FY 2018 Annual Consolidated Financial Results <IFRS>

11 May 2018

(English translation of the Japanese original)

Listed Company Name: Nippon Sheet Glass Company, Limited
Stock Exchange Listing: Tokyo
Code Number: 5202
(URL: http://www.nsg.com)
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Annual general shareholders' meeting: 28 June 2018
Submission of annual financial statements to MOF: 29 June 2018
Payment of dividends start from: 29 June 2018
Annual result presentation papers: Yes
Annual result presentation meeting: Yes (For institutional investors)

1. Consolidated business results for FY2018 (From 1 April 2017 to 31 March 2018)

(1) Consolidated business results

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2018	603,852	4.0	35,663	19.4	22,177	50.3	7,873	8.0	6,130	9.4	10,854	-
FY2017	580,795	(7.7)	29,862	54.2	14,751	-	7,292	-	5,605	-	(16,712)	-

	Earnings per share - basic	Ratio of profit attributable to owners of the parent to average equity attributable to owners of the parent	Profit before tax ratio to total assets	Operating profit ratio to revenue
	¥	%	%	%
FY2018	47.90	4.7	2.8	5.9
FY2017	62.04	4.9	1.8	5.1

Share of post-tax profit of joint ventures and associates accounted for using the equity method
FY2018: ¥ 2,403 million   FY2017: ¥ 1,142 million

Note:
- Operating profit in the above table is defined as being operating profit stated before exceptional items.
- Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Basic earnings per share are calculated under the assumption that this share consolidation was conducted on 1 April 2017.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2018	791,882	142,857	134,334	17.0	1,033.24
FY2017	790,192	133,708	124,146	15.7	941.76

Note:
- Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Total shareholders' equity per share is calculated under the assumption that this share consolidation was conducted on 1 April 2017.

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash used in investing activities	Net cash generated from /(used in) from financing activities	Cash and cash equivalents as of term-end
	¥ millions	¥ millions	¥ millions	¥ millions
FY2018	37,163	(20,359)	(33,889)	62,799
FY2017	30,429	(10,152)	16,398	79,808

2. Dividends

	Dividends per share					Dividends (annual) (¥ millions)	Payout ratio	Dividends to net assets ratio (%)
	Q1	Q2	Q3	Q4	Total			
FY2017 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	¥ 0	-	-
FY2018 (actual)	-	¥ 0.00	-	¥ 20.00	¥ 20.00	¥ 1,809	41.8	2.0
FY2019 (forecast)	-	¥ 10.00	-	¥ 20.00	¥ 30.00		23.0	

Note:
- The above table shows dividends on common shares. Please refer to "(Reference) Dividends for Class Shares" for information regarding dividends on class shares, which are unlisted and have different rights from common shares.
- For further details, please refer to the dividend policy section on page 8.

3. Forecast for FY2019 (From 1 April 2018 to 31 March 2019)

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Earnings per share - basic
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Half year	310,000	4.4	18,000	1.6	-	-	-	-	-	-	-
Full year	630,000	4.3	41,000	15.0	24,000	8.2	16,000	103.2	14,000	128.4	130.43

Note:
- As the Group forecast only the annual figures of Profit before taxation, Profit for the period, and Profit attributable to owners of the parent, disclosure for the half year forecast is limited to Revenue and Operating profit.
- For further details, please refer to the prospects section on page 8.

4. Other items

(a) Changes in status of principal subsidiaries: No

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

(c) Number of shares outstanding (common stock)
- (i) Number of shares issued at the end of the period, including shares held as treasury stock: 90,487,499 shares as at 31 March 2018 and 90,365,699 shares as at 31 March 2017
- (ii) Number of shares held as treasury stock at the end of the period: 14,465 shares as at 31 March 2018 and 11,489 shares as at 31 March 2017
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock: 90,402,543 shares for the period ending 31 March 2018 and 90,348,090 shares for the period ending 31 March 2017

Note:
- Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Number of shares presented above were calculated under the assumption that this share consolidation was conducted on 1 April 2017.

(Reference) Unconsolidated financial results of the parent company
Financial results of FY2018 (From 1 April 2017 to 31 March 2018)

(1) Stand-alone business results

	Revenue		Operating loss		Ordinary income/(loss)		Net profit/(loss)		Net profit/(loss) per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
FY2018	104,499	3.1	(341)	-	4,408	-	5,920	-	45.57
FY2017	101,316	0.2	(1,291)	-	(7,398)	-	(3,906)	-	(43.23)

(2) Stand-alone financial positions

	Total assets	Total equity	Equity ratio	Total equity per share
	¥ millions	¥ millions	%	¥
FY2018	676,854	326,688	48.2	3,153.51
FY2017	706,378	320,288	45.3	3,105.69

Note: Shareholders' equity
FY2018: ¥ 326,162 million FY2017: ¥ 319,667 million

- Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Total equity per share above was calculated under the assumption that this share consolidation was conducted on 1 April 2017.

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

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

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

The projections contained in this document are based on information currently available to 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 8 for qualitative information such as assumptions used for the projections.

