ANNUAL
CONSOLIDATED
FINANCIAL
STATEMENTS

FISCAL YEAR ENDED 31 MARCH 2026

NIPPON SHEET GLASS COMPANY, LIMITED

Contents

1. Management Policy, Business Environment and Issues to be Addressed

(1) Management Principle

"Our Vision", which is the management principle of NSG Group comprises the Mission (core purpose), Aspiration (desired future position) and Core Values (the basis on which we work and conduct ourselves).

With "Our Vision," NSG Group is striving to realize a sustainable society by offering glass and associated technologies and services, swiftly and appropriately to meet the growing needs of our customers and society.

(2) Materiality

The Group identified Materiality as critical challenges to attain sustainable growth of the Group and contribute to a sustainable society in the medium-to long-term. Materiality was selected according to the significance assessed on the matrix measuring the axes of impacts on both society and the Group.

	Materiality	**FY2030 Aspirations**
Materiality Targets（Fundamental Management Matter）	Health and Safety	Under the strong leadership, a safety culture has been fostered in which all consider safety as a value and work together to build a safe workplace. All risks are properly managed. Particularly for critical risks, a high level of control is in place. The use of digital technology has significantly improved the level of control.
	Ethics and Compliance	Partner and gain trust from stakeholders by regularly improving the Ethics and Compliance (E&C) programs to address Group risks.
	Safe and High-quality Products and Services	<u>Supply Chain:</u> To implement a Sustainable Supply Chain strategy to minimize negative environmental and societal impact, increase innovation, reduce waste and risk and enhance NSG's brand <u>Quality:</u> Customer satisfaction remains as a core mission for the Group. The objective to supply of safe and high-quality products and services has been enhanced by incorporating a greater degree of automation and digitalization into our processes.
Materiality Targets（Sources of Competitiveness）	Environment	To exceed stakeholder expectations by implementing sustainable processes to produce environmentally positive products and actively contribute to a decarbonized and a circular based society.
	Social shift and Innovation	With the strength of NSG's unique glass technologies, we aim to be a trusted partner for the stakeholders and contribute to the realization of a sustainable society.
	Human Capital	<u>Employee Value Proposition:</u> A globally consistent employer brand that is relevant, differentiates NSG from its competitors and allows for local adaptation. The value proposition will be distinctive, aspirational but will maintain authenticity. <u>DEI:</u> Inclusive organization where everyone can be their best (#BeYourselfAtWork activity). Recognized as a leader and winner of awards

(3) Medium Term Vision of NSG Group
The Group has set a goal for 2030 as "To shift our company's phase and become vital in advancing a sustainable society".

In order to achieve this goal, we have set forth the following four commitments to be fulfilled by the Group.

1. We commit to creating value that realizes a sustainable society for all stakeholders and with stakeholders.
2. We commit to developing and providing glass and its related technologies and services that play a crucial role in our customers' solutions.
3. We commit to deeply understanding our customers' potential needs and delivering solutions that are suitable for them by leveraging both tangible and intangible assets.
4. We commit to continuing our investment in our people, taking pride in a global, diverse team passionate about glass and brimming with talent.

(4) Medium-Term Plan "2030 Vision：Shift the Phase"
Reflecting on the previous Medium-Term Management Plan concluded in the fiscal year ended March 2024, which underscored the continued weakness in profit margins, we decided to focus on the 4 "D"s of Business Development, Decarbonization, Digital Transformation, and Diverse Talent as the strategic pillars of the current Medium-Term Plan and strive to reduce debt drastically and boost equity capital by improving profitability and reinforcing our cash generation capabilities.

A) Financial Goals

		FY2024/3	FY2027/3
Profitability (P/L)	Operating Profit	35.9 billion yen	64.0 billion yen
	ROS	4.3%	7%
Cash Generation (C/F)	Free cash flow	15.3 billion yen	27.0 billion yen
Stabilization of Financial Status (B/S)	Interest-Bearing Debt	506.5 billion yen	442.0 billion yen
	Shareholders' equity ratio	12.3%	15%
Capital and Investment Efficiency	ROE	9.6%	20%

B) Strategic Direction

(5) Update of "2030 Vision: Shift the Phase"

A) Financial Targets

Although performance has recovered from the previous year, which was significantly impacted by the economic slowdown in Europe, achieving the FY2027 targets remains challenging. We remain focused on improving profitability and strengthening our cash generation capabilities to reinforce our financial foundation.

Update of "2030 Vision: Shift the Phase" - Financial Targets

Highly challenging targets even in FY2027/3 forecast while recovering from PY impacted by the economic slowdown in Europe.
Aiming improvement under fundamental initiatives for New NSG Group

		FY2027/3 Targets	FY2030/3 Targets	FY2026/3 Full-year Actual	FY2027/3 Forecast
Profitability (P/L)	Operating profit	JPY 64.0 bn		JPY 28.8 bn: increase YoY with improvement in European Architectural glass business	JPY 36.0 bn
	ROS	7%	10% or more	3.3% : increased by 1.3pt YoY	4.1%
Cash Generation (C/F)	Free cash flow	JPY 27.0 bn		JPY 1.1 bn: less than PY with increase in working capital	
Stabilization of Financial Status (B/S)	Interest-bearing debt	JPY 442.0 bn		JPY 548.3 bn : increased by JPY 23.5 bn from the previous year end	
	Shareholders' equity ratio	15%		13.5% : increased by 3.1pt from the previous year end	

B) Strategic Direction

Despite the ongoing challenging business environment, particularly in Europe, our commitment to the Medium-Term Plan including 4 "D"s is unchanged and we continue to promote our strategy while flexibly securing resources.

Update of "2030 Vision: Shift the Phase" - 4 "D"s

Commitments to MTP and its 4 "D"s unchanged even under fundamental initiatives for New NSG Group. Continue promoting initiatives with clearly defined priorities

1. **Business Development**
   - Investment to facilities for advanced glass coating in Japan and Poland (Announced on Jun 16, Sep 2)
   - Expansion of high precision laminated glass for windshield and roof lights in North American Automotive

   ⇒ Accelerating expansion of high-value added products
2. **Decarbonization**
   - New solar array in Ottawa, USA (Announced on May 30)
   - Starting new glass production line in St Helens, UK with two lines sharing one furnace (Announced on Jul 11)
   - Horizontal Recycling of PV Cover Glass Successfully Demonstrated in Japan (Announced on Apr 10)
   - CDP Assessment as Supplier Engagement Leader and Climate Change A List (Announced Jul 23, Dec 16)
3. **Digital Transformation**
   - Expanding deployment of Voxel's AI powered safety platform across global manufacturing sites (Announced on Oct 16)
4. **Diverse Talent**
   - Continuously conducting Your Voice employee engagement survey

(6) Business environment and issues to be addressed

A) Business environment surrounding the Group

In the fiscal year ended March 2026, our business was significantly impacted by the continued economic slowdown in Europe, rising labor and other costs driven by global inflation, and U.S. tariff policies. In the Architectural Glass market, although sales volumes in Europe continued to stagnate, the supply-demand balance improved as a result of the production suspensions at float lines implemented in the previous year, leading to a significant improvement in selling prices. While demand for solar panel glass was affected in the first half of the year by customers' production adjustments in response to U.S. tariff policies, demand improved in the second half and remained robust. In the Automotive Glass business, glazing for new vehicles was affected by the slowdown in automotive production in Europe. In Asia, although domestic sales volumes in Japan improved following a recovery in the automotive market, sales volumes for vehicles to be exported from Japan declined due to U.S. tariff policies. In North America, profitability deteriorated due to a temporary decline in production efficiency. Meanwhile, in the replacement glass business, selling prices improved significantly, supported by price advantages arising from U.S. tariff policies. In the Technical Glass business, demand remains robust across many of our markets.

Although the impact of the economic slowdown in Europe and rising labor and other costs driven by global inflation is expected to persist for some time, we anticipate a gradual recovery in demand over the medium to long term underpinned by growing renovation needs in the Architectural glass sector and a moderate rebound in automobile production in the Automotive glass sector. In response to the current challenging business environment and the demand growth expected over the medium to long term, we are proactively pursuing cost reductions by reviewing our production structures while also accelerating the shift from commodity to value-added (VA) products, leveraging the 'Business Development' pillar of the MTP.

We believe it is essential to recover profitability through continued efforts to drive down production costs and seek price pass-throughs.

B) Issues to be addressed

The key issues to be addressed by the Group are to improve its financial base to reduce debt and improve the equity ratio by enhancing profitability and cash generation capabilities.

On March 24, 2026, we announced that the Company would pursue the implementation of a set of fundamental measures through capital restructuring (the "Transaction") to achieve sustainable growth, with the support of funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. and its subsidiaries (please refer to next page for an overview).

In the medium-term plan (MTP) "2030 Vision: Shift the Phase" starting in FY2025 (ending in March 2025), we will aim to overcome key challenges mentioned above by focusing on the 4 "D"s of Business Development, Decarbonization, Digital Transformation, and Diverse Talent as the strategic pillars of the MTP.

Business Development: We will develop new solutions and technologies with our customers to create high added value by adapting to societal changes. Specifically, in Architectural glass business, we will aim to be a leading supplier of architectural glass that contributes to sustainability with a focus on decarbonization by intensively investing in glass coating technology development and equipment, promoting decarbonization of our products, and continuously reviewing regional strategies. In Automotive glass business, we will accelerate development of manufacturing technologies to enable our global customers shift to safer, connected, greener vehicles while shifting to a sustainably profitable business as key strategic global supplier by enhancing capabilities to cater to ADAS and EV, reinforcing the aftermarket business, and through improvement of profitability. In Technical glass business, we will establish a new revenue pillar by developing proprietary materials that play a pivotal role in advancing our customers' product offerings through expansion of business in adjacent markets, commercialization of new technologies, and selection of technological or business seeds.

Decarbonization: We are dedicated to driving decarbonization across our entire supply chain, embodying our commitment to sustainable social development with the aim of achieving carbon neutrality in 2050.

Digital Transformation: In the Medium-Term Plan period, which is viewed as a second phase of post-merger integration (PMI), we aim to transform our Group operations by leveraging digital technology to its fullest, thereby enhancing our value creation capabilities. By thoroughly standardizing data and processes, we will elevate the level of information integration, thereby accelerating the quality and efficiency of our global management practices.

Diverse Talent: Aiming to build a robust and high-performing workforce and organization, which is pivotal to our strategy, we will invest based on a well-defined HR strategy, globally demonstrating our attractiveness as a workplace that offers opportunities for professional development for those who work with genuine passion and interest. For this purpose, we will continue to promote the 4 "F"s (Flat, Frank, Fast, and Fun) in communication within the organization as part of our corporate culture.

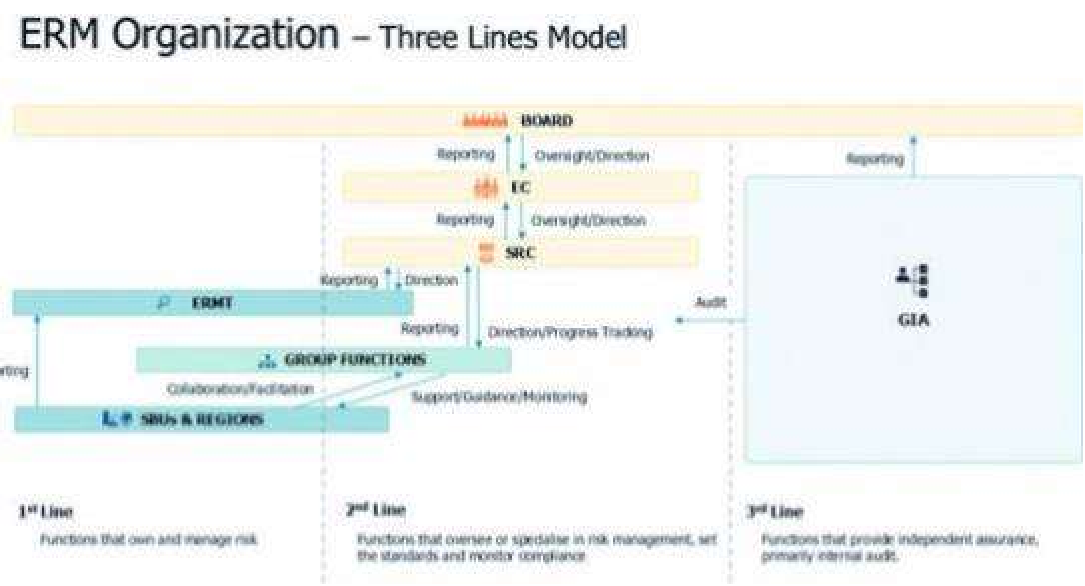
By implementing these strategies, we will strive to reduce debt drastically and boost our equity capital by improving profitability and reinforcing cash generation capabilities.

2. Business and other risks

Consistent with the "Our Vision" management principles, NSG Group aims to enhance corporate value by sustained growth in line with the Medium Term Plan "2030 Vision: Shift the Phase." That said, the business environment enveloping the Group has become increasingly complex and is continuing to dynamically transform. The Group sees risks in the uncertainties that stem from internal and external factors, which threaten to affect the ability to achieve its business targets. The Group therefore positions risk management, which is tasked with identifying, assessing, and properly managing major risks, as an important part of its management foundation in order to minimize potential negative effects and maximize positive results.

NSG Group's risk management is carried out in accordance with its Fundamental Policy on Internal Control Systems, which was resolved by the Board of Directors in accordance with the Companies Act and Corporate Governance Code. Specific measures for addressing risks that arise in connection with corporate activities are prescribed in the Group Risk Management Policy.

NSG's risk management systems are established so that they are fully embedded within the Group's day-to-day operations and operate as "three lines model." The first line is established within the SBUs and Group Functions who operate controls and mitigations to identify, assess and manage risks across all the activities of the Group as part of day-to-day operations. The second line is made up of the Group Functions and management forums who not only set the operating and risk management policies and standards for the operations, but also monitor the effective operation of the controls. The third line is provided by the Group Internal Audit Function who make an independent evaluation of the effectiveness of the controls and the risk management processes.

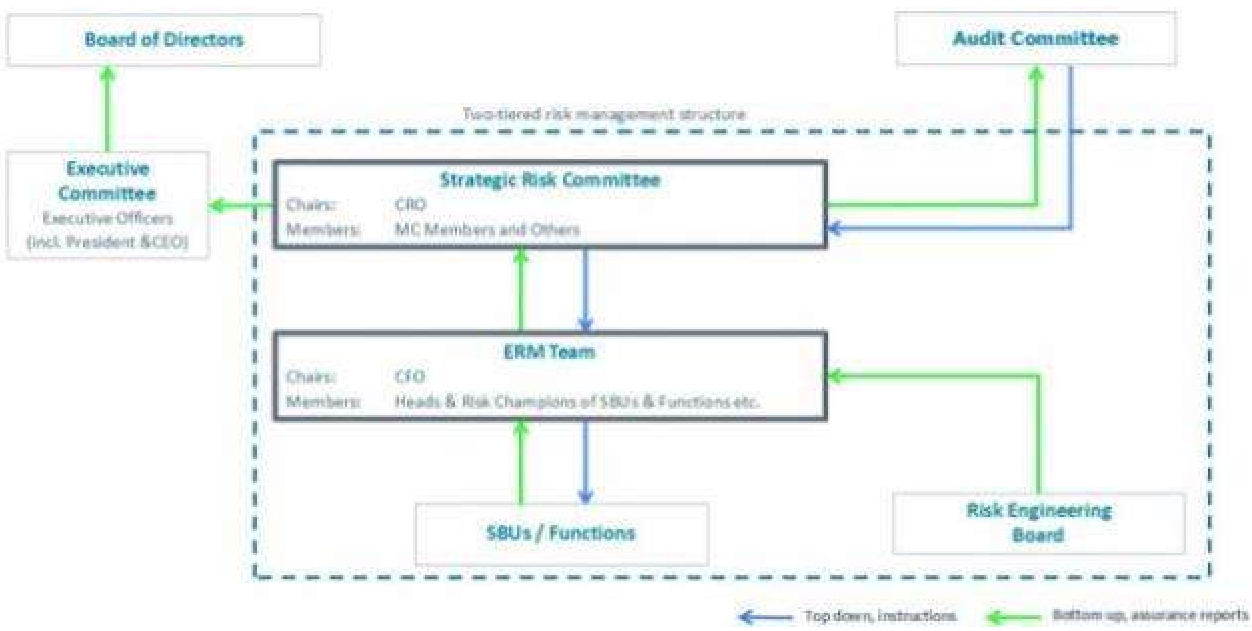


At the heart of its enterprise risk management system - mainly the second line - NSG Group employs a two-tiered “hybrid” risk management framework comprising the Strategic Risk Committee (SRC) as a top-down approach and the Enterprise Risk Management Team (ERMT) as a bottom-up approach, both of which are under the supervision of the Executive Committee (EC), and report onwards to the Board of Directors.

SRC Structure and Purpose - Top-down Risk Review
SRC is chaired by the Chief Risk Officer (CRO) and consists of Executive Officers including the CEO, and other relevant senior managers.

SRC determines the Group-wide risk management policy and framework, based upon which it identifies strategic risks for the Group. It then monitors how those risks are being addressed and requests that additional measures be taken if required, with "risk owners" appointed for each risk to be addressed.

ERMT Structure and Purpose - Bottom-up Risk Review
ERMT is chaired by the Chief Financial Officer (CFO) and its members comprise heads of each Strategic Business Unit (SBU) and relevant Function as well as their risk champions etc. Every year this team identifies, assesses, and prioritizes the key risks pertaining to business execution and endeavors to improve the effectiveness of risk management by formulating necessary measures to mitigate risks. Those risks and mitigation measures are reviewed as necessary according to prevailing circumstances from time to time, among others, material risks are escalated to, and monitored by SRC. ERMT periodically, or whenever requested, reports on its activities to SRC.



Within the above framework, the Group regularly reviews the principal financial and operating risk factors considered relevant to its current business activities and financial position. An updated analysis of the principal financial and operating risk factors facing the Group is presented below. Any references to future events below are based on what the Group judged as effective as at the end of this financial year. Therefore, the list below is not comprehensive of all the risk factors relevant to the Group and any risk factor unforeseen or considered immaterial as of now could emerge and impact the Group in the future.

External Risks
(1) Economic conditions, geopolitical impact and business environment
The Group operates in three principal regions around the world being, Asia including Japan, Europe, and the Americas. As a result, the Group businesses may be affected by changes in global economics such as currency inflation, energy cost increase and business environment of the Group’s customers worldwide, together with geopolitical issues such as global supply chain disruptions, any tariff measures by the US or other governments, the US-China trade war, the invasion of Ukraine by Russia, the conflict in the Middle East including Iran and the tension over Taiwan.

In addition, the Group believes that emerging markets such as South America will grow at a faster pace than developed countries or regions in the long run, but, compared to the developed countries or regions in which the Group operates, there is also a greater potential risk.

(2) Fluctuations in foreign exchange and interest rates
The Group has manufacturing operations in a variety of different countries around the world. Consequently, the Group is exposed to the risk of fluctuations in foreign exchange and interest rates associated with those countries. In addition, as the assets and liabilities denominated in local currencies are translated into yen when consolidated financial statements are prepared, the Group might be exposed to the risk of fluctuations in foreign exchange rates. Furthermore, fluctuations in interest rates might affect the values of interest expenses, interest income or financial assets and liabilities. Although the Group aims to hedge these risks with such contracts as foreign exchange forward and interest rate swap, such fluctuations in foreign exchange and interest rates could adversely affect the Group's businesses, financial performance and position.

Strategic Risks

(3) Business strategy
The Group's business strategies are affected by a variety of factors, including the economic or legal environment, the terms of binding agreements in effect or to be entered into in future, the price of raw materials, foreign exchange rates, and the development and provision of new technologies and products. However, there can be no assurances that, under these conditions, the intended results of the business strategies will be achieved. Furthermore, it is possible that the proposed execution of the Group's business plan will not be delivered, or that the intended effects will not be realized.

The Group develops and invests in new technology and products with the aim of transitioning from relatively low margin products to value-added products in order to keep its competitive advantages. However, there can be no assurance that the Group can succeed in development and commercialization of higher technology earlier than its competitors, or, as a result, can ensure higher competitiveness than its competitors. As described in "1. Management Policy, Business Environment and Issues to be Addressed," the Group aims to shift our company's phase and become vital in advancing a sustainable society under the Medium Term Plan "2030 Vision: Shift the Phase". However, in light of the background described below, the Company publicly announced on 24 March 2026 that it aims to implement fundamental measures (the "Transaction") to achieve sustainable growth through capital restructuring, with the support of the Apollo Funds.

The interest burden and limited liquidity due to high level of borrowing over many years in a period of European economic downturn, as well as covenants imposing the restriction on dividend distributions by the UK subsidiaries which may have limited the use of funds within the Group, may adversely affect cash flow stability and the Group's ability to undertake adequate growth and maintenance investments. Therefore, the implementation of measures to maintain medium- to long-term competitiveness is a pressing priority. In particular, in recent years, the business environment has further deteriorated as a result of the challenges to the European economy, an important market, increased costs driven by rising raw material prices, and supply chain impacts caused by tariffs measures, etc. As a result, we have posted a net loss of approximately ¥28.4 billion over the past 5 years, and a high proportion of the company's enterprise value is accounted for by net debt, which has recently exceeded ¥500 billion in total. Restructuring to improve profitability and financial position has been a longstanding objective for the Group. As part of our own efforts, we have implemented various measures such as raising capital through the issuance of Class A shares, reviewing our organizational structure, and closing float furnace in Europe. However, based on current factors, the restructuring to improve profitability and financial position will take a considerable amount of time and there is no guarantee for restating dividends.

The Group recorded a large net loss in the fiscal year ended March 2025 and the business recovery in the fiscal year ended March 2026 was slower than expected. It became difficult, under the Company's current capital structure, to refinance or repay more than ¥100 billion of borrowings maturing by the end of March 2026 without assuming the implementation of the Transaction. Furthermore, even if the Company had been able, without implementing the Transaction and through its own efforts, to continue refinancing the borrowings maturing by the end of March 2026, the high level of outstanding debt would have remained unchanged, and we believed it would take a considerable amount of time to rebuild the Group's financial foundation.

Therefore, in order to improve the above situation, the Company believed that it was necessary to fundamentally resolve the existing financial structural issues, including the infusion of external capital.

Under these circumstances, as announced on 24 March 2026, a resolution was passed by the Board of Directors on the same day to issue new common shares through a third-party allotment of ¥165 billion (the "Third-Party Allotment"), corresponding to the total amount paid by Lumina Japan Acquisition Co., Ltd. (the "Allottee"), a special purpose company owned by funds managed by affiliates of Apollo Global Management, Inc. ("Apollo Funds") and its subsidiaries. In addition to the above, at the same meeting, the Company passed a resolution to submit a proposal regarding a partial amendment to the Articles of Incorporation in order to increase the total number of authorized shares of the Company necessary for the implementation of the Third-Party Allotment and share consolidation (the "Share Consolidation") to ensure that the Allottee becomes the Company's sole shareholder, to the annual general meeting of shareholders to be held on late June 2026 (the "Annual General Meeting of Shareholders").

Furthermore, on the Effective Date of the Share Consolidation, SMBC, DBJ, Mizuho, and SMTB (the "Major Financial Institutions") plan to make a cash contribution of ¥140 billion in the Company through a limited partnership managed by Apollo Funds and the Allottee. The Company plans to repay the corresponding borrowing amount from the Major Financial Institutions by using the funds received through the Allottee on the same day (the "Quasi-DES"). The Quasi-DES is intended to lead to future growth through recapitalization following the equity conversion of the Company's debt. It is confirmed that the Definitive Agreement has been executed among Apollo Funds and the Major Financial Institutions.

With respect to more than ¥100 billion of the borrowings maturing by the end of March 2026, the Company has reached the agreement of refinancing with the Main Financial Institutions as well as other domestic financial institutions, on the assumption that the Transaction has been implemented.

Given the necessary time for the completion of expected procedures and filings under the domestic and foreign competition laws and foreign direct investments laws and regulations and Foreign Subsidies Regulations in relevant jurisdictions (collectively "regulatory procedures"), based on the share subscription agreement concluded between the Company and the Allottee, the conditions for the execution of the Third-Party Allotment includes that all of the Proposals to be Submitted to the Annual General Meeting of Shareholders are approved and that all the regulatory procedures are completed.

Further, the Share Consolidation will become effective on the condition that the Third-Party Allotment is executed.

As disclosed on 24 March 2026, Japan Industrial Solutions II Investment Limited Partnership (the "JIS Fund") and UDS Corporate Mezzanine No. 3 Investment Limited Partnership and UDS Corporate Mezzanine No. 4 Investment Limited Partnership (collectively, the "UDS Funds"), which were the Class A Shareholders, exercised their respective rights to request the acquisition of all of their Class A Shares in exchange for the Company's common shares. In connection therewith, the JIS Fund and the UDS Funds entered into memoranda of understanding with the Company that include their agreement to exercise their voting rights in favor of the Proposals relating to the Third-Party Allotment and the Share Consolidation to be submitted to the Annual General Meeting of Shareholders. In accordance with such agreements, the conversions were completed, and as of the record date for the Annual General Meeting of Shareholders (31 March 2026), the JIS Fund and the UDS Funds are recorded as common shareholders in the Company's shareholder register. In addition, materials explaining the Company's views will be enclosed with the notice of convening the Annual General Meeting of Shareholders, and the Company intends to provide sufficient explanations at the meeting.

With respect to the regulatory procedures, applications and related documents have been submitted to the relevant authorities in each applicable jurisdiction with some of them already cleared. So, we see overall process goes steadily.

In light of the above, the Company believes in high likelihood of successful implementation of the above measures. Through the execution of these measures, the Company expects to achieve a substantial improvement in its financial position, including by the repayment of existing UK subsidiary borrowings, as well as the securing of liquidity.

Accordingly, the Company has concluded that there is no material uncertainty related to the going concern assumption, and therefore no related notes have been included in the consolidated financial statements.

(4) Dependency on certain specified industries and sectors

The Group's Architectural and Automotive businesses together account for over 90 percent of Group revenues for the year ended 31 March 2026. In FY2026, the Group's Architectural and Automotive business accounted for 43 percent and 52 percent of sales to external customers respectively. Products are principally provided to customers in the construction, housing and automotive industries. These industries have historically experienced swings in demand in response to cyclical changes in consumer confidence. Not only changes in demand but also customers' supply chains could affect the Group's business and financial performance in the future.

The Group is working to increase its revenues generated from value-added glass products that generate higher than average margins and are typically sold into markets with significant growth prospects. Such products would normally have a lower level of cyclical volatility than commodity products and are therefore less likely to be affected by deteriorating economic conditions. However, there can be no assurance that such products will continue to enjoy higher than average margins, or that the markets for such products will continue to grow at higher-than-average rates. In addition, technological advances by other glass manufacturers in these areas could lead to an increased level of competition with a resulting erosion of profit margins for value-added products.

Further, there is a possibility that customers may change their strategies in such a way that is disadvantageous to the Group. In that case, the business results and financial condition of the Group may be affected, particularly with respect to value-added products that have been designed for such specific customers.

A significant level of consolidation in the automotive industry is leading to increased purchasing power for the Group's automotive customers and could mean that the Group's automotive customer base becomes more concentrated. Further, historic changes in the automotive industry such as CASE (Connected, Autonomous, Shared and Services, and Electric) might affect the supply chain significantly. The Group will further improve productivity, lower cost and review and refocus resources in order to adapt to these drastic changes in its markets. However, if such actions do not work effectively, the Group's business and financial performance could be affected.

(5) Competition

The Group competes with domestic and overseas glass product manufacturers. The Group also competes with material manufacturers of various plastic, metal and other materials used in the Architectural, Automotive and/or IT sectors. Although the Group endeavors to ensure a competitive edge in the provision of original technologies and products in these markets, if the Group is unable to ensure a competitive advantage due to changes in market requirements or due to the emergence of a manufacturer providing low-cost products, or due to the entry into one of the Group's markets of a manufacturer with a solid customer base and a high level of name recognition, or if its competitors receive governmental subsidies which are not available to it, there could be an adverse effect on the Group's financial performance and position.

