FY 2021 Annual Consolidated Financial Results <IFRS>

13 May 2021

(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)	
Representative:	Representative Executive Officer, President and CEO	Name:	Shigeki Mori
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Annual general shareholders' meeting:	29 June 2021	
Submission of annual financial statements to MOF:	30 June 2021	
Payment of dividends start from:	N/A	
Annual result presentation papers:	Yes	
Annual result presentation meeting:	Yes	(Teleconference for institutional investors)

1. Consolidated business results for FY2021 (From 1 April 2020 to 31 March 2021)

(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	%
FY2021	499,224	(10.2)	13,067	(38.3)	(17,171)	–	(16,316)	–	(16,930)	–	(15,295)	–
FY2020	556,178	(9.2)	21,177	(42.5)	(13,549)	–	(17,518)	–	(18,925)	–	(40,919)	–

	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
	¥	%	%	%
FY2021	(208.32)	(24.8)	(2.2)	2.6
FY2020	(235.96)	(19.2)	(1.8)	3.8

Share of post-tax profit of joint ventures and associates accounted for using the equity method

FY2021: ¥ 2,194 million FY2020: ¥ 1,077 million

Note:

- Operating profit in the above table is defined as being operating profit stated before exceptional items.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2021	824,963	79,762	62,937	7.6	349.65
FY2020	765,197	88,194	73,612	9.6	470.88

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash used in investing activities	Net cash generated from financing activities	Cash and cash equivalents as of term-end
	¥ millions	¥ millions	¥ millions	¥ millions
FY2021	21,053	(25,589)	13,537	53,500
FY2020	30,444	(56,888)	18,205	40,512

2. Dividends

	Dividends per share					Dividends (annual) (¥ millions)	Payout ratio	Dividends to net assets ratio (%)
	Q1	Q2	Q3	Q4	Total			
FY2020 (actual)	—	¥ 0.00	—	¥ 0.00	¥ 0.00	¥ 0	—	—
FY2021 (actual)	—	¥ 0.00	—	¥ 0.00	¥ 0.00	¥ 0	—	—
FY2022 (forecast)	—	¥ 0.00	—	¥ 0.00	¥ 0.00		—	

Note:

- The above table shows dividends on common shares.
- Please refer to "(Reference) Dividends for Class A Shares" for information regarding dividends on class A shares, which are unlisted and have different rights from common shares.
- For further details, please refer to the dividend policy section on page 9.

3. Forecast for FY2022 (From 1 April 2021 to 31 March 2022)

	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	250,000	12.9	10,000	208.8	9,000	—	8,000	—	7,000	—	66.43
Full year	530,000	6.2	22,000	68.4	15,000	—	11,000	—	9,000	—	77.77

Note:

- Forecast of basic earnings per share for FY2022 is calculated by dividing the profit attributable to owners of the parent after deducting preferred dividends for Class A shares (a rate of 6.5% per annum applied to the outstanding balance at 31 March 2022), by 90,654,114 shares which is the number of ordinary shares issued at 31 March 2021, reduced by the number of treasury stock and restricted shares (133,000 shares).
- 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 in accounting policies and changes in accounting estimates:
(i) Changes due to revisions in accounting standards under IFRS — Yes
(ii) Changes due to other reasons — No
(iii) Changes in accounting estimates — No
Note:
- For further details, please refer to the changes in accounting policy section on page 16.

(c) Number of shares outstanding (common stock)
(i) Number of shares issued at the end of the period, including shares held as treasury stock: 90,810,899 shares as at 31 March 2021 and 90,642,499 shares as at 31 March 2020
(ii) Number of shares held as treasury stock at the end of the period: 23,785 shares as at 31 March 2021 and 21,279 shares as at 31 March 2020
(iii) Average number of shares in issue during the period, after deducting shares held as treasury stock: 90,631,177 shares for the period ending 31 March 2021 and 90,587,703 shares for the period ending 31 March 2020

(Reference) Non-consolidated financial results of the parent company
Financial results of FY2021 (From 1 April 2020 to 31 March 2021)

(1) Stand-alone business results

	Revenue		Operating loss		Ordinary loss		Net loss	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2021	87,327	(16.9)	(5,674)	−	(10,222)	−	(208)	−
FY2020	105,136	(6.0)	(1,348)	−	(2,528)	−	(2,713)	−

	Basic earnings per share	Diluted earnings per share
	¥	¥
FY2021	(23.81)	(23.81)
FY2020	(56.99)	(56.99)

(2) Stand-alone financial positions

	Total assets	Total equity	Equity ratio	Total equity per share
	¥ millions	¥ millions	%	¥
FY2021	682,327	311,706	45.6	3,087.67
FY2020	671,915	312,055	46.4	3,095.73

Note: Shareholders' equity
FY2021: ¥ 311,150 million FY2020: ¥ 311,479 million

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 us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic and competitive environment in major markets, product supply and demand shifts, currency exchange and interest rate fluctuations, changes in supply of raw materials and fuel and changes and laws and regulations, but not limited.

(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					
FY2020 (Actual)	—	¥ 0.00	—	¥ 55,000.00	¥ 55,000.00
FY2021 (Actual)	—	¥ 0.00	—	¥ 65,000.00	¥ 65,000.00
FY2022 (Forecast)		¥ 0.00		¥ 65,000.00	¥ 65,000.00

(Note) Number of Class A Shares in issue are 30,000 shares. 40,000 Class A Shares were originally issued on 31 March 2017. On 7 December 2018, the Company acquired and then retired a total of 5,000 Class A shares. On 6 June 2019, the Company acquired and then retired a total of 5,000 Class A shares. The forecast of dividends, for class A shares that have dividend record dates belonging to FY2022, is ¥ 1,950 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

The Group's core markets continued, during the fourth quarter, to recover from the impact of the COVID-19 pandemic. Vaccination programs and the gradual loosening of lockdown measures have aided consumer confidence in some markets, whilst in other markets where COVID-19 infections have remained high or even increased, governments have responded with the further imposition of social rather than industrial lockdowns, enabling the Group's facilities to continue operating. Architectural markets experienced robust activity, especially in Europe and South America. Demand for Solar Energy glass remained strong, largely unaffected by COVID-19 factors. Automotive markets continued to recover gradually from the low levels experienced earlier in the year, with demand during the fourth quarter exceeding the levels of the previous year. Demand in most regions was, however, curtailed by shortages of computer-chips and other components at the Group's customers. Technical glass markets were mixed, with fourth-quarter demand improving in some areas and remaining weak in others.