(Reference) Dividends for Class A Shares

Dividends per share related to Class A Shares with different rights from those of common shares are as follows.

	Dividends per share				
	Q1	Q2	Q3	Q4	Total
Class A Shares					
FY2017 (Actual)	-	-	-	-	-
FY2018 (Actual)	-	¥ 0.00	-	¥ 45,000.00	¥ 45,000.00
FY2019 (Forecast)		¥ 27,500.00		¥ 27,500.00	¥ 55,000.00

(Note) Number of Class A Shares issued are 40,000 shares. The Class A Shares were issued on 31 March 2017.
Forecast of dividends, that have dividend record dates belonging to FY2019, is ¥ 2,200 million.

[Attachments]

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

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

1) Background to Results

During the year to 31 March 2018 (FY2018), market conditions continued to be at a good level for most of the Group's businesses, with results benefitting from an improvement in sales of higher value-added products. European Architectural markets were strong with good levels of demand leading to a stable pricing environment. Automotive markets improved further, but are still not yet at their 2007 pre-recession peak. In Japan, architectural markets were sluggish, although automotive markets improved despite selling rates falling slightly during the final quarter. Architectural markets in North America were positive. North American Automotive markets, whilst slightly below the previous year, were still at a high level. Automotive markets in South America continued to recover, although cumulative light vehicle sales are still well below peak levels. Technical glass markets strengthened with growing demand in many of the Group's product areas.

Full-year revenues improved from the previous year. Profitability also improved with the Group recording a trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) of ¥ 37,694 million (FY17 ¥ 33,062 million). Operating profits improved by 19 percent to ¥ 35,663 million (FY17 ¥ 29,862 million) due to the improved trading profit and a reduction in the amortization of intangible assets.

Profit attributable to owners of the parent improved to ¥ 6,130 million (FY17 ¥ 5,605 million). Included within profit attributable were two notable non-recurring items. Firstly, the Group has recognized an exceptional credit of ¥ 4,065 million, reversing a previous impairment loss with respect to its investment in SP Glass Holdings BV, a joint venture owning production facilities in Russia. The performance of this joint venture has steadily improved, leading the Group to re-assess its future prospects. Secondly, during the third quarter the Group recorded a tax charge of ¥ 9,590 million following the enactment of U.S. tax reform. The headline rate of U.S. federal corporate tax has fallen from 35 percent to 21 percent with a corresponding decrease in the accounting value of the Group's deferred tax assets. The increased deferred tax charge is a one-time accounting entry only and will not result in an increase in cash taxes payable by the Group. The Group welcomes the reduction in the U.S. headline federal corporate tax rate, which will result in a reduced tax charge on U.S. profits in the future.

Comparison of actual results and previous forecast results

The Group's profit before taxation, profit for the period and profit attributable to owners of the parent for the full-year to 31 March 2018 differs from the previous forecast, issued on 27 December 2017, as set out below.

	Revenue ¥ millions	Operating profit ¥ millions	Profit before taxation ¥ millions	Profit for the period ¥ millions	Profit attributable to owners of the parent ¥ millions	Earnings per share – basic (*) ¥
Previous forecast (A) Published on 27 December 2017	600,000	36,000	20,000	3,000	1,000	(8.85)
Actual results (B)	603,852	35,663	22,177	7,873	6,130	47.90
Change (B-A)	3,852	(337)	2,177	4,873	5,130	56.75
Change (%)	0.6	(0.9)	10.9	162.4	513.0	-
Previous year result (FY2017)	580,795	29,862	14,751	7,292	5,605	62.04

(*) Earnings per share – basic considers the impact of dividends related to Class A preferred shares

The Group's profit before taxation is higher than previously forecast due mainly to the reversal of previous impairment losses with respect to the Group's investment in SP Glass Holdings BV, a joint venture owning production facilities in Russia. Profit for the period and profit attributable to owners of the parent are further increased due to taxation charges which benefitted from the recognition of additional deferred tax assets in certain locations.

2) Review by Business Segment

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

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

Automotive, with 52 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 8 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

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

¥ millions	Revenue		Operating profit	
	FY2018	**FY2017**	**FY2018**	**FY2017**
Architectural	241,678	237,722	26,246	27,044
Automotive	312,681	296,560	14,250	12,654
Technical Glass	48,420	46,088	5,394	1,756
Other Operations	1,073	425	(10,227)	(11,592)
Total	603,852	580,795	35,663	29,862

Architectural

Cumulative architectural revenues improved due to an increase in European revenues and the translational impact of a weakened Japanese yen. Trading profits were similar to the previous year, with improving profitability in Europe and the weakened Japanese yen, offsetting a reduction in volumes elsewhere.

In Europe, representing 39 percent of the Group's architectural sales, markets continued to be positive with good demand leading to a stable pricing environment. During the third quarter the Group restarted its float line in Venice, Italy.

In Japan, representing 27 percent of the Group's architectural sales, revenues were below the previous year's levels due to lower market volumes and other factors. Profitability was also relatively weak due to the reduced volumes and the impact of non-recurring charges incurred during the first quarter.