(6) Development of new products and technological innovation

The Group focuses on developing original technologies and products in its existing business fields and on developing new products in non-exploited business fields. Swift and adequate responses to rapid and significant technological changes in recent years are required for the Group to enhance and maintain the technological competitiveness of its products, services and manufacturing processes such as digitalization and automation. It is important for the Group to look ahead of customers' needs and technological developments in the relevant markets, manufacturing industries including the ones as required to address environmental issues such as climate change, and to allocate and focus its resources selectively on the areas where it has strengths so that new technologies, products and businesses can be developed effectively. However, the new product or technological development process could require considerable time and expense, and the Group might be requested to invest considerable amounts of capital and resources before achieving revenues from the sale of new products or realizing the contribution of the developed new technologies.

Should any competitor develop new technology with its intellectual property such as patent properly secured, and successfully launch a new product in the target market using such technology earlier than the Group, or if alternative technologies and products are preferred by the market, the previous investment in the Group's product development might not produce the profits initially expected. Should the Group be unable to predict or respond to an anticipated technological innovation and/or succeed in the development of a new product that sufficiently meets customers' needs, such failure in product development or technological innovation could adversely affect the Group's businesses, financial performance and position.

(7) Intellectual property rights

Patents and other intellectual property rights are an important competitive factor in the Group's operation. The Group has established "NSG Group Intellectual Property Policy," and endeavors to secure and manage its intellectual property rights under the Group Intellectual Property Policy so that the values of those assets are maximized. However, there can be no assurance that the Group will always be successful in adequately protecting its intellectual property rights. The competitive advantages of such rights could be lost in future. In addition, the Group conducts its operations globally, which increases the risk of disputes between the Group and third parties over intellectual property rights. Any such infringements or disputes could have a negative impact on the Group's business, financial performance and condition.

(8) Overseas operations

The Group has many production and sales facilities in numerous areas around the world including Japan, elsewhere in Asia, Europe, North America, and South America. The Group also has various joint venture operations, investments, alliances and subsidiary operations in emerging markets such as South America, and China. The Group believes that the stakes it holds in these operations are an important part of its strategy to keep its manufacturing and sales capacities in these regions. However, there can be no assurance that there will not be a deterioration in the underlying markets faced by the Group's affiliates and subsidiaries in these regions.

Due to the invasion of Ukraine by Russia, the Group has suspended all commercial trading with Russian companies since March 2022 and disposed of its Russian affiliates.

As a consequence of the review of the current demand and supply situation in the European glass market, in FY2025, the Group ceased the production at two German float lines for Architectural Glass, and in FY2026, initiatives are on track to adjust the production schedules of Automotive glass mainly in Germany and Italy.

A further deterioration in market conditions in these regions could mean that the Group may have to recognize further impairments in the future. In addition, the Group could face unexpected losses from these investments if it becomes difficult to continue an operation as a result of disagreements with its joint venture partners or other partners regarding business operation policy or for other reasons.

(9) Employing and retaining talents

The Group's development and future growth depend largely on employing and developing capable employees. The Group has been taking several actions to employ, develop and retain talented people. However, competition to attract talented employees is increasingly intense, especially regarding those with technical and scientific backgrounds. Should the Group be unable to employ, develop or retain required people in a timely manner, it could affect the Group's business and financial performance adversely.

(10) Legal restrictions, ethics and compliance

The Company and its subsidiaries and affiliates are subject to local and international regulations regarding investments, imports and exports, fair competition rules, regulations for environmental conservation, and other laws regarding business transactions, labor, pension, intellectual property rights, income tax, currency control, payment or capital control, sanctions and so forth of the respective countries and regions where they operate. Any change to these laws and regulations or operation thereof could adversely affect the Group's financial performance and position through limitation of the Group's business activities or imposition of expenses regarding legal compliance or penalty fees charged, and their subsequent claims for damages based on civil liability, to the Group by reason of infringement of any of the relevant laws and regulations.

Under such circumstances, the Group formulates the "NSG Group Code of Ethics," which applies to employees in all Group businesses, and has in place Ethics and Compliance function who implements the ethics and compliance programs including maintenance and operation of the Reporting of Concerns system, and continuously provides communications and trainings of such programs to its directors, officers and employees to ensure their compliance with laws, regulations and its Articles of Incorporation as well as ethical behavior. The Code was revised in FY2026 mainly reflecting the emphasis on AI, human rights, and Diversity, Equity and Inclusion (DEI) etc. Moreover, the Group's Ethics and Compliance Committee met twice in FY2026. Based upon the Code of Ethics, each Group Function is responsible for creation, operation and maintenance of the relevant Group Policies to ensure compliance throughout the organizations within the Group. In addition to such Function-based control, the Group also endeavors to reinforce the legal entity-based control in accordance with the Group Entities Management Policy. The Group has established the "NSG Group Sustainable Supply Chain Charter" in order to enhance and accelerate actions together with the Group's supply chain partners to meet the Group's current Sustainability objectives, including compliance and addressing climate change, as well as the Group Human Rights Policy to articulate its commitment to human rights respect. However, should an act by the Group companies or a director, officer or employee thereof, or third parties be non-compliant with laws, regulations or Group Policies, the Group's reputation, business or financial performance or position could be adversely affected in such a manner that technical information etc. might be divulged and/or it cause direct or indirect damages to the Group.

Financial Risks

(11) Funds necessary for future business operations

The Group might have to additionally raise funds to 1) launch new products, 2) conduct business or R&D projects, 3) extend manufacturing capacity, 4) acquire a supplementary business, technology or service, 5) implement cost-saving initiatives and restructuring projects, or 6) repay maturing debt. In FY2025, a subsidiary, NSG UK Enterprises Limited issued USD and EUR notes which were privately placed with institutional accredited investors. Raising additional funds could be required at an unexpected timing, should an early repayment of debt be required as a result of a breach of certain terms and conditions of a loan agreement including that of financial covenants contained in such agreement. If the Group cannot raise necessary funds for the business or refinance with the intended conditions or at all, it might not be able to invest in the expansion, development or reinforcement of any product or service, capitalize on an opportunity for business development, ensure higher competitiveness to its competitors or maintain its finance expenses at a competitive level, or the Group's business and financial position could be negatively affected.

(12) Evaluation and impairment of balance sheet assets

The Group has a considerable value of assets included on its balance sheet that must be tested annually for impairment, or in response to a negative event. Such assets include, but are not limited to, goodwill and intangible assets arising on the acquisition of Pilkington plc, and deferred taxation assets arising largely from historic taxable losses generated in certain territories.

An impairment of goodwill and other intangible assets of ¥48,776 million was recorded in FY2023 largely as a consequence of an increase in discount rates during the year, which represented a full impairment of all remaining goodwill and intangible assets related to the Group's automotive business in Europe originally arising on the acquisition of Pilkington in 2006.

During FY2025, the Group made an impairment of goodwill of ¥1,397 million relating to its Architectural rest of World cash generating unit (CGU), comprising mainly businesses operating in South America. Following this impairment, the Group is no longer recognizing any goodwill relating to the Architectural Rest of World CGU that arose from the acquisition of Pilkington in 2006. During FY2026, the Group made an impairment of goodwill of ¥3,422 million relating to Group's automotive business in North America originally arising on the acquisition of Pilkington in 2006.

There can be no assurance that goodwill or intangible assets held with respect to each CGU will not be impaired in the future. In particular, if the performance of the Group in the future does not improve to the extent that has been assumed in previous impairment tests, then impairments of such assets in the future will be more likely. Further, should the Group decide to reduce the size of, or exit certain businesses in response to changes in the economic situation, other assets could also be impaired.

The Group reviews the realization profile of deferred tax assets annually and there can be no assurance that there will not be write downs in the future. Write-downs could arise in the future as a result of the application of reduced tax rates to the deferred tax assets recognized on the Group's balance sheet. Balance sheet values could be affected by factors such as a reduction in profit, the volatility of foreign exchange markets, causing a reduction in consolidated asset values, and the write-downs and write-offs of assets. Such factors could reduce shareholders' equity further and adversely affect funding and business transactions and as a result the Group's business and financial performance and position.

(13) Retirement Benefit Obligations

The Group operates numerous corporate pension plans and healthcare benefit plans for retiring employees. In the event of large fluctuations in the market value of the assets backing such schemes, discount rates used to calculate pension liabilities, or mortality assumptions used in the calculation of pension liabilities, the Group may be obliged to contribute additional funds into the schemes or otherwise provide certain security for them.

While providing appropriate retirement benefit plans for its employees, the Group regularly reviews its retirement benefit obligations in order to reduce the risk to the Group. In the past years the Group has taken actions such as reducing the risk profile of assets within asset backed schemes, hedging longevity risks of certain groups of pensioners, and capping pensionable salaries for certain groups of active employees according to the local pension schemes. However, there can be no assurance that such actions will be completely effective in eliminating the risk of increasing cash outflows into the Group's pension schemes in the future.

Operational Risks

(14) Risk involved in the suspension of production due to incidents including accidents and natural disasters

The Group undertakes regular anti-disaster inspections and the maintenance of facilities in order to minimize the potential adverse effects that might be caused by the suspension of production activity. In addition to this, to minimize the potential adverse effects on production facilities due to a natural disaster or incident (including an earthquake, a typhoon, a flood, an electrical power outage or any other type of event that causes a suspension of the Group's or of its customers' production), business continuity plans (BCP) are formulated at major business locations. Nevertheless, a negative impact on its facilities as a consequence of a natural disaster which risk is increasing due to the climate change, or other such incident as supply chain disruption, cannot always be mitigated. In some cases, certain types of products manufactured at a Group facility might not be able to be produced by another facility. Consequently, in case that production activity is suspended at a facility due to incidents such as natural disaster, the possibility of considerably reduced production capacity for certain specific product(s) could adversely affect the Group's financial performance and position. During FY2026, the Group temporarily suspended production at its float glass facility in Concepcion, Chile, due to the proximity of wildfires to the factory. The unexpected stoppage of the facility resulted in damage to production line, and we recorded a loss of ¥888 million related to the expenses for restoration and the production stoppage during that period. The Group insures against such events but there can be no guarantee that such insurance will fully compensate the Group in all circumstances or may not fully or partially cover the event. In such a case the Group's financial performance and position could be adversely affected.

(15) Laws, regulations and other requirements regarding environment and climate change

As explained in the above (10), the Group is focusing on efforts to build a sustainable society such as measuring its performance against targets aimed at contributing to the mitigation of climate change. The Group makes efforts to work on environmental issues such as greenhouse gas reduction, energy saving and generation, waste reduction and non-use or removal of harmful substances in order to have a beneficial environmental impact and comply with all relevant laws and regulations. However, any change to environmental laws and regulations or operation thereof, could adversely affect the Group's reputation, financial performance and position through limitation of the Group's business activities or imposition of expenses regarding legal compliance or penalty fees charged to the Group by reason of infringement of any relevant laws and regulations. Further, the Group operates against a backdrop of increasing requirements by stakeholders and society in general for companies to take actions to protect the environment and to reduce climate change, and to disclose those actions. A failure to take such actions and disclose them appropriately, may adversely affect the Group's reputation, financial performance and position.

(16) Changes in supply of raw materials and fuel, and distribution of products

Specific raw materials, such as silica sand and soda ash, energy and fuels, such as fuel oil, natural gas and electricity, transportation and storage, and in some countries and regions, carbon emission rights, are critical to the glass manufacturing and distribution processes. The Group uses commodity derivatives and swap contracts to hedge the effect of fluctuations in the market prices of raw materials and fuel. However, there can be no assurance that such measures can eliminate the impact of future increases in the prices of raw materials and energy. Such increases or fluctuations in their costs and prices may adversely affect the Group's financial performance and condition. A further deterioration or prolonged instability in the Middle East, including Iran, could lead to higher crude oil prices, resulting in increased procurement costs and prices for raw materials, energy and fuel.

The Group has entered into purchase agreements with selected suppliers of raw materials and energy for medium and long-term fixed prices. The Group also sells its products through third party distributors in addition to its own distribution channels. The Group makes effort to select the best supplier and distributor, but if, for some reason, the Group's relationship with a major supplier or distributor ended, or such suppliers failed to perform their contractual obligations, the Group may have to enter into agreements with less favorable terms and conditions, or the supply of raw materials and the distribution of products may be impeded. This may result in the Group's financial performance and condition being adversely affected.

(17) Quality, recall, products and other civil liabilities

If individuals are injured as a result of defects in the Group's products, the Group could be subject to claims for damages based on product liability. In addition, the occurrence of the claim could negatively affect the Group's reputation. The Group insures against such liabilities but there can be no guarantee that such insurance will fully compensate the Group in all circumstances or may not fully or partially cover a liability.

In accordance with the Group Quality Policy, the Group has published "Group Quality Policy" and strives to supply safe and high-quality products and services. However, if unexpected quality problems occur, a major recall may occur. If this happens, the Group's reputation may be harmed, and its financial performance and position may be adversely affected.

(18) Information security

The Group owns and uses various kinds of confidential information and data related to its business activities. Controls over information technology systems are increasingly important to enable the Group to control such information and data appropriately and manage the operations efficiently, inclusive of adequate updates to the system. The Group makes strenuous efforts to protect such confidential information and its information systems by way of a number of measures including use of an external professional service and providing IS security training to the Group employees, but in case the information system and the business activities are disrupted or any confidential information leaks externally due to any events such as natural disasters, telecommunications failures, computer viruses and cyber-attacks or unavailability of any existing material software, it could have a material adverse effect on the Group's financial performance and position.

3. Analysis of Financial Position, Operating Results and Cash Flow by Management

(1) Business results

(JPYm)

	Revenue	Operating profit before exceptional items	Profit / (Loss) before taxation	Profit/(loss) for the period	Profit/(loss) attributable to owners of the parent
FY2026	879,462	28,817	378	5,511	4,421
FY2025	840,401	16,491	(8,525)	(13,466)	(13,831)
Change (%)	4.6	74.7	-	-	-

1) Background to Results

Market conditions were stable across most of the Group's markets during the final quarter. Prices were improved from previous year in European Architectural markets following capacity reductions made across the region, although volumes continued to be weak. Activity also continued to be at a low level across other Architectural regional markets. Automotive markets were also challenging, with volumes being broadly flat across most regions, although volumes strengthened further in South America. Technical glass markets were varied, although the mix of products sold continued to be positive during the final quarter.

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 52 percent of cumulative revenues, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 5 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, and glass fiber 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.

(JPYm)

	Revenue		Operating profit before exceptional items	
	FY2026	FY2025	FY2026	FY2025
Architectural	374,998	363,025	30,033	13,574
Automotive	457,222	429,444	4,995	7,667
Technical Glass	46,005	46,584	8,639	7,568
Other operations	1,237	1,348	(14,850)	(12,318)
Total	879,462	840,401	28,817	16,491

Architectural
The Architectural business recorded cumulative revenues of ¥374,998 million (FY2025: ¥363,025 million) and an operating profit of ¥30,033 million (FY2025: ¥13,574 million).

Architectural profits improved from the previous year due to increased prices, especially in Europe.

In Europe, representing 37 percent of the Group's architectural sales, revenues were above the previous year. Market prices increased, leading to an improvement in profitability. Cost savings continued to be realized following plant closures during the previous year.

In Asia, representing 29 percent of the Group's architectural sales, revenues were below the previous year, whilst profits improved. Volumes declined as architectural markets remain challenging across Japan. Demand for solar energy glass recovered somewhat during the fourth quarter, after declining earlier in the year due to customer production adjustments arising from US tariff policy. On 9 June 2025 the Group announced the disposal of its equity interest in Vietnam Float Glass Co., Ltd, a company manufacturing float glass for Architectural markets in Vietnam.

In the Americas, representing 34 percent of the Group's architectural sales, profits were below the previous year. In North America, commercial markets continued to be at a low level. Demand improved moderately in South America, although sales were disrupted by the suspension of production at the Group's facility in Chile during the fourth quarter, due to wildfires in the region.

Automotive
The Automotive business recorded revenues of ¥457,222 million (FY2025: ¥429,444 million) and an operating profit of ¥4,995 million (FY2025: ¥7,667 million).

In Europe, representing 42 percent of the Group's automotive sales, revenues and profitability improved from the previous year. Vehicle sales across Western Europe remain at a low level and were similar to the previous year.

In Asia, representing 18 percent of the Group's automotive sales, profits declined from the previous year. Volumes in Japan reflected an improvement in domestic markets offset by reduced volumes of glass for vehicles to be exported.

In the Americas, representing 40 percent of the Group's automotive sales, revenues improved from the previous year, although profits declined. In North America, profitability was impacted by production issues in key facilities, although this was partly offset by improved prices in glass replacement markets. Sales volumes strengthened in South America.

Technical Glass
The Technical Glass business recorded revenues of ¥46,005 million (FY2025: ¥46,584 million) and an operating profit of ¥8,639 million (FY2025: ¥7,568 million).

Technical Glass profits improved from the previous year. Volumes in the Information Devices business were impacted by subdued demand for multifunction printers. In the Fine Glass business, results benefitted from an improving sales mix from the third quarter. Demand for glass cord in the Functional Products business continued to be positive.

Other
The Other Operations and Eliminations recorded revenues of ¥1,237 million (FY2025 ¥1,348 million) and operating costs of ¥14,850 million (FY2025 cost of ¥12,318 million).

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.

Joint Ventures and Associates

The Group's share of the post-tax profit of joint ventures and associates improved slightly to ¥5,714 million (FY2025: ¥5,526 million). Profits were stable at Cebrace, the Group's architectural joint venture in Brazil, whilst profits improved at SYP Autoglass, the Group's Automotive affiliate in China. Other gains/(losses) on equity method investments amounted to a charge of ¥375 million (FY2025: ¥nil million) representing the elimination of gains on transactions with affiliates.

(2) Accounting principles, and critical accounting estimates and assumptions

The significant accounting principles applied by the Group in the preparation of the consolidated financial statements are as explained in note 1 of the consolidated financial statements. The preparation of consolidated financial statements may require management to make certain estimates or judgments deemed reasonable in view of current circumstances of trading, past results and other factors in determining the amounts of the assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes in accordance with these accounting principles.
Please refer to note 12 "Goodwill" for the impairment test for the goodwill at the year-end date and calculation of the impairment loss and refer to note 17 "Investments accounted for using the equity method" for the recoverability of long-term investments in joint ventures, including loans receivable.

(3) Financial position

On March 24, 2026, the Group announced that, with support from Apollo Funds, we aim to implement fundamental measures to achieve sustainable growth through capital restructuring. However, in discussions with its bankers on future borrowing requirements, no matters have been drawn to the Group's attention to suggest that renewal would not be forthcoming on acceptable terms. After making enquiries, the directors have reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to apply the going concern basis in preparing these financial statements.

1) Total assets

Total assets at the end of March 2026 were ¥1,117,494 million, representing an increase of ¥84,563 million from the end of March 2025. The increase in total assets was due to foreign exchange adjustments arising from a weaker yen, and also hyperinflation accounting adjustments with respect to Argentina.

2) Net debt

Net financial indebtedness increased by ¥29,879 million from 31 March 2025 to ¥484,138 million at the period-end. The increase in indebtedness arose largely from working capital movements and also foreign exchange movements. Foreign exchange movements generated an increase in net indebtedness of ¥21,010 million. Gross debt was ¥548,344 million at the period-end.

3) Net assets

Total equity was ¥185,519 million, representing an increase of ¥43,108 million from the March 2025 figure of ¥142,411 million. The increase in total equity was largely due to profit recorded in the period, the revaluation of investments held at fair value, foreign exchange movements and the IAS 29 inflationary uplift of asset values in Argentina.

(4) Operating results
1) Revenue

Cumulative Group revenues of ¥879,462 million (FY2025 ¥840,401 million), were higher than the previous year, with an improvement in both the Automotive and Architectural businesses.

2) Operating profit before exceptional items

Operating profits increased to ¥28,817 million (FY2025 ¥16,491 million), with the improvement arising mainly in the Architectural business in Europe.

3) Profit before taxation

The profit before taxation was ¥378 million (FY2025 loss of ¥8,525 million). The improvement in the profit before taxation was due to the improved operating profits partly offset by increased financial costs experienced during the year.

4) Profit attributable to equity shareholders

The Group recorded a taxation credit of ¥5,133 million (FY2025 charge of ¥4,941 million). The Group's tax credit for the year included a deferred tax credit of ¥8,814 million relating to the recognition of previously unrecognized deferred tax assets in the UK, following the Group's assessment that sufficient future taxable profits will be available to support their utilization. The taxation credit for the year, in addition to the improved operating profit, enabled the Group to record a profit attributable to owners of the parent of ¥4,421 million (FY2025 loss of ¥13,831 million).

5) Other indices

Basic earnings per share improved from a loss of ¥173.20 in the previous year, to a profit of ¥44.51 in FY2026. Earnings per share are calculated by taking the profit attributable to owners of the parent and deducting dividends and redemption premiums paid relating to Class A shares, and dividing this by the weighted average number of ordinary shares in issue during the year. In FY2026, dividends relating to Class A shares of ¥nil million (FY2025: dividends of ¥1,950 million) have been included in this calculation. Because the Group acquired all Class A shares by the end of the current year as Class A shareholders exercised their rights to request acquisition in exchange for common shares. Consequently, no dividends will be paid based on the number of Class A shares as of the record date within the current year. Of the acquired shares, 22,644 shares are held as treasury shares.

(5) Cash flow

Cash inflows from operating activities were ¥33,624 million. Operating cash flows were below the previous year, despite the improved profitability, and reflected negative movements in working capital cash flows, including an increase in inventories. Cash outflows from investing activities were ¥32,562 million, including capital expenditure on property, plant, and equipment of ¥41,848 million. As a result, free cash flow was an inflow of ¥1,062 million (FY2025 free cash inflow of ¥9,975 million).

After taking into account the effect of financing cash flows and movements in exchange rates, cash and cash equivalents at the end of the year, net of bank overdrafts, decreased by ¥7,877 million year-on-year to ¥55,101 million.

4. Financial Information

CONSOLIDATED INCOME STATEMENT

Nippon Sheet Glass Company, Limited and consolidated subsidiaries
For the period ended 31 March 2026

	Note	2026	2025
		Millions of yen	
Revenue	2	**879,462**	840,401
Cost of sales		**(683,539)**	(672,228)
Gross profit		**195,923**	168,173
Other income	4	**2,931**	2,511
Distribution costs		**(76,046)**	(67,386)
Administrative expenses		**(86,759)**	(80,214)
Other expenses	5	**(7,232)**	(6,593)
Operating profit before exceptional items	3	**28,817**	16,491
Exceptional items (gains)	7	**3,411**	5,479
Exceptional items (losses)	7	**(8,925)**	(10,728)
Operating profit after exceptional items		**23,303**	11,242
Finance income	9	**4,702**	3,439
Finance expenses	9	**(32,966)**	(28,732)
Share of post-tax profit of joint ventures and associates accounted for using the equity method	17	**5,714**	5,526
Other losses on equity method investments	17	**(375)**	-
Profit/(loss) before taxation		**378**	(8,525)
Taxation	10	**5,133**	(4,941)
Profit/(loss) for the period		**5,511**	(13,466)
Profit attributable to non-controlling interests	42	**1,090**	365
Profit/(loss) attributable to owners of the parent		**4,421**	(13,831)
		5,511	(13,466)
Earnings per share attributable to owners of the parent:			
Basic earnings per share (yen)	37	**44.51**	(173.20)
Diluted earnings per share (yen)	37	**30.64**	(173.20)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Nippon Sheet Glass Company, Limited and consolidated subsidiaries
For the period ended 31 March 2026

	Note	2026	2025
		Millions of yen	
Profit/(loss) for the period		**5,511**	(13,466)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	28	**4,059**	458
Revaluation of Assets held at Fair Value through Other Comprehensive Income - equity investments (net of taxation)		**5,175**	1,129
Sub total		**9,234**	1,587
Items that may be reclassified to profit or loss:			
Foreign currency translation adjustments		**12,343**	(19,233)
Revaluation of Assets held at Fair Value through Other Comprehensive Income - other investments (net of taxation)		**2,394**	(523)
Cash flow hedges - fair value gains (net of taxation)		**1,516**	430
Sub total		**16,253**	(19,326)
Other comprehensive income for the period (net of taxation)		**25,487**	(17,739)
Total comprehensive income for the period		**30,998**	(31,205)
Attributable to non-controlling interests		**(4,606)**	(4,999)
Attributable to owners of the parent		**35,604**	(26,206)
		30,998	(31,205)

CONSOLIDATED BALANCE SHEET

Nippon Sheet Glass Company, Limited and consolidated subsidiaries

As at 31 March 2026

		Millions of yen	
	Note	**2026**	2025
Assets			
Non-current assets			
Goodwill	12	**87,346**	82,134
Intangible assets	13	**54,890**	48,066
Property, plant and equipment	14	**485,109**	453,166
Investment property	15	**108**	134
Investments accounted for using the equity method	17	**28,096**	25,524
Retirement benefit asset	28	**36,345**	29,367
Contract assets	2	**372**	323
Trade and other receivables	18	**6,803**	6,358
Financial assets			
assets held at fair value through other comprehensive income	19	**26,797**	23,689
derivative financial instruments	20	**2,946**	3,393
Deferred tax assets	22	**46,692**	37,393
Tax receivables		**141**	213
		775,645	709,760
Current assets			
Inventories	23	**185,511**	164,503
Contract assets	2	**1,093**	1,015
Trade and other receivables	18	**87,985**	83,438
Financial assets			
derivative financial instruments	20	**3,701**	1,867
Cash and cash equivalents	24	**57,559**	65,311
Tax receivables		**3,723**	2,929
		339,572	319,063
Assets held for sale or included in a disposal group held for sale	25	**2,277**	4,108
		341,849	323,171
Total assets		**1,117,494**	1,032,931

CONSOLIDATED BALANCE SHEET

Nippon Sheet Glass Company, Limited and consolidated subsidiaries

As at 31 March 2026

	Note	2026	2025
			Millions of yen
Liabilities and equity			
Current liabilities			
Financial liabilities			
borrowings	26	**307,801**	177,012
derivative financial instruments	20	**816**	787
Trade and other payables	27	**209,968**	187,557
Contract liabilities	2	**20,216**	20,561
Taxation liabilities		**2,929**	2,636
Provisions	29	**18,140**	19,155
Deferred income	30	**409**	447
		560,279	408,155
Liabilities related to assets held for sale	25	**-**	1,283
		560,279	409,438
Non-current liabilities			
Financial liabilities			
borrowings	26	**239,368**	345,713
derivative financial instruments	20	**359**	1,318
Trade and other payables	27	**2,302**	1,279
Contract liabilities	2	**36,616**	40,074
Deferred tax liabilities	22	**19,456**	21,589
Taxation liabilities		**4,169**	3,325
Retirement benefit obligations	28	**44,444**	44,974
Provisions	29	**21,032**	18,890
Deferred income	30	**3,950**	3,920
		371,696	481,082
Total liabilities		**931,975**	890,520
Capital and reserves attributable to the owners of the parent			
Share capital	32	**116,913**	116,892
Capital surplus	33	**155,875**	155,853
Retained earnings	34	**(44,286)**	(60,280)
Retained earnings (translation adjustment at the IFRS transition date)		**(68,048)**	(68,048)
Other reserves	35	**(9,229)**	(36,352)
Total shareholders' equity		**151,225**	108,065
Non-controlling interests	42	**34,294**	34,346
Total equity		**185,519**	142,411
Total liabilities and equity		**1,117,494**	1,032,931

The financial statements on page 21 to 82 were approved by the Executive Officers on 25 June 2026.