Cumulative Group revenues fell by 10 percent to ¥ 499,224 million (4Q FY2020 ¥ 556,178 million), affected by the dramatic decline in demand during the first quarter of the year. At constant exchange rates, cumulative revenues would have fallen by nine percent. Three-month sales during the fourth quarter were above the level of the previous year.

Operating profits were ¥ 13,067 million (4Q FY2020 ¥ 21,177 million). The Group has classified the costs of COVID-19 separately within the income statement, including direct costs such as the deep cleaning of sites, and the wages and salaries of furloughed employees, together with the unrecovered costs of facilities that were idle as a consequence of the COVID-19 pandemic. These costs, net of government support received, were mostly recorded in the first quarter. Costs for the fourth quarter were ¥ 2,055 million and cumulatively amounted to ¥ 16,060 million. The Group also recorded a cumulative net charge with respect to other exceptional items of ¥ 5,336 million. This included restructuring costs of ¥ 14,709 million, mainly arising during the third and fourth quarters as the Group commenced its cost transformation program, aiming at reducing its FY2022 cost base by at least ¥ 10,000 million. Other exceptional items also included a gain on disposal of non-current assets of ¥ 7,063 million, arising from the sale of land in Japan as announced on 30 March 2021. The loss attributable to owners of the parent was ¥ 16,930 million (4Q FY2020 loss attributable of ¥ 18,925 million). The previous-year loss included an impairment of goodwill and intangible assets which has not recurred during FY2021, consistent with a generally improving business outlook.

2) Review by Business Segment

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

Architectural, representing 43 percent of cumulative revenues, 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 49 percent of cumulative revenues, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 8 percent of cumulative revenues, comprises several discrete businesses, including the manufacture and sale of very thin glass used as cover glass for 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 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.

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

¥ millions	Revenue		Operating profit	
	FY2021	**FY2020**	**FY2021**	**FY2020**
Architectural	215,501	233,687	15,670	17,331
Automotive	245,184	280,977	1,802	6,100
Technical Glass	36,818	40,143	6,707	7,116
Other Operations	1,721	1,371	(11,112)	(9,370)
Total	499,224	556,178	13,067	21,177

Architectural

The Architectural business recorded cumulative revenues of ¥ 215,501 million (4Q FY2020: ¥ 233,687 million) and an operating profit of ¥ 15,670 million (4Q FY2020: ¥ 17,331 million).

Architectural revenues and profits fell from the previous year due to the impact on demand of the COVID-19 pandemic, particularly during the first quarter of the year. Profits exceeded the previous year in each of the second, third and fourth quarters.

In Europe, representing 39 percent of the Group's architectural sales, cumulative revenues fell due to lower volumes associated with the COVID-19 pandemic during the first quarter. Volumes improved markedly during the second quarter as production was resumed at facilities that had previously been suspended, then strengthened further during the third and fourth quarters. Price levels also recovered in line with an increased level of market demand. The recovery of profitability was also aided by strong operational performance and tight cost control.

In Asia, representing 36 percent of the Group's architectural sales, cumulative revenues were also below the previous year, largely due to the COVID-19 pandemic, which had a significant impact on construction activity but a relatively minor impact on solar glass volumes. Profits improved however, with a reduction in costs, especially in Japan. The suspension of production at the Chiba #1 furnace and also at a furnace in Malaysia towards the end of the first quarter lowered fixed costs and contributed to the improved profitability.

In the Americas, representing 25 percent of the Group's architectural sales, cumulative revenues and profits were below the previous year due to the impact of the COVID-19 pandemic especially during the first quarter of the year. Results recovered from the second quarter, with volumes in South America being particularly strong. The new float furnace to produce TCO (transparent conductive oxide) coated glass for solar panels in Luckey, Ohio started operations during the third quarter.

Automotive

The Automotive business recorded cumulative revenues of ¥ 245,184 million (4Q FY2020: ¥ 280,977 million) and an operating profit of ¥ 1,802 million (4Q FY2020: ¥ 6,100 million).

In the Automotive business, revenues and profits were below the previous year due to the collapse of demand arising from the COVID-19 pandemic during the first quarter of the year. In the OE business, demand has steadily recovered since April and May 2020 however, and fourth quarter, three-month, results were significantly better than the previous year which included major customer lockdown closures in March 2020. Sales in the fourth quarter have also been impacted by computer-chip component shortages in most regions. In the AGR business, demand improved from the second quarter with an easing of lockdown restrictions.

Europe represents 42 percent of the Group's automotive sales. Cumulative revenues and profits fell from the previous year, due to a collapse in demand during the first quarter as a result of the COVID-19 pandemic. The

Group's automotive facilities have operated broadly in line with the Group's customers' facilities, with production restarting towards the end of the first quarter and then steadily increasing from the second quarter. Results during the fourth quarter were above the previous year, although consumer demand continued to be impacted by lockdown measures in many European markets, and the Group's customers were also forced to restrict vehicle-build levels due to a shortage of computer-chip components.

In Asia, representing 25 percent of the Group's automotive sales, cumulative revenues and profits were also below the previous year due to the COVID-19 pandemic. The Group's automotive facilities have generally remained operational throughout the year, benefitting from increasing volumes from the second quarter, although vehicle manufacturers experienced computer-chip shortages, and also other component shortages following an earthquake in the final quarter, which together constrained the recovery of volumes.

In the Americas, representing 33 percent of the Group's automotive sales, cumulative revenues also declined as a consequence of the COVID-19 pandemic, although markets have improved since with results during the fourth quarter being above the previous year. Vehicle production rebounded in North America from the second quarter, driven by customers recovering inventory levels and improving vehicle sales, and has continued at robust levels since then. Production in South America also staged a recovery although remains at a relatively low level. Final quarter sales, particularly in North America, have been negatively impacted by shortages of computer-chips and other components at the Group's customers.

Technical Glass

The Technical Glass business recorded cumulative revenues of ¥ 36,818 million (4Q FY2020: ¥ 40,143 million) and an operating profit of ¥ 6,707 million (4Q FY2020: ¥ 7,116 million).

Revenues and profits fell in the Technical Glass business due mainly to the impact of COVID-19 earlier in the year.

COVID-19 had a limited impact on the fine glass business and results have improved as the year progressed. In the information devices business, volumes of printer lenses were boosted by work from home and school from home demand. Demand for glass cord used in engine timing belts fell during the early parts of the year, reflecting conditions in the automotive sector, although recovered strongly towards the end of the year. Metashine sales fell, particularly for cosmetic applications as a result of COVID-19. Results in the battery separator business remained stable.