In North America, representing 13 percent of the Group's architectural sales, revenues and profits were both below the previous year's levels. Available capacity has been temporarily reduced whilst the Ottawa facility is repaired as announced on 12 May 2017. Sales of solar energy glass fell during a period of re-tooling at a major customer, although shipments of other architectural products were robust. The Ottawa facility was restarted at the end of the third quarter.

In the rest of the world, shipments of Solar Energy glass were impacted by re-tooling at a major customer, but domestic markets were generally improved from the previous year.

The Architectural business recorded revenues of ¥ 241,678 million and an operating profit of ¥ 26,246 million.

Automotive

In the Automotive business, revenue and profits were above the previous year, with a strong underlying performance in Europe and exchange movements caused by the strong Euro compared to Yen.

Europe represents 45 percent of the Group's automotive sales. The Group's original equipment (OE) volumes were robust, in line with improving market demand, and profits also benefitted from increased sales of VA products and further cost reductions across the Group's facilities. Profits in the Automotive Glass Replacement (AGR) business were stable.

In Japan, representing 18 percent of the Group's automotive sales, revenues improved from the previous year, consistent with increasing light-vehicle sales. OE profits were below the previous year, whereas AGR profits improved.

In North America, representing 26 percent of the Group's automotive sales, local currency revenues and profits fell from the previous year, as a consequence of a slight fall in market volumes.

In the rest of the world, market conditions continued to recover in South America.

The Automotive business recorded sales of ¥ 312,681 million and an operating profit of ¥ 14,250 million.

Technical Glass

Revenues in the Technical Glass business were ahead of the previous year. Profits also improved with increased volumes in some areas, the further realization of cost savings, and a positive contribution from the disposal of non-current assets.

Results improved in the display business, with improvements in sales prices and production costs. Demand for components used in multi-function printers continued to strengthen during the year. Volumes of glass cord used in engine timing belts, and glass flake for use in vehicle paints and various other applications, improved. Battery separator volumes increased with further growth in the Group's Asian markets.

The Technical Glass business recorded revenues of ¥ 48,420 million and an operating profit of ¥ 5,394 million.

Other Operations and Eliminations

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

Consequently, this segment recorded revenues of ¥ 1,073 million and net operating costs of ¥ 10,227 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits represented an improvement from the previous year due mainly to an improvement in profits at Cebrace, the Group's joint venture in Brazil.

The Group's share of joint ventures and associates profits after tax was ¥ 2,403 million (FY17 ¥ 1,142 million).

(2) Overview about financial condition and cash flows

Total assets at the end of March 2018 were ¥ 791,882 million, representing an increase of ¥ 1,690 million from the end of March 2017. Total equity was ¥ 142,857 million, representing an increase of ¥ 9,149 million. The profit for the year and translational exchange gains from the weakened Yen were partly offset by decreases in the value of assets held at fair value through other comprehensive income.

Net financial indebtedness decreased by ¥ 6,783 million from 31 March 2017 to ¥ 306,471 million at the period end, with the positive cash flows generated during the year being partly offset by currency movements arising from the weakened Yen. Currency movements generated an increase in net debt of approximately ¥ 7,880 million over the period. Gross debt was ¥ 372,654 million at the period end. As of 31 March 2018, the Group had un-drawn, committed facilities of ¥ 90,082 million.

Cash inflows from operating activities were ¥ 37,163 million. Cash outflows from investing activities were ¥ 20,359 million, including capital expenditure on property, plant, and equipment of ¥ 31,582 million. As a result, free cash flow was an inflow of ¥ 16,804 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 2019 is set out on page 2. The forecast of earnings per share has been shown after considering the effect of dividends related to Class A shares.

The Group expects to see a further recovery in profitability during the next financial year with modest improvements in market conditions and an increasing contribution from VA products. European markets are expected to be robust with strengthening automotive profits reflecting positive underlying demand and an improving mix of products. In Japan, the Group expects a recovery of profitability in the architectural business, whilst in North America, architectural profits will benefit from a full-years operation at the Ottawa plant. In the Rest of World area, the Group anticipates a further rebound in automotive demand in South America. Results in the Technical Glass business should benefit from a further recovery in profitability in the display division.

Exceptional costs will continue to reflect restructuring expenditure necessary to achieve additional improvements in operational efficiency and overall cost reductions. Financial costs will continue to fall as result of a further reduction in the Group’s cost of borrowings.

Whilst the Group will maintain its focus on cash generation, it will also make selective investments consistent with its strategy to become a VA glass company. On 11 May 2018, the Group announced a plan to invest a total of 38,000 million yen in the expansion of production capacity of online TCO (transparent conductive oxide) coated glass to support the growing solar market. The investment will fund the upgrade and restart of a currently dormant float furnace in Vietnam and the construction of a new glass production facility in the United States over the next three years.