Executive Officers

Munehiro Hosonuma
Representative Executive Officer
President and Chief Executive Officer

Hiroshi Aiura
Senior Executive Officer
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nippon Sheet Glass Company, Limited and consolidated subsidiaries
For the period ended 31 March 2026

Millions of yen

	Share capital	Capital surplus	Retained earnings	Retained earnings (translation adjustment at the IFRS transition date)	Other reserves	Total shareholders' equity	Non-controlling interests	Total equity
Note	32	33	34		35		42	
Balance at 1 April 2024	**116,853**	**155,840**	**(56,882)**	**(68,048)**	**(23,488)**	**124,275**	**29,563**	**153,838**
Profit/(loss) for the period	-	-	(13,831)	-	-	(13,831)	365	(13,466)
Other comprehensive income	-	-	458	-	(12,833)	(12,375)	(5,364)	(17,739)
Total comprehensive income	-	-	(13,373)	-	(12,833)	(26,206)	(4,999)	(31,205)
Hyperinflation adjustment	-	-	11,925	-	-	11,925	10,531	22,456
Transactions with owners								
Dividends paid	-	-	(1,950)	-	-	(1,950)	(546)	(2,496)
Share-based compensation with restricted shares	24	25	-	-	-	49	-	49
Stock options	15	15	-	-	(30)	-	-	-
Purchase of treasury stock	-	-	-	-	(1)	(1)	-	(1)
Equity transaction with non-controlling interests	-	(27)	-	-	-	(27)	(203)	(230)
Balance at 31 March 2025	**116,892**	**155,853**	**(60,280)**	**(68,048)**	**(36,352)**	**108,065**	**34,346**	**142,411**
Profit for the period	-	-	4,421	-	-	4,421	1,090	5,511
Other comprehensive income	-	-	4,059	-	27,124	31,183	(5,696)	25,487
Total comprehensive income	-	-	8,480	-	27,124	35,604	(4,606)	30,998
Hyperinflation adjustment	-	-	9,464	-	-	9,464	7,764	17,228
Transactions with owners								
Dividends paid	-	-	(1,950)	-	-	(1,950)	(2,352)	(4,302)
Share-based compensation with restricted shares	21	22	-	-	-	43	-	43
Purchase of treasury stock	-	-	-	-	(1)	(1)	-	(1)
Changes due to loss of control of subsidiaries	-	-	-	-	-	—	(858)	(858)
Balance at 31 March 2026	**116,913**	**155,875**	**(44,286)**	**(68,048)**	**(9,229)**	**151,225**	**34,294**	**185,519**

CONSOLIDATED STATEMENT OF CASH FLOWS

Nippon Sheet Glass Company, Limited and consolidated subsidiaries

For the period ended 31 March 2026

	Note	2026	2025
		Millions of yen	
Cash flows from operating activities	36		
Cash generated from operations		**63,739**	83,966
Interest paid		**(28,530)**	(25,099)
Interest received		**3,110**	2,861
Income tax paid		**(4,695)**	(9,309)
Net cash generated from operating activities		**33,624**	52,419
Cash flows from investing activities			
Dividends received from joint ventures and associates		**6,403**	4,427
Proceeds on disposal of joint ventures and associates		**-**	133
Proceeds on disposal of subsidiaries and businesses(net of cash disposed)		**1,525**	-
Purchases of property, plant and equipment		**(41,848)**	(54,710)
Proceeds on disposal of property, plant and equipment		**1,556**	12,817
Purchases of intangible assets		**(4,540)**	(4,496)
Proceeds on disposal of intangible assets		**10**	1
Purchases of assets held at fair value through other comprehensive income		**(18)**	(16)
Proceeds on disposal of assets held at fair value through other comprehensive income		**4,926**	404
Loans advanced to joint ventures, associates and third parties		**(578)**	(1,021)
Loans repaid from joint ventures, associates and third parties		**1**	17
Other items		**1**	-
Net cash used in investing activities		**(32,562)**	(42,444)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(1,950)**	(1,950)
Dividends paid to non-controlling interests		**(1,239)**	(512)
Repayment of borrowings	26	**(286,625)**	(137,261)
Proceeds from borrowings	26	**275,154**	148,467
Increase in treasury stock		**(1)**	(1)
Purchase of shares in non-controlling interests		**-**	(230)
Net cash generated from financing activities		**(14,661)**	8,513
(Decrease)/increase in cash and cash equivalents (net of bank overdrafts)		**(13,599)**	18,488
Cash and cash equivalents (net of bank overdrafts) at the beginning of the period	24	**62,978**	44,278
Effect of foreign exchange rate changes		**2,685**	(2,539)
Hyperinflation adjustment	40	**3,037**	2,751
Cash and cash equivalents (net of bank overdrafts) at the end of the period	24	**55,101**	62,978

1. Summary of material accounting policy information

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented.

Reporting entity

Nippon Sheet Glass Company, Limited (the Company) together with 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 discrete technical glass businesses, operating in high technology areas.

The parent company of the Group, Nippon Sheet Glass Company, Limited is incorporated and 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, Japan.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). 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 other comprehensive income that have been measured at fair value, and also except for the application of hyperinflationary accounting at the Group's subsidiaries in Argentina. The financial statements are presented in Japanese yen and are rounded to the nearest million yen (¥m) except where otherwise indicated.

IFRS standards not relevant for this financial period

Certain new standards, and 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 2026.

IFRS 18 – "Presentation and Disclosure in Financial Statements" introduces new requirements regarding the presentation of items within primary financial statements. This standard aims to improve consistency of financial information across different entities and across different reporting periods for the same entity. The standard provides detailed guidance on the format of primary financial statements and the location of certain items within those statements. In addition, the standard introduces disclosure requirements with respect to management-defined performance measures that an entity may use to monitor and explain its performance. This new standard will have an impact on format and content of the Group's financial statements, although the Group has not yet assessed the detailed changes that may be required. The Group does not anticipate that this standard will have a material impact on profits attributable to shareholders or on overall shareholders' equity. IFRS 18 will be effective from the Group's financial period to 31 March 2028.

Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries where the Group controls more than 50 percent of the voting rights are fully consolidated from the date on which control is transferred to the Group. They are consolidated until the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets or liabilities resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest, based upon the appropriate share of the acquiree's net asset value, and the acquisition-date fair value of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized immediately in the consolidated income statement (see Intangible Assets - Goodwill).

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. All Group companies use a common set of accounting policies and are consolidated using a common accounting reference date of 31 March.

(b) Non-controlling interests, joint ventures and associates

Non-controlling interests

Changes in the Group's ownership interests in subsidiaries, arising from transactions between the Group and non-controlling interests, that do not result in a change in the Group's control over a subsidiary, are treated as equity transactions and therefore do not result in goodwill, or in gains and losses in the income statement.

Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity, which is then subject to joint control. In the Group, all such jointly controlled activities are undertaken through jointly controlled entities with the Group entitled to a share of the net assets of the jointly controlled entity. Consequently, the Group considers each of its joint arrangements to be joint ventures rather than joint operations. The Group considers that it has no other material contractual arrangements with its joint venture partners, other than the joint venture agreement itself. The Group accounts for its interest in these jointly controlled entities by the equity method of accounting, as described in relation to associates below.

Associates

Associates are all entities over which the Group has significant influence, generally accompanying a shareholding of between 20 and 49 percent of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of an investee, but is not control or joint control over these policies. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Group considers that it has no material contractual arrangements with the other investors in each of the Group's associated entities, other than those which arise in the normal course of business. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Intangible Assets - Goodwill).

The Group's share of its joint ventures and associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting for joint ventures and associates
Joint ventures and associates are accounted for on the basis of audited accounts, or where these are not available, on the basis of unaudited management accounts prepared up to the Group's accounting date. Where it is not practicable to obtain such accounts, audited accounts or unaudited management accounts prepared to an accounting date not more than three months prior to the Group's accounting date are used. Where appropriate, the financial statements of joint ventures and associates are adjusted to conform to the Group's accounting policies. In the event of material events or transactions occurring at the joint venture or associate during the period between the accounting reference date of that joint venture or associate, and the accounting reference date of the Group, then the Group adjusts the values used in the equity accounting process to appropriately reflect such transactions or events.
Impairments, and reversals of previous impairments, of financial receivables, deemed to be net investments, and equity in joint ventures and associates are accounted for separately in the consolidated income statement as impairment of financial receivables owed by joint ventures and associates or as other gains/(losses) on equity method investments as appropriate. In addition, gains or losses on the disposal of any such investments are also accounted for as other gains/(losses) on equity method investments. These line items are presented in the consolidated income statement adjacent to the Group's share of the net profit of such investments.

Segment reporting
The chief operating decision-making body in the Group is the Board of Directors. The Group reports the results of its operating segments externally in a manner consistent with its internal reporting to the Board of Directors. The Board of Directors is responsible for allocating resources to, and assessing the performance of, the Group's operating segments.

Foreign currency translation
(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Japanese yen which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities classified as assets held at fair value through other comprehensive income, are included in the fair value reserve in equity.

(c) Group companies
The results and financial position of all Group entities with a functional currency different from the Group's presentation currency, except for subsidiary companies in Argentina which have a functional currency considered to be hyperinflationary, are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in the exchange translation reserve, a separate component of equity.

The results and transactions of subsidiaries in Argentina are translated into the Group's presentational currency using closing year-end rates of exchange as a result of the use of hyperinflationary accounting.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to the exchange translation reserve within shareholders' equity. When a foreign operation is sold, liquidated or otherwise made dormant with no foreseeable prospect of a change in status, such exchange differences are recognized in the income statement as part of the gain or loss on sale. Exchange differences recognized prior to 31 March 2010 are included in a separate reserve within retained earnings called 'Retained earnings (translation adjustment at the IFRS transition date)'. Exchange differences arising on or after 1 April 2010 are recognized within a separate exchange reserve.
Goodwill, intangibles and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment - owned by the Group
Land and buildings comprise mainly the Group's manufacturing facilities. Land is shown at historical cost less impairment. All property (excluding land) and plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost comprises all expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Borrowing costs are capitalized with respect to material capital expenditure projects, using the Group's marginal cost of borrowing over the period of construction of the asset. Borrowing costs are depreciated over the useful economic life of the asset to which they relate.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Freehold buildings	3 to 50 years
Float glass tanks	10 to 15 years
Glass-making plant	25 years
Glass-processing plant	15 years
Other plant and equipment	5 to 20 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed to take account of technological changes, intensity of use over their lives and market requirements, and adjusted if appropriate, at each balance sheet date. In the event of impairment, an asset's carrying amount is written down immediately to its recoverable amount (see 'Impairment of assets').

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement.

For the right-of-use assets representing the Group's right to use an underlying asset according to a contract including a lease, see 'Leases'.

Investment property
Investment property principally comprises land, office buildings and small industrial units, and those parts of other properties not occupied by the Group, which are held for long-term rental yields. Investment properties are initially recognized at cost and are thereafter carried at fair value, representing open-market value determined annually by discounted cash flows or by the use of external valuers. Changes in fair value are recorded in the income statement as part of other income and expense.

Intangible assets
a) Goodwill
Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investments in each region of operation by each primary reporting segment (see 'Impairment of assets'). Cash Generating Units represent the lowest level of business unit which can be assessed as having separately identifiable assets and sufficiently independent cash flows. In the event that Cash Generating Units are disaggregated based on this definition, then the Group reallocates existing goodwill to the newly identified Cash Generating Units based on relative recoverable values as at the date of disaggregation.

(b) Trademarks and licenses
Trademarks and licenses are shown at historical cost. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (over a maximum of twenty years).

(c) Computer software
Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (five to ten years).

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, which are seen to generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding ten years).

(d) Research and development
Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products or processes which will be used internally within the Group) are recognized as intangible assets when it is probable that the project will be commercially successful and technologically feasible or will give rise to internally improved processes, and costs can be measured reliably.

Other development expenditure is recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs with a finite useful life that have been capitalized, are amortized from the date when the product or use of the process becomes available for commercial production on a straight-line basis over the period of its expected benefit, not exceeding five years (products) and twenty years (processes).

(e) Intangible assets created on acquisition
The intangible assets identified on acquisition of the Pilkington Group in June 2006 as part of the fair valuing of the net assets acquired include customer relationships, know-how, license agreements, the Pilkington brand name and other brands, in-process research and development and developed technology. These have been capitalized and are amortized over the estimated life of each category of intangible asset and are amortized on a straight-line basis over the period of their expected benefit to the Group as follows:

Customer relationships	Up to 20 years
Know-how**	10 years
License agreements **	11 years
Pilkington brand name*	Nil
Other brands**	10 years
Research and development**	Up to 20 years
Developed technology**	Up to 15 years

* The Pilkington brand name has been assigned an indefinite useful life and is therefore not subject to routine amortization, but is instead tested annually for impairment.
** Fully amortized, with remaining book value of nil

Impairment of assets
Assets that have an indefinite useful life are not subject to amortization (or depreciation) and are tested annually for impairment. Assets that are subject to amortization (or depreciation) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). When assessing value-in use, a number of significant assumptions and estimates are involved in forecasting future cash flows, including market growth rates, sales volumes and market prices. Forecasts of future cash flows are based on best estimates of future revenues and operating expenses using historical trends, market conditions and industry trends. These assumptions are subject to review by management and the Board of Directors. The future forecasts are adjusted by an appropriate discount rate derived from the cost of capital plus a risk premium at the date of the evaluation. The discount rate, based on the pre-tax weighted average cost of capital used in calculating the recoverable value, is set at a rate appropriate to each territory, consistent with the rates used to assess the potential impairment of goodwill, detailed in note 12.

Financial risk management
Financial risk factors
The Group's multinational operations and debt financing expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, energy prices, debt market prices, interest rates, credit risks, and liquidity. The Group has in place a risk management program that seeks to limit the effects on the financial performance of the Group by using financial instruments.

Financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, energy price risk, use of derivative and non-derivative financial instruments, credit risk, and investing excess liquidity.

(a) Market risk
(i) Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro, sterling and US dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, companies in the Group use forward contracts, transacted with Group Treasury. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. Group Treasury is responsible for managing the net position in each foreign currency by using external forward currency contracts.

Each subsidiary designates contracts with Group Treasury as fair value hedges or cash flow hedges, as appropriate.

External foreign exchange contracts are designated at Group level as hedges of foreign exchange risks on specific assets, liabilities or future transactions on a gross basis.

The Group's risk management policy is to hedge forecast transactions creating the foreign currency exposure provided that such forecast transactions are reasonably certain.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The Group is exposed to the risk of fluctuations in foreign exchange rates, mainly as the assets, liabilities, incomes and expenses denominated in local currencies are translated into yen when consolidated financial statements are prepared.

All other things being equal, a 1% increase in the value of the yen would lead to a decrease in total equity of ¥4,300 million (2025: ¥3,700 million). Based on the financial results for the year to 31 March 2026, a 1% increase in the value of the yen would result in a decrease in the profit for the period of ¥100 million (2025: a decrease in the loss for the period of ¥100 million).

(ii) Energy price risks

The Group consumes significant amounts of energy and is exposed to energy price risk arising from this consumption, principally of oil and gas.

The Group's risk management policy is to hedge between 10 percent and 100 percent of anticipated purchases for the subsequent 12 months and between 0 percent and 80 percent for the subsequent four years.

(iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash inflows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises primarily from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain approximately 30 to 70 percent of net borrowings in fixed rate instruments. All other things being equal, a 1 percent increase in interest rates would result in an increase in annual interest costs on financial balances of ¥4,130 million (2025: ¥3,840 million).

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

(b) Credit risk

The Group has no significant concentrations of credit risk other than in relation to the receivables due from automotive original equipment manufacturers and from the Group's main customer for solar energy glass. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Derivative counterparties are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

As set out in note 39, the Group has outstanding loans and receivables owed by joint ventures and associates. The Group manages these balances on an arms-length basis, ensuring that loans and receivables are only advanced to joint ventures and associates where the Group is satisfied that these balances will be repaid.

(c) Liquidity risk

Prudent liquidity risk management policies maintain sufficient cash and cash equivalents and availability of funding through committed credit facilities. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping a substantial portion of committed credit lines undrawn.

Financial Instruments

The Group mainly classifies its financial instruments in the following categories: financial assets and liabilities held at amortized cost, and financial assets held at fair value through other comprehensive income. Management determines the classification of its instruments at initial recognition and re-evaluates this designation at every reporting date. The evaluation considers the characteristics of the cash flows generated by the instruments and the Group's business model rationale for holding the instruments.

(a) Financial assets and liabilities at amortized cost

Assets within this category are included in the Group's balance sheet as receivables. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date and these are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Liabilities in this category are included in the balance sheet either as financial liabilities - borrowings, or as trade and other payables. Financial liabilities - borrowings predominantly arise from the Group's lending facilities arranged with its banks, classified either as current liabilities for maturities within 12 months, or non-current for maturities later than 12 months. Liabilities are shown as non-current where the Group has an unconditional right at the balance sheet date to defer settlement of the liability for a period of at least 12 months. Where this right to defer settlement exists, then the Group includes the liability as non-current irrespective of whether or not it expects to exercise its right to defer settlement for a 12-month period. Liabilities in this category have fixed or determinable payments to debt holders and are not quoted in an active market. Trade and other payables arise when the Group receives goods and services from its suppliers and is similarly split into current and non-current liabilities dependent on the time period expected before settlement.

Financial assets and liabilities at amortized cost are carried at amortized cost using the effective interest method, unless the asset or liability arises through the normal course of business with payments terms that indicate that the Group is neither granting a financing arrangement to its suppliers nor receiving one from its customers. Where no financing arrangement exists then the asset or liability, classified as a receivable or payable, is held at amortized cost.

Borrowings consist of bonds payable, loans payable, lease liabilities and non-controlling interests entitled to receive a fixed share dividend. Borrowings are recognized initially at fair value then subsequently stated at amortized cost. Borrowing transaction costs are expensed in the income statement over the period to the maturity of the related financial liability. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Non-equity preference shares are classified as liabilities and are measured in the balance sheet at their most recent redemption price. The dividends on these preference shares are recognized in the income statement as interest expense. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

The Group applies the expected credit loss method to receivables balances and considers individual provisions for specific balances where appropriate. This involves considering likely credit losses for a group of receivables using a range of forward-looking scenarios. A provision for impairment of trade receivables is established with respect to an individual receivable when the Group will not be able to collect all amounts due according to the original terms of trade. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The expected credit loss method applied to a group of receivables can result in a provision being created even when on an individual basis, the Group expects each receivable to be converted to cash with no loss arising. The movement in receivables provisions is recognized in the income statement. The same methodology is also applied to contract assets balances.

Where trade receivables are sold to a financial institution through a securitization program and where the Group does not retain the significant risks and rewards of these receivables, or where the Group retains an element of risk and reward but no longer controls the asset, the Group derecognizes the trade receivables.

(b) Financial assets at fair value through other comprehensive income

Financial assets held at fair value through other comprehensive income are non-derivative financial investments where the Group is unable to exert significant influence over the investee. This category of investment could include equity investments which are not held for trading and irrevocably elected to be measured at fair value through other comprehensive income, or investments that are expected to generate fixed or determinable payments by collecting contracted cash flows and selling financial assets.

Financial assets at fair value through other comprehensive income are initially and subsequently recognized at fair value. Unrealized gains and losses arising from changes in the fair value of such assets are recognized within the statement of comprehensive income and result in a movement within the fair value reserve within equity. The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. When assets that represent fixed interest investments held in this category are impaired, then the Group treats this as a realized loss recognized in the income statement, with historical amounts recycled from reserves through the statement of comprehensive income.

Accounting for derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged and the effectiveness of the hedging arrangement. The Group designates certain derivatives as hedges of the changes in fair value of recognized assets or liabilities or a firm commitment (fair value hedges), hedges of exposure to variability in cash flows associated with an asset or liability or arising from highly probable forecast transactions (cash flow hedges), and hedges of net investments in foreign operations (net investment hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents, both at hedge inception and on an ongoing basis, its assessment of whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. For time period related hedges, the cost of hedging is reflected in the income statement on a straight-line basis over the period of the hedge, with the accounting treatments described below relating to movements in the principal value of the hedge.

(a) Fair value hedge

Changes in the fair value of derivatives, designated and qualifying as fair value hedges, are recorded in either the statement of comprehensive income, if hedging a financial instrument at fair value through comprehensive income, or the income statement if hedging other items. Consequently, the movement in the fair value of the hedging contract is treated in a manner consistent with the movement in the fair value of the item being hedged.

(b) Cash flow hedge

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

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(c) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in equity, the gain or loss relating to the ineffective portion is recognized immediately in the income statement.
Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

(d) Derivatives that do not qualify for hedge accounting

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

Fair value estimation

The fair value of financial instruments traded in active markets (such as investments at fair value through other comprehensive income) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The appropriate quoted market price for financial liabilities is the current offer price. In the event of an indication of a potential impairment, management assess the recoverable value of the asset based on the higher of its value in use and fair value less cost to sell.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The fair values of foreign exchange contracts are determined using forward exchange market rates at the balance sheet date. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows based on observable yield curves at the balance sheet date. The fair values of commodity hedges are determined by using forward market prices at the balance sheet date.

The fair value of financial liabilities is determined using cash flows discounted using a rate based on credit risk factors and the relevant currency swap rate for the specific maturity, plus a margin.

Unlisted equities are valued using forward-looking projections where available, however in most cases forward-looking projections are not available. Therefore, fair value is determined based on net asset values at the balance sheet date.

Inventories
Inventories are stated at the lower of cost and net realizable value. Cost is mainly determined using the first-in, first-out (FIFO) method. The cost of finished goods and work-in-progress comprises design costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials.

Inventories carried in the balance sheet are reviewed on a regular basis and, in the case of any inventories which are slow moving, or where the Group considers that it is unlikely to recover the cost of such inventory through subsequent sale, appropriate provisions are made to impair the inventory to its estimated net realizable value.

The incremental costs of obtaining a contract with a customer are recognized as inventory if the Group expects such cost will be recovered. Such costs are amortized by the straight-line method over the length of the contract they relate to.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments not subject to significant risk of fluctuations in value, and with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Leases
The Group as a lessee
At inception of a contract, the Group assesses whether the contract is or contains a lease, with a focus on whether the fulfilment of the contract depends on the use of an identified asset. The assessment involves judgement of whether the Group obtains substantially all the economic benefits from the use of the identified asset and whether it has the right to direct the use of the asset. If the criteria are met, the Group will recognize a right-of-use asset and a lease liability in its balance sheet on the commencement date.

The Group has almost 3,000 leases with a wide range of different terms and conditions in accordance with local regulations and business practices. Some leases contain extension and termination options, which provide the Group with operational flexibility. Such options are taken into account when determining the lease term if the Group is reasonably certain to exercise an extension option and reasonably certain not to exercise a termination option.

Right-of-use assets
Right-of-use assets are initially measured at the discounted value of future lease payments, adjusted by initial direct costs, prepaid lease payments and estimates of future dismantling or clean-up costs. Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurements of lease liabilities.

Right-of-use assets are presented as 'Property, plant and equipment' in the Group's consolidated balance sheet. Depreciation is charged on a straight-line basis over the shorter of the lease term or remaining estimated life of the asset.

In the event of impairment, an asset's carrying amount is written down immediately to its recoverable amount (see 'Impairment of assets').

Lease liabilities
Lease liabilities are measured at the present value of future lease payments at the reporting date, using the practical expedient to apply consistent discount rates to portfolios of leases with similar characteristics.

The discount rate used for the measurement of a lease liability is the interest rate implicit in the lease, equating the future lease payments with the present value of the leased asset. Where this cannot be readily determined the Group will use its incremental borrowing rate, as adjusted to take account of factors such as the term and currency of the lease, the financial position of the NSG Group lessee, and the security inherently provided to the lessor in a lease arrangement.

Lease liabilities are presented as 'Borrowings' in the Group's consolidated balance sheet. Lease liabilities are subsequently measured based on the effective interest method, and interest expenses are charged to the income statement.

Sale and lease back
If the Group sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer, this will be considered as a sale and lease back transaction. The Group will consider whether it has entered into a genuine lease arrangement or whether the arrangement is simply a method of securing finance for an existing asset.

In the event that a sale of the asset has taken place, the Group would account for the transaction as a sale and lease back. A right-of-use asset and related lease liability would be created based on the future payments and any other relevant factors. The initial right-of-use asset value is limited to the previous carrying value of the owned asset, then multiplied by the ratio of the lease liability arising over the fair value of the asset. This restriction ensures that the resulting asset value reflects the remaining Group interest in the asset based on the original historic cost of that asset. In the event that a genuine sale for accounting purposes is not considered to have taken place, then the transaction is considered to be a form of secured financing. The asset would still be recognized as property, plant and equipment on the Group's balance sheet, and its value would not be amended by the sale, unless the sale was considered to be an indicator of impairment. A financial liability would be created with respect to the discounted future lease payments, although this would not be considered to be a lease liability and instead would be recorded with other borrowings.

Short-term leases and low value leases
The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases with terms within 12 months, and leases for which the underlying asset is of low value. In such cases, the Group will recognize the payments associated with those leases as an expense on a straight-line basis over the lease term.

The Group as a lessor
The Group may enter into contracts to sublease vacant leasehold or freehold properties, to offset or mitigate the unavoidable costs associated with such properties. In these cases, the Group classifies each sublease as a finance lease whenever the sublease transfers substantially all the economic benefits from the use of the asset and the right to direct the use of the asset to the tenant. All other subleases are classified as operating leases.

The Group recognizes a net investment asset for all subleases, considered as finance leases, based on the present value of future sublease payments at the sublease commencement date. This net investment is included in trade receivables in the Group's consolidated balance sheet. Subsequently, the net investment asset is measured on an amortized cost basis using the effective interest method.

Sublease payments received from operating subleases are recognized in the income statement on a straight-line basis over the lease term.

Taxation
Current income taxes for the current period are measured based on the amount expected to be paid to, or recovered from, local taxation authorities.

Deferred income tax is provided in full, using the liability method and without discounting, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the temporary difference arises from initial recognition of an asset or liability, in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and which at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation liabilities are not recognized on timing differences arising from the initial recognition of goodwill. The Group offsets deferred tax assets and liabilities if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred tax asset and liability are related to the same taxable entity or group of entities and the same taxation authority. As required by IAS 12, the Group has applied the mandatory exception in this standard and has not recognized or disclosed any deferred taxation that may arise due to the adoption of Pillar II taxation rules by Countries in which the Group operates.

Employee benefits
(a) Pension obligations
The Group operates various pension schemes globally. The schemes are generally funded through payments to insurance companies or trustee-administered funds, as determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Retirement benefit assets, net of applicable taxes that would be levied on the refund of a pension surplus, are recognized for schemes in surplus, when the Group has an unconditional right to a refund of that surplus.

Current service costs, representing the additional liability accrued as a result of employee's services undertaken during the period, are charged to operating costs within the income statement.

Past service costs are recognized immediately in the income statement.

Finance costs are calculated by applying territory specific discount rates to the net defined benefit obligation in that region.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are taken through the statement of comprehensive income to equity in accordance with IAS 19 'Employee Benefits'.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Other post-employment retirement obligations
Group companies in the USA provide post-retirement healthcare benefits to certain retired employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are charged or credited to the statement of comprehensive income in accordance with IAS 19. These obligations are valued annually by independent qualified actuaries.

(c) Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(d) Profit-sharing, bonus and management incentive plans
The Group recognizes a liability and an expense for bonus schemes, which take into consideration the attainment of profit and cash flow targets. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement. Provisions are not recognized for future losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

All provisions, where the time value of money is material with a settlement date exceeding 12 months, are discounted and carried at their discounted value. The discount is unwound through a charge to finance costs each period until the provision is settled. Discount rates are based on rates applicable in each relevant territory where the provision is carried, consistent with risks specific to the liability.

Revenue from contracts with customers

In accordance with IFRS 15, the Group's revenue is recognized based on the following five-step model:

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligation in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when the entity satisfies a performance obligation

The Group has three primary strategic business units (SBUs) - Architectural, Automotive and Technical Glass. Each SBU is organized on a worldwide basis.

The Architectural Glass SBU 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. Customers of this SBU include manufacturers which process the glass products which are supplied into their own products, construction and house building companies, distributors and merchants.

The Automotive Glass SBU supplies a wide range of automotive glazing for new vehicles and for replacement markets. Customers include major global automotive manufacturers and aftermarket glazing distributors.

The Technical Glass SBU comprises a number of discrete businesses, including the manufacture and sale of very thin glass used as cover glass for displays, lenses and light guide for printers, glass components for engine timing belts. Customers are mainly manufacturers which process the glass-related products which are supplied into their own products.

The revenue streams derived from the three SBUs are analyzed into the following categories based on the nature and circumstances of the contracts:

(a) Sales of glass and glass-related products

The majority of the Group's revenue is derived from sales of glass and glass-related products. The Group usually considers specific purchase orders to be a contract with a customer, which in some cases is governed by a framework agreement. In cases where purchase orders are governed by a framework agreement, the terms and conditions within both the framework agreement and the purchase order would together form the basis for determining how revenue would be recognized. Contracts with customers are considered to be short-term when the time between order confirmation and satisfaction of the performance obligations in equal to or less than one year.

In most cases, revenue is recognized as the customer obtains control over the glass and glass-related products upon delivery. This is based on the judgement that the performance obligation had been satisfied upon transfer of control. Unless there is a specific reason to use an alternative assumption, the Group considers the control over the glass and glass-related products to rest with the customer once the customer has either accepted the glass at their premises or has collected the glass themselves from the Group's premises.