Joint Ventures and Associates

The Group's share of joint ventures and associates' profits after tax was ¥ 2,194 million (4Q FY2020: ¥ 1,077 million).

The Group's share of joint ventures and associate's results was above the previous year, largely due to an improving performance at Cebrace, the Group's architectural joint venture in Brazil.

(2) Overview about financial condition and cash flows

Total assets at the end of March 2021 were ¥ 824,963 million, representing a increase of ¥ 59,766 million from the end of March 2020. Total equity was ¥ 79,762 million, representing a decrease of ¥ 8,432 million from the March 2020 figure of ¥ 88,194 million. The cumulative fall in total equity was due to the loss recorded for the period and also a loss recorded within other comprehensive income following an update of Retirement Benefit Obligation (RBO) assumptions. These factors were partly offset by an increase in equity due to positive exchange differences arising on consolidation.

Net financial indebtedness increased by ¥ 21,603 million from 31 March 2020 to ¥ 411,771 million at the period end. The increase in indebtedness arose from the cash out-flow during the period arising from the COVID-19 related trading conditions earlier in the year and also the investment in strategically important capital expenditure projects. Gross debt was ¥ 471,710 million at the period end. As of 31 March 2021, the Group had un-drawn, committed facilities of ¥ 74,934 million.

Although the Group experienced a circumstance which could have caused a breach of one of the financial covenants provided in loan agreements with some Japanese lenders at the end of FY2021, it obtained advanced written consent from each relevant lender to the effect that they would not test such covenants or it did not constitute a breach of such covenants, as of the end of FY2021.

Cash inflows from operating activities were ¥ 21,053 million. Cash outflows from investing activities were ¥ 25,589 million, including capital expenditure on property, plant, and equipment of ¥ 39,201 million and proceed on disposal of property, plant, and equipment of ¥ 15,952 million. As a result, free cash flow was an outflow of ¥ 4,536 million. Free Cash flows improved from the previous year (4Q FY2020 free cash outflow of ¥26,444 million) as a result of strict control of working capital and restricting capital expenditure.

(3) Prospects

The Group's forecast for the financial year FY2022 is shown on page 2.

The Group anticipates an increase in revenues and operating profits as core markets recover following an easing of COVID-19 lockdown measures. In addition, the Group expects to realize at least ¥ 10,000 million of cost savings from to its cost transformation program. Together with a low level of exceptional costs and potential exceptional gains from the disposal of non-core assets, the Group expects these factors to enable it to record a meaningful profit attributable to shareholders for FY2022.

Architectural markets are expected to benefit from a further easing of lockdown measures generating an increase in economic activity. Strong demand should result in a high level of asset capacity utilization and a positive outlook for pricing. Volumes of glass for solar energy are expected to remain robust. Automotive markets should benefit from improving consumer confidence, although the early parts of the year will continue to be negatively impacted by COVID-19 lockdown measures and also from shortages of computer chips and other components, which continue to disrupt manufacturing activity at some of the Group's automotive customers. Technical Glass businesses are also expected to benefit from increasing consumer confidence through the year.

NSG Group has set out its direction as the Medium Term Vision aiming for becoming a global glass supplier contributing to the world with high value-added glass products and services, under which it will focus on the three areas of contribution: such as Safety & Comfort; Eco Society; and ICT.

At the same time the Group has announced a new medium term management plan, "Revival Plan 24" (RP24), for a three-year period from 1 April 2021 to 31 March 2024 as the first step to achieve the Medium Term Vision.

Reviewing the previous Medium-Term Plan (MTP) and reflecting the changes in the business environment, the Group sets RP24 as the period for its business transformation and will execute a drastic reform of its profit structure, with the restoration of financial stability and the transformation of the Group's business portfolio, consisting of the following Three Reforms and Two Key Initiatives.

Three Reforms: Cost structure reform; Business structure reform; Corporate culture reform
Two Key Initiatives: Restoration of financial stability; Transformation into more profitable business portfolio

The Group has established a set of key financial metrics as below that it expects to achieve by the end of the RP24 period.

Operating profit margin *1	8%
Net profit *2	More than ¥ 30 billion cumulatively for 3 years
Equity ratio	More than 10%
Free cash flow	More than ¥ 10 billion

*1: Based on operating profit after amortization
*2: Profit attributable to owners of the parent

The Group recognizes that progress in the areas of Environment, Social, and Governance (ESG) will be a critical factor in ensuring the Group's long-term sustainability. Especially in the area of environment, products that are integral to the generation of electrical energy and also the saving of energy are likely to become ever more important over the RP24 period, and the Group will continue to focus on the further growth in sales of products in these areas. The Group will continue to monitor carefully its own carbon emissions and energy usage with a view to improvements in line with its science-based targets, aiming for carbon neutrality in future.

(4) Dividend policy

Recognizing the distribution of profit to shareholders as one of its important management objectives, the Group has upheld a stable basic policy of declaring dividend payments on ordinary shares based on sustainable business results. To that end, dividend payments by the Group will be determined in view of the enhancement of its financial status and accumulation of the appropriate level of retained earnings for future business growth. Considering factors such as the Group's current financial position and its level of profitability, the Board of Directors has regrettably decided not to declare dividends for ordinary shares for the fiscal year to 31 March 2021. The Group has forecast that no dividend will be paid for the fiscal year to 31 March 2022, either, as set out on page 2. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

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 and their notes

(1) (a) Consolidated income statement

¥ millions

	Note	**FY2021 For the period 1 April 2020 to 31 March 2021**	FY2020 For the period 1 April 2019 to 31 March 2020
Revenue	(5)-(c)	**499,224**	556,178
Cost of sales		**(382,085)**	(421,881)
Gross profit		**117,139**	134,297
Other income		**1,814**	3,177
Distribution costs		**(43,665)**	(51,430)
Administrative expenses		**(56,406)**	(59,351)
Other expenses		**(5,815)**	(5,516)
Operating profit	(5)-(c)	**13,067**	21,177
Exceptional items (gains)	(5)-(d)	**14,832**	2,748
Exceptional items (losses)	(5)-(d)	**(36,228)**	(26,708)
Operating loss after exceptional items		**(8,329)**	(2,783)
Finance income	(5)-(e)	**2,044**	2,126
Finance expenses	(5)-(e)	**(13,080)**	(13,969)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**2,194**	1,077
Loss before taxation		**(17,171)**	(13,549)
Taxation	(5)-(f)	**855**	(3,969)
Loss for the period		**(16,316)**	(17,518)
Profit attributable to non-controlling interests		**614**	1,407
Loss attributable to owners of the parent		**(16,930)**	(18,925)
		(16,316)	(17,518)
Earnings per share attributable to owners of the parent			
Basic	(5)-(g)	**(208.32)**	(235.96)
Diluted	(5)-(g)	**(208.32)**	(235.96)