Based on our Long-term Strategic Vision to transform the NSG Group into a VA Glass Company, the Group launched the Medium-term Plan (“MTP”) starting in FY2015. The key objectives of the MTP are: to achieve financial sustainability; and to start the transformation into a VA Glass Company. The two financial targets were Net financial debt / EBITDA of 3X and Operating return on sales of greater than 8%. The Group also envisions a Return on Equity (ROE) of greater than 10% to be achieved under the MTP. From FY2018, the Group entered Phase 2 of the MTP, re-doubling its efforts to ensure the achievement of these targets by FY2020. The Group will focus on the four key measures under MTP Phase 2: “Drive VA No.1 Strategy”; “Establish growth drivers”; “Business culture innovation” and “Enhancement of Global Management”, in order to achieve the targets, as well as to expedite the stabilization of its financial base and growth strategy.

(4) Dividend policy

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

Based on the Group’s continuing recovery in profitability and positive future prospects, the directors have recommended a final dividend of ¥20 per share.

With respect to FY2019, the Group anticipates an interim dividend of ¥10 per share paid to celebrate the Group’s 100th anniversary, and a final dividend of ¥20 per share.

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

2. Basic concept regarding selection of accounting standards

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

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

3. Consolidated Financial Statements

(1). (a) Consolidated income statement

¥ millions

	Note	**FY2018 For the period 1 April 2017 to 31 March 2018**	FY2017 For the period 1 April 2016 to 31 March 2017
Revenue	(6)-(f)	**603,852**	580,795
Cost of sales		**(441,887)**	(429,122)
Gross profit		**161,965**	151,673
Other income		**2,571**	1,874
Distribution costs		**(54,536)**	(51,834)
Administrative expenses		**(66,613)**	(64,922)
Other expenses		**(7,724)**	(6,929)
Operating profit	(6)-(f)	**35,663**	29,862
Exceptional items	(6)-(g)	**(1,265)**	2,921
Operating profit after exceptional items		**34,398**	32,783
Finance income	(6)-(h)	**1,080**	1,380
Finance expenses	(6)-(h)	**(15,704)**	(20,554)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**2,403**	1,142
Profit before taxation		**22,177**	14,751
Taxation	(6)-(i)	**(4,714)**	(7,459)
Adjustment in respect of US tax rate change	(6)-(i)	**(9,590)**	-
Profit for the period		**7,873**	7,292
Profit attributable to non-controlling interests		**1,743**	1,687
Profit attributable to owners of the parent		**6,130**	5,605
		7,873	7,292
Earnings per share attributable to owners of the parent	(6)-(j)		
Basic		**47.90**	62.04
Diluted		**38.65**	61.49

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

¥ millions

	Note	**FY2018 For the period 1 April 2017 to 31 March 2018**	FY2017 For the period 1 April 2016 to 31 March 2017
Profit for the period		**7,873**	7,292
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(6)-(o)	**1,749**	(1,833)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)		**(6,357)**	(6,182)
Share of other comprehensive income of affiliates		**-**	33
Sub total		**(4,608)**	(7,982)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**6,484**	(19,190)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)		**(302)**	95
Cash flow hedges:			
- fair value losses, net of taxation		**1,407**	3,073
Sub total		**7,589**	(16,022)
Total other comprehensive income for the period, net of taxation		**2,981**	(24,004)
Total comprehensive income for the period		**10,854**	(16,712)
Attributable to non-controlling interests		**735**	1,388
Attributable to owners of the parent		**10,119**	(18,100)
		10,854	(16,712)

(2) Consolidated balance sheet

¥ millions

	FY2018 as at 31 March 2018	FY2017 as at 31 March 2017
ASSETS		
Non-current assets		
Goodwill	**112,455**	105,972
Intangible assets	**57,389**	56,288
Property, plant and equipment	**252,778**	245,157
Investment property	**413**	523
Investments accounted for using the equity method	**17,655**	13,773
Retirement benefit asset	**27,144**	19,227
Trade and other receivables	**16,310**	17,170
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**17,290**	26,568
- Derivative financial instruments	**445**	248
Deferred tax assets	**36,115**	41,622
Tax receivables	**912**	1,270
	538,906	527,818
Current assets		
Inventories	**108,975**	105,514
Construction work-in-progress	**641**	625
Trade and other receivables	**73,952**	68,010
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**100**	572
- Derivative financial instruments	**938**	963
Cash and cash equivalents	**64,801**	84,920
Tax receivables	**3,569**	1,644
	252,976	262,248
Assets held for sale	**-**	126
	252,976	262,374
Total Assets	**791,882**	790,192

(2) Consolidated balance sheet continued

¥ millions

	FY2018 as at 31 March 2018	FY2017 as at 31 March 2017
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**96,470**	78,417
- Derivative financial instruments	**1,093**	1,393
Trade and other payables	**133,538**	123,794
Taxation liabilities	**4,655**	2,797
Provisions	**16,416**	14,091
Deferred income	**2,973**	2,733
	255,145	223,225
Non-current liabilities		
Financial liabilities:		
- Borrowings	**274,185**	317,981
- Derivative financial instruments	**906**	1,595
Trade and other payables	**752**	443
Deferred tax liabilities	**18,567**	15,005
Taxation liabilities	**2,307**	1,536
Retirement benefit obligations	**71,937**	70,826
Provisions	**15,903**	16,903
Deferred income	**9,323**	8,970
	393,880	433,259
Total liabilities	**649,025**	656,484
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,546**	116,463
Capital surplus	**166,661**	166,578
Retained earnings	**(52,140)**	(59,646)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(28,685)**	(31,201)
Total shareholders' equity	**134,334**	124,146
Non-controlling interests	**8,523**	9,562
Total equity	**142,857**	133,708
Total liabilities and equity	**791,882**	790,192