(b) Sales of services

Revenue in relation to sales of services is recognized when services have been rendered and obligations under the terms of a contract have been satisfied. This may be at a point in time or over time depending on the conditions of the contract.

(c) Engineering revenue

The Group's engineering contracts usually relates to a building, construction and supply of float glass lines or a material asset for an external customer or a related party, such as a joint venture. Contracts in this category represent performance obligation satisfied over time, as it creates or enhances an asset that the customer controls as the asset is created or enhanced. This is because the asset would usually be such of a size that it is physically located at the customer's premises with no realistic prospect of being relocated. The Group's revenue in relation to the engineering contracts is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined by the input method, except for cases where specific milestones are clearly set in the contract against which the revenue could be reliably measured.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstance arises.

(d) Royalty and licensing contracts

The Group enters into licensing agreements with customers under which it licenses its intellectual property, such as patents and developed technologies. Revenue in relation to royalty and licensing contracts is recognized at a point in time or over time depending on the nature of the technology rights that the Group has granted to its customer.

If the license is to use a certain technology which the Group owns as it exists at the start of the contract, revenue will be recognized in full at the point in time when the license is granted.

If the license is to use a certain technology which the Group owns as it exists at the start of the contract and as it develops over the life of the license, revenue will be recognized over time through the life of the contract.

Revenues arising from licenses that contain an ongoing support obligation from the Group are recognized over time through the contract, as the obligation to provide support is not usually distinct from the obligation to grant a license.

(e) Tooling

The Group constructs tooling in order to manufacture glass products to the customers' specification. Revenue from sale of tooling is recognized based on judgement of specific facts and circumstances of related contracts.

If the construction of tooling is a separate performance obligation from the sale of glass and glass-related products, the Group recognizes inventory as the tooling is constructed. Revenue is recognized based on the stand-alone selling price (SSP) of the tooling when the control of tooling passes to the customer. Any shortfall between the invoiced amount and the SSP of the tooling is accounted for as a contract asset. Revenue will be adjusted based on the input or output method over the life of the contract.

If the construction of tooling is not a separate performance obligation from the sale of glass products glass-related products, and the control remains with the Group, tooling will be included in the Group's balance sheet as either property, plant and equipment, or as intangible assets, based on whether or not the costs of developing the tool forms a substantial part of the overall fair value of the asset. Any customer contribution in relation to tooling will be held as a contract liability and released to the revenue over the life of the contract based on the output method.

Other considerations in relation to revenue recognition

The transaction price includes estimates of variable consideration, such as rebates and price discounts, which are accounted for as reductions in revenue. All estimates are based on the Group's historical experience and the Group's best judgement at the time the estimate is made. Variable considerations included in the transaction price are estimated using the expected value method or most likely amount depending on the nature of the variable considerations. These estimates are reassessed each reporting period and are included in the transaction price to the extent it is highly probable that a significant reversal will not occur.

The majority of contracts have a single performance obligation of which the transaction price is stated in the contract. For contracts with multiple performance obligations, the Group allocates the transaction price to each performance obligation based on the stand-alone selling price, which is the price the Group would sell a promised good or service to the customer. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group has elected to use the practical expedient not to adjust transaction prices for the effects of a significant financing component.

Interest income

Interest income is recognized on a time-apportioned basis using the effective interest method. Interest income on impaired loans is recognized either as cash is collected or on a cost recovery basis as conditions warrant.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Exceptional Items

The Group discloses certain gains or losses in the income statement as exceptional items if this is necessary to gain a fair understanding of the Group's operating performance. Exceptional items would usually be material in value and/or would be of a non-recurring nature.

Deferred income

(a) Government grants

The Group recognizes government grants at their fair value where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to property, plant and equipment, the fair value is credited to deferred income and released to the income statement over the expected useful life of the relevant asset by equal annual installments.

(b) Other deferred income

The Group recognizes other deferred income in the income statement over the period to which it relates. If the deferred income relates to the acquisition of property, plant & equipment or other asset, then the deferred income is recognized over the useful economic life of the asset acquired.

Emission rights

Emissions rights granted are recognized on a systematic basis over the period to which they relate. The difference between the emission rights granted and recognized at the balance sheet date, and CO_2 emitted is recorded as an asset or liability at fair value at each balance sheet date.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the consolidated income statement in the period in which they are incurred.

Share capital

Common (ordinary) shares are classified as equity. Preferred shares, that are not mandatorily redeemable with cash or other monetary asset, and where the Group has no contractual obligation to pay cash dividends or to deliver a variable number of the entity's own equity instruments by exercise of any put options attached to the preferred shares, are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Treasury shares represent the Group's interests in its own equity instruments, and are included within shareholders' funds. Treasury shares are measured at their cost.

Share based payments

The Group operates a number of equity settled, share-based payment plans, under which the entity receives services from directors, senior executive officers, executive officers, senior corporate officers and corporate officers as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of options is calculated using the Black-Scholes model. In accordance with IFRS 2 'Share-based Payment', the resulting cost is recognized in the income statement over the vesting period of the options, being the period in which the services are received. All plans are classified as equity settled.

Discontinued operations and assets held for sale

Discontinued operations include components of the Group that have been disposed of (through sale or abandonment) or are classified as held for sale and represent a major line of the Group's business or geographical area of operations or represent a part of a single coordinated plan to dispose of such a business line or geographical area.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. This condition is regarded as met only when the sale is highly probable, and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to be completed within one year.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a minority interest in its former subsidiary after the sale.

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized after classification as held for sale.

Critical accounting estimates, judgements and assumptions

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not usually be equal to the eventual actual results. The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below. In each case, unexpected changes in estimates and assumptions could cause a material change in balance sheet assets and liabilities, particularly in the areas noted below.

(Estimating the future trading environment)
When assessing the recoverability of certain balance sheet assets such as goodwill and investments in affiliated entities, the Group makes predictions of future trading conditions over a number of years.

Sales volumes are a key input into expectations of future trading conditions and, consequently, cash flows. Sales prices and input costs are also important factors. Many of the Group's markets are sensitive to general levels of consumer confidence and economic activity, which have been negatively affected by political uncertainty and sustained levels of raised interest rates in many regions.

During FY2027 the Group expects its markets to remain steady, at similar levels to FY2026. The Group expects interest rates to remain similar to current levels, as central banks balance maintaining economic activity and fighting inflation arising from the war in Iran. The Group notes the impact of raised tariffs imposed by the U.S. government. Tariff rates could be further changed, either in response to trade agreements or retaliatory measures announced by other countries. The Group intends to mitigate this impact by passing on any increased costs to its customers where possible. In addition, the Group may benefit from an improved relative cost-base in circumstances where competitors have a greater exposure to the raised tariffs. Increased tariffs may lead to higher prices of new vehicles in the U.S, and therefore negatively affect the Group's production volumes in North America. Exports of vehicles to the U.S. from Europe may also reduce, leading to lower volumes for the Group across those regions.

(a) Estimated impairment of goodwill and intangible assets

The Group tests, on an annual basis, whether goodwill or intangible assets with an indefinite useful life have suffered any impairment. To perform this test, the Group compares the recoverable amount (the higher of the value-in-use and fair value less costs of disposal) of the Group's identified Cash Generating Units (CGUs) with the accounting value of assets within each CGU. The value-in-use for this purpose is considered to be the capitalized current value of the future cash flows of each CGU as calculated by discounting the projected future operating cash flows of each cash-generating unit, using an appropriate discount rate. The choice of discount rate is therefore a key determinant in assessing the value-in-use, and is calculated based on prevailing conditions in bond and equity markets.
Sales volumes, sales prices, and input costs are also key elements within the value-in-use calculation as described above.

(b) Estimated impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policy stated above. This will include typically property, plant and equipment that is currently not in use either as result of technological change or lack of demand in the relevant market.

(c) Income taxes

The Group is subject to income taxes in numerous jurisdictions worldwide. During the normal course of business, there are a significant number of transactions where the final tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on an estimate of both the value of any additional taxes that may be due and the likelihood that the final tax audit outcome may result in such additional liabilities. In arriving at the total liability to be provided, significant judgment is required. Where the final tax outcome of these matters is different from the amounts provided, any difference is recorded in the period in which that final outcome is known.

Deferred tax assets and liabilities may be impaired or otherwise amended either as a result of a change in the future expectations of taxable profits or the outlook for the reversal of other timing differences, or as a consequence of a change in prevailing tax rates.

(d) Post-retirement benefits

The Group has a variety of post-retirement benefit schemes in various countries in which it operates. Where such schemes are in the nature of a defined benefit arrangement, the Group uses a variety of assumptions in the calculation of the scheme assets and liabilities. These assumptions are subject to a degree of uncertainty and the Group takes advice from professional actuaries before finalizing such assumptions.

(e) Provisions

Provisions are evaluated using either the Group's experience of previous provisions or, where appropriate, using the advice of professional consultants. Claims and litigation provisions are calculated based on discussions with claimants and the Group's legal advisors. Environmental provisions are calculated based on either currently estimated remediation costs, or, for more material environmental provisions, simulation models, evaluated with the assistance of environmental consultants, which consider a range of possible outcomes. Bonus provisions are estimated based on the Group's current and expected future performance evaluated against the terms of specific bonus schemes. Redundancy and restructuring provisions are estimated using the expected costs of restructuring programs that have been announced prior to the balance sheet date. Warranty provisions are calculated using the Group's experience of previous customer claims rates.

(f) Preferred shares

During FY2026, Class A shareholders exercised their rights to convert all remaining Class A shares to common shares. The Group had previously considered the terms and conditions attaching to Class A Shares, and determined that these shares were classified as equity instruments, as a fixed number of common shares would be delivered to Class A Shareholders in the event of relevant put options being exercised.

(g) The recoverability of long-term investments in joint venture

The recoverability of long-term investments in joint ventures, including loans receivable, is based on the current and expected future trading environment. The expected future trading environment is assessed using reasonable estimates of possible future trading conditions. Where relevant, the Group will also consider the existence of legal restrictions that may prevent the payment of dividends or interest, or repayment of debt by the joint venture when assessing the recoverability of such investments. In addition, the Group would also consider any projected corporate restructurings or other similar transactions that the joint venture may enter, but only in circumstances where the Group considers there is a satisfactory level of confidence that such a transaction will be completed.

2. Revenue from contracts with customers

Disaggregation of revenue

The Group's revenue is disaggregated by geographical markets, revenue categories and timing of revenue recognition in the table below. Geographical markets are based on the location where revenues were recognized. This table also includes a reconciliation of the disaggregated revenue with the Group's three strategic business units, which are also its reportable segments.

Millions of yen

					2026
	Architectural	**Automotive**	**Technical Glass**	**Other**	**Total**
Geographical markets					
Europe	**139,506**	**191,962**	**11,226**	**590**	**343,284**
Asia	**109,003**	**82,285**	**33,231**	**647**	**225,166**
Americas	**126,489**	**182,975**	**1,548**	**-**	**311,012**
	374,998	**457,222**	**46,005**	**1,237**	**879,462**
Revenue category					
Sale of glass and glass related products	**373,377**	**440,291**	**45,978**	**384**	**860,030**
Sale of services	**185**	**8,503**	**-**	**91**	**8,779**
Engineering contracts	**-**	**-**	**-**	**437**	**437**
Royalty and licensing contracts	**20**	**46**	**27**	**14**	**107**
Tooling	**-**	**5,672**	**-**	**-**	**5,672**
Other sundry sales	**1,416**	**2,710**	**-**	**311**	**4,437**
	374,998	**457,222**	**46,005**	**1,237**	**879,462**
Timing of revenue recognition					
Products and services transferred at a point in time	**373,434**	**456,463**	**46,005**	**737**	**876,639**
Products and services transferred over time	**1,564**	**759**	**-**	**500**	**2,823**
	374,998	**457,222**	**46,005**	**1,237**	**879,462**

Millions of yen

					2025
	Architectural	Automotive	Technical Glass	Other	Total
Geographical markets					
Europe	125,395	176,512	10,193	611	312,711
Asia	119,669	82,270	34,727	737	237,403
Americas	117,961	170,662	1,664	-	290,287
	363,025	429,444	46,584	1,348	840,401
Revenue category					
Sale of glass and glass related products	356,688	414,261	46,560	538	818,047
Sale of services	171	7,655	-	58	7,884
Engineering contracts	-	-	-	223	223
Royalty and licensing contracts	20	62	24	70	176
Tooling	-	5,190	-	-	5,190
Other sundry sales	6,146	2,276	-	459	8,881
	363,025	429,444	46,584	1,348	840,401
Timing of revenue recognition					
Products and services transferred at a point in time	358,221	428,783	46,584	1,038	834,626
Products and services transferred over time	4,804	661	-	310	5,775
	363,025	429,444	46,584	1,348	840,401

Assets and liabilities related to contracts with customers

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Millions of yen

	31 March 2026	31 March 2025	1 April 2024
Trade receivables, net of provision for impairment of receivables	**55,069**	51,483	46,838
Contract assets	**1,465**	1,338	1,600
Contract liabilities	**(56,832)**	(60,635)	(46,891)

Contract assets can be separated into two categories. Firstly, contract assets include the Group's rights to consideration for glass products dispatched or works related to engineering contracts and other minor Architectural projects, which are not billed at the balance sheet date. The contract assets in this category are transferred to trade receivables when the rights become unconditional. Secondly, contract assets also include balances arising upon recognition of revenue on automotive tooling, which is included in the transaction price of glass and glass-related products. The contract assets in this category are amortized over the length of the related supply contract.

Contract liabilities include amounts with respect to customer contributions on automotive tooling and other prepayments received from customers. Contract liabilities are classified as current or non-current based on the timing of when the Group expects to recognize revenue for contributions on automotive tooling and other prepayments.

Changes in the contract assets and the contract liabilities balances during the period are as follows.

	Millions of yen	
	Contract assets	**Contract liabilities**
At 1 April 2025	**1,338**	**(60,635)**
Exchange differences	**77**	**(6,024)**
Deferred income reclassified to contract liabilities	**-**	**(457)**
Cumulative catch-up adjustments to revenue	**(9)**	**2**
Impairment of contract assets	**(91)**	**-**
Contract assets transferred to receivables	**(968)**	**-**
Satisfaction of performance obligations not yet invoiced	**1,193**	**-**
Opening contract liabilities recognized as revenue in the period	**-**	**17,239**
Cash received, excluding amounts recognized as revenue during the period	**(13)**	**(7,064)**
Other	**(62)**	**107**
At 31 March 2026	**1,465**	**(56,832)**

	Millions of yen	
	Contract assets	Contract liabilities
At 1 April 2024	1,600	(46,891)
Exchange differences	(3)	1,545
Cumulative catch-up adjustments to revenue	(15)	21
Impairment of contract assets	(70)	-
Contract assets transferred to receivables	(1,121)	-
Satisfaction of performance obligations not yet invoiced	999	-
Opening contract liabilities recognized as revenue in the period	-	9,871
Cash received, excluding amounts recognized as revenue during the period	13	(26,480)
Other	(65)	1,299
At 31 March 2025	1,338	(60,635)

During the year, amounts previously presented as deferred income in respect of customer contributions to Automotive tooling have been reclassified to contract liabilities to better reflect the nature of these balances under IFRS 15. The reclassification has no impact on total liabilities or on profit reported in the period.

Transaction price allocated to the remaining performance obligations
The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the balance sheet date.

	Millions of yen		
	Within one year	After one year	Total
At 31 March 2026	**214**	**711**	**925**
At 31 March 2025	250	478	728

As permitted under the practical expedient in IFRS 15 para 121, the Group does not disclose information about remaining performance obligations that have an original expected duration of one year or less. No consideration from contracts with customers is excluded from the amounts presented above.

Capitalized costs of obtaining a contract
The costs of obtaining a contract are capitalized on the premise that these incremental costs would not have been incurred if the Group had not attempted to win the contract. The Group considers the amount of capitalized costs to be recoverable, as they do not exceed the overall level of profit expected from the contract.

These assets are included in inventory in the Group's balance sheet and are amortized over the life of the contract. The amount of amortization was ¥716 million (2025: ¥914 million).

Applying the practical expedient in IFRS 15 para 94, the Group recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Group otherwise would have recognized is one year or less.

3. Segmental information

Primary reporting format - by business line

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 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.

The Group's revenues comprise sales of glass recognized at a point in time and sales of services recognized over time.

The amortization arising from the acquisition of Pilkington plc was ¥ 160 million (FY2025: ¥161 million).

The segmental results for the periods ended 31 March 2026 and 2025 are as follows:

					Millions of yen
					2026
	Architectural	**Automotive**	**Technical Glass**	**Other**	**Total**
Revenue					
External revenue	**374,998**	**457,222**	**46,005**	**1,237**	**879,462**
Inter-segmental revenue	**31,896**	**280**	**1,292**	**1,061**	**34,529**
Total revenue	**406,894**	**457,502**	**47,297**	**2,298**	**913,991**
Operating profit/(loss) before exceptional items (segmental profit)	**30,033**	**4,995**	**8,639**	**(14,850)**	**28,817**
Exceptional items (gains)	**3,339**	**42**	**30**	**-**	**3,411**
Exceptional items (losses)	**(2,768)**	**(363)**	**(20)**	**(5,774)**	**(8,925)**
Operating profit after exceptional items					**23,303**
Finance costs - net					**(28,264)**
Share of post-tax profits from joint ventures and associates					**5,714**
Other losses on equity method investments					**(375)**
Profit before taxation					**378**
Taxation					**5,133**
Profit for the period					**5,511**

					Millions of yen
					2025
	Architectural	Automotive	Technical Glass	Other	Total
Revenue					
External revenue	363,025	429,444	46,584	1,348	840,401
Inter-segmental revenue	30,765	205	1,561	1,499	34,030
Total revenue	393,790	429,649	48,145	2,847	874,431
Operating profit/(loss) before exceptional items (segmental profit)	13,574	7,667	7,568	(12,318)	16,491
Exceptional items (gains)	1,623	-	528	3,328	5,479
Exceptional items (losses)	(4,619)	(4,407)	(38)	(1,664)	(10,728)
Operating profit after exceptional items					11,242
Finance costs - net					(25,293)
Share of post-tax profits from joint ventures and associates					5,526
Loss before taxation					(8,525)
Taxation					(4,941)
Loss for the period					(13,466)

The Group uses a number of methods to calculate the price of intra-group transactions depending upon the business sector and geographic location. This is based on internationally recognized tax principles regarding Base Erosion and Profit Shifting (BEPS) as well as local custom and regulations. Usual methods include reference to external market prices or to manufacturing costs plus an appropriate margin.

No significant changes were made in the method of pricing intra-group transactions in the period that would impact the allocation of revenues and profits by primary operating segment.

Finance costs include results from cash flow hedges of interest-bearing borrowings that have been reported in the income statement during the period. They also include gains and losses from the re-measuring of interest rate derivatives designated as fair value hedges.

Other information in respect of items (charged) or credited within operating profit, excluding exceptional items, in the income statement are as follows:

	Note	Architectural	Automotive	Technical Glass	Other	Total
						Millions of yen
						2026
Depreciation	14	**(26,635)**	**(20,452)**	**(1,942)**	**(2,186)**	**(51,215)**
Amortization	13	**(125)**	**(1,116)**	**(21)**	**(1,690)**	**(2,952)**
Net impairment of property, plant and equipment	14	**(240)**	**(571)**	**(71)**	**(12)**	**(894)**
Profit/(loss) on sale of property, plant and equipment		**1,192**	**(135)**	**4**	**(2)**	**1,059**
Research and development expenditure		**(3,750)**	**(3,435)**	**(942)**	**(3,016)**	**(11,143)**
Lease costs not included in lease liabilities		**(969)**	**(615)**	**(63)**	**(162)**	**(1,809)**
Bad debts written off		**(211)**	**(85)**	**-**	**-**	**(296)**
Net (charge)/credit for doubtful debt provision		**(387)**	**(92)**	**-**	**-**	**(479)**
Amortization of deferred income		**333**	**325**	**4**	**-**	**662**

	Note	Architectural	Automotive	Technical Glass	Other	Total
						Millions of yen
						2025
Depreciation	14	(23,474)	(19,623)	(1,799)	(1,883)	(46,779)
Amortization	13	(159)	(696)	(13)	(1,638)	(2,506)
Net impairment of property, plant and equipment	14	(238)	(217)	(95)	(27)	(577)
Profit/(loss) on sale of property, plant and equipment		717	64	6	-	787
Research and development expenditure		(3,549)	(3,019)	(859)	(2,497)	(9,924)
Lease costs not included in lease liabilities		(855)	(619)	(60)	(160)	(1,694)
Bad debts written off		(108)	(98)	-	1	(205)
Net (charge)/credit for doubtful debt provision		(181)	53	-	(4)	(132)
Amortization of deferred income		327	381	4	-	712

Segmental net trading assets at 31 March 2026 and 2025 and capital expenditure for the periods then ended are as follows:

	Architectural	Automotive	Technical Glass	Other	Total
					Millions of yen
					2026
Segmental net trading assets	**265,732**	**196,128**	**34,680**	**10,239**	**506,779**
Capital expenditure (including intangibles)	**22,416**	**16,727**	**4,013**	**1,148**	**44,304**

	Architectural	Automotive	Technical Glass	Other	Total
					Millions of yen
					2025
Segmental net trading assets	253,990	193,693	32,544	6,354	486,581
Capital expenditure (including intangibles)	40,774	18,943	2,067	974	62,758

Segmental net trading assets consist of property, plant and equipment, investment properties, intangible assets excluding those arising from a business combination, inventories, contract balances, trade and other receivables (excluding financial receivables) and trade and other payables (excluding financial payables).

Capital expenditure comprises additions to property, plant and equipment (owned), note 14, and intangible assets, note 13.

Secondary reporting format - geographical location of customers
The Group's revenue from its external customers based on the geographical location of those customers is as follows:

	2026	2025
		Millions of yen
Japan	**148,197**	150,603
Europe	**338,122**	307,492
North America	**241,566**	210,265
Rest of World	**151,577**	172,041
	879,462	840,401

One customer accounted for sales of ¥ 96,462 million, being more than 10% of total Group revenue (2025: ¥ 85,013 million). The revenue arising from this customer is included in the Architectural business line.

The total of non-current assets, other than retirement benefit assets, financial instruments, deferred tax assets, contract assets, trade and tax receivables, located in Japan is ¥75,269 million (2025: ¥67,918 million), UK ¥185,042 million (2025: ¥172,129 million) and the total of these non-current assets located in other countries is ¥395,239 million (2025: ¥368,977 million).

4. Other income

	Millions of yen	
	2026	2025
Dividend income on assets held at fair value through other comprehensive income	**281**	273
Profit on disposals	**1,287**	853
Foreign exchange gains	**327**	278
Others	**1,036**	1,107
	2,931	2,511

5. Other expenses

		Millions of yen	
	Note	**2026**	2025
Amortization of intangibles	13	**(2,952)**	(2,506)
Impairment of property, plant and equipment	14	**(948)**	(588)
Reversal of prior period impairments of property, plant and equipment	14	**54**	11
Impairment of intangible assets	13	**(91)**	-
Research and development costs expensed in the period		**(1,205)**	(1,292)
Write-off of lease liabilities		**917**	219
Bad debts written off		**(275)**	(205)
Doubtful debt provision increase		**(800)**	(437)
Reversal of previously held doubtful debt provision		**320**	305
Float tank repair costs		**(184)**	(217)
Net foreign exchange on other expense items		**(75)**	(247)
Decrease in fair value of investment properties	15	**(42)**	-
Redundancy and restructuring		**(309)**	(385)
Loss on disposal		**(155)**	(64)
Others		**(1,487)**	(1,187)
		(7,232)	(6,593)

6. Net foreign exchange gains and losses

The net foreign exchange differences on operating items charged to the income statement in the year amounted to a gain of ¥788 million (2025: a loss of ¥2 million).

7. Exceptional items

	Millions of yen	
	2026	2025
Exceptional Items (gains):		
Gain on disposal of subsidiaries and businesses (a)	**1,770**	409
Reversal of restructuring provisions (b)	**1,504**	-
Reversal of impairments of non-current assets (c)	**137**	13
Gain on disposal of non-current assets (d)	**-**	4,702
Reversal of surplus provisions (e)	**-**	226
Settlement of litigation matters (f)	**-**	129
	3,411	5,479
Exceptional Items (losses):	**-**	-
Impairment of goodwill (g)	**(3,422)**	(1,397)
Recycling of loss on disposal of assets held at Fair Value through Other Comprehensive Income (h)	**(2,200)**	-
Restructuring costs, including employee termination costs (b)	**(1,713)**	(8,248)
Impact of natural disaster – Chile wildfires (i)	**(888)**	-
Impairment of non-current assets (j)	**(462)**	(778)
Settlement of litigation matters (f)	**(121)**	(110)
Write-down of inventories (k)	**(98)**	(173)
Others	**(21)**	(22)
	(8,925)	(10,728)
	(5,514)	(5,249)

(a) The gain on disposal of subsidiaries and businesses primarily relates to the transfer of the Group's equity interest in Vietnam Float Glass Co., Ltd as announced on 9 June 2025. The gain includes recycling to the income statement foreign exchange translation differences that had previously been recorded within other comprehensive income. In addition, a minor element of this category relates to the variable element of the sale price of business disposals recorded as exceptional gains in previous years.

The previous year gain on disposal of subsidiaries and businesses related to the variable element of the sale price of business disposals recorded as exceptional items in previous years.

(b) The reversal of restructuring provisions included within exceptional items – gains, arises from the release of provisions following the completion of restructuring projects at a lower cost than initially envisaged, and relates to the Architectural business in Europe.

Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment. During the current year, restructuring costs have been mainly incurred at the Group's Architectural and Automotive businesses in Europe and South America, and includes the recognition of environmental provisions arising directly from a restructuring project at the Architectural business in Europe. During the previous year, restructuring costs were mainly incurred at the Group's Architectural and Automotive businesses in Europe.

(c) In both the current and previous year, the reversal of impairment of non-current assets relates to property, plant & equipment in the Architectural business in Asia.

(d) The previous-year gain on disposal of non-current assets related mainly to the sale and, subsequent lease-back, of a site in Japan. In addition, gains were recorded on the disposal of property, plant & equipment at the Architectural business in Europe.

(e) The previous year reversal of surplus provisions related to the reversal of provisions for the return of grants provided to the Group in previous years to fund capital expenditure projects.

(f) In both the current and previous years, the settlement of litigation matters relates mainly to legal claims arising as a result of transactions that were previously recorded as exceptional items.

(g) The impairment of goodwill relates to goodwill originally generated on the acquisition of Pilkington in 2006. During the current year, this represents goodwill allocated to the Group's Automotive North America business. This impairment was calculated by comparing the discounted future cash flows of this business with its accounting book value. In the previous year, the impairment was of goodwill allocated to the Group's Architectural "Rest of World" business, comprising mainly businesses operating in South America. This impairment was calculated by comparing the fair value less cost to sell with the accounting book value of this business unit.

(h) The recycling of losses on disposal of assets held at Fair Value through Other Comprehensive Income relates to losses on disposal of U.K. government bonds. The loss of fair value based on market price movements had previously been recognized through Other Comprehensive Income, and is recycled to the income statement on external disposal.

(i) During the fourth quarter of the year, the Group suspended production at its float glass facility in Concepcion, Chile, due to the proximity of wildfires to the factory. The unplanned stoppage of this facility resulted in damage to the production line requiring remediation expenditure, with production suspended whilst this was undertaken.

(j) The impairment of non-current assets mainly relates to property, plant and equipment at the Group's Architectural business in South America.

The previous year impairment of non-current assets related mainly to the impairment of property, plant & equipment within the Architectural and Automotive business in Europe.

(k) The write-down of inventories arises outside of the normal course of business and relates to the Architectural business in South America.

The previous year write-down of inventories also arose outside of the normal course of business and related to the Automotive business in Europe and the Architectural business in Asia.

8. Employee benefit expenses

		Millions of yen	
	Note	**2026**	2025
Wages and salaries		**(178,147)**	(167,120)
Redundancy and termination benefits, including the reversal of restructuring provisions		**(251)**	(5,840)
Social security costs		**(29,311)**	(27,066)
Share options granted to directors and employees	31	**(43)**	(49)
Pension costs, excluding those classed as exceptional items		**-**	-
defined contribution schemes		**(9,740)**	(9,391)
defined benefit schemes		**(1,849)**	(1,997)
Other short-term employee benefits		**(10,635)**	(10,639)
		(229,976)	(222,102)

Key management compensation (included above) comprises:

	Millions of yen	
	2026	2025
Short-term employee benefits	**(894)**	(925)
Post-employment benefits	**(23)**	(20)
Other long-term benefits	**(45)**	(213)
Share-based payments	**(42)**	(48)
	(1,004)	(1,206)

Key management compensation comprises the remuneration of those 25 (2025: 28) key employees who have responsibility for planning, controlling and directing the activities of the Group and includes all the members of the Group's Board of Directors, Executive Officers and Corporate Officers. Included within key management remuneration are post-employment benefits based on the IFRS operating cost charge in respect of service costs.