(1) (b) Consolidated statement of comprehensive income

¥ millions

	Note	**FY2021 For the period 1 April 2020 to 31 March 2021**	FY2020 For the period 1 April 2019 to 31 March 2020 (restated)
Loss for the period		**(16,316)**	(17,518)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(5)-(l)	**(13,184)**	9,117
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)		**(60)**	(1,974)
Sub total		**(13,244)**	7,143
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**9,632**	(25,908)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)		**(439)**	209
Cash flow hedges:			
– fair value losses, net of taxation		**5,072**	(4,845)
Sub total		**14,265**	(30,544)
Total other comprehensive income for the period, net of taxation		**1,021**	(23,401)
Total comprehensive income for the period		**(15,295)**	(40,919)
Attributable to non-controlling interests		**(1,884)**	(392)
Attributable to owners of the parent		**(13,411)**	(40,527)
		(15,295)	(40,919)

(2) Consolidated balance sheet

¥ millions

	FY2021 as at 31 March 2021	FY2020 as at 31 March 2020
ASSETS		
Non-current assets		
Goodwill	**99,016**	91,199
Intangible assets	**48,761**	47,390
Property, plant and equipment	**316,788**	294,545
Investment property	**214**	303
Investments accounted for using the equity method	**18,870**	17,083
Retirement benefit asset	**23,335**	32,894
Contract assets	**988**	622
Trade and other receivables	**14,204**	10,474
Financial assets:		
– Assets held at Fair Value through Other Comprehensive Income	**18,439**	17,571
– Derivative financial instruments	**362**	51
Deferred tax assets	**33,816**	28,658
Tax receivables	**185**	318
	574,978	541,108
Current assets		
Inventories	**111,910**	118,388
Contract assets	**1,322**	2,117
Trade and other receivables	**64,037**	54,003
Financial assets:		
– Assets held at Fair Value through Other Comprehensive Income	–	461
– Derivative financial instruments	**904**	1,179
Cash and cash equivalents	**58,673**	43,608
Tax receivables	**1,773**	2,119
	238,619	221,875
Assets held for sale	**11,366**	2,214
	249,985	224,089
Total Assets	**824,963**	765,197

(2) Consolidated balance sheet continued

	¥ millions	
	FY2021 as at 31 March 2021	FY2020 as at 31 March 2020
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
– Borrowings	**120,994**	54,000
– Derivative financial instruments	**729**	4,664
Trade and other payables	**136,233**	124,145
Contract liabilities	**5,749**	4,537
Taxation liabilities	**2,294**	2,232
Provisions	**17,860**	9,423
Deferred income	**504**	996
	284,363	199,997
Liabilities related to assets held for sale	**3,450**	392
	287,813	200,389
Non-current liabilities		
Financial liabilities:		
– Borrowings	**349,146**	373,728
– Derivative financial instruments	**841**	2,615
Trade and other payables	**477**	382
Contract liabilities	**6,037**	6,120
Deferred tax liabilities	**16,176**	16,105
Taxation liabilities	**3,233**	2,646
Retirement benefit obligations	**61,002**	58,589
Provisions	**17,391**	13,261
Deferred income	**3,085**	3,168
	457,388	476,614
Total liabilities	**745,201**	677,003
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,643**	116,607
Capital surplus	**155,245**	155,222
Retained earnings	**(81,692)**	(54,276)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(59,211)**	(75,893)
Total shareholders' equity	**62,937**	73,612
Non-controlling interests	**16,825**	14,582
Total equity	**79,762**	88,194
Total liabilities and equity	**824,963**	765,197

(3) Consolidated statement of changes in equity

¥ millions

FY2021	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 2020	116,607	155,222	(54,276)	(68,048)	(75,893)	**73,612**	14,582	**88,194**
Loss for the period	—	—	(16,930)	—	—	**(16,930)**	614	**(16,316)**
Other comprehensive income	—	—	(13,184)	—	16,703	**3,519**	(2,498)	**1,021**
Total Comprehensive Income	—	—	(30,114)	—	16,703	**(13,411)**	(1,884)	**(15,295)**
Hyperinflation adjustment	—	—	4,399	—	—	**4,399**	3,476	**7,875**
Transactions with owners								
Dividends paid	—	—	(1,650)	—	—	**(1,650)**	(392)	**(2,042)**
Share-based compensation with restricted shares	26	13	—	—	—	**39**	—	**39**
Stock options	10	10	—	—	(20)	—	—	—
Purchase of treasury stock	—	—	—	—	(1)	**(1)**	—	**(1)**
Equity transaction with non-controlling interests	—	—	(51)	—	—	**(51)**	1,043	**992**
At 31 March 2021	**116,643**	**155,245**	**(81,692)**	**(68,048)**	**(59,211)**	**62,937**	**16,825**	**79,762**

¥ millions

FY2020 (restated)	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 2019	116,588	160,953	(40,530)	(68,048)	(45,203)	**123,760**	8,746	**132,506**
Adoption of new standards	—	—	(3,576)	—	—	**(3,576)**	—	**(3,576)**
At 1 April 2019 (after adjustment)	116,588	160,953	(44,106)	(68,048)	(45,203)	**120,184**	8,746	**128,930**
Loss for the period	—	—	(18,925)	—		**(18,925)**	1,407	**(17,518)**
Other comprehensive income	—	—	9,117	—	(30,719)	**(21,602)**	(1,799)	**(23,401)**
Total Comprehensive Income	—	—	(9,808)	—	(30,719)	**(40,527)**	(392)	**(40,919)**
Hyperinflation adjustment	—	—	2,450	—	—	**2,450**	1,936	**4,386**
Transactions with owners								
Dividends paid	—	—	(2,822)	—	—	**(2,822)**	(508)	**(3,330)**
Stock options	19	19	—	—	31	**69**	—	**69**
Purchase of treasury stock	—	—	—	—	(5,752)	**(5,752)**	—	**(5,752)**
Retirement of treasury stock	—	(5,750)	—	—	5,750	—	—	—
Equity transaction with non-controlling interests	—	—	10	—	—	**10**	4,800	**4,810**
At 31 March 2020	**116,607**	**155,222**	**(54,276)**	**(68,048)**	**(75,893)**	**73,612**	**14,582**	**88,194**