(3) Consolidated statement of changes in equity

¥ millions

FY2018	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total share holders equity**	Non-controlling interests	**Total equity**
At 1 April 2017	**116,463**	**166,578**	**(59,646)**	**(68,048)**	**(31,201)**	**124,146**	**9,562**	**133,708**
Profit for the period	**-**	**-**	**6,130**	**-**	**-**	**6,130**	**1,743**	**7,873**
Other comprehensive income	**-**	**-**	**1,749**	**-**	**2,240**	**3,989**	**(1,008)**	**2,981**
Total Comprehensive Income	**-**	**-**	**7,879**	**-**	**2,240**	**10,119**	**735**	**10,854**
Transactions with owners								
Share based payments	**83**	**83**	**-**	**-**	**(95)**	**71**	**-**	**71**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(1,774)**	**(1,774)**
Issuance & purchase of treasury stock	**-**	**-**	**-**	**-**	**(2)**	**(2)**	**-**	**(2)**
Transfer of other reserves to retained earnings	**-**	**-**	**(373)**	**-**	**373**	**-**	**-**	**-**
At 31 March 2018	**116,546**	**166,661**	**(52,140)**	**(68,048)**	**(28,685)**	**134,334**	**8,523**	**142,857**

¥ millions

FY2017	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total share holders equity**	Non-controlling interests	**Total equity**
At 1 April 2016	116,449	127,511	(63,502)	(68,048)	(9,301)	103,109	8,902	112,011
Profit for the period	-	-	5,605	-	-	5,605	1,687	7,292
Other comprehensive income	-	-	(1,800)	-	(21,905)	(23,705)	(299)	(24,004)
Total Comprehensive Income	-	-	3,805	-	(21,905)	(18,100)	1,388	(16,712)
Transactions with owners								
Issuance of preference shares	20,000	20,000	-	-	-	40,000	-	40,000
Share issuance costs	-	(946)	-	-	-	(946)	-	(946)
Transfer of share capital to capital surplus	(20,000)	20,000	-	-	-	-	-	-
Share based payments	14	(12)	76	-	8	86	-	86
Dividends paid	-	-	-	-	-	-	(728)	(728)
Issuance & purchase of treasury stock	-	-	-	-	(3)	(3)	-	(3)
Transfer of retained earnings to capital surplus	-	25	(25)	-	-	-	-	-
At 31 March 2017	116,463	166,578	(59,646)	(68,048)	(31,201)	124,146	9,562	133,708

(4) Consolidated statement of cash flows

¥ millions

	Note	**FY2018 for the period 1 April 2017 to 31 March 2018**	FY2017 for the period 1 April 2016 to 31 March 2017
Cash flows from operating activities			
Cash generated from operations	(6)-(m)	**53,489**	54,523
Interest paid		**(11,596)**	(20,666)
Interest received		**1,021**	1,567
Tax paid		**(5,751)**	(4,995)
Net cash inflows from operating activities		**37,163**	30,429
Cash flows from investing activities			
Dividends received from joint ventures and associates		**2,508**	1,104
Purchase of joint ventures and associates		**(575)**	-
Proceeds on disposal of joint ventures and associates		**-**	2,005
Proceeds on disposal of subsidiaries		**156**	-
Purchases of property, plant and equipment		**(31,582)**	(24,130)
Proceeds on disposal of property, plant and equipment		**4,065**	10,403
Purchases of intangible assets		**(2,166)**	(1,855)
Proceeds on disposal of intangible assets		**944**	46
Purchase of assets held at FVOCI		**(208)**	(7)
Proceeds on disposal of assets held at FVOCI		**5,313**	1,967
Loans advanced to joint ventures, associates & third parties		**(500)**	(465)
Loans repaid from joint ventures, associates & third parties		**1,484**	641
Others		**202**	139
Net cash outflows from investing activities		**(20,359)**	(10,152)
Cash flows from financing activities			
Dividends paid to non-controlling interests		**(1,774)**	(728)
Issuance of preferred shares		**-**	39,054
Repayment of borrowings		**(94,736)**	(210,499)
Proceeds from borrowings		**62,624**	188,573
Others		**(3)**	(2)
Net cash (out) / inflows from financing activities		**(33,889)**	16,398
(Decrease) / increase in cash and cash equivalents (net of bank overdrafts)		**(17,085)**	36,675
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(n)	**79,808**	46,162
Effect of foreign exchange rate changes		**76**	(3,029)
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(n)	**62,799**	79,808

