0.9**	1.4
US discount rate	**3.5**	4.2
Eurozone discount rates (range)	**1.0-1.3**	2.0-3.1

(o) Contingent Liabilities

Claims

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

(p) Restatement of FY2014 Comparative Information

As described on page 16, the Group has restated its comparative results following a re-assessment of its accounting treatment with respect to the application of an asset ceiling on retirement benefit obligations. The table below sets out the adjustments made to FY2014 comparative data and the impact of this amendment on the current year financial statements.

	FY2015 ¥ millions	FY2014 ¥ millions
As of 1 April		
Increase in total shareholders' equity	18,988	13,408
Increase in total equity	18,988	13,408
As of 31 March		
Decrease in finance expenses	1,095	1,281
Increase in profit / decrease in loss before taxation	1,095	1,281
Increase in taxation charge	219	256
Increase in profit / decrease in loss for the period	876	1,025
Re-measurement of retirement benefit obligations included within the statement of comprehensive income, net of taxation	2,082	1,511
Foreign currency translation adjustments included within the statement of comprehensive income	794	3,044
Increase in other comprehensive income for the period, net of taxation	2,876	4,555
Increase in total comprehensive income for the period	3,752	5,580
Increase in retirement benefit assets	9,754	4,624
Decrease in deferred taxation assets	3,247	3,591
Decrease in retirement benefit obligations	16,233	17,955
Increase in total shareholders' equity	22,740	18,988
Increase in total equity	22,740	18,988
Increase in earnings / decrease in loss per share attributable to owners of the parent (basic) - yen	0.97	1.13
Increase in earnings / decrease in loss per share attributable to owners of the parent (diluted) - yen	0.97	1.13

(7) Significant subsequent events

There were no significant subsequent events.