(4) Consolidated statement of cash flows

¥ millions

	Note	**FY2021 for the period 1 April 2020 to 31 March 2021**	FY2020 for the period 1 April 2019 to 31 March 2020
Cash flows from operating activities			
Cash generated from operations	(5)-(j)	**31,954**	43,873
Interest paid		**(10,696)**	(11,097)
Interest received		**3,201**	3,236
Tax paid		**(3,406)**	(5,568)
Net cash inflows from operating activities		**21,053**	30,444
Cash flows from investing activities			
Dividends received from joint ventures and associates		**3,400**	1,490
Purchase of joint ventures and associates		**(3,403)**	(13)
Proceeds on disposal of joint ventures and associates		**566**	–
Purchase of subsidiaries		**(72)**	–
Proceeds on disposal of subsidiaries, net of cash balances held by subsidiaries on disposal		**(376)**	1,821
Purchases of property, plant and equipment		**(39,201)**	(60,868)
Proceeds on disposal of property, plant and equipment		**15,952**	1,879
Purchases of intangible assets		**(1,437)**	(1,778)
Proceeds on disposal of intangible assets		**10**	37
Purchase of assets held at FVOCI		**(1,122)**	(2,218)
Proceeds on disposal of assets held at FVOCI		**640**	1
Loans advanced to joint ventures, associates & third parties		**(671)**	(1,075)
Loans repaid from joint ventures, associates & third parties		**125**	2,663
Others		–	1,173
Net cash outflows from investing activities		**(25,589)**	(56,888)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(1,653)**	(2,818)
Dividends paid to non-controlling interests		**(392)**	(508)
Repayment of borrowings		**(73,324)**	(46,567)
Proceeds from borrowings		**87,915**	69,040
Increase in Treasury stock		**(1)**	(5,752)
Capital contribution from non-controlling interests		**992**	5,248
Others		–	(438)
Net cash inflows from financing activities		**13,537**	18,205
Increase/(decrease) in cash and cash equivalents (net of bank overdrafts)		**9,001**	(8,239)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(5)-(k)	**40,512**	50,292
Effect of foreign exchange rate changes		**2,670**	(3,627)
Hyperinflation adjustment	(5)-(m)	**1,317**	2,086
Cash and cash equivalents (net of bank overdrafts) at end of period	(5)-(k)	**53,500**	40,512

(5) Notes to the Consolidated Financial Statements

(a) 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.

(b) Changes in accounting policies and changes in accounting estimates

From 1 April 2020, the Group has changed its presentation of hyperinflation adjustments in subsidiaries with a functional currency that is the currency of a hyper-inflationary economy, to be consistent with the conclusions set out in the IFRS Interpretation Committee's agenda decisions published in March 2020. Hyperinflation restatement adjustments set out in IAS 29 which were previously included in the Consolidated Statement of Comprehensive Income will now be charged (credited) directly to retained earnings and will be recorded in the Consolidated Statement of Changes in Equity. Foreign exchange gains and losses arising from the retranslation of the assets and liabilities of subsidiaries with a functional currency that is the currency of a hyper-inflationary economy, will continue to be recognized in the Statement of Comprehensive Income. The Group chose its proposed treatment as this method is more consistent with the Group's previous practice.　As a result of this change, the Group's other comprehensive income and total comprehensive income recorded in 4Q FY2021 decreased by ¥ 7,875 million (4Q FY2020: decreased by ¥4,386 million). Closing balances of retained earnings as at 31 March 2021, and 31 March 2020 are not affected by this change.

As noted above, the Group has experienced extremely challenging conditions during the first quarter of FY2021 as a result of the COVID-19 pandemic, followed by a steady improvement in conditions from the second quarter. The Group expects this recovery to continue into FY2022 and over the remainder of its medium-term planning period. The Group has classified the costs of COVID-19, net of government support received, separately within the income statement, including direct costs such as the deep cleaning of sites, and the wages and salaries of furloughed employees, together with the unrecovered costs of facilities that were idle as a consequence of the COVID-19 pandemic.

(c) Segmental information

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

The Architectural segment engages in the manufacturing and sale of flat glass and various interior and exterior glazing products within commercial and residential markets. It also includes glass for the solar energy sector.

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

The Technical Glass segment comprises a number of discrete businesses, including the manufacture and sale of very thin glass used as cover glass for 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 Other segment covers corporate costs, certain small businesses not included in the segments covered above, and consolidation adjustments including amortization and impairment costs recorded with respect to goodwill and intangible assets related to the acquisition of Pilkington plc.

External revenue is disaggregated into three categories; Europe, Asia which includes Japan, and Americas which comprises of North and South Americas.

The Group's revenues comprise sales of glass recognized at a point in time and sales of services recognized over time. Sales of services recognized over time are immaterial and are therefore not disclosed separately at interim periods.

From 1 April 2020, the Group has changed its presentation of segmental results, by removing the lines of "Trading profit" and "Amortization arising from the acquisition of Pilkington plc". The amount of amortization has become less material in the context of Group's overall operating performance, as some of the intangible assets have been amortized to nil.

The amortization arising from the acquisition of Pilkington plc was ¥ 1,674 million in 4Q FY2021 (4Q FY2020: ¥1,841 million).

The segmental results for the financial period to 31 March 2021 were as follows:

¥ millions

FY2021 For the period 1 April 2020 to 31 March 2021	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	**226,383**	**246,508**	**39,604**	**4,515**	**517,010**
Inter-segmental revenue	**(10,882)**	**(1,324)**	**(2,786)**	**(2,794)**	**(17,786)**
External revenue	**215,501**	**245,184**	**36,818**	**1,721**	**499,224**
Disaggregation of external revenue by geographical regions:					
Europe	***85,167***	***103,587***	***6,428***	***941***	***196,123***
Asia	***77,203***	***60,641***	***29,309***	***780***	***167,933***
Americas	***53,131***	***80,956***	***1,081***	**—**	***135,168***
Operating profit/(loss)	**15,670**	**1,802**	**6,707**	**(11,112)**	**13,067**
Exceptional items (gains)	**1,342**	**4,578**	**953**	**7,959**	**14,832**
Exceptional items (losses)	**(12,397)**	**(19,319)**	**(628)**	**(3,884)**	**(36,228)**
Operating loss after exceptional items					**(8,329)**
Finance costs – net					**(11,036)**
Share of post-tax profit from joint ventures and associates					**2,194**
Loss before taxation					**(17,171)**
Taxation					**855**
Loss for the period from continuing operations					**(16,316)**