(5) Notes regarding going concern

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

(6) Notes to the Consolidated Financial Statements

(a) Reporting entity

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

(b) Basis of preparation

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

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

The consolidated financial statements have been prepared on a historical cost basis, except for investment property, derivative financial instruments and assets held at fair value through comprehensive income 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 2018 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 15 ‘Revenue from Contracts with Customers’ addresses the recognition of revenues and will be effective from the Group’s financial period commencing 1 April 2018. This new standard will replace IAS 18 ‘Revenue’ and IAS 11 ‘Construction Contracts’. The Group is in the process of finalizing its calculations but does not expect any material change to its financial performance or position to arise as a consequence of adopting this standard. The main practical change that is expected to arise is that the Group will, in certain circumstances, recognize revenue from the sale of tooling to automotive customers on acceptance of that tooling by the customer. The Group’s current policy is to recognize this revenue over the life of the associated automotive supply contract. In some years this may result in more revenue being recognized than would otherwise have been the case, although in other years it may be less. Over the medium-term, no material impact is expected. Certain other more minor accounting policy changes may also arise from adopting this new standard. These would not be expected to have a material impact, either individually or collectively.

IFRS 16 ‘Leases’ addresses the principles for the recognition and measurement of leases, and will be effective from the Group’s financial period commencing 1 April 2019. This new standard will replace IAS 17 ‘Leases’ and IFRIC 4 ‘Determining whether an Arrangement contains a Lease’. The Group has not yet calculated the impact of the adoption of this standard.

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

(d) Principal accounting policies

The principal accounting policies applied to the consolidated financial statements for the year ended 31 March 2018 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2017.

(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.

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

¥ millions

FY2018 For the period 1 April 2017 to 31 March 2018	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	**241,678**	**312,681**	**48,420**	**1,073**	**603,852**
Inter-segmental revenue	**19,322**	**2,411**	**372**	**3,582**	**25,687**
Total revenue	**261,000**	**315,092**	**48,792**	**4,655**	**629,539**
Trading profit	**26,246**	**14,250**	**5,394**	**(8,196)**	**37,694**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(2,031)**	**(2,031)**
Operating profit	**26,246**	**14,250**	**5,394**	**(10,227)**	**35,663**
Exceptional items	**(4,617)**	**(2,675)**	**109**	**5,918**	**(1,265)**
Operating profit after exceptional items					**34,398**
Finance costs - net					**(14,624)**
Share of post tax profit from joint ventures and associates					**2,403**
Profit before taxation					**22,177**
Taxation					**(14,304)**
Profit for the period from continuing operations					**7,873**

(f) Segmental information continued

The segmental results for the financial period to 31 March 2017 were as follows:

¥ millions

FY2017 For the period 1 April 2016 to 31 March 2017	Architectural	Automotive	Technical Glass	Other Operations	Total
Revenue					
External revenue	237,722	296,560	46,088	425	580,795
Inter-segmental revenue	17,818	1,885	107	5,417	25,227
Total revenue	255,540	298,445	46,195	5,842	606,022
Trading profit	27,044	12,654	1,756	(8,392)	33,062
Amortization arising from the acquisition of Pilkington plc	-	-	-	(3,200)	(3,200)
Operating profit	27,044	12,654	1,756	(11,592)	29,862
Exceptional items	(2,082)	2,773	(802)	3,032	2,921
Operating profit after exceptional items					32,783
Finance costs - net					(19,174)
Share of post tax profit from joint ventures and associates					1,142
Profit before taxation					14,751
Taxation					(7,459)
Profit for the period from continuing operations					7,292

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

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	133,455	144,863	38,739	6,703	323,760
Capital expenditure (including intangibles)	16,488	14,479	1,737	361	33,065

The segmental assets at 31 March 2017 and capital expenditure for the period ended 31 March 2017 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	131,595	137,393	39,561	2,654	311,203
Capital expenditure (including intangibles)	11,585	13,316	1,664	1,448	28,013

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

	FY2018 for the period 1 April 2017 to 31 March 2018	FY2017 for the period 1 April 2016 to 31 March 2017
	¥ millions	¥ millions
Exceptional Items (gains):		
Reversal of impairment of investments in joint ventures	**4,065**	-
Gain on disposal of non-current assets	**2,139**	8,189
Gain on disposal of investments in joint ventures and associates	**1,541**	907
Gain on settlement of insurance proceeds	**997**	-
Settlement of litigation matters	**190**	772
Reversal of impairment of non-current assets	**-**	1,468
Reversal of restructuring provisions	**-**	893
Gain from exit of business	**-**	855
Others	**238**	47
	9,170	13,131
Exceptional Items (losses):		
Restructuring costs, including employee termination payments	**(5,190)**	(4,759)
Suspension of facilities	**(4,621)**	-
Impairments of non-current assets	**(487)**	(3,855)
Settlement of litigation matters	**(137)**	(972)
Loss on disposal of current assets	**-**	(624)
	(10,435)	(10,210)
	(1,265)	2,921

The reversal of impairment of investments in joint ventures relates to the Group's investment in SP Glass Holdings BV, a joint venture owning production facilities in Russia. The performance of this joint venture has steadily improved, leading the Group to re-assess its future prospects.