9. Finance income and expenses

		Millions of yen	
	Note	**2026**	2025
Finance income			
Interest income		**2,902**	2,695
Foreign exchange transaction gains		**1,800**	744
		4,702	3,439
Finance expenses			
Interest expense - bank and other borrowings		**(28,256)**	(26,090)
Dividend on non-equity preference shares due to minority shareholders		**(347)**	(324)
Foreign exchange transaction losses		**(678)**	(131)
Other interest and similar charges		**(3,018)**	(1,637)
		(32,299)	(28,182)
Unwinding of discounts on provisions	29	**(383)**	(346)
Retirement benefit obligations - net finance charge	28	**302**	(165)
Hyperinflation - loss on net monetary position	40	**(586)**	(39)
		(32,966)	(28,732)

10. Income tax

The analysis of the tax credit for the period is as follows:

	Note	2026	2025
		Millions of yen	
Current tax			
Charge for the period		**(5,200)**	(6,265)
Current tax related to Pillar Two income taxes		**(21)**	(31)
Adjustment in respect of prior periods		**(931)**	186
		(6,152)	(6,110)
Deferred tax			
Credit for the period – UK deferred tax asset recognition		**8,814**	-
Credit for the period - other		**1,261**	1,053
Adjustment in respect of prior periods		**1,253**	215
Adjustment in respect of rate changes		**(43)**	(99)
	22	**11,285**	1,169
		5,133	(4,941)

The tax credit 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.

The Group's actual effective tax rate (after deducting the Group's share of post-tax profit of joint ventures and associates) is 96.2 per cent. Excluding the one-off UK deferred tax credit as noted in the above table, the effective tax rate is -69.0 per cent (2025 : -35.2 per cent).

The tax credit for the year differs from the tax charge that would be anticipated by applying the weighted average tax rate to the Group's profit before tax. The differences are explained as follows:

	2026	2025
	Millions of yen	
Profit/(loss) before taxation	**378**	(8,525)
Deduct share of post-tax profits of joint ventures and associates	**(5,714)**	(5,526)
Loss before tax of Group companies	**(5,336)**	(14,051)
Tax (charge)/credit calculated at the statutory tax rates applicable to the profit/(loss) in each country	**(1,606)**	809
Expenses not deductible for tax purposes	**(2,599)**	(3,197)
Income not subject to tax	**3,536**	2,208
Non-deductible amortization and impairments of goodwill and other intangible assets	**(855)**	(349)
Movement in provision uncertain tax treatments	**(604)**	(455)
Other items giving rise to local tax adjustments	**(3)**	392
Adjustment to tax in respect of prior periods		
current tax	**(931)**	186
deferred tax	**1,253**	215
Adjustment to tax as a result of changes in tax rates	**(43)**	(99)
UK deferred tax recognition	**8,814**	-
Tax losses and other temporary differences for which no deferred tax asset is recognized	**(411)**	(2,585)
Other local, non-corporate and withholding taxes suffered	**(1,418)**	(2,066)
Total taxation credit/(charge) - continuing operations	**5,133**	(4,941)

The Group's expected weighted average tax rate (after deducting the Group's share of post-tax profit of joint ventures and associates) is -30.1 percent (2025: 5.76 percent).

The tax rate is different to the prior year due to changes in the mix of profits and losses realized by the Group in each of the territories in which it operates and differences in tax rates across each of those territories.

A number of countries have changed their corporate income tax rates during the year and any such changes that have been enacted or substantively enacted at 31 March 2026 are reflected in the weighted average tax rate. None of these rate changes are significant enough, on their own, to have a material impact on the weighted average tax rate. For reference, the applicable tax rate in Japan is 30.62 percent (2025: 30.62 percent) and this consists of corporate income tax, inhabitants' taxes and enterprise tax.

The Group continues to assess its uncertain tax treatment provisions each financial year in respect of the potential tax liability that may arise. As at 31 March 2026 the Group holds provisions for such potential liabilities of ¥4,011 million (31 March 2025 ¥3,516 million). This provision mainly relates to transfer pricing risks.

BEPS Pillar II legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation is effective for the Group's financial year beginning 1 April 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar II income taxes for the year ended 31 March 2026. The assessment of the exposure to Pillar II income taxes is based on the year end data for the Group and the transitional safe harbor relief rules. Based on the assessment, the Pillar II effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief rules within Pillar II will not apply. The Group has provided for Pillar Two top up tax in its current charge above of ¥21 million.

11. Dividends

	Millions of yen	
	2026	2025
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	-	-
Dividend 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		
Dividend total (¥ millions)	-	-
Dividend per share (¥)	-	-

	Millions of yen	
	2026	2025
Dividends on Class A Shares declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	1,950	1,950
Dividend per share (¥)	65,000.00	65,000.00
Dividends on Class A Shares declared after the end of the reporting period and not recognized as a liability:		
Final dividend for the year		
Dividend total (¥ millions)	-	1,950
Dividend per share (¥)	-	65,000.00

(Note) Regarding dividends on Class A shares, the Group acquired all Class A shares by the end of the current year as Class A shareholders exercised their rights to request acquisition in exchange for common shares. Consequently, no dividends will be paid based on the number of Class A shares as of the record date within the current year. Of the acquired shares, 22,644 shares are held as treasury shares.

12. Goodwill

	Millions of yen	
	2026	2025
Cost		
At 1 April	**143,447**	145,813
Exchange differences	**17,528**	(2,366)
At 31 March	**160,975**	143,447
Accumulated impairment		
At 1 April	**61,313**	61,641
Impairment in the year	**3,422**	1,397
Exchange differences	**8,894**	(1,725)
At 31 March	**73,629**	61,313
Net book amount at 31 March	**87,346**	82,134

In accordance with IAS 36, goodwill has been tested for impairment at 31 March 2026. This testing involved comparing the value-in-use of the Group's identified Cash Generating Units (CGUs) with the accounting value of assets within each CGU. The value-in-use for this purpose is considered to be the capitalized current value of the future cash flows of each CGU as calculated by discounting the projected future operating cash flows of each cash-generating unit, using the discount rates in the table below. Future operating cash flows were considered for the financial periods from FY2027 to FY2031, with a perpetuity thereafter. Critical assumptions included discount rates, perpetuity growth rates, projected sales volumes and prices, and input costs.

The key assumptions used in this process were as follows:

Assumption	Value
Period used for discounted cash flow calculations	Maximum of five years from the balance sheet date with perpetuity thereafter
Perpetuity growth rate	1.4% to 2.0%
Pre-tax discount rate used	8.3% to 9.4%

The pre-tax discount rate for each cash-generating unit is determined by adding weighted average country-specific risk premiums to prevailing risk-free rates for the currencies predominantly used within each business unit. The resulting discount rates ranged from 8.3 percent applied to Architectural Europe to 9.4 percent applied to Architectural Solar and Architectural and Automotive North America.

A general perpetuity growth rate of 1.4 percent was included in the cash flow projections for the Automotive North America CGU. For Architectural CGUs in Europe and North America, and for Architectural Solar, a perpetuity growth rate of 2.0 percent was used.

Other key assumptions include glass prices, growth in market volumes, and input prices. Glass prices are projected using current trends and expectations of demand and supply movements in the periods covered. Growth in market volumes is estimated with reference to general GDP growth in each territory and specific factors pertaining to the glass industry in that market including, for example, changes in the regulatory environment. The Group utilizes independent market forecasts where available. In the Automotive business, demand for glass for new vehicles is estimated based on predictions of regional light-vehicle build, produced by independent forecasting agencies.

Input prices are estimated based on recent negotiations with suppliers and generally available industry forecasts. The Group takes account of existing hedging contracts when assessing future input costs. The Group's ability to recover increases in Architectural input costs is largely dependent on market dynamics, with higher levels of industry utilization leading to improved pricing power and a greater ability to pass-through input cost increases. As utilization rates increased in Architectural Europe during FY2026, market prices for glass increased markedly compared to the previous year. In the Automotive business, sales contracts with vehicle manufacturers are typically agreed at prices that are pre-defined for the duration of the contract. In recent years the Group has successfully recovered a significant element of increased input costs from its automotive customers.

During the year to 31 March 2026, the Group made an impairment of goodwill relating to its Automotive North America CGU. The Group has been successful at maintaining and improving its market position in recent years in North America, leading to an improvement in revenues. However, this CGU's financial performance has suffered from increasing manufacturing costs, partly reflecting difficulties in achieving required manufacturing efficiencies. The Group is highly focused on improving its manufacturing performance in this CGU.

During the year to 31 March 2025, the Group made an impairment of goodwill relating to its Architectural Rest of World CGU, comprising mainly businesses operating in South America. Following this impairment, the Group is no longer recognizing any goodwill relating to the Architectural Rest of World CGU that arose from the acquisition of Pilkington Plc in June 2006.

For further details of impairment of goodwill, please see note 7, exceptional items.

The Group performed a re-assessment of its identifiable CGUs during the first quarter of the previous year. A separate Architectural Solar CGU was identified based on the determination that the Solar business generates increasingly material, independent cash flows, following the conversion of a facility in North America to glass for solar energy applications from glass for architectural applications during the year to March 2025. Solar business cash flows and relevant assets, including an element of goodwill and other intangible assets, which had previously been included in the CGUs covering Architectural Europe and North America, are now considered within a separate Solar business CGU. The segmental disclosure of the Group's financial position and performance remains unchanged.

The remaining value of goodwill included on the balance sheet is allocated to cash-generating units as set out in the table below.

	Millions of yen	
	2026	2025
Architectural Europe	**18,555**	16,521
Architectural Japan	**12**	12
Architectural North America	**6,454**	5,994
Architectural Rest of World	**67**	63
Architectural Solar	**45,428**	40,652
Automotive Europe	**287**	254
Automotive North America	**14,928**	17,220
Others	**1,615**	1,418
Total	**87,346**	82,134

The key sensitivity in the impairment test described above is the selection of the discount rate applied in the value-in-use calculations. If discount rates greater than the rates quoted above were used, there would be a reduction in the headroom for each cash-generating unit.

With respect to the remaining balances of goodwill, the Group considers that the Automotive North America CGU, with headroom of nil, is the most likely to experience an impairment of goodwill in response to a reasonably likely change in underlying assumptions. The impairment test for this CGU was assessed using a discount rate of 9.4 percent (2025: 8.9 percent), and resulted in an impairment as described above. An additional one percent increase in the discount rate applied to this CGU over and above this level would result in an additional impairment of goodwill within this CGU of ¥6,530 million. This sensitivity considers changes in the discount rate in isolation. The Group considers that the economic conditions that may be likely to be associated with an increased discount rate may also be consistent with an improvement in the Group's markets and therefore taken together may not necessarily result in further impairment.

The other cash-generating unit with a level of headroom that indicates a reasonable likelihood of a future potential impairment of goodwill in response to a change in underlying assumptions, was Architectural Europe, with headroom of ¥31,715 million. The impairment test for this CGU was assessed using a discount rate of 8.3 percent. Keeping all other assumptions unchanged, an increase in the discount rate of 1.2 percent to 9.5 percent would result in this CGU having no residual headroom. An additional one percent increase in the discount rate applied to this CGU over and above this level would result in an impairment of goodwill within this CGU of ¥15,940 million. This sensitivity considers changes in the discount rate in isolation. The Group considers that the economic conditions that may be likely to be associated with an increased discount rate may also be consistent with an improvement in the Group's markets, and therefore taken together may not necessarily result in further impairment.

The Group considers that there is a satisfactory level of headroom with respect to other cash-generating units.

13. Intangible assets

Millions of yen

	Trademark and licenses	Development costs	Computer software	Other	Total
Cost					
At 1 April 2025	**182**	**30,203**	**21,532**	**178,763**	**230,680**
Exchange differences	**22**	**2,794**	**1,900**	**22,760**	**27,476**
Additions	**-**	**1,446**	**1,288**	**1,806**	**4,540**
Disposals	**-**	**-**	**(37)**	**(39)**	**(76)**
At 31 March 2026	**204**	**34,443**	**24,683**	**203,290**	**262,620**
Accumulated amortization and impairment					
At 1 April 2025	**182**	**22,547**	**18,141**	**141,744**	**182,614**
Exchange differences	**22**	**2,147**	**1,562**	**18,365**	**22,096**
Amortization charge for the period	**-**	**1,430**	**576**	**946**	**2,952**
Impairment losses arising in the period	**-**	**141**	**-**	**-**	**141**
Eliminated on disposals	**-**	**-**	**(37)**	**(33)**	**(70)**
Transfer to assets held for sale	**-**	**-**	**-**	**(3)**	**(3)**
At 31 March 2026	**204**	**26,265**	**20,242**	**161,019**	**207,730**
Net book amount at 31 March 2026	**-**	**8,178**	**4,441**	**42,271**	**54,890**

Millions of yen

	Trademark and licenses	Development costs	Computer software	Other	Total
Cost					
At 1 April 2024	337	28,195	20,667	181,784	230,983
Exchange differences	(1)	270	(107)	(4,548)	(4,386)
Additions	-	1,738	1,075	1,683	4,496
Disposals	(154)	-	(103)	(156)	(413)
At 31 March 2025	182	30,203	21,532	178,763	230,680
Accumulated amortization and impairment					
At 1 April 2024	337	20,908	17,911	145,093	184,249
Exchange differences	(1)	204	(187)	(3,788)	(3,772)
Amortization charge for the period	-	1,373	520	613	2,506
Impairment losses arising in the period	-	62	-	-	62
Eliminated on disposals	(154)	-	(103)	(156)	(413)
Transfer to assets held for sale	-	-	-	(18)	(18)
At 31 March 2025	182	22,547	18,141	141,744	182,614
Net book amount at 31 March 2025	-	7,656	3,391	37,019	48,066

Amortization of ¥2,952 million has been charged to other expenses, note 5 (2025: ¥2,506 million charged to other expenses, note 5). Impairment of ¥91 million has been charged to other expenses and ¥50 million to exceptional (2025: ¥nil million to other expenses and ¥62 million to exceptional).

Development costs represent internally generated intangible assets. Computer software represents the acquisition cost of purchasing software plus internal costs to implement the usage of that software. Trademarks and licenses and other intangible assets represent the acquisition cost of those assets.

'Other' intangibles include the following amounts recognized on the acquisition of the Pilkington Group in June 2006:

Millions of yen

	Customer relationships	**Know-how**	**Pilkington brand**	**Other brands**	**Developed technology**	**Other**	**Total**
Cost							
At 1 April 2025	**30,369**	**51,150**	**55,647**	**5,532**	**27,982**	**502**	**171,182**
Exchange differences	**4,017**	**6,535**	**6,993**	**692**	**3,628**	**47**	**21,912**
At 31 March 2026	**34,386**	**57,685**	**62,640**	**6,224**	**31,610**	**549**	**193,094**
Accumulated amortization and impairment							
At 1 April 2025	**30,172**	**51,150**	**22,774**	**5,532**	**27,982**	**502**	**138,112**
Exchange differences	**4,012**	**6,535**	**3,083**	**692**	**3,628**	**47**	**17,997**
Amortization charge for the period	**160**	**-**	**-**	**-**	**-**	**-**	**160**
At 31 March 2026	**34,344**	**57,685**	**25,857**	**6,224**	**31,610**	**549**	**156,269**
Net book amount at 31 March 2026	**42**	**-**	**36,783**	**-**	**-**	**-**	**36,825**

Millions of yen

	Customer relationships	Know-how	Pilkington brand	Other brands	Developed technology	Other	Total
Cost							
At 1 April 2024	31,384	52,407	56,765	5,788	28,649	497	175,490
Exchange differences	(1,015)	(1,257)	(1,118)	(256)	(667)	5	(4,308)
At 31 March 2025	30,369	51,150	55,647	5,532	27,982	502	171,182
Accumulated amortization and impairment							
At 1 April 2024	31,022	52,407	23,334	5,788	28,649	497	141,697
Exchange differences	(1,011)	(1,257)	(560)	(256)	(667)	5	(3,746)
Amortization charge for the period	161	-	-	-	-	-	161
At 31 March 2025	30,172	51,150	22,774	5,532	27,982	502	138,112
Net book amount at 31 March 2025	197	-	32,873	-	-	-	33,070

Intangible assets arising on the acquisition of the Pilkington Group have been tested for impairment as part of the exercise to test goodwill for potential impairment. Details of this testing are set out in note 12, Goodwill.

In addition to the other intangible assets recognized on the acquisition of the Pilkington Group, the Group also has intangible assets relating to customer relationships recognized on smaller acquisitions and other intangible assets, amounting to ¥1,245 million (2025: ¥1,241 million) and ¥4,201 million relating to Automotive tooling capitalized in the year (2025: ¥2,708 million).

Amortization charged in the period on these other intangible assets amounted to ¥786 million (2025: ¥452 million) and impairments on these other intangible assets amounts to ¥nil million (2025: ¥nil million).

The Pilkington brand has been assigned an indefinite useful life and is therefore not subject to routine amortization. This brand has a long history in an established industry, with a significant share of the worldwide glass market. These factors, together with the scale of the business, contribute to the brand's durability. The Group intends to use the Pilkington brand indefinitely. All other intangible assets have finite lives, as set out in note 1.1.

The Group performed a re-assessment of its identifiable CGUs during the first quarter of the previous year A separate Architectural Solar CGU has been identified based on the determination that the Solar business generates increasingly material, independent cash flows, following the conversion of a facility in North America to glass for solar energy applications from glass for architectural applications during the year to March 2025. Solar business cash flows and relevant assets, including an element of goodwill and other intangible assets, which had previously been included in the CGUs covering Architectural Europe and North America, are now be considered within a separate Solar business CGU. The segmental disclosure of the Group's financial position and performance remains unchanged.

For the purposes of testing for potential impairment, the Pilkington brand included in the intangible assets on the balance sheet has been allocated to cash generating units as set out in the table below.

Millions of yen

	2026	2025
Architectural Europe	**7,848**	6,881
Architectural North America	**2,720**	2,527
Architectural Solar	**19,207**	16,957
Automotive North America	**7,008**	6,508
Total	**36,783**	32,873

14. Property, plant and equipment

Millions of yen

	Owned			Right-of-use assets			
	Land and buildings	**Plant, equipment, and vehicles**	**Sub-total**	**Land and buildings**	**Plant, equipment, and vehicles**	**Sub-total**	**Total Property, plant and equipment**
Cost							
At 1 April 2025	**273,164**	**858,777**	**1,131,941**	**53,120**	**15,854**	**68,974**	**1,200,915**
Exchange differences	**7,772**	**48,625**	**56,397**	**4,578**	**1,356**	**5,934**	**62,331**
Hyperinflation adjustment	**21,039**	**32,831**	**53,870**	**-**	**14**	**14**	**53,884**
Transfer to assets held for sale	**(741)**	**-**	**(741)**	**-**	**-**	**-**	**(741)**
Additions	**2,355**	**37,409**	**39,764**	**5,937**	**2,268**	**8,205**	**47,969**
Disposals	**(1,489)**	**(20,059)**	**(21,548)**	**(5,652)**	**(3,255)**	**(8,907)**	**(30,455)**
At 31 March 2026	**302,100**	**957,583**	**1,259,683**	**57,983**	**16,237**	**74,220**	**1,333,903**
Accumulated depreciation and impairment							
At 1 April 2025	**133,486**	**582,541**	**716,027**	**24,702**	**7,020**	**31,722**	**747,749**
Exchange differences	**1,305**	**35,835**	**37,140**	**2,362**	**614**	**2,976**	**40,116**
Hyperinflation adjustment	**12,282**	**26,231**	**38,513**	**-**	**-**	**-**	**38,513**
Charge for the period	**4,998**	**34,872**	**39,870**	**8,805**	**2,540**	**11,345**	**51,215**
Impairment losses arising in the period	**39**	**607**	**646**	**683**	**30**	**713**	**1,359**
Reversal of impairment losses from prior periods	**(41)**	**(150)**	**(191)**	**-**	**-**	**-**	**(191)**
Eliminated on disposals	**(1,222)**	**(19,838)**	**(21,060)**	**(5,652)**	**(3,255)**	**(8,907)**	**(29,967)**
At 31 March 2026	**150,847**	**660,098**	**810,945**	**30,900**	**6,949**	**37,849**	**848,794**
Net book amount at 31 March 2026	**151,253**	**297,485**	**448,738**	**27,083**	**9,288**	**36,371**	**485,109**

Millions of yen

	Owned			Right-of-use assets			
	Land and buildings	Plant, equipment, and vehicles	Sub-total	Land and buildings	Plant, equipment, and vehicles	Sub-total	Total Property, plant and equipment
Cost							
At 1 April 2024	262,665	808,282	1,070,947	47,235	16,617	63,852	1,134,799
Exchange differences	(10,318)	(21,474)	(31,792)	(630)	(235)	(865)	(32,657)
Hyperinflation adjustment	23,720	33,106	56,826	-	21	21	56,847
Transfer to assets held for sale	-	112	112	-	-	-	112
Additions	2,686	55,576	58,262	9,358	2,438	11,796	70,058
Disposals	(5,589)	(16,825)	(22,414)	(2,843)	(2,987)	(5,830)	(28,244)
At 31 March 2025	273,164	858,777	1,131,941	53,120	15,854	68,974	1,200,915
Accumulated depreciation and impairment							
At 1 April 2024	121,446	554,751	676,197	19,910	7,480	27,390	703,587
Exchange differences	(2,439)	(13,720)	(16,159)	(345)	(96)	(441)	(16,600)
Hyperinflation adjustment	10,765	25,681	36,446	-	-	-	36,446
Charge for the period	4,932	31,614	36,546	7,795	2,591	10,386	46,932
Impairment losses arising in the period	250	831	1,081	185	32	217	1,298
Reversal of impairment losses from prior periods	(5)	(19)	(24)	-	-	-	(24)
Transfer to assets held for sale	(6)	(108)	(114)	-	-	-	(114)
Eliminated on disposals	(1,457)	(16,489)	(17,946)	(2,843)	(2,987)	(5,830)	(23,776)
At 31 March 2025	133,486	582,541	716,027	24,702	7,020	31,722	747,749
Net book amount at 31 March 2025	139,678	276,236	415,914	28,418	8,834	37,252	453,166

Land and buildings including assets with a carrying amount of ¥802 million (2025: ¥7 million), and plant and machinery including assets with a carrying amount of ¥ 23,960 million (2025: ¥22,842 million), are subject to specific charges to secure Group borrowings.

Capitalized borrowing costs of ¥174 million have been included within additions of plant, equipment and vehicles (2025: ¥1,534 million). The average rate used to calculate borrowing costs capitalized during the year was 7.26% (2025: 7.71%).

Depreciation charged in the period all relates to continuing operations, this has been charged to cost of sales ¥42,754 million (2025: ¥38,961 million), distribution costs ¥2,262 million (2025: ¥2,089 million), administrative expenses ¥6,199 million (2025: ¥5,729 million) and exceptional items ¥nil million (2025: ¥153 million), note 7.

Impairments in the period have been charged to exceptional items ¥411 million (2025: ¥710 million) and other expenses ¥948 million (2025: ¥588 million). Of the reversal of previous period impairments ¥137 million (2025: ¥13 million) has been credited to exceptional items and ¥54 million (2025: ¥11 million) to other expenses.

Property, plant and equipment includes ¥14,648 million (2025: ¥5,101 million) in respect of assets in the course of construction.

15. Investment property

	Note	2026	2025
		Millions of yen	
Fair value			
At 1 April		**134**	136
Exchange differences		**16**	(2)
Net reduction in fair value	5	**(42)**	-
At 31 March		**108**	134

Investment property principally comprises land, office buildings and small industrial units, and those parts of other properties not occupied by the Group, which are held for long-term rental yields. Investment properties are initially recognized at cost and are thereafter carried at fair value, representing open-market value determined annually by discounted cash flows or by the use of external valuers. Changes in fair value are recorded in the income statement as part of other income and other expenses.

The property rental income earned by the Group from its investment properties, all of which are leased out under operating leases, amounted to ¥36 million (2025: ¥202 million). Direct operating expenses arising on the investment properties in the period amounted to ¥nil million (2025: ¥71 million).

The Group has no restrictions on the realizability of its investment properties and there were no commitments at 31 March 2026 or 2025.

Fair value measurement disclosures for investment properties are provided in note 21.

16. Leases

The Group as a lessee

The Group leases land and buildings for its manufacturing facilities, offices and warehouses at various locations worldwide. The Group also leases equipment and vehicles used in the ordinary course of the business, along with housing and cars which are provided as employee benefits.

The weighted-average lease term is approximately 6 years for land and buildings, and 7 years for plant, equipment and vehicles.

The following amounts are included in the consolidated income statement:

	2026	2025
	Millions of yen	
Interest expense on lease liabilities	**2,012**	1,808
Expenses relating to short-term leases	**694**	834
Expenses relating to leases of low-value assets	**792**	738
Expenses related to variable lease payments not included in the measurement of lease liabilities	**324**	121

The following amount are included in the consolidated statement of cash flow:

	2026	2025
	Millions of yen	
Cash outflow for leases	**15,216**	13,917

The cash outflow for leases in the table above includes; the principal portion and interest of lease liabilities, payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of lease liabilities.

The leases recognized as at 31 March 2026, includes options such as extension and termination options, that were not considered to be reasonably certain as at that date and therefore are not included in the measurement of lease liabilities. These options may result in potential future cash outflows in the future years, once it becomes reasonably certain that they will be exercised.

As at 31 March 2026 or 2025, there are no leases which the Group has committed but have not yet commenced.

For the depreciation charge, additions and the carrying amount of right-of-use assets at the end of the reporting period, see note 14.

For the maturity analysis of lease liabilities, see note 26.

The Group as a lessor

The Group leases out its investment property to third parties under operating lease arrangements (see note 15).

17. Investments accounted for using the equity method

Joint ventures

The Group has one material joint venture as follows:

Name	Proportion of issued ordinary shares held	Country of operation and incorporation	Principal activity
Cebrace Cristal Plano Limitada (Cebrace)	50%	Brazil	Glass manufacturing

There were no material additions to joint ventures in the period ended 31 March 2026 (31 March 2025 – none).

During the previous year to March 2025, the Group disposed of its share in Vereinigte Vopelius'sche und Wentzel'sche Verwaltungs-GmbH, incurring a loss of ¥8 million, which was included in exceptional items.

Cebrace reports to an accounting date coterminous with that of the Group.

The balance sheet values of the Group's material joint ventures are as follows:

	Millions of yen		
	2026		
	Cebrace	**Others**	**Total**
Current assets	**17,313**	**822**	**18,135**
Non-current assets	**37,988**	**9**	**37,997**
Current liabilities	**(23,047)**	**(830)**	**(23,877)**
Non-current liabilities	**(20,154)**	**-**	**(20,154)**
Total equity	**12,100**	**1**	**12,101**
NSG Group interest in total equity	**6,049**	**1**	**6,050**
Carrying amount of the Group's investment	**6,049**	**1**	**6,050**
The total equity above includes:			
Cash and cash equivalents	**991**	**822**	**1,813**
Current financial liabilities	**(11,538)**	**-**	**(11,538)**
Non-current financial liabilities	**(12,295)**	**-**	**(12,295)**

	Millions of yen		
	2025		
	Cebrace	Others	Total
Current assets	14,056	1,253	15,309
Non-current assets	33,438	11	33,449
Current liabilities	(23,029)	(1,228)	(24,257)
Non-current liabilities	(13,281)	(36)	(13,317)
Total equity	11,184	-	11,184
NSG Group interest in total equity	5,592	-	5,592
Carrying amount of the Group's investment	5,592	-	5,592
The total equity above includes:			
Cash and cash equivalents	889	1,253	2,142
Current financial liabilities	(9,939)	-	(9,939)
Non-current financial liabilities	(6,417)	-	(6,417)

The Group has no unrecognized commitments, relating to any of its joint ventures, which would result in a future outflow of economic resources from the Group.