(c) Segmental information continued

The segmental results for the financial period to 31 March 2020 were as follows:

¥ millions

FY2020 For the period 1 April 2019 to 31 March 2020	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	247,139	282,570	42,607	5,024	577,340
Inter-segmental revenue	(13,452)	(1,593)	(2,464)	(3,653)	(21,162)
External revenue	233,687	280,977	40,143	1,371	556,178
Disaggregation of external revenue by geographical regions:					
Europe	*87,069*	*119,772*	*7,108*	*629*	*214,578*
Asia	*91,370*	*67,147*	*31,694*	*742*	*190,953*
Americas	*55,248*	*94,058*	*1,341*	*—*	*150,647*
Operating profit/(loss)	17,331	6,100	7,116	(9,370)	21,177
Exceptional items (gains)	1,470	—	972	306	2,748
Exceptional items (losses)	(6,038)	(7,123)	(143)	(13,404)	(26,708)
Operating loss after exceptional items					(2,783)
Finance costs – net					(11,843)
Share of post-tax profit from joint ventures and associates					1,077
Loss before taxation					(13,549)
Taxation					(3,969)
Loss for the period from continuing operations					(17,518)

The segmental assets at 31 March 2021 and capital expenditure for the period ended 31 March 2021 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	**154,110**	**155,740**	**27,710**	**3,512**	**341,072**
Capital expenditure (including intangibles)	**27,028**	**14,653**	**979**	**687**	**43,347**

The segmental assets at 31 March 2020 and capital expenditure for the period ended 31 March 2020 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	146,810	158,386	33,602	7,467	346,265
Capital expenditure (including intangibles)	43,770	13,476	1,672	8,053	66,971

Net trading assets consist of property, plant and equipment, investment property, intangible assets excluding those arising from a business combination, inventories, trade and other receivables and trade and other payables, contract assets and liabilities.

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

(d) Exceptional items

¥ millions	**FY2021 for the period 1 April 2020 to 31 March 2021**	FY2020 for the period 1 April 2019 to 31 March 2020
Exceptional Items (gains):		
Gain on disposal of property, plant and equipment (a)	**7,063**	1,092
Settlement of litigation matters (b)	**3,424**	—
COVID-19 government support (c)	**2,640**	—
Reversal of impairment of non-current assets (d)	**754**	378
Gain on disposal of subsidiaries and joint ventures (e)	**697**	1,278
Others	**254**	—
	14,832	2,748
Exceptional Items (losses):		
Suspension and other costs caused by COVID-19 (c)	**(18,700)**	(2,228)
Restructuring costs, including employee termination payments (f)	**(14,709)**	(6,368)
Impairment of non-current assets (g)	**(1,947)**	(4,706)
Settlement of litigation matters (b)	**(425)**	(158)
Retirement benefit obligations – past service cost (h)	**(217)**	—
Impairment of goodwill and intangible assets (i)	**(97)**	(11,728)
Suspension of facilities (j)	**(94)**	(1,479)
Others	**(39)**	(41)
	(36,228)	(26,708)
	(21,396)	(23,960)

(a) The gain on disposal of property, plant and equipment relates to the sale of assets in Japan as separately announced on 30 March 2021.

The prior year gain on disposal of property, plant and equipment related to the disposal of assets within the architectural business in Europe

(b) The settlement of litigation matters within exceptional items (gains) relates to the conclusion of a legal challenge regarding the calculation of sales-based taxes borne by the Group in Brazil in previous years.

In both the current and prior year, the settlement of litigation matters within exceptional items (losses) relates to legal claims arising as a result of transactions that were previously recorded as exceptional items.

(c) The Group has recorded the direct costs and also unrecovered operating costs arising from the COVID-19 pandemic as exceptional items, together with any related income from governments. Such costs include payments to employees not engaged in productive activities due to the COVID-19 pandemic, costs of maintaining idle facilities, and direct costs such as the deep cleaning of facilities to promote a safe operating environment.

(d) The reversal of impairment of non-current assets relates to assets in the Architectural business in Vietnam.

The prior year reversal of impairment of non-current assets related to an asset in Architectural North America and also assets in Architectural Asia.

(e) The gain on disposal of a joint venture relates to the recycling into the income statement of foreign exchange gains and losses recognized during previous years within the Statement of Comprehensive Income, following the disposal of the Group's shares in Jiangsu Pilkington SYP Glass Co., Ltd a float glass manufacturing entity in China. Also included in this category is a reversal of a previous impairment of assets at subsidiaries in Japan prior to the disposal of those subsidiaries.

The prior year gain on disposal of subsidiaries and joint ventures relates partly to the sale of Nippon Sheet Glass Environment Amenity Co., Limited, a subsidiary operating within the Technical Glass business, and partly to the disposal of the Group's shares in Jiangsu Pilkington SYP Glass Co., Ltd a float glass manufacturing entity in China.

(f) Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment. The current year costs mainly relate to the Group's business transformation initiative aimed at achieving a transformation in the Group's cost base, including a significant improvement in fixed overhead costs and also improved operational efficiency. Whilst the Group has commenced such restructuring activities in many locations during the current financial year, the majority of the cash expenditure associated with the announced restructuring actions will be realised during the following financial year to 31 March 2022.

In the previous years, restructuring costs related to projects in Automotive Europe and to a lesser extent Automotive in South America.

(g) The impairment of non-current assets relates to Architectural and Automotive assets in South East Asia as well as Architectural and Automotive assets in Europe.

The prior year impairment of non-current assets related mainly to assets in Architectural Japan.

(h) The past service cost on retirement benefit obligations relates to a court ruling in the U.K. regarding Guaranteed Minimum Pensions (GMP's) as applied to former members of the Group's UK pension scheme who have transferred their pension entitlement out of the scheme. GMP's represent an element of the Group's pension liability which was designed to substitute for pension benefits that would otherwise have been provided by the state, with the state-provided pension benefits being unequal between men and women resulting in inequality of the scheme-provided benefit.

(i) The impairment of goodwill and intangible assets in the current year relates to the impairment of intangible assets in Europe.