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

The previous-year gain on disposal of non-current assets primarily relates to the sale and lease-back of land at Kyoto City, Kyoto Prefecture, Japan, and land and buildings at Sungai Buloh, Malaysia, both transactions as announced on 13 May 2016.

The gain on the disposal of investments in joint ventures relates to the contracted disposal of the Group's interest in Tianjin SYP Pilkington Glass Co., Ltd. The proceeds received on disposal of this investment are an investment in Tianjin SYP Glass Co., Ltd which will be accounted for as an asset held at Fair Value through Other Comprehensive Income (FVOCI). The exceptional gain includes a partial reversal of a previous impairment and a gain on recycling to the income statement of previous foreign exchange postings made directly to the Statement of Comprehensive Income.

The previous-year gain on disposal of investments in associates related to the disposal of a part of the Group's shareholding in China Glass Holdings Ltd. This included a gain on recycling to the income statement of previous foreign exchange postings made directly to the Statement of Comprehensive Income.

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

In both the current and previous year, the settlement of litigation matters relates to claims made by certain of the Group's automotive customers in Europe, following the European Commission's earlier decision to fine the Group for alleged breaches of European competition law and also relates to other matters arising elsewhere.

The prior year reversal of impairment of non-current assets, and reversals of restructuring provisions together arise from the Group's decision to restart its float glass production line at Venice, Italy, as announced on 13 February 2017.

The previous-year gain on exit from business related to the exit from the Group's business in China producing rolled glass for Solar Energy applications. This included a gain on recycling to the income statement of previous foreign exchange postings.

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

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

The impairment of non-current assets relates mainly to assets in Automotive North America and assets at the Ottawa facility. The previous-year impairment of non-current assets related mainly to assets in Architectural and Automotive Europe, together with an impairment of architectural assets in Vietnam.

The previous year loss on disposal or scrapping of assets relates to tornado-damaged inventories at Ottawa, USA, and also includes the scrapping of current assets in Europe connected to restructuring programs undertaken in that region.

(h) Finance income and expenses

	Note	**FY2018 for the period 1 April 2017 to 31 March 2018**	FY2017 for the period 1 April 2016 to 31 March 2017
		¥ millions	¥ millions
Finance income			
Interest income		**1,072**	1,342
Foreign exchange transaction gains		**8**	38
		1,080	1,380
Finance expenses			
Interest expense:			
- bank and other borrowings		**(13,190)**	(18,227)
Dividend on non-equity preference shares due to minority shareholders		**(260)**	(238)
Foreign exchange transaction losses		**(8)**	(33)
Other interest and similar charges		**(1,028)**	(942)
		(14,486)	(19,440)
Unwinding discounts on provisions		**(218)**	(216)
Retirement benefit obligations - net finance charge	(6)-(n)	**(1,000)**	(898)
		(15,704)	(20,554)

(i) Taxation

	FY2018 for the period 1 April 2017 to 31 March 2018	FY2017 for the period 1 April 2016 to 31 March 2017
	¥ millions	¥ millions
Current tax		
Charge for the period	**(6,261)**	(5,010)
Adjustment in respect of prior periods	**(464)**	(418)
	(6,725)	(5,428)
Deferred tax		
Credit/(charge)for the period	**1,787**	(3,185)
Adjustment in respect of prior periods	**279**	842
Adjustment in respect of rate changes	**(9,645)**	312
	(7,579)	(2,031)
Taxation charge for the period	**(14,304)**	(7,459)

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

Excluding the above one-off item, the Group has a tax charge for FY2018 which results in an effective rate of tax of 23.84 percent on the profit before taxation for the period, after excluding the Group's share of net profits of joint ventures and associates (FY2017: a tax charge of 54.81 percent).

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

(j) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent, after deducting dividends related to Class A shares, by the weighted average number of ordinary shares in issue during the year. The dividends related to Class A shares are calculated by the dividend rate defined in the terms and conditions of the shares. The weighted average number of ordinary shares excludes ordinary shares purchased by the company and held as treasury shares.

	Period ended 31st March 2018	Period ended 31st March 2017
	¥ millions	¥ millions
Profit attributable to owners of the parent	**6,130**	5,605
Adjustment for; - Dividends on class A shares	**1,800**	-
Profit used to determine basic earnings per share	**4,330**	5,605
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,403**	90,348
	¥	¥
Basic earnings per share	**47.90**	62.04

Note: Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Basic earnings per share is calculated under the assumption that this share consolidation was conducted on 1 April 2016.

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, following the exercise of share options and exercise of put options, attached to Class A shares, for which the consideration is common shares. As for share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is deducted from the number of shares that would have been issued assuming the exercise of the share options. As for Class A shares, a calculation is performed to determine the number of shares that would have been issued, assuming a conversion to common shares that is most advantageous for holders of the class shares. Conversion of Class A shares to common shares is reflected in the diluted earnings per share, using the factor applied to the case where the put options are exercised from 1 July 2022 onward, if the conversion has dilutive effect.