The key income statement and comprehensive income figures of the Group's material joint ventures are as follows:

	Millions of yen		
	2026		
	Cebrace	**Others**	**Total**
Revenue	**67,321**	**-**	**67,321**
Profit for the period from continuing operations	**9,409**	**1**	**9,410**
Total comprehensive income	**9,409**	**1**	**9,410**
NSG Group's share of profit for the period	**4,705**	**1**	**4,706**
Dividends received by NSG Group	**5,181**	**-**	**5,181**
The profit for the period includes the following:			
Depreciation and amortization	**(2,699)**	**-**	**(2,699)**
Interest expense	**(2,379)**	**-**	**(2,379)**
Taxation	**(4,681)**	**-**	**(4,681)**

	Millions of yen		
	2025		
	Cebrace	Others	Total
Revenue	65,004	-	65,004
Profit/(loss) for the period from continuing operations	9,092	(2)	9,090
Total comprehensive income	9,092	(2)	9,090
NSG Group's share of profit/(loss) for the period	4,546	-	4,546
Dividends received by NSG Group	4,086	-	4,086
The profit/(loss) for the period includes the following:			
Depreciation and amortization	(2,901)	-	(2,901)
Interest expense	(2,190)	-	(2,190)
Taxation	(4,581)	-	(4,581)

Associates

The Group's interest in material associates is as follows:

Name	Proportion of issued ordinary shares held	Country of operation and incorporation	Principal activity
Flachglas Wernberg GmbH	49%	Germany	Glass manufacturing
Holding Concorde S.A.S.	22.2%	Colombia	Glass manufacturing
SYP Kangqiao Autoglass Company Limited	28.6%	China	Glass manufacturing

The accounting date for each of the associates listed above, is 31 December, the date to which each draws up its annual accounts, and the Group accounts for each investment based on that date as it is not practicable to obtain accounts prepared up to the Group's accounting date.

During the year to March 2026 the Group made a sale of land to Flachglas Wernberg GmbH of which the Group holds a 49% holding. Consequently, the Group has adjusted is carrying value of the associate to eliminate its share of unrealized gains arising on this sale, with the adjustment shown as an impairment in the table below. This adjustment has been recognized in profit and loss.

The balance sheet values of the Group's material associates are as follows:

	Millions of yen				
	2026				
	Flachglas Wernberg GmbH	**Holding Concorde S.A.S.**	**SYP Kangqiao Autoglass Company Limited**	**Others**	**Total**
Current assets	**6,672**	**18,165**	**42,539**	**6,807**	**74,183**
Non-current assets	**7,209**	**12,683**	**40,237**	**5,694**	**65,823**
Current liabilities	**(2,210)**	**(4,912)**	**(41,899)**	**(2,704)**	**(51,725)**
Non-current liabilities	**(4,313)**	**(8,868)**	**(4,193)**	**(2,402)**	**(19,776)**
Total equity	**7,358**	**17,068**	**36,684**	**7,395**	**68,505**
NSG Group interest in total equity	**3,606**	**3,789**	**10,480**	**2,164**	**20,039**
Goodwill	**-**	**-**	**2,403**	**-**	**2,403**
Impairment	**(396)**	**-**	**-**	**-**	**(396)**
Carrying amount of the Group's investment	**3,210**	**3,789**	**12,883**	**2,164**	**22,046**

	Millions of yen				
	2025				
	Flachglas Wernberg GmbH	Holding Concorde S.A.S.	SYP Kangqiao Autoglass Company Limited	Others	Total
Current assets	7,155	19,745	28,446	7,069	62,415
Non-current assets	4,059	10,788	31,082	4,806	50,735
Current liabilities	(1,958)	(4,151)	(25,260)	(2,804)	(34,173)
Non-current liabilities	(3,054)	(8,653)	(3,386)	(2,383)	(17,476)
Total equity	6,202	17,729	30,882	6,688	61,501
NSG Group interest in total equity	3,039	3,936	8,823	2,002	17,800
Goodwill	-	-	2,132	-	2,132
Carrying amount of the Group's investment	3,039	3,936	10,955	2,002	19,932

The key income statement and comprehensive income figures of the Group's material associates are as follows:

	Millions of yen				
	2026				
	Flachglas Wernberg GmbH	**Holding Concorde S.A.S.**	**SYP Kangqiao Autoglass Company Limited**	**Others**	**Total**
Revenue	**15,671**	**12,043**	**53,147**	**15,477**	**96,338**
Profit for the period from continuing operations	**321**	**1,085**	**1,729**	**543**	**3,678**
Total comprehensive income	**321**	**1,085**	**1,729**	**543**	**3,678**
NSG Group's share of profit for the period	**157**	**241**	**494**	**116**	**1,008**
Dividends received by NSG Group	**26**	**1,162**	**-**	**34**	**1,222**

	Millions of yen				
	2025				
	Flachglas Wernberg GmbH	Holding Concorde S.A.S.	SYP Kangqiao Autoglass Company Limited	Others	Total
Revenue	14,461	10,526	40,747	14,295	80,029
Profit for the period from continuing operations	226	2,288	799	532	3,845
Total comprehensive income	226	2,288	799	532	3,845
NSG Group's share of profit for the period	111	508	228	133	980
Dividends received by NSG Group	-	294	-	47	341

18. Trade and other receivables

	Note	2026	2025
		Millions of yen	
Trade receivables		**57,959**	53,843
Less provision for impairment of receivables		**(2,890)**	(2,360)
Trade receivables - net		**55,069**	51,483
Amounts due from customers for contract work		**30**	104
Amounts owed by related parties (trading)	39	**69**	155
Loans to related parties	39	**94**	82
Other receivables		**32,931**	31,194
Prepayments and accrued income		**6,595**	6,778
		94,788	89,796
Current		**87,985**	83,438
Non-current		**6,803**	6,358
		94,788	89,796

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

There is no particular concentration of credit risk relating to Architectural, (excluding Solar), Automotive AGR, or Technical Glass balances, as these operations have a large number of customers. In the Architectural business, the Group has a concentration of its sales of glass for solar energy with one customer. These sales are covered by long-term contractual agreements between the Group and its customer. Total amounts owed by the Group's main solar customer were ¥1,023 million (2025: ¥2,121 million). In the Automotive OE business the Group is supplying automotive manufacturers worldwide. The Automotive OE business customers constitute the majority of the major global car manufacturers. Due to the nature of the industry with a relatively small number of large customers, there is therefore a higher credit risk concentration. Total amounts owed by Automotive OE customers were ¥21,513 million (2025: ¥19,083 million). This risk is managed through the monitoring of aged receivables, analysis of the cost effectiveness of insuring receivables and through general credit collection procedures.

Receivable balances are impaired on a case-by-case basis when the value may not be collectable. Overdue balances may not be impaired when there is good reason to expect that the receivable would still be collected.

As at 31 March 2026, trade receivables at nominal value of ¥2,890 million, (2025: ¥2,360 million) were impaired and fully provided for.

Movements in the provision for impairment of receivables were as follows:

	2026	2025
	Millions of yen	
At 1 April	**(2,360)**	(2,351)
Exchange differences	**(263)**	60
Charge for the period	**(800)**	(437)
Unused amounts reversed	**320**	305
Utilized	**213**	63
At 31 March	**(2,890)**	(2,360)

As at 31 March, the ageing analysis of current trade and other receivables (excluding prepayments and accrued income) is below. All non-current trade and other receivables (excluding prepayments and accrued income) are considered neither past due nor impaired.

			Past due but not impaired			Millions of yen
	Total	Neither past due nor impaired	Less than 3 months overdue	Between 3 and 6 months overdue	Between 6 and 12 months overdue	More than 12 months overdue
2026	**82,821**	**79,717**	**2,151**	**596**	**327**	**30**
2025	76,931	73,308	2,917	377	177	152

19. Financial assets held at fair value through other comprehensive income

The equity investments held within this category are those where the Group does not have a significant influence over the finance and operating policies of the investee. The Group generally expects to retain its investments in these entities, although may consider disposals on an opportunistic basis if appropriate. The Group considers gains and losses arising from fluctuations in valuations of investments to be unrealized. On adoption of IFRS 9 the Group elected to classify such investments at fair value through other comprehensive income with subsequent gains and losses recorded in other comprehensive income.

		Millions of yen	
	Note	**2026**	2025
At 1 April		**23,689**	23,537
Exchange differences		**2,446**	(164)
Acquisitions		**18**	16
Disposals		**(4,924)**	(401)
Revaluation surplus transferred to equity	35	**5,568**	701
At 31 March		**26,797**	23,689
Current		**-**	-
Non-current		**26,797**	23,689
		26,797	23,689

The disposals in the period ended 31 March 2026 and 31 March 2025 mainly related to the sale of UK Government gilts.

Financial assets held at fair value through other comprehensive income include the following:

	Millions of yen	
	2026	2025
UK Government gilts	**4,263**	7,646
Listed equities	**18,623**	11,998
Unlisted equities	**3,447**	3,644
Bond funds	**391**	342
Other	**73**	59
	26,797	23,689

Included within financial assets held at fair value through comprehensive income is the Group's 12.70 percent investment in Shanghai Yaohua Pilkington Glass Group Co., Limited, a company listed on the Shanghai Stock Exchange and engaged in both Automotive and Architectural glass businesses, predominantly in China. At 31 March 2026, the fair value of this investment as included in the table above as a listed equity, was ¥18,168 million (2025 ¥11,633 million). The Group also holds other listed and unlisted equity investments for strategic purposes which are individually immaterial.

Fair value measurement disclosures are provided in note 21.

20. Derivative financial instruments

	Millions of yen			
	2026		2025	
	Assets	**Liabilities**	Assets	Liabilities
Interest rate swaps				
cash flow hedges	**-**	**217**	163	793
Forward foreign exchange contracts				
not qualifying as hedges	**14**	**7**	7	11
cash flow hedges	**118**	**311**	146	35
net investment hedges	**148**	**201**	272	48
Commodity hedges				
cash flow hedges	**6,367**	**439**	4,672	1,218
	6,647	**1,175**	5,260	2,105
Current	**3,701**	**816**	1,867	787
Non-current	**2,946**	**359**	3,393	1,318
	6,647	**1,175**	5,260	2,105
Derivatives at fair value through income statement	**14**	**7**	7	11
Derivatives at fair value through other comprehensive income	**6,633**	**1,168**	5,253	2,094
	6,647	**1,175**	5,260	2,105
Maturity				
within one year	**3,701**	**816**	1,867	787
between one and two years	**1,337**	**254**	769	338
between two and three years	**622**	**29**	601	834
between three and four years	**438**	**-**	559	19
between four and five years	**346**	**76**	538	48
over five years	**203**	**-**	926	79
	6,647	**1,175**	5,260	2,105

Of the above financial instruments, gross cash flows are exchanged for forward foreign exchange contracts only. The contractual liabilities are ¥125,530 million (2025: ¥110,344 million), falling due within one year.

Gains and losses in equity on forward foreign exchange contracts as of 31 March 2026 will be released to the income statement at various dates up to 12 months from the balance sheet date. Fair values are calculated with reference to market prices discounted to current value.

The notional principal amounts of the outstanding interest rate swap contracts at 31 March 2026 were ¥47,246 million (2025: ¥54,289 million). At 31 March 2026, the fixed interest rates on interest rate swaps vary from 1.165 percent to 4.582 percent (2025: 0.705 percent to 4.582 percent) and the main floating rates are EURIBOR and SONIA. The Group designates a portion of its currency denominated borrowings and derivatives as hedges of the net investment in the Group's overseas subsidiaries. The fair value of these borrowings as at 31 March 2026 was ¥159,046 million (2025: ¥162,260 million). The fair value of the derivatives as at 31 March 2026 was a loss of ¥23 million (2025: a gain of ¥228 million). The foreign exchange loss of ¥4,541 million (2025: gain of ¥6,636 million) on translation of the borrowings and derivatives to yen at the balance sheet date was recognized in the exchange translation reserve in shareholders' equity, note 35.

Fair value measurement disclosures for derivative assets and liabilities are provided in note 21.

Financial risk management
An explanation of the Group's financial instrument risk management objectives, policies and strategies is set out in the financial risk management section in note 1.1, Summary of material accounting policy information.

Gains and losses in comprehensive income
Gains and losses have arisen within comprehensive income as set out in the table below:

	Millions of yen			
	2026		2025	
	Cash Flow Hedges	**Net Investment Hedges**	Cash Flow Hedges	Net Investment Hedges
Gains/(losses) recognized in total comprehensive income				
(Losses)/gains recognized in comprehensive income	**2,965**	**(4,541)**	(1,817)	6,636
(Losses)/gains reclassified from comprehensive income to profit / loss on maturity	**(668)**	**-**	3,021	-

Gains and losses on cash flow hedges arising within the statement of comprehensive income are recognized within the line entitled "cash flow hedges: fair value gains / (losses) net of taxation". This includes both items arising from changes in the fair value of cash flow hedges and also amounts transferred to profit / loss on maturity.

Gains / losses on hedges on the net investment of a foreign operation within the statement of comprehensive income are recognized within the line entitled "Foreign currency translation adjustments" where they match movements in the underlying assets of the foreign operation.

21. Fair value measurement

Fair value hierarchy

For those assets and liabilities included in the consolidated balance sheet at fair value, the table below provides the fair value measurement of the Group's assets and liabilities by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based upon market data (unobservable inputs)

Assets and liabilities included in the balance sheet at amortized cost, have fair value disclosures included within the relevant disclosure note for that balance sheet item, where required by IFRS 13 or other relevant standards.

					Millions of yen
					2026
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties	15				
rental properties		**-**	**-**	**108**	**108**
				108	**108**
Assets held at fair value through other comprehensive income	19				
UK Government gilts		**4,263**	**-**	**-**	**4,263**
listed equities		**18,623**	**-**	**-**	**18,623**
unlisted equities		**-**	**-**	**3,447**	**3,447**
bond funds		**391**	**-**	**-**	**391**
other		**-**	**-**	**73**	**73**
		23,277	**-**	**3,520**	**26,797**
Derivative assets	20				
forward foreign exchange contracts		**-**	**280**	**-**	**280**
commodity swaps		**-**	**6,367**	**-**	**6,367**
		-	**6,647**	**-**	**6,647**

					Millions of yen
					2025
	Note	Level 1	Level 2	Level 3	Total
Investment properties	15				
rental properties		-	-	134	134
				134	134
Assets held at fair value through other comprehensive income	19				
UK Government gilts		7,646	-	-	7,646
listed equities		11,998	-	-	11,998
unlisted equities		-	-	3,644	3,644
bond funds		342	-	-	342
other		-	-	59	59
		19,986	-	3,703	23,689
Derivative assets	20				
interest rate swaps		-	163	-	163
forward foreign exchange contracts		-	425	-	425
commodity swaps		-	4,672	-	4,672
		-	5,260	-	5,260

					Millions of yen
					2026
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative liabilities	20				
interest rate swaps		**-**	**217**	**-**	**217**
forward foreign exchange contracts		**-**	**519**	**-**	**519**
commodity swaps		**-**	**439**	**-**	**439**
		-	**1,175**	**-**	**1,175**

					Millions of yen
					2025
	Note	Level 1	Level 2	Level 3	Total
Derivative liabilities	20				
interest rate swaps		-	793	-	793
forward foreign exchange contracts		-	94	-	94
commodity swaps		-	1,218	-	1,218
		-	2,105	-	2,105

Investment properties
Investment properties are valued either by reference to future expected rental receipts or by reference to a recently obtained valuation prepared by a qualified valuation professional. Gains or losses arising on the fair value of investment properties are recognized in operating profit, see note 15. The sensitivity of the fair value of investment properties is subject to rental yields and fluctuation of property prices in the relevant markets, however the Group has not quantified the impact of any change, as any reasonably likely change would not have a material impact.

Assets held at fair value through other comprehensive income
UK Government gilts, listed equities, and bond funds are valued based on quoted market prices obtained by the Group at the balance sheet date. Unlisted equities and other assets held at fair value through other comprehensive income are valued using a variety of different techniques including future projected cash flows and net asset values of the underlying investments. Those classified in level 3 of the fair value hierarchy are subject to a variety of sensitivities and, as these investments comprise mainly Japanese trading companies, economic growth projections in Japan are the main sensitivity influencing the valuation. The Group has not quantified the impact of the change in GDP growth rates for these investments, included within level 3, as any reasonable movement would not have a material impact.

Fair value gains and losses are recognized within the statement of comprehensive income, see note 19.

Derivatives
The fair values of foreign exchange contracts are determined using forward exchange market rates at the balance sheet date. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows based on observable yield curves at the balance sheet date. The fair values of commodity hedges are determined by using forward market prices at the balance sheet date.

Gains and losses arising on the fair value of net derivative assets and liabilities have been recognized as follows. A gain of ¥10 million was recognized in operating profit (2025: a loss of ¥8 million) in relation to derivatives classed as fair value through profit or loss. A gain of ¥2,965 million was recognized directly in the statement of comprehensive income (2025: a loss of ¥1,817 million) in relation to derivatives classed as fair value through other comprehensive income.

There was no hedge ineffectiveness in the year therefore no charge to other comprehensive income, in respect of hedge ineffectiveness of assets classed as fair value through other comprehensive income.

A Virtual Power Purchase Agreement in Europe is included within commodity hedges.

Transfer between levels
The Group determines whether a transfer between levels in the hierarchy has occurred by reassessing categorization at the end of each reporting period. During the periods ended 31 March 2026 and 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

There have been no changes in the valuation techniques in either the current or prior year.

A reconciliation of movements in assets held at fair value through other comprehensive income included in the above hierarchy based on level 3 valuation techniques is as follows:

	Millions of yen	
	2026	2025
At 1 April	**3,703**	3,489
Acquisitions	**1**	1
Disposals	**(814)**	(1)
Movements in fair value recognized in comprehensive income within "Revaluation of assets held at fair value through other comprehensive income - equity investments (net of taxation)"	**615**	214
Exchange differences recognized in other comprehensive income	**15**	-
At 31 March	**3,520**	3,703

Management have assessed that fair value of assets and liabilities such as cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturity of these instruments.

22. Deferred income tax

	Millions of yen	
	2026	2025
Deferred tax assets	**46,692**	37,393
Deferred tax liabilities	**(19,456)**	(21,589)
Net deferred tax assets	**27,236**	15,804

The movement for the period in the net deferred tax asset is as follows:

	Note	Millions of yen **2026**	2025
At 1 April		**15,804**	16,091
Exchange differences		**2,473**	(194)
Credit to the income statement for the period	10	**2,471**	1,169
One-off credit to the income statement - UK deferred tax recognition	10	**8,814**	-
Deferred tax transferred to assets held for sale		**-**	42
Charge to other comprehensive income for the period		**(2,326)**	(1,304)
At 31 March		**27,236**	15,804

The charge of ¥2,326 million (2025: a charge of ¥1,304 million) to other comprehensive income in the year comprises a charge to the hedging reserve of ¥781 million (2025: a charge of ¥774 million), note 35, and a charge to the fair value reserve of ¥205 million (2025: a charge of ¥95 million), note 35. The company also has a charge to other comprehensive income in respect of retirement benefit obligations in retained earnings of ¥1,340 million (2025: a charge of ¥435 million), note 28.

The following movement in the Group's deferred tax assets and liabilities took place during the periods ended 31 March 2026 and 31 March 2025.

Millions of yen

	Note	**Property, plant and equipment**	**Tax losses**	**Fair value losses**	**Defined benefit obligations**	**Provisions**	**Lease liabilities**	**Other**	**Total**
Deferred tax assets									
At 1 April 2025		**4,514**	**13,237**	**541**	**4,984**	**13,534**	**8,912**	**2,204**	**47,926**
Exchange differences		**539**	**1,851**	**77**	**495**	**760**	**537**	**264**	**4,523**
Credit/(charge) to the income statement in the period	10	**4,409**	**4,395**	**(51)**	**93**	**(1,003)**	**(1,324)**	**1,447**	**7,966**
(Charge)/credit to other comprehensive income for the period		**-**	**-**	**66**	**(654)**	**-**	**-**	**(1)**	**(589)**
Gross deferred tax assets		**9,462**	**19,483**	**633**	**4,918**	**13,291**	**8,125**	**3,914**	**59,826**
Offset of deferred tax assets and liabilities relating to income taxes levied by the same taxation authority		**(1,938)**	**(1,457)**	**(578)**	**(2,166)**	**(2,301)**	**(3,668)**	**(1,026)**	**(13,134)**
At 31 March 2026		**7,524**	**18,026**	**55**	**2,752**	**10,990**	**4,457**	**2,888**	**46,692**

Millions of yen

	Note	Property, plant and equipment	Tax losses	Fair value losses	Defined benefit obligations	Provisions	Lease liabilities	Other	Total
Deferred tax assets									
At 1 April 2024		4,779	12,136	1,516	5,603	13,303	7,703	2,178	47,218
Exchange differences		(8)	(195)	(9)	(97)	(436)	(97)	(46)	(888)
Credit/(charge) to the income statement in the period	10	(257)	1,266	(247)	(95)	655	1,306	83	2,711
Transfer to assets held for sale		-	30	-	-	12	-	-	42
Charge to other comprehensive income for the period		-	-	(719)	(427)	-	-	(11)	(1,157)
Gross deferred tax assets		4,514	13,237	541	4,984	13,534	8,912	2,204	47,926
Offset of deferred tax assets and liabilities relating to income taxes levied by the same taxation authority		(2,576)	(799)	(507)	(2,153)	(1,373)	(2,767)	(358)	(10,533)
At 31 March 2025		1,938	12,438	34	2,831	12,161	6,145	1,846	37,393

Tax losses and other deferred tax assets
The Group assesses its ability to utilize tax losses and other tax assets in future periods based on management approved financial forecasts. This takes account of the Group's medium and long term strategic and financial plans and the expected future economic outlook. The ability to utilize tax losses and other tax assets in future periods also takes account of material tax adjusting items and the period (if any) in which tax losses might expire under local tax laws. The Group's ability to utilize its tax losses and tax assets is re-assessed annually and looked at in the territories in which we operate. The recognized amount of tax losses and tax assets is calculated with reference to the availability of future taxable profits.

Overall, as at 31 March 2026, the Group has tax losses which it is able to carry forward of ¥296,000 million (2025: ¥279,597 million), in respect of which it is recognizing a deferred tax asset of ¥19,483 million (2025: ¥13,237 million).

UK Deferred Tax Asset Recognition FY26
At 31st March 2026, the Group has recognized ¥8,814 million of deferred tax asset in the UK which were previously unrecognized. An amount of ¥5,068 million relates to property, plant and equipment and ¥3,746 million in relation to further tax losses. Deferred tax assets have been recognized only to the extent that it is probable that future taxable profits will be available against which these losses and deductions can be utilized.

The recognition of the assets is supported by the re-assessment of future taxable profits generated by the UK Tax Group. In assessing future taxable profits, the Group has looked at the medium term planning period and a further three years, supported by renewed business contracts and continued profitability within the Group's solar business. It is expected that the deferred tax assets recognized in this financial year will be utilized by 2035.

This brings the total deferred tax assets recognized in the UK to ¥14,570 million. ¥9,403 million amounts to the total tax losses recognized in the UK and ¥5,167 million amounts to the total other assets recognized. There are gross assets of ¥123,954 million (2025: ¥132,081 million) in respect of tax losses and ¥54,322 million (2025: ¥72,393 million) of other assets on which deferred tax continues not to be recognized in the UK. These unrecognized deferred tax assets are expected to reverse outside of the current planning horizon and are not subject to time expiry.

Tax losses and other tax credits by country
USA recognizes a deferred tax asset in relation to tax losses of ¥4,836 million (2025: ¥2,635 million), this has been recognized based on management-approved financial forecasts. Some of the tax losses are subject to time expiry, taking into account the date of expiry under US tax laws these losses are expected to be utilized in total by 2039.

There are tax credits recognized in Poland which give rise to a deferred tax asset of ¥1,017 million (2025: ¥1,049 million). The Group has reviewed the latest forecasted results for the Polish business and based on these believe it is probable that this asset will be utilized by 2030. Poland also has tax losses of ¥6,031 million (FY25 ¥5,614 million) on which on which no deferred tax is recognized. These tax losses are subject to time expiry and are not expected to be utilized before they time expire within the next 5 years.

Italy has tax credits which are recognized and has a deferred tax asset of ¥1,045 million (2025: ¥1,736 million). These credits are not subject to time expiry and are expected to be utilized by 2029. Italy also has tax losses amounting to ¥26,608 million (2025: ¥26,043 million) on which no deferred tax is recognized. These are not subject to time expiry.

Japan has tax losses carried forward of ¥12,865 million (2025: ¥17,048 million). Deferred tax asset of ¥371 million are recognized (2025: ¥211 million). ¥6,626 million of tax losses have time expired in the current year. The remaining tax losses have no deferred tax recognized and are subject to time expiry between 2027 and 2036, with ¥3,316 million expiring within the next 5 years. Japan has other tax assets on which no deferred tax is recognized amounting to ¥13,127 million.

Germany has tax losses of ¥26,068 million (2025: ¥21,549 million) and other tax assets of ¥3,425 million (2025: ¥6,628 million) on which no deferred tax is currently recognized based on the business financial forecast.

Other territories
A deferred tax asset of ¥2,811 million (2025: ¥2,565 million), in respect of tax losses arising in other territories, is being recognized, based on management-approved financial forecasts.

In addition, the Group also considers it appropriate not to recognize a deferred tax asset in respect of tax losses in other territories of ¥24,381 million (2025: ¥21,821 million), of which ¥6,327 million of the tax losses is subject to time expiry under local tax laws. The balance of unrecognized tax losses, of ¥18,054 million, are not subject to time expiry.

Retirement Benefit obligations
The deferred tax asset in respect of the Group's retirement benefit obligations arises mainly in USA, where a deferred tax asset of ¥2,752 million (2025: ¥2,659 million) is being recognized. The other significant deferred tax asset recognized relates to Germany, being ¥1,983 million (2025: ¥2,152 million).

Other unrecognized deferred tax assets
Excluding the countries mentioned above, the Group has other assets amounting to ¥16,115 million on which there is no deferred tax is recognized.

The Group has tax losses amounting to ¥4,798 million (2025: ¥4,216 million) which are only available for offset against future capital gains mainly in the UK. Since it is uncertain whether these losses will be utilized, no deferred tax is recognized.

	Note	Property, plant and equipment	Fair value gains	Defined benefit obligations	Provisions	Other	Total
							Millions of yen
Deferred tax liabilities							
At 1 April 2025		**19,204**	**10,601**	**1,031**	**581**	**705**	**32,122**
Exchange differences		**813**	**1,205**	**4**	**20**	**9**	**2,051**
Charge/(credit) to the income statement in the period	10	**(2,799)**	**(271)**	**56**	**(317)**	**12**	**(3,319)**
Charge to other comprehensive income for the year		**-**	**1,042**	**686**	**-**	**8**	**1,736**
Gross deferred tax liabilities		**17,218**	**12,577**	**1,777**	**284**	**734**	**32,590**
Offset of deferred tax assets and liabilities relating to income taxes levied by the same taxation authority		**(10,719)**	**(1,971)**	**(44)**	**(119)**	**(281)**	**(13,134)**
At 31 March 2026		**6,499**	**10,606**	**1,733**	**165**	**453**	**19,456**

	Note	Property, plant and equipment	Fair value gains	Defined benefit obligations	Provisions	Other	Total
							Millions of yen
Deferred tax liabilities							
At 1 April 2024		17,544	10,981	955	196	1,451	31,127
Exchange differences		(525)	(165)	(1)	(2)	(1)	(694)
Charge/(credit) to the income statement in the period	10	2,185	(297)	69	387	(802)	1,542
Charge to other comprehensive income for the year		-	82	8	-	57	147
Gross deferred tax liabilities		19,204	10,601	1,031	581	705	32,122
Offset of deferred tax assets and liabilities relating to income taxes levied by the same taxation authority		(8,790)	(1,582)	-	(132)	(29)	(10,533)
At 31 March 2025		10,414	9,019	1,031	449	676	21,589

Deferred taxation is being provided on unremitted earnings of joint ventures and associates at 31 March 2026 of ¥216 million (2025: ¥192 million). This reflects local withholding and other taxes which would be suffered if these earnings were repatriated, and which would not be creditable against local corporation tax.

BEPS Pillar II

As required by IAS 12, the Group has applied the mandatory exception in this standard, and has not recognized or disclosed any deferred taxation that may arise due to the adoption of Pillar II taxation rules by Countries in which the Group operates.