The prior year impairment of goodwill and intangible assets relate to goodwill and intangible assets (Pilkington brand name etc.) created on the acquisition of Pilkington in 2006. The impairment relates to the Automotive Europe and Automotive Rest of World Cash Generating Units (CGU's).

(j) The suspension of facilities relates mainly to the repair of facilities in Architectural Japan following a Typhoon during the previous year.

The prior year suspension of facilities mainly related to a short-term suspension of the Group's Architectural facility in Laurinburg, U.S.A., due to a power failure in the local area, and also includes a short-term suspension of the Group's Architectural facility in Chiba, Japan as a result of Typhoon damages.

(e) Finance income and expenses

¥ millions

		FY2021 for the period 1 April 2020 to 31 March 2021	FY2020 for the period 1 April 2019 to 31 March 2020
Finance income			
Interest income		**1,566**	1,967
Foreign exchange transaction gains		**24**	67
Gain on net monetary position	(5)-(m)	**454**	92
		2,044	2,126
Finance expenses			
Interest expense:			
– bank and other borrowings		**(11,766)**	(11,882)
Dividend on non-equity preference shares due to minority shareholders		**(247)**	(242)
Foreign exchange transaction losses		**(461)**	(437)
Other interest and similar charges		**(540)**	(890)
		(13,014)	(13,451)
Unwinding discounts on provisions		**(177)**	(199)
Retirement benefit obligations			
– net finance charge	(5)-(l)	**111**	(319)
		(13,080)	(13,969)

(f)Taxation

¥ millions

	FY2021 for the period 1 April 2020 to 31 March 2021	FY2020 for the period 1 April 2019 to 31 March 2020
Current tax		
Charge for the period	**(4,363)**	(3,814)
Adjustment in respect of prior periods	**(204)**	542
	(4,567)	(3,272)
Deferred tax		
Credit/(charge)for the period	**5,138**	(192)
Adjustment in respect of prior periods	**306**	206
Adjustment in respect of rate changes	**(22)**	(711)
	5,422	(697)
Taxation charge for the period	**855**	(3,969)

The Group has a tax charge for FY2021 which results in an effective rate of tax of 4.4 percent on the loss before taxation for the period, after excluding the Group's share of net profits of joint ventures and associates (FY2020: a tax charge of (27.1) 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.

(g) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent, after deducting dividends and redemption premium paid to holders of 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, and restricted shares which have not been satisfied the conditions to lift the restriction.

	Period ended 31 March 2021	Period ended 31 March 2020
	¥ millions	¥ millions
Loss attributable to owners of the parent	**(16,930)**	(18,925)
Adjustment for;		
- Dividends on Class A shares	**(1,950)**	(1,700)
- Redemption premium paid on Class A shares	—	(750)
Loss used to determine basic earnings per share	**(18,880)**	(21,375)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,631**	90,588
	¥	¥
Basic earnings per share	**(208.32)**	(235.96)

(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. Also Restricted shares which have not met the condition to lift the restriction are treated as dilutive potential ordinary 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. Restricted shares are treated as dilutive potential ordinary shares until the conditions for lifting the restrictions are met. 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 31 March 2021	Period ended 31 March 2020
	¥ millions	¥ millions
Loss attributable to owners of the parent	**(16,930)**	(18,925)
Adjustment for;		
– Dividends on Class A shares	**(1,950)**	(1,700)
– Redemption premium paid on Class A shares	—	(750)
Loss used to determine diluted earnings per share	**(18,880)**	(21,375)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,631**	90,588
Adjustment for:		
– Share options	—	—
– Class A shares	—	—
– Restricted shares	—	—
Weighted average number of ordinary shares for diluted earnings per share	**90,631**	90,588
	¥	¥
Diluted earnings per share	**(208.32)**	(235.96)

Diluted earnings per share for the current and prior period do not include stock options, restricted shares, and Class A shares due to the anti-dilutive effect caused by the loss during the period.

(h) Dividends paid and proposed

	Year ended 31 March 2021	Year ended 31 March 2020
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	—	1,811
Dividend per share (¥)	—	20

	Year ended 31 March 2021	Year ended 31 March 2020
Dividends on Class A shares declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	**1,650**	960
Dividend per share (¥)	**55,000.00**	27,424.70
The daily pro-rated preferred dividend for the partial acquisition during the year		
Dividend total (¥ millions)	—	50
Dividend per share (¥)	—	10,068.30
Dividends on Class A shares declared after the end of the reporting period and not recognized as a liability:		
Final dividend for the previous year		
Dividend total (¥ millions)	**1,950**	1,650
Dividend per share (¥)	**65,000.00**	55,000.00

(i) Exchange rates

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

	FY2021 31 March 2021		FY2020 31 March 2020	
	Average	**Closing**	Average	Closing
GBP	**139**	**152**	138	133
US dollar	**106**	**111**	109	108
Euro	**124**	**130**	121	119
Argentine peso	**—**	**1.20**	—	1.68

(j) Cash flows generated from operations

¥ millions

	Note	**FY2021 for the period 1 April 2020 to 31 March 2021**	FY2020 for the period 1 April 2019 to 31 March 2020
Loss for the period from continuing operations		**(16,316)**	(17,518)
Adjustments for:			
Taxation	(5)-(f)	**(855)**	3,969
Depreciation		**32,520**	31,047
Amortization		**3,248**	3,795
Impairment		**2,290**	17,507
Reversal of impairment of non-current assets		**(964)**	(378)
Profit on sale of property, plant and equipment		**(7,274)**	(1,117)
Profit on sales of subsidiaries, joint ventures, associates and businesses		**(505)**	(1,362)
Grants and deferred income		**(841)**	(1,463)
Finance income	(5)-(e)	**(2,044)**	(2,126)
Finance expenses	(5)-(e)	**13,080**	13,969
Share of profits from joint ventures and associates		**(2,194)**	(1,077)
Other items		**(350)**	(2,534)
Operating cash flows before movement in provisions and working capital		**19,795**	42,712
Decrease in provisions and retirement benefit obligations		**7,043**	(7,568)
Changes in working capital:			
- inventories		**9,231**	(5,460)
- trade and other receivables		**(11,094)**	11,049
- trade and other payables		**6,879**	(3,414)
- contract balances		**100**	6,554
Net change in working capital		**5,116**	8,729
Cash flows generated from operations		**31,954**	43,873

(k) Cash and cash equivalents

¥ millions

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents	**58,673**	43,608
Bank overdrafts	**(5,173)**	(3,096)
	53,500	40,512