	Period ended 31st March 2018	Period ended 31st March 2017
	¥ millions	¥ millions
Earnings		
Profit attributable to owners of the parent	**6,130**	5,605
Profit used to determine diluted earnings per share	**6,130**	5,605
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,403**	90,348
Adjustment for:		
- Share options	609	614
- Preferred shares	67,572	185
Weighted average number of ordinary shares for diluted earnings per share	**158,584**	91,147
	¥	¥
Diluted earnings per share	**38.65**	61.49

Note: Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Diluted earnings per share is calculated under the assumption that this share consolidation was conducted on 1 April 2016.

(k) Dividends paid and proposed

	Year ended 31st March 2018 ¥ millions	Year ended 31st March 2017 ¥ millions
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the year ended 31 March 2017 ¥ 0 per share (2016: ¥ 0 per share)	**-**	-
Interim dividend for the year ended 31 March 2018 ¥ 0 per share (2017: ¥ 0 per share)	**-**	-
Dividends on ordinary shares declared after the end of the reporting period and not recognized as a liability:		
Final dividend for the year ended 31 March 2018 ¥ 20 per share (2017: ¥ 0 per share)	**1,809**	-

	Year ended 31st March 2018 ¥ millions
Dividends on Class A shares declared and paid during the period:	
Interim dividend for the year ended 31 March 2018 ¥ 0 per share	**-**
Dividends on Class A shares declared after the end of the reporting period and not recognized as a liability:	
Final dividend for the year ended 31 March 2018 ¥ 45,000 per share	**1,800**

(l) Exchange rates

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

	FY2018 31 March 2018		FY2017 31 March 2017	
	Average	**Closing**	Average	Closing
GBP	**147**	**150**	142	139
US dollar	**111**	**106**	108	111
Euro	**130**	**132**	119	119

(m) Cash flows generated from operations

	Note	**FY2018 for the period 1 April 2017 to 31 March 2018**	FY2017 for the period 1 April 2016 to 31 March 2017
		¥ millions	¥ millions
Profit for the period from continuing operations		**7,873**	7,292
Adjustments for:			
Taxation	(6)-(i)	**14,304**	7,459
Depreciation		**27,896**	26,742
Amortization		**4,134**	5,447
Impairment		**622**	3,970
Reversal of impairment of non-current assets		**(4,195)**	(1,469)
Profit on sale of property, plant and equipment		**(2,381)**	(8,177)
Profit on sales of subsidiaries, joint ventures, associates and businesses		**(51)**	-
Gain from exit of business		**-**	(855)
Gain on disposal of investments in associates		**(1,541)**	(907)
Grants and deferred income		**65**	(803)
Finance income	(6)-(h)	**(1,080)**	(1,380)
Finance expenses	(6)-(h)	**15,704**	20,554
Share of profits from joint ventures and associates		**(2,403)**	(1,142)
Other items		**(1,399)**	(1,064)
Operating cash flows before movement in provisions and working capital		**57,548**	55,667
Decrease in provisions and retirement benefit obligations		**(5,671)**	(7,728)
Changes in working capital:			
- inventories		**(2,362)**	(9)
- construction work-in-progress		**41**	22
- trade and other receivables		**(2,898)**	3,410
- trade and other payables		**6,831**	3,161
Net change in working capital		**1,612**	6,584
Cash flows generated from operations		**53,489**	54,523

(n) Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
	¥ millions	¥ millions
Cash and cash equivalents	**64,801**	84,920
Bank overdrafts	**(2,002)**	(5,112)
	62,799	79,808

(o) Post-retirement benefits

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

FY2018 for the period 1 April 2017 to 31 March 2018

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

FY2017 for the period 1 April 2016 to 31 March 2017

	Operating costs ¥ millions	Finance costs ¥ millions	SoCI* ¥ millions
Post-employment benefits	**(3,523)**	**21**	**185**
Post-retirement healthcare benefits	**(45)**	**(919)**	**136**
Deferred income and other taxes**	**-**	**-**	**(2,154)**
	(3,568)	**(898)**	**(1,833)**

* Consolidated Statement of Comprehensive Income
** Included within deferred income and other taxes is a deferred tax charge of ¥ 566 million (FY2017: charge of ¥ 524 million) and other taxes of ¥ 3,375 million (FY2017: ¥ 1,630 million), which represent a charge against the pension asset.

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

	As at 31 March 2018 %	As at 31 March 2017 %
UK discount rate	**2.6**	2.6
UK inflation	**2.0**	2.1
Japan discount rate	**0.7**	0.8
US discount rate	**3.8**	3.9
Eurozone discount rates (range)	**1.0-1.5**	1.0-1.8

(7) Significant subsequent events

On 11 May 2018, the Group announced that it intended to invest a total of 38,000 million yen to support the expansion of production capacity of online TCO (transparent conductive oxide) coated glass to support the growing solar market. This investment will include the restart of a dormant float glass furnace in Vietnam. The Group partially impaired the value of this furnace with an exceptional cost in FY2016. Following the decision to restart this line, the Group will re-evaluate its value, with any exceptional item arising expected to be recorded during the first quarter of FY2019.