23. Inventories

	2026	2025
	Millions of yen	
Raw materials	**51,082**	44,153
Work-in-progress	**37,530**	33,813
Finished goods	**92,987**	82,641
Capitalized costs of obtaining a contract	**3,912**	3,896
	185,511	164,503

The cost of inventories recognized as an expense and included in cost of sales amounted to ¥570,633 million (2025: ¥558,779 million) and includes the write down of inventories totaling ¥5,869 million (2025: ¥5,328 million) and the reversal of inventory write-downs made in previous periods amounting to ¥2,421 million (2025: ¥1,517 million). The reversal of previous write-downs relates to an increase in the net realizable value at the end of the period. In addition, write-down of inventories totaling ¥98 million (2025: ¥173 million) has been charged to exceptional items, note 7.

The carrying amount of inventories carried at fair value less cost to sell (net realizable value) amount to ¥17,478 million (2025: ¥17,970 million).

24. Cash and cash equivalents

	Millions of yen	
	2026	2025
Cash at bank and in hand	**38,691**	36,426
Short-term deposits	**18,868**	28,885
	57,559	65,311

The effective interest rate on the Group's short-term bank deposits was 7.25 percent (2025: 8.78 percent) with an average maturity of 24 days (2025: 19 days).

The short-term deposits noted above, which constitute cash equivalents, are represented by deposit account balances principally in the UK and Argentina.

The Group's cash flow statement includes the following:

		Millions of yen	
	Note	**2026**	2025
Cash and cash equivalents		**57,559**	65,311
Bank overdrafts	26	**(2,458)**	(2,333)
		55,101	62,978

25. Assets held for sale

	Millions of yen	
	2026	2025
Assets held for sale within a disposal group		
Intangible assets	**-**	336
Property, plant and equipment	**2,277**	1,906
Deferred tax assets	**-**	119
Inventories	**-**	1,608
Trade receivables	**-**	139
	2,277	4,108
Liabilities related to assets held for sale within a disposal group		
Trade and other payables	**-**	1,096
Provisions	**-**	187
	-	1,283
Assets held for sale within a disposal group held for sale (net)	**2,277**	2,825

At 31 March 2026, assets and liabilities held within a disposal group mainly relate to Architectural businesses in Europe and South America (2025: mainly related to Architectural businesses in Europe and Asia). They are expected to be disposed within one year from the balance sheet date.

26. Borrowings

a. Borrowings and net debt

	Note	2026	2025
		Millions of yen	
Current			
Bank overdrafts	24	**2,458**	2,333
Bank borrowings		**294,275**	164,233
Other long-term loans		**21**	18
Lease liabilities		**10,672**	10,099
Non-equity non-controlling interest preference shares		**375**	329
		307,801	177,012
Non-current			
Bank borrowings		**157,302**	266,961
Other long-term loans		**43,885**	39,821
Lease liabilities		**31,576**	33,141
Non-equity non-controlling interest preference shares		**6,605**	5,790
		239,368	345,713
Total borrowings		**547,169**	522,725

Group borrowings include secured liabilities of ¥23,374 million (2025: ¥19,147 million). Borrowings are secured by fixed and floating charges over certain assets of undertakings in the Group. Bank borrowings in the above table include liabilities of ¥23,374 million (2025: ¥19,147 million) as a consequence of the lease contracts from sale and leaseback transactions undertaken by the Group in Japan and USA.

	Note	2026	2025
		Millions of yen	
Summary of net debt			
Financial liabilities			
borrowings		**547,169**	522,725
derivative financial instruments	20	**1,175**	2,105
Financial assets			
derivative financial instruments	20	**(6,647)**	(5,260)
Cash and cash equivalents	24	**(57,559)**	(65,311)
Net debt		**484,138**	454,259

Net debt includes commodity hedges within derivative financial instruments.

b. Movements of total borrowings

	Borrowings, other long term loans and bank overdrafts	Lease liabilities (IFRS16)	Non-equity non-controlling interest preference shares	Total
	Millions of yen			
	2026			
At 1 April 2025	**473,366**	**43,240**	**6,119**	**522,725**
Exchange differences and other movements	**19,948**	**3,114**	**861**	**23,923**
Repayment of borrowings	**(273,219)**	**(13,406)**	**-**	**(286,625)**
Proceeds from borrowings	**275,154**	**-**	**-**	**275,154**
Addition of lease liabilities	**-**	**8,205**	**-**	**8,205**
Interest on lease liabilities	**-**	**2,012**	**-**	**2,012**
Write-offs of lease liabilities	**-**	**(917)**	**-**	**(917)**
Amortization of arrangement fees	**2,692**	**-**	**-**	**2,692**
At 31 March 2026	**497,941**	**42,248**	**6,980**	**547,169**

	Borrowings, other long term loans and bank overdrafts	Lease liabilities (IFRS16)	Non-equity non-controlling interest preference shares	Total
	Millions of yen			
	2025			
At 1 April 2024	453,777	40,567	6,211	500,555
Exchange differences and other movements	(6,167)	(472)	(92)	(6,731)
Repayment of borrowings	(125,037)	(12,224)	-	(137,261)
Proceeds from borrowings	148,467	-	-	148,467
Addition of lease liabilities	-	13,780	-	13,780
Interest on lease liabilities	-	1,808	-	1,808
Write-offs of lease liabilities	-	(219)	-	(219)
Amortization of arrangement fees	2,326	-	-	2,326
At 31 March 2025	473,366	43,240	6,119	522,725

c. Interest rate exposure

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates are as follows:

Millions of yen

	2026			
	Less than one year	**One to five years**	**Over five years**	**Total**
Total borrowings	**427,143**	**48,811**	**71,215**	**547,169**
Effect of interest rate swaps	**(39,298)**	**39,298**	**-**	**-**
	387,845	**88,109**	**71,215**	**547,169**

Millions of yen

	2025			
	Less than one year	One to five years	Over five years	Total
Total borrowings	422,506	49,428	50,791	522,725
Effect of interest rate swaps	(54,289)	54,289	-	-
	368,217	103,717	50,791	522,725

The effective interest rates at the balance sheet date on the Group's principal currency borrowings were as follows:

Interest rate %

	2026				
	Yen	**£**	**US$**	**Euro**	**Other**
Bank overdrafts	**-**	**4.68**	**5.00**	**4.29**	**0.57**
Bank borrowings	**3.01**	**6.93**	**7.25**	**5.42**	**-**
Other long-term loans	**-**	**-**	**6.55**	**4.86**	**-**
Lease liabilities (IFRS 16)	**2.47**	**6.64**	**5.57**	**5.38**	**6.13**

Interest rate %

	2025				
	Yen	£	US$	Euro	Other
Bank overdrafts	-	3.50	4.50	5.15	0.74
Bank borrowings	2.97	7.39	7.45	5.40	-
Other long-term loans	-	-	6.55	4.82	-
Lease liabilities (IFRS 16)	2.39	6.62	5.51	5.27	6.71

The non-equity non-controlling interest preference shares relate to Pilkington Deutschland AG and Dahlbusch AG with the right to a dividend of 5.6 and 4.5 percent of nominal value respectively in perpetuity.

d. Fair value of borrowings

The carrying amounts and fair values of the Group's non-current borrowings are as follows:

Millions of yen

	2026		2025	
	Carrying amounts	**Fair values**	Carrying amounts	Fair values
Bank borrowings	**157,302**	**150,789**	266,961	256,277
Other long-term loans	**43,885**	**35,767**	39,821	34,045
Non-equity non-controlling interest preference shares	**6,605**	**6,605**	5,790	5,790
Non-current borrowings excluding lease liabilities	**207,792**	**193,161**	312,572	296,112

(Note) The carrying amount and fair values of borrowings in the table above exclude lease liabilities as the fair values of lease liabilities are not required to be disclosed by IFRS 7 29(d).

The above fair values are based on cash flows discounted using a rate based on credit risk factors and the relevant currency swap rate for the specific maturity, plus a margin. This methodology is consistent with hierarchy level 2 inputs as set out in note 21.

e. Currency of borrowings

Millions of yen

	2026	2025
Japanese yen	**318,107**	275,726
Euro	**87,776**	107,029
Sterling	**48,960**	5,202
Polish zloty	**18,405**	23,133
US dollar	**67,642**	106,166
Swedish krona	**549**	684
Other currencies	**5,730**	4,785
	547,169	522,725

The Group uses currency denominated derivatives as hedges of the net investment in the Group's overseas subsidiaries, and these are accounted for in a similar way to cash flow hedges, as explained in note 1, material accounting policy information. The figures above include the gross contracted amounts of those derivatives.

f. Maturity profile of committed borrowings

The Group has the following undrawn borrowing facilities:

	Millions of yen	
	2026	2025
Floating rate		
maturing within one year	**37,146**	50,382
maturing after one year	**37,991**	25,625

The overall maturity profile of the Group's borrowings is as follows:

	Millions of yen	
	2026	2025
Within one year	**307,801**	177,012
One to two years	**93,247**	161,217
Two to three years	**56,858**	59,679
Three to four years	**14,157**	56,684
Four to five years	**9,255**	10,621
After five years	**65,851**	57,512
	547,169	522,725

The maturity profile of the Group's lease liabilities is as follows:

	Millions of yen	
	2026	2025
Within one year	**10,672**	10,099
One to two years	**8,200**	8,257
Two to three years	**6,406**	6,165
Three to four years	**4,264**	4,825
Four to five years	**3,063**	3,038
After five years	**9,643**	10,856
	42,248	43,240

g. Borrowing covenants

Borrowings are shown as non-current where the Group has an unconditional right at the balance sheet date to defer settlement of the liability for a period of at least 12 months. This unconditional right is subject to compliance with certain financial covenants, both as at the balance sheet date, which would be tested for compliance after the balance sheet date, and during the 12-month period following the balance sheet date. Failure to comply with such covenants would be an event of default, enabling the lender to demand immediate repayment of the amount owed. Cross default clauses generally apply across Group borrowings. The Group complied with all applicable financial covenants at 31 March 2026 and expects to comply with all applicable financial covenants during FY2027. Group external borrowings are principally owed to financial institutions by either Nippon Sheet Glass Co., Ltd or its subsidiary NSG UK Enterprises Ltd. NSG UK Enterprises Ltd is a subsidiary holding company owning the Group's architectural and automotive subsidiaries across Europe and the Americas.

Nippon Sheet Glass Co., Ltd has gross external bank borrowings of ¥322,162 million, containing three principal covenant tests:

Consolidated shareholders equity must be maintained at a minimum level at interim reporting dates, with the previous closing balance sheet value used as a benchmark. The Group expects to record a profit attributable to shareholders in FY2027 and therefore does not expect this covenant to be breached.

The Group must not record a consolidated operating loss for two consecutive years. As the Group recorded an operating profit after exceptional items for FY2026, this covenant cannot be breached during FY2027.

The Company must maintain a credit rating of at least BB- as set out by either the rating agencies JCR and R&I. If the ratings provided by these agencies were different, then the higher rating would apply. The Company currently maintains a stable-outlook credit rating of better than BB- with each of these agencies, and therefore does not expect this covenant to be breached during FY2027.

NSG UK Enterprises Ltd has gross external borrowings of ¥168,922 million, containing two principal covenant tests

This company must maintain a maximum consolidated leverage ratio as calculated by "Net financial indebtedness / EBITDA", measured at each of 31 March and 30 September on a rolling 12-month basis. The Group expects to continue to comply with this test.

This company must also maintain a minimum interest cover ratio as calculated by "EBITDA / Interest expenses", measured at each of 31 March and 30 September on a rolling 12-month basis. The Group expects to continue to comply with this test.

27. Trade and other payables

	Note	2026	2025
		Millions of yen	
Trade payables		**123,394**	115,623
Amounts owed to related parties (trading)	39	**3,850**	3,269
Social security and other taxes		**10,851**	9,233
Other payables		**51,395**	37,751
Accruals		**22,780**	22,960
		212,270	188,836
Current		**209,968**	187,557
Non-current		**2,302**	1,279
Trade payables		**212,270**	188,836

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

28. Pensions and other post-employment benefits

The Group operates a number of defined benefit pension arrangements, together with related arrangements, which are required to be disclosed as post-employment or other long-term benefits under IAS 19. The defined benefit pension arrangements cover schemes operating in Japan, the UK, Germany, Austria, the USA, Canada and Sweden and also leaving indemnity arrangements in Italy and Austria.

The defined benefit pension schemes are closed with the exception of those in Japan and Canada. The German and UK defined benefit pension schemes are closed to new members, but continuing employees accrue pension rights covering their current employment. Although benefits are accruing in the UK plans, the definition of pensionable salary has been 'frozen' so that benefits no longer increase in line with salary increases.

All the pension schemes are unfunded except for those in Japan, the UK, the USA and Canada. The assets of the funded schemes are generally held in separately administered trusts, either as specific assets or as a proportion of a general fund, or are insurance contracts. Pension scheme assets held in trust are governed by local regulations and practice in each country. Responsibility for governance of the schemes, including investment decisions and contribution schedules, lies either with the Group or jointly with the Group and the board of trustees.

Through its defined benefit pension schemes, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform against this yield, this will create a deficit. All funded schemes hold a significant proportion of growth assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. The allocation to growth assets is monitored regularly to ensure it remains appropriate and in line with the Group's long-term strategy to manage the schemes.
Changes in bond yields	A decrease in corporate bond yields will increase the scheme liabilities, although this will be partially offset by an increase in the value of the schemes' bond holdings.
Inflation risk	Much of the UK schemes' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The Pilkington Superannuation Scheme (PSS) hedges 95% of liability movements against interest and inflation rate volatility.
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, and in some cases, their spouse on death of the member, so increases in life expectancy will result in an increase in the liabilities. Some of the longevity risk in the main UK plan is hedged with a longevity swap which was put in place in 2012. In August 2016 NSG entered into an agreement with the Pension Insurance Corporation (PIC) to insure pensions in payment for a group of current pensioners in the UK main plan. A further buy-in was secured in July 2022 to insure those pensions that had subsequently come into payment. The plan now holds annuity contracts to cover these thereby removing all risks in respect of these pensions.

Pension plan assets are invested in different asset classes in order to maintain a balance between risk and return. The main plans use government and corporate bonds as well as insurance contracts and derivatives and cash as liability matching assets. The remainder of the asset classes are used as return seeking assets. Investments are well diversified to limit the financial effect of the failure of any individual investment.

The largest pension scheme is in the UK. This scheme, the Pilkington Superannuation Scheme (PSS), covers 332 active employees, 1,727 deferred members and 8,040 pensioners as at 31 March 2026. This scheme was closed to new members with effect from 30 September 2008. This scheme is subject to applicable UK employment laws and is governed by a Board of Trustees. The Board of Trustees consists of six member nominated directors and six employer nominated directors. Of the employer nominated directors, one is independent and five are current or former employees of the Group. The Board of Trustees is responsible for the overall governance of the scheme and the management of its assets.

Prior to 1 January 2009, employer contributions under the PSS's governing trust deed were fixed at 10.5 percent of pensionable salary for active members. However, with effect from that date, employer contributions are now levied at 16 percent of pensionable salary for active members accruing on a 1/60th basis, and 12.5 percent for active members accruing on a 1/80th basis.

A formal funding valuation of the scheme's liabilities is carried out using a prudent basis, as agreed between the Trustee and the Company, every three years. If the funding valuation reveals a deficit the Trustee agrees with the Group a plan for recovering that deficit. Following the actuarial valuation as at 31 December 2023, no funding plan was required therefore no further deficit contributions are payable. The Group has an unconditional right to a refund of surplus, as defined under IFRIC 14 and considers that the possibility that a surplus could be reduced or extinguished by discretionary actions by the trustee does not affect the existence of the asset at the end of the reporting period. The Group therefore recognizes a pension asset with respect to this scheme valued on an IAS19R basis. No liability is recognized with respect to further funding contributions.

The investment objectives and asset allocation policy adopted by the Trustee are defined in the scheme's Statement of Investment Principles and associated documentation. The Company and Trustee continue to investigate jointly any potential opportunities to de-risk the PSS including but not limited to the composition of the investment portfolio and further use of buy-in policies when this becomes financially attractive.

The Group operates a number of defined benefit pension plans in Japan. These plans are of cash balance design and generally provide lump sums at retirement (although plan participants with service over 20 years can choose if they receive their benefit as an annuity or a lump sum). The plans are governed by the Japanese Ministry of Health, Labour and Welfare in accordance with the Defined Benefit Corporate Pension Law. They are subject to minimum funding requirements stipulated in law, which requires the plan sponsor to pay additional contributions to achieve a minimum funding level within a certain time scale if the plan does not hold sufficient assets. The largest Japanese plan covers employees of Nippon Sheet Glass Company, Limited. The latest funding valuation for this plan was carried out as at 31 March 2025 and showed a surplus of ¥2,685 million. The investment strategy is determined by the Trustee and the current strategic allocation is approximately 23% equity, 77% bonds, insurance products, and other assets.

The Group also operates post-retirement healthcare and life insurance benefits for employees, retirees and their dependents in the USA and for retirees in Canada. The method of accounting, assumptions and the frequency of actuarial valuations are similar to those used for defined benefit pension schemes.

Balance sheet obligations (assets) are as follows:

	Millions of yen	
	2026	2025
Recognized in non-current (assets):		
Pension and early-retirement benefit schemes in surplus	**(36,345)**	(29,367)
Recognized in Pension and other long-term benefit obligations:		
Pension and early-retirement benefit schemes in deficit	**35,120**	35,532
Post-retirement healthcare benefits	**9,324**	9,442
Total recognized in Pension and other long-term benefit obligations	**44,444**	44,974
Net liability in the balance sheet	**8,099**	15,607

(Charges)/credits in the income statement and statement of comprehensive income are as follows:

						Millions of yen
		2026				2025
	Operating profit	**Finance costs**	**SoCI***	Operating profit	Finance costs	SoCI*
Pension and early-retirement benefits	**(1,893)**	**775**	**5,572**	(2,033)	324	1,481
Post-retirement healthcare benefits	**(9)**	**(473)**	**626**	(12)	(489)	(481)
Deferred income and other taxes**	**-**	**-**	**(2,139)**	-	-	(542)
At 31 March	**(1,902)**	**302**	**4,059**	(2,045)	(165)	458

*: Statement of comprehensive income

**: Of the deferred income and other taxes in the Statement of Comprehensive Income, a charge of ¥1,340 million (2025: a charge of ¥435 million) is included within deferred tax (note 22). Other taxes of ¥799 million are included as a charge (2025: ¥107 million as a charge) to the pension asset.

The amounts recognized in the balance sheet are determined as follows:

					Millions of yen
					2026
				Pension and early retirement benefits	**Post-retirement healthcare**
	Japan	**UK**	**Rest of World**	**Total**	**Total**
Present value of the funded benefit obligation	**23,455**	**188,251**	**14,428**	**226,134**	**-**
Fair value of assets of the plans	**(28,957)**	**(228,343)**	**(12,376)**	**(269,676)**	**-**
Deficit/(surplus) in the funded plans	**(5,502)**	**(40,092)**	**2,052**	**(43,542)**	**-**
Present value of the unfunded benefit obligation	**-**	**3,840**	**28,454**	**32,294**	**9,324**
Net liability/(asset) in the balance sheet	**(5,502)**	**(36,252)**	**30,506**	**(11,248)**	**9,324**
Taxes relating to refund of pension fund surplus	**-**	**10,023**	**-**	**10,023**	**-**
Net liability/(asset) in the balance sheet after tax on refund	**(5,502)**	**(26,229)**	**30,506**	**(1,225)**	**9,324**
Included in non-current assets	**(5,997)**	**(30,069)**	**(279)**	**(36,345)**	**-**
Included in pension and other long-term benefit obligations	**495**	**3,840**	**30,785**	**35,120**	**9,324**

					Millions of yen
					2025
				Pension and early retirement benefits	Post-retirement healthcare
	Japan	UK	Rest of World	Total	Total
Present value of the funded benefit obligation	25,174	177,722	13,734	216,630	-
Fair value of assets of the plans	(28,365)	(211,342)	(12,248)	(251,955)	-
Deficit/(surplus) in the funded plans	(3,191)	(33,620)	1,486	(35,325)	-
Present value of the unfunded benefit obligation	-	3,590	29,497	33,087	9,442
Net liability/(asset) in the balance sheet	(3,191)	(30,030)	30,983	(2,238)	9,442
Taxes relating to refund of pension fund surplus	-	8,403	-	8,403	-
Net liability/(asset) in the balance sheet after tax on refund	(3,191)	(21,627)	30,983	6,165	9,442
Included in non-current assets	(3,908)	(25,215)	(244)	(29,367)	-
Included in pension and other long-term benefit obligations	717	3,588	31,227	35,532	9,442

The weighted average duration of the pension obligations across all plans was 10 years as at 31 March 2026 (31 March 2025: 10 years).

The amounts recognized in the income statement are determined as follows:

					Millions of yen
					2026
				Pension and early retirement benefits	**Post-retirement healthcare**
	Japan	**UK**	**Rest of World**	**Total**	**Total**
Current service cost	**(899)**	**(529)**	**(143)**	**(1,571)**	**(9)**
Settlements and terminations gains	**-**	**(44)**	**-**	**(44)**	**-**
Administration expenses	**(12)**	**(65)**	**(201)**	**(278)**	**-**
Operating profit charge	**(911)**	**(638)**	**(344)**	**(1,893)**	**(9)**
Net interest on the net defined benefit liability	**81**	**1,851**	**(1,157)**	**775**	**(473)**
Finance costs - (charge)/credit	**81**	**1,851**	**(1,157)**	**775**	**(473)**
Total income statement charge	**(830)**	**1,213**	**(1,501)**	**(1,118)**	**(482)**

					Millions of yen
					2025
				Pension and early retirement benefits	Post-retirement healthcare
	Japan	UK	Rest of World	Total	Total
Current service cost	(956)	(614)	(165)	(1,735)	(12)
Past service cost	-	-	8	8	-
Settlements and terminations gains	-	(35)	-	(35)	-
Administration expenses	(14)	(61)	(196)	(271)	-
Operating profit charge	(970)	(710)	(353)	(2,033)	(12)
Net interest on the net defined benefit liability	54	1,419	(1,149)	324	(489)
Finance costs - (charge)/credit	54	1,419	(1,149)	324	(489)
Total income statement charge	(916)	709	(1,502)	(1,709)	(501)

Of the total charge to operating profit of ¥1,902 million (2025: a charge of ¥2,045 million), a charge of ¥735 million (2025: a charge of ¥795 million) is included in cost of sales, a charge of ¥68 million (2025: a charge of ¥82 million) is included within distribution costs, a charge of ¥1,099 million (2025: a charge of ¥1,168 million) is included within administrative expenses.

The actual return on the various plan assets was a gain of ¥14,718 million (2025: a loss of ¥7,761 million). The Group expects to contribute ¥4,678 million to pension plans during the next financial period and ¥744 million to post-retirement healthcare plans.

The (charges)/credits, excluding deferred taxes, recognized in the statement of comprehensive income during the period are as follows:

					Millions of yen
					2026
	Pension and early retirement benefits				**Post-retirement healthcare**
	Japan	**UK**	**Rest of World**	**Total**	**Total**
Actual return less interest income on plan assets recognized in the income statement	**695**	**296**	**116**	**1,107**	**-**
Experience gains arising on schemes' liabilities	**(33)**	**(3,201)**	**1,852**	**(1,382)**	**164**
Changes in the financial assumptions underlying the present value of the schemes' liabilities	**1,464**	**5,006**	**1,260**	**7,730**	**801**
Changes in the demographic assumptions underlying the present value of the schemes' liabilities	**(10)**	**(1,127)**	**(747)**	**(1,884)**	**(339)**
Changes in tax on surplus in the funded plans	**-**	**(799)**	**-**	**(799)**	**-**
	2,116	**175**	**2,481**	**4,772**	**626**

					Millions of yen
					2025
	Pension and early retirement benefits				Post-retirement healthcare
	Japan	UK	Rest of World	Total	Total
Actual return less interest income on plan assets recognized in the income statement	(1,072)	(18,698)	9	(19,761)	-
Experience gains arising on schemes' liabilities	(41)	(5,551)	918	(4,674)	680
Changes in the financial assumptions underlying the present value of the schemes' liabilities	1,107	22,025	1,263	24,395	(1,161)
Changes in the demographic assumptions underlying the present value of the schemes' liabilities	-	1,521	-	1,521	-
Changes in tax on surplus in the funded plans	-	(107)	-	(107)	-
	(6)	(810)	2,190	1,374	(481)

The movements in the present value of the Defined Benefit Obligations (DBO) recognized in the balance sheet are as follows:

					Millions of yen
	Pension and early retirement benefits				**Post-retirement healthcare**
	Japan	**UK**	**Rest of World**	**Total**	**Total**
At 31 March 2024	**26,541**	**202,564**	**47,904**	**277,009**	**9,395**
Current service cost	956	614	165	1,735	12
Past service cost	-	-	(8)	(8)	-
Interest cost on the schemes' liabilities	385	9,507	1,784	11,676	489
Members' contributions	-	14	-	14	-
Settlements and terminations	-	35	-	35	-
Actuarial losses/(gains)	(1,066)	(17,995)	(2,182)	(21,243)	481
Benefits paid	(1,642)	(15,670)	(3,688)	(21,000)	(711)
Exchange differences	-	2,243	(745)	1,498	(224)
At 31 March 2025	**25,174**	**181,312**	**43,230**	**249,716**	**9,442**
Transfer of immaterial balances to provisions	**-**	**-**	**(1,184)**	**(1,184)**	**-**
Current service cost	**899**	**529**	**143**	**1,571**	**9**
Interest cost on the schemes' liabilities	**534**	**10,541**	**1,761**	**12,836**	**473**
Members' contributions	**-**	**13**	**-**	**13**	**-**
Settlements and terminations	**-**	**44**	**-**	**44**	**-**
Actuarial losses/(gains)	**(1,421)**	**(678)**	**(2,365)**	**(4,464)**	**(626)**
Benefits paid	**(1,730)**	**(16,318)**	**(3,561)**	**(21,609)**	**(662)**
Exchange differences	**-**	**16,648**	**4,858**	**21,506**	**688**
At 31 March 2026	**23,456**	**192,091**	**42,882**	**258,429**	**9,324**

The movements in the fair value of assets recognized in the balance sheet are as follows:

Millions of yen

	Pension and early retirement benefits				Post-retirement healthcare
	Japan	UK	Rest of World	Total	Total
At 31 March 2024	**29,659**	**231,192**	**13,132**	**273,983**	**-**
Members' contributions	-	14	-	14	-
Settlements and terminations	-	35	-	35	-
Return on plan assets (excluding amount included in interest income)	(1,072)	(18,698)	9	(19,761)	-
Benefits paid	(1,642)	(15,670)	(3,688)	(21,000)	(711)
Expenses paid	(14)	(60)	(196)	(270)	-
Employer's contributions	995	1,066	2,709	4,770	711
Interest income on assets	439	10,926	635	12,000	-
Exchange differences	-	2,537	(353)	2,184	-
At 31 March 2025	**28,365**	**211,342**	**12,248**	**251,955**	**-**
Members' contributions	**-**	**13**	**-**	**13**	**-**
Settlements and terminations	**-**	**44**	**-**	**44**	**-**
Return on plan assets (excluding amount included in interest income)	**695**	**296**	**116**	**1,107**	**-**
Benefits paid	**(1,730)**	**(16,318)**	**(3,561)**	**(21,609)**	**(662)**
Expenses paid	**(12)**	**(65)**	**(201)**	**(278)**	**-**
Employer's contributions	**1,025**	**1,044**	**2,229**	**4,298**	**662**
Interest income on assets	**614**	**12,392**	**604**	**13,610**	**-**
Exchange differences	**-**	**19,595**	**941**	**20,536**	**-**
At 31 March 2026	**28,957**	**228,343**	**12,376**	**269,676**	**-**

The movements in the net liability recognized in the balance sheet are as follows (excluding taxation arising on refund of surplus):

Millions of yen

	Pension and early retirement benefits				Post-retirement healthcare
	Japan	UK	Rest of World	Total	Total
At 31 March 2024	**3,118**	**28,628**	**(34,771)**	**(3,025)**	**(9,395)**
Total charge recognized in the income statement	(916)	709	(1,502)	(1,709)	(501)
Total credit/(charge) recognized in other comprehensive income	(6)	(703)	2,190	1,481	(481)
Employer's contributions	995	1,066	2,709	4,770	711
One-off employer contributions for financing terminations	-	35	-	35	-
Exchange differences	-	295	391	686	224
At 31 March 2025	**3,191**	**30,030**	**(30,983)**	**2,238**	**(9,442)**
Transfer of immaterial balances to provisions	**-**	**-**	**1,184**	**1,184**	**-**
Total charge recognized in the income statement	**(830)**	**1,213**	**(1,501)**	**(1,118)**	**(482)**
Total credit/(charge) recognized in other comprehensive income	**2,116**	**974**	**2,481**	**5,571**	**626**
Employer's contributions	**1,025**	**1,044**	**2,229**	**4,298**	**662**
One-off employer contributions for financing terminations	**-**	**44**	**-**	**44**	**-**
Exchange differences	**-**	**2,947**	**(3,916)**	**(969)**	**(688)**
At 31 March 2026	**5,502**	**36,252**	**(30,506)**	**11,248**	**(9,324)**

The principal actuarial assumptions (calculated as weighted averages over the various Group plans) were as follows:

	2026			2025		
	Japan	UK	Rest of World	Japan	UK	Rest of World
Discount rate	**3.2%**	**6.2%**	**4.7%**	2.2%	5.8%	4.3%
Future salary increases*	**2.1%**	**-**	**2.8%**	1.8%	-	2.7%
Future pension increases	**-**	**1.2%**	**2.2%**	-	1.1%	2.1%
Consumer Price inflation	**0.25%**	**2.8%**	**2.3%**	0.25%	2.5%	2.3%
Long-term increase in healthcare costs	**-**	**-**	**4.5%**	-	-	4.5%

* The weighted average future salary increases exclude frozen salaried plans; UK PSS, NGF and US salaried plan.