(l) 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:

FY2021 for the period 1 April 2020 to 31 March 2021

¥ millions

	Operating costs	**Exceptional costs**	**Finance Costs**	**SoCI***
Post-employment benefits	**(2,935)**	**(334)**	**540**	**(23,286)**
Post-retirement healthcare benefits	**(24)**	**—**	**(429)**	**2,108**
Deferred income and other taxes**	**—**	**117**	**—**	**7,994**
	(2,959)	**(217)**	**111**	**(13,184)**

FY2020 for the period 1 April 2019 to 31 March 2020

¥ millions

	Operating costs	Exceptional costs	Finance Costs	SoCI*
Post-employment benefits	(3,227)	—	293	12,457
Post-retirement healthcare benefits	(22)	—	(612)	1,915
Deferred income and other taxes**	—	—	—	(5,255)
	(3,249)	—	(319)	9,117

* Consolidated Statement of Comprehensive Income
** Included within deferred income and other taxes in the Consolidated Statement of Comprehensive Income is a deferred tax credit of ¥ 460 million (FY2020: charge of ¥ 1,097 million) and a credit with respect to other taxes of ¥ 7,534 million (FY2020: charge of ¥ 4,158 million), which represents a charge against pensions with surplus balances.

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

%

	As at 31 March 2021	As at 31 March 2020
UK discount rate	**2.0**	2.4
UK inflation	**2.6**	2.0
Japan discount rate	**0.5**	0.4
US discount rate	**2.7**	2.9
Eurozone discount rate	**0.9**	1.7

(m) Hyperinflationary accounting adjustments

As from the second quarter of FY 2019, the wholesale price index in Argentina indicated that cumulative 3-year inflation had exceeded 100 percent. Consequently, the Group has concluded that its subsidiaries in Argentina, each of which has the Argentine Peso as a functional currency, are currently operating in a hyperinflationary environment. The Group has therefore applied accounting adjustments to the underlying financial results and position of its subsidiaries in Argentina as required by IAS 29 'Financial Reporting in Hyperinflationary Economies'.

As required by IAS 29, the Group's consolidated financial statements will include the results and financial position of its Argentinian subsidiaries, restated in terms of the measuring unit current at the period end date.

For the restatement of results and financial positions of its Argentinian subsidiaries, the Group will apply the conversion coefficient derived from the Internal Wholesales Price Index (IPIM) published by Instituto Nacional de Estadística y Censos de la República Argentina (INDEC). IPIM and corresponding conversion coefficients from June 2006 are presented below.

Balance sheet date	Internal Wholesales Price Index (IPIM) (30 June 2006 = 100)	Conversion coefficient
30 June 2006	100.0	20.464
31 March 2007	103.9	19.703
31 March 2008	120.2	17.024
31 March 2009	128.7	15.900
31 March 2010	146.5	13.969
31 March 2011	165.5	12.366
31 March 2012	186.7	10.960
31 March 2013	211.1	9.692
31 March 2014	265.6	7.706
31 March 2015	305.7	6.693
31 March 2016	390.6	5.239
31 March 2017	467.2	4.380
31 March 2018	596.1	3.433
31 March 2019	970.9	2.108
31 March 2020	1,440.8	1.420
30 April 2020	1,474.5	1.388
31 May 2020	1,497.3	1.367
30 June 2020	1,530.8	1.337
31 July 2020	1,560.5	1.311
31 August 2020	1,602.6	1.277
30 September 2020	1,648.0	1.242
31 October 2020	1,710.0	1.197
30 November 2020	1,764.0	1.160
31 December 2020	1,834.7	1.115
31 January 2021	1,909.0	1.072
28 February 2021	1,977.2	1.035
31 March 2021	2,046.4	1.000

The Group's subsidiaries in Argentina have restated their non-monetary items held at historical cost, namely property, plant and equipment, by applying the conversion coefficient based on when the items were initially recognized. Monetary items and non-monetary items held at current cost will not be restated, as they are considered to be expressed in terms of the measuring unit current at the period end date. The effect of inflation on the net monetary position of the Group's Argentinian subsidiaries is presented in the finance income or finance expenses section of the income statement.

The Argentinian subsidiaries' income statement and cash flow statement will also be restated, applying the conversion coefficient for the current financial year as shown in the above table.

For the purpose of consolidation, the results and financial position of the Group's Argentinian subsidiaries are translated using the closing exchange rates at the period end date. Comparative financial statements are not restated based on IAS 21 'The Effects of Changes in Foreign Exchange Rates' para 42(b).

(n) Significant subsequent events

On 10 May 2021 the Group announced its intention to sell its Battery Separator business ("Business") to a new wholly-owned subsidiary of ENTEK Technology Holdings LLC (Head Office in Lebanon, Oregon, USA; "ENTEK") that is to be established in Japan ("ENTEK Japan").

The Business will be transferred to Nippon Sheet Glass Compass Co., Ltd. ("NSGC"), a wholly-owned subsidiary of NSG, by the absorption-type split method (planned effective date: August 2021) and, thereafter, the entire share capital of the NSGC will be sold to ENTEK Japan on the same date. In addition to the elements of the Business owned and operated directly by Nippon Sheet Glass Co., Ltd, the entire share capital of Nissho Kako Co., Ltd. ("NSK"), a wholly-owned subsidiary of NSG in Japan, the entire holding in Tianjin NGF Glass Fiber Co., Ltd. ("NGFT"), a wholly-owned subsidiary of NSG in China, and NSG's holding in PT ENTEK Separindo Asia ("ESA"), a joint venture with ENTEK in Indonesia, are also included in the Business. The Group will acquire a minority share in ENTEK Japan by investing a part of its proceeds received as a result of the share sale.

As a result of the Transaction, the Business including NSK, NGFT and ESA, will be excluded from NSG's consolidated accounts and will not be considered to be either a joint venture or associate with effect from the legal completion date of the transaction. At 31 March 2021, NSG classified in its balance sheet the assets and liabilities that comprise the Business as a Disposal Group Held for Sale. This includes assets of ¥ 3,646 million and liabilities of ¥ 1,168 million calculated based on the balance sheet as of 31 March 2021.

Gains from the disposal of approximately ¥ 4,600 million are expected be recognized as exceptional income in FY2022. The final value of sales proceeds will be adjusted according to the financial condition of the Business as of the effective date of the Share Sale. Therefore, the value of the gain from the disposal may change. The Transaction has no financial impact on FY2021 except for a balance sheet reclassification as noted above.