The Group uses appropriate mortality tables in each geographical location. The mortality assumptions used for the valuation of the PSS (which accounts for around 68 percent of the Group's total Defined Benefit Obligation) at 31 March 2026 are based on the 'SAPS S3' standard UK mortality tables, with an adjustment to reflect actual mortality experience of members of that scheme based on recent experience investigations carried out by the scheme's Trustees. Future improvements in mortality have been allowed for in line with the CMI 2024 Core Projections with a smoothing factor of Sk=7.0, H (the new half-life parameter) = 1, A =0.5% and a long-term rate of mortality improvements of 1.25 percent per annum. Expected future lifetimes of pensioners using this mortality basis are shown below:

	31 March 2026
	Years
Expected future lifetime of a current pensioner aged 65	
- Men	**21.8**
- Women	**23.4**
Expected future lifetime, at age 65, of a future pensioner aged 65 in 20 years-time	
- Men	**23.3**
- Women	**25.3**

The composition and fair value of the schemes' assets are:

						Millions of yen
						2026
		Japan		**UK**		**Rest of World**
	Quoted	**Unquoted**	**Quoted**	**Unquoted**	**Quoted**	**Unquoted**
Domestic government bonds	**9,797**	**-**	**99,796**	**-**	**1,283**	**-**
Domestic corporate bonds	**-**	**2,029**	**17,223**	**-**	**6,612**	**-**
Overseas bonds	**3,636**	**744**	**20,576**	**-**	**-**	**-**
Domestic equities	**5,090**	**-**	**-**	**-**	**1,136**	**-**
Overseas equities	**2,138**	**-**	**38,577**	**-**	**1,105**	**-**
Property	**-**	**-**	**7,079**	**92**	**196**	**-**
Cash	**-**	**1,136**	**3,561**	**-**	**660**	**-**
Other	**-**	**4,387**	**2,412**	**39,027***	**1,384**	**-**
	20,661	**8,296**	**189,224**	**39,119**	**12,376**	**-**

* Note: this includes ¥46,758 million in respect of the buy-in assets and a negative asset of ¥7,730 million in respect of the longevity swap.

						Millions of yen
						2025
		Japan		UK		Rest of World
	Quoted	Unquoted	Quoted	Unquoted	Quoted	Unquoted
Domestic government bonds	10,178	-	84,024	-	1,517	-
Domestic corporate bonds	-	793	15,978	-	7,080	-
Overseas bonds	3,397	823	19,889	-	331	-
Domestic equities	5,560	-	-	-	1,069	-
Overseas equities	1,313	-	41,384	-	1,061	-
Property	-	-	6,511	240	177	-
Cash	-	1,896	4,027	-	456	-
Other	-	4,405	3,022	36,267*	557	-
	20,448	7,917	174,835	36,507	12,248	-

* Note: this includes ¥43,950 million in respect of the buy-in assets and a negative asset of ¥7,913 million in respect of the longevity swap.

The principal assumptions used to determine the Defined Benefit Obligation (DBO) are the discount rate, inflation rate and the mortality basis. The sensitivity of the DBO to changes in each of these assumptions is set out below for the material plans in UK and Japan:

Assumption	**Change in assumption**	**Impact of scheme liabilities (%)**	
		Japan	**UK**
Discount rate	Increase/decrease by 0.5%	Decrease/increase by 3.3% / 3.5%	Decrease/increase by 4.8% / 5.2%
Inflation rate	Increase/decrease by 0.5%	n/a	Increase/decrease by 2.4% / 2.5%
Mortality	Increase life expectancy by one year	n/a	Increase by 3.3%

Sensitivities in the above table consider only the impact of assumption changes on gross scheme liabilities. As discussed earlier in this note, changes in discount rates which would be reflected in changes in bond yields, would be partially offset by a change in the value of bond holdings within funded schemes.

A one percent reduction in healthcare cost trend rates would result in a decrease in the benefit obligation of ¥746 million and a decrease in the interest and service costs of ¥1 million. A one percent increase in healthcare cost trend rates would result in an increase in the benefit obligation of ¥785 million and an increase in the interest and service costs of ¥1 million. The above trend rate sensitivities take into account the fact that increases in employer costs are subject to an annual cap.

The above sensitivity analyses are generally based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and some changes of the assumptions may be correlated. Where relevant, the inflation sensitivity above includes changes to any inflation linked pension increases.

When calculating the sensitivity of the DBO to significant assumptions the same method has been applied as when calculating the pension liability recognized in the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous periods.

29. Provisions

Millions of yen

	Note	**Warranty**	**Redundancy and Restructuring**	**Bonus**	**Environmental**	**Claims and litigation**	**Other**	**Total**
At 1 April 2025		**1,596**	**7,492**	**4,973**	**10,268**	**2,707**	**11,009**	**38,045**
Exchange differences		**58**	**775**	**388**	**613**	**267**	**623**	**2,724**
Transfer of immaterial pension balances from retirement benefit obligations	28	**-**	**-**	**-**	**-**	**-**	**1,184**	**1,184**
Charged to the income statement								
Charged to provisions		**300**	**1,524**	**8,712**	**629**	**944**	**1,046**	**13,155**
Effect of discounting	9	**-**	**-**	**-**	**383**	**-**	**-**	**383**
Transferred to assets held for sale		**-**	**-**	**-**	**-**	**-**	**1**	**1**
Released to the income statement in the period		**(29)**	**(1,547)**	**(1,411)**	**(185)**	**(550)**	**(290)**	**(4,012)**
Utilized in the period		**(116)**	**(3,680)**	**(6,431)**	**(433)**	**(768)**	**(880)**	**(12,308)**
At 31 March 2026		**1,809**	**4,564**	**6,231**	**11,275**	**2,600**	**12,693**	**39,172**
Current		**1,587**	**2,909**	**6,214**	**1,013**	**985**	**5,432**	**18,140**
Non-current		**222**	**1,655**	**17**	**10,262**	**1,615**	**7,261**	**21,032**
		1,809	**4,564**	**6,231**	**11,275**	**2,600**	**12,693**	**39,172**

Millions of yen

	Note	Warranty	Redundancy and Restructuring	Bonus	Environmental	Claims and litigation	Other	Total
At 1 April 2024		1,493	2,966	8,885	9,649	3,813	10,717	37,523
Exchange differences		(6)	(74)	(59)	(140)	(199)	(47)	(525)
Charged to the income statement								
Charged to provisions		224	8,227	5,589	936	1,015	1,664	17,655
Effect of discounting	9	-	-	-	346	-	-	346
Transferred to assets held for sale		-	-	-	-	-	(3)	(3)
Released to the income statement in the period		(9)	(76)	(1,163)	(143)	(936)	(800)	(3,127)
Utilized in the period		(106)	(3,551)	(8,279)	(380)	(986)	(522)	(13,824)
At 31 March 2025		1,596	7,492	4,973	10,268	2,707	11,009	38,045
Current		1,405	5,065	4,832	861	1,224	5,768	19,155
Non-current		191	2,427	141	9,407	1,483	5,241	18,890
		1,596	7,492	4,973	10,268	2,707	11,009	38,045

Warranty provisions are created where the Group has given a guarantee to cover the reliability and performance of products over an extended period. Warranty provisions are calculated based on historical claims levels. Future claim levels could be different to historical claims, although changes in claims levels are not expected to have a material effect on the amounts provided. Warranty provisions are expected to be utilized over the warranty periods granted, resulting in an average period of utilization of less than one year.

Redundancy and restructuring provisions relate to provisions set up in Architectural amounting to ¥1,817 million (2025: ¥3,724 million), Automotive ¥2,622 million (2025: ¥3,578 million) and Other Operations ¥125 million (2025: ¥190 million). Redundancy and restructuring provisions are established when the Group has a detailed formal plan and has announced that plan to the employees affected. The eventual outcome of such restructuring programs is unlikely to be materially different to the amounts provided as the provision is calculated based on specific data on the number of employees affected and related employment termination costs. Redundancy and restructuring provisions are expected to be utilized mainly within the next financial period.

Bonus provisions are established on the accrued expected payment with respect to bonus schemes offered to employees. These are calculated with reference to the performance of the Group in comparison to the metrics within the bonus scheme. Where this relates to expectations of future performance, the Group compares its estimates of expected future performance with the metrics of the bonus scheme, to calculate an expected future bonus payment.

Environmental provisions cover the cost of remediating environmental issues where the Group has a constructive or legal obligation to do so. At 31 March 2026, ¥1,744 million (2025: ¥712 million) of this provision was recorded in Architectural, ¥80 million (2025: ¥80 million) was recorded in Technical Glass and ¥9,451 million (2025: ¥9,476 million) was recorded in Other Operations. The environmental provision in Other Operations relates primarily to historic liabilities in North America and Japan.

Claims and litigation provisions cover a variety of claims and potential settlements. Included in this category are historic employee and public liability issues, some of which are the subject of litigation. Where appropriate this provision includes an element of Incurred But Not Reported (IBNR) liabilities.

Other provisions relate principally to immaterial pension provisions of ¥6,443 million (2025: ¥5,297 million) and cumulative leave provisions of ¥4,330 million (2025: ¥4,061 million).

30. Deferred income

	Millions of yen	
	2026	2025
Deferred income	**234**	673
Government grants	**4,125**	3,694
	4,359	4,367
Current	**409**	447
Non-current	**3,950**	3,920
	4,359	4,367

	Millions of yen	
	2026	2025
At 1 April	**4,367**	4,206
Exchange differences	**458**	23
Reclassified to contract liabilities	**(457)**	-
Deferred income receivable	**654**	850
Released to income statement	**(663)**	(712)
At 31 March	**4,359**	4,367

Deferred income comprises of customer contributions to automotive tooling costs ¥nil million (2025: ¥459 million) and other deferred income of ¥234 million (2025: ¥213 million). The former principally comprises income received from automotive customers, whereby the tool (carried in property, plant and equipment within non-current assets) is depreciated over the same period as the related deferred income is amortized to the income statement.
During the year, amounts previously presented as deferred income in respect of customer contributions to Automotive tooling have been reclassified to contract liabilities to better reflect the nature of these balances under IFRS 15. The reclassification has no impact on total liabilities or on profit reported in the period.

Government grants mainly arise in the Automotive business in Europe and the Architectural businesses in Europe and Americas, and relate to capital expenditure grants in Poland, Italy, UK, Germany and USA. Government grants are recognized in the income statement on a straight-line basis over the period of the grant. There are no unfulfilled conditions or contingencies relating to government grants recognized as deferred income.

31. Share-based payments

The Group operates a number of equity settled, share-based payment plans, under which the entity receives services from Directors, Senior Executive Officers, Executive Officers, Senior Corporate Officers or Corporate Officers as consideration for equity instruments of the Group. In accordance with IFRS 2 'Share-based Payment', the resulting cost of the fair value of the employee services received in exchange for the grant of equity instruments is recognized in the income statement over the vesting period of the options, being the period in which the services are received. All plans are classified as equity settled.

The expense recognized for compensation type share options received during the period is shown below:

		Millions of yen	
	Note	**2026**	2025
Restricted share compensation	8	**43**	49

Restricted share compensations

In accordance with the restricted share compensation plan to be introduced by the Company, Executive officers will receive share of common stock to be newly issued by the Company by making contributions in kind of the monetary compensation claims which are granted in order to allot the shares of restricted shares to the persons. In addition, with respect to the issuance under the compensation plan, the Company and each person executes an agreement on allotment of restricted shares.

Outline of the allotment agreement

(a) Transfer restriction period
30 years after share allotment date

(b) Acquisition by the company without consideration
If the target person retires from either position as a Director or Executive Officer of the Company after the start date of the transfer restriction period and by the date of the first Ordinary General Meeting of Shareholders of the Company, the Board of Directors of the Company shall be justified unless there is a reason to approve, the shares shall be acquired without consideration at the time of retirement.

(c) Lifting of transfer restrictions
Transferred on condition that the Target person has been in the position of either a Director or Executive Officer of the Company from the start date of the transfer restriction period until the date of the first Ordinary General Meeting of Shareholders of the Company. The transfer restriction will be lifted when the restriction period expires.

The outline of the issuance in the period are as follows.

	2026	2025
Share allotment date	**23 July 2025**	23 July 2024
Number of share issuance	**101,400**	110,500
Issue price per share (Yen) *	**416**	430

* Note: The issue price for the current period is the closing price per share for the Company's common stock on 25 June 2025 (preceding business day of the date upon the decision by the President regarding the issuance of new shares) in the Tokyo Stock Exchange. The issue price for the prior period is the closing price per share for the Company's common stock on 25 June 2024 (preceding business day of the date upon the decision by the President regarding the issuance of new shares) in the Tokyo Stock Exchange.

Stock options
From the year ending 31 March 2021, the Company has introduced a restricted share compensation plan in place of the stock option plan, so new stock options were not granted.

There have been no cancellations or modifications to any of the plans during 2026 or 2025.

Each share option entitles the recipient to acquire one hundred shares of common stock. Movements in the number of stock compensation-type stock options outstanding and their related weighted average exercise price are as follows:

				Millions of yen
	2026		2025	
	Weighted average exercise price Yen/share	**Options**	Weighted average exercise price Yen/share	Options
At 1 April	**1**	**3,148**	1	3,414
Exercised	**-**	**-**	1	(266)
At 31 March	**1**	**3,148**	1	3,148

Out of the 3,148 outstanding options (2025: 3,148 options), 1,453 options (2025: 316 options) were exercisable. Option was not exerciseed in 2026. Options exercised in 2025 resulted in 26,600 shares being transferred at a price of 1 yen each. The related weighted average share price at the time of exercise was 435 yen per share.

Share options outstanding at the end of the period have the following expiry date and exercise prices:

			2026	2025
Stock option	Expiry date	Exercise price in yen/share	**Shares**	Shares
2008 Stock Options	27 September 2038	1	**1,300**	1,300
2009 Stock Options	30 September 2039	1	**2,600**	2,600
2010 Stock Options	30 September 2040	1	**2,200**	2,200
2011 Stock Options	14 October 2041	1	**3,600**	3,600
2012 Stock Options	28 September 2042	1	**16,800**	16,800
2013 Stock Options	15 October 2043	1	**27,600**	27,600
2014 Stock Options	30 September 2044	1	**17,200**	17,200
2015 Stock Options	30 September 2045	1	**27,100**	27,100
2016 Stock Options	14 October 2046	1	**39,500**	39,500
2017 Stock Options	29 September 2047	1	**48,400**	48,400
2018 Stock Options	26 July 2048	1	**52,200**	52,200
2019 Stock Options	24 July 2049	1	**76,300**	76,300
			314,800	314,800

There are no vesting conditions for these stock options.

32. Share capital

	Number of shares	
	2026	2025
Shares authorized		
Common shares	**177,500,000**	177,500,000
Class A Shares	**40,000**	40,000
Shares issued		
Common shares of no par value each	**142,319,262**	91,538,599
Class A Shares of JPY 1,000,000 per share	**22,644**	30,000
Treasury shares		
Common shares	**36,922**	35,222
Class A Shares	**22,644**	-

				Millions of yen
		2026		2025
	Number of shares	**Value**	Number of shares	Value
Issued and fully paid common shares				
At 1 April	**91,538,599**	**116,892**	91,401,499	116,853
Restricted share compensation	**101,400**	**21**	110,500	24
Increase due to exercise of share options	**-**	**-**	26,600	15
Exchange of Class A shares for ordinary shares at the request of Class A shareholders	**50,679,263**	**-**	-	-
At 31 March	**142,319,262**	**116,913**	91,538,599	116,892
Issued and fully paid Class A (preferred) Shares				
At 1 April	**30,000**	**-**	30,000	-
Elimination of acquired Class A shares	**(7,356)**	**-**	-	-
At 31 March	**22,644**	**-**	30,000	-

As at 31 March 2017, the Group issued Class A Shares. The Group acquired all Class A shares by the end of the current year as Class A shareholders exercised their rights to request acquisition in exchange for common shares. Of the acquired shares, 22,644 shares are held as treasury shares.

Capital management

The Group considers that share capital and capital surplus together constitute its capital, and they are managed in such a way as to improve its financial strength consistent with its strategy. The directors will consider this position on an ongoing basis in line with the Group's performance. Capital may be issued where the directors consider that the beneficial impact of a strengthened balance sheet or the returns on investment that would be generated by investing such funds into new projects, would outweigh any potential dilutive effects from that new share issuance. When the Group issues share capital other than common shares, the directors consider the rights and obligations attaching to the shares issued and would prioritize repayment of such shares over and above other potential uses of its funds where appropriate to do so. During FY2017, the Group issued Class A Shares improving the strength of the Group's balance sheet and providing funds to enable the repayment of debt and investment in VA capital equipment in the Group's businesses.

33. Capital surplus

	2026	2025
	Millions of yen	
At 1 April	**155,853**	155,840
Restricted share compensation	**22**	25
Issuance and exercise of stock options	**-**	15
Changes in ownership interests in subsidiaries and others	**-**	(27)
At 31 March	**155,875**	155,853

34. Retained earnings

	Note	2026	2025
		Millions of yen	
At 1 April		**(60,280)**	(56,882)
Profit/(loss) for the period		**4,421**	(13,831)
Retirement benefit obligations	28	**6,198**	1,000
Deferred and other taxes on retirement benefit obligations	28	**(2,139)**	(542)
Hyperinflation adjustment	40	**9,464**	11,925
Dividends paid		**(1,950)**	(1,950)
At 31 March		**(44,286)**	(60,280)
Retained earnings (translation adjustment at the IFRS transition date)		**(68,048)**	(68,048)
Total retained earnings at 31 March		**(112,334)**	(128,328)

Nippon Sheet Glass Company, Limited is subject to The Corporation Law of Japan (the Law). The Law provides that an amount equal to 10 percent of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25 percent of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

35. Other reserves

Millions of yen

	Note	**Hedging reserve**	**Fair value reserve**	**Exchange translation reserve**	**Treasury stock**	**Stock subscription rights**	**Total**
At 1 April 2025		**(3,705)**	**(10,841)**	**(22,020)**	**(44)**	**258**	**(36,352)**
Currency translation differences		**-**	**-**	**22,541**	**-**	**-**	**22,541**
Gain on net investment hedges	20	**-**	**-**	**(4,541)**	**-**	**-**	**(4,541)**
Cash flow hedges							
fair value gains in the period		**3,005**	**-**	**-**	**-**	**-**	**3,005**
transferred to income statement		**(668)**	**-**	**-**	**-**	**-**	**(668)**
deferred tax on fair value gains in the period	22	**(781)**	**-**	**-**	**-**	**-**	**(781)**
Assets held at fair value through other comprehensive income							
fair value gains in the period	19	**-**	**5,568**	**-**	**-**	**-**	**5,568**
deferred tax on fair value gains in the period	22	**-**	**(205)**	**-**	**-**	**-**	**(205)**
fair value loss recycled to income statement		**-**	**2,205**	**-**	**-**	**-**	**2,205**
Purchase of treasury stock		**-**	**-**	**-**	**(1)**	**-**	**(1)**
At 31 March 2026		**(2,149)**	**(3,273)**	**(4,020)**	**(45)**	**258**	**(9,229)**

Millions of yen

	Note	Hedging reserve	Fair value reserve	Exchange translation reserve	Treasury stock	Stock subscription rights	Total
At 1 April 2024		(4,101)	(11,447)	(8,185)	(43)	288	(23,488)
Currency translation differences		-	-	(20,471)	-	-	(20,471)
Gain on net investment hedges	20	-	-	6,636	-	-	6,636
Cash flow hedges							
fair value losses in the period		(1,851)	-	-	-	-	(1,851)
transferred to income statement		3,021	-	-	-	-	3,021
deferred tax on fair value gains in the period	22	(774)	-	-	-	-	(774)
Assets held at fair value through other comprehensive income							
fair value gains in the period	19	-	701	-	-	-	701
deferred tax on fair value gains in the period	22	-	(95)	-	-	-	(95)
Purchase of treasury stock		-	-	-	(1)	-	(1)
Share based payments		-	-	-	-	(30)	(30)
At 31 March 2025		(3,705)	(10,841)	(22,020)	(44)	258	(36,352)

Hedging reserve
This reserve is used to record the portion of the gain or loss on a hedging instrument that is determined to be an effective hedge.

The net gains and losses on cash flow hedges transferred from equity to the income statement amounted to a net gain of ¥668 million (2025: net loss of ¥3,021 million). Of this amount, a gain of ¥634 million (2025: loss of ¥3,018 million) is included in cost of sales, and a gain of ¥34 million (2025: loss of ¥3 million) is included in other expenses.

Fair value reserve
This reserve records fair value changes on assets held at fair value through other comprehensive income.

Exchange translation reserve
This reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and the effect of hedging foreign net investments in foreign operations.

36. Cash flow from operating activities

	Note	2026	2025
		Millions of yen	
Profit/(loss) for the period from continuing operations		**5,511**	(13,466)
Adjustments for			
taxation	10	**(5,133)**	4,941
depreciation	14	**51,215**	46,932
amortization	13	**2,952**	2,506
impairments		**4,005**	2,539
reversal of impairment of non-current assets		**(191)**	(24)
profit on sale of property, plant and equipment		**(1,059)**	(5,485)
profit on sale of subsidiaries, joint ventures, associates and businesses		**(1,778)**	(400)
losses on sale of UK government bonds (assets held at FVOCI)		**2,200**	-
movements in grants and deferred income	30	**(466)**	138
finance income	9	**(4,702)**	(3,439)
finance expense	9	**32,966**	28,732
share of profit from joint ventures and associates	17	**(5,714)**	(5,526)
other (gains)/losses on equity method investments	17	**375**	-
other		**390**	705
Operating cash flows before movement in provisions and working capital		**80,571**	58,153
Decrease in provisions and retirement benefit obligations		**(6,339)**	(3,648)
Changes in working capital:			
inventories		**(8,447)**	4,472
trade and other receivables		**331**	666
trade and other payables		**6,990**	10,395
contract balances		**(9,367)**	13,928
Net change in working capital		**(10,493)**	29,461
Cash flows generated from operations		**63,739**	83,966

In the cash flow statement, proceeds from the sale of property, plant and equipment, joint ventures and associates and investments are as follows:

Millions of yen

2026

	Subsidiaries	**Joint ventures and associates**	**Property, plant and equipment**	**Intangible assets**	**Assets held at fair value through other comprehensive income**	**Total**
Net book amount	**1,573**	**-**	**497**	**6**	**7,129**	**9,205**
Profit/(loss) on sale	**1,778**	**-**	**1,059**	**4**	**(2,203)**	**638**
Transfer from other comprehensive income	**(1,599)**	**-**	**-**	**-**	**-**	**(1,599)**
Cash balances held by subsidiaries on disposal	**(772)**	**-**	**-**	**-**	**-**	**(772)**
Other receivables	**545**	**-**	**-**	**-**	**-**	**545**
Proceeds from sale	**1,525**	**-**	**1,556**	**10**	**4,926**	**8,017**

Millions of yen

2025

	Subsidiaries	Joint ventures and associates	Property, plant and equipment	Intangible assets	Assets held at fair value through other comprehensive income	Total
Net book amount	-	142	4,469	-	402	5,013
Profit/(loss) on sale	409	(9)	5,485	1	2	5,888
Profit on sale allocated to right-of-use assets as a result of sale and lease back transaction	-	-	2,863	-	-	2,863
Other receivables	(409)	-	-	-	-	(409)
Proceeds from sale	-	133	12,817	1	404	13,355

There were no non-cash transactions in the periods ended 31 March 2026 and 31 March 2025.

37. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent, after deducting dividends 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.

	2026	2025
Profit/(loss) attributable to owners of the parent (millions of yen)	**4,421**	(13,831)
Adjustment for;		
- Dividends on Class A Shares (millions of yen)	**-**	(1,950)
Profit/(loss) used to determine basic earnings per share (millions of yen)	**4,421**	(15,781)
Weighted average number of shares (thousands)	**99,322**	91,116
Basic earnings per share (yen)	**44.51**	(173.20)

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. It should be noted that all Class A shares were converted into common shares by the end of the current consolidated fiscal year, and some of holded as tresury shares. However, since the assumption of conversion into common shares up to the conversion date had a dilutive effect, such shares are included in the adjustment of the number of shares.

	2026	2025
Profit/(loss) attributable to owners of the parent (millions of yen)	**4,421**	(13,831)
Adjustment for;		
- Dividends on Class A Shares (millions of yen)	**-**	(1,950)
Profit/(loss) used to determine diluted earnings per share (millions of yen)	**4,421**	(15,781)
Weighted average number of shares (thousands)	**99,322**	91,116
Adjustments for;		
- Share options	**314**	-
- Preferred shares	**44,558**	-
- Restricted shares	**80**	-
Weighted average number of common shares for diluted earnings per share (thousands)	**144,274**	91,116
Diluted earnings per share (yen)	**30.64**	(173.20)

Diluted earnings per share for the 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.

38. Commitments

Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2026	2025
Property, plant and equipment	**7,385**	2,233

39. Related party transactions

During the period, the Group entered into the following transactions with related parties, who are not members of the Group. Related parties have been identified as those businesses that act as joint ventures or had an associate relationship with Nippon Sheet Glass Company, Limited and its subsidiaries.

Sales of goods and services

	Millions of yen	
	2026	2025
Sales of goods		
Joint ventures	**849**	481
Associates	**3,221**	2,201
Sales of services		
Joint ventures	**-**	2
Associates	**1**	1
	4,071	2,685

Goods and services are sold to joint ventures and associates on normal commercial terms, applicable to third parties. Additionally, services such as R&D support are provided to joint ventures. In 2026, these amounted to ¥nil million, of which related to Cebrace (2025: ¥2 million).

Purchase of goods and services

	Millions of yen	
	2026	2025
Purchase of goods		
Joint ventures	**11,001**	9,919
Associates	**2,851**	2,715
Purchase of services		
Associates	**2,504**	2,392
	16,356	15,026

Goods are purchased from joint ventures by Nippon Sheet Glass Company, Limited's subsidiaries as follows:

Cebrace - on normal trading conditions at prices agreed by both joint venture parties. Payments are made on 37-day terms from the invoice date.

Period-end balances arising from sales and purchases of goods and services, technical assistance and license agreements

		Millions of yen	
	Note	**2026**	2025
Receivables from related parties			
Joint ventures		**-**	2
Associates		**69**	153
	18	**69**	155
Payables to related parties			
Joint ventures		**2,785**	2,385
Associates		**1,065**	884
	27	**3,850**	3,269

During the period ended 31 March 2026, trading receivable balances from related parties of ¥nil million were written off (2025: ¥nil million).

There are no restrictions in place which would prevent the related parties fulfilling their trading obligations to the Group.

Loans to related parties

				Millions of yen	
		2026		2025	
	Note	**Joint ventures**	**Associates**	Joint ventures	Associates
At 1 April		**-**	**82**	-	83
Exchange differences		**-**	**12**	-	(1)
Loan repayments received		**-**	**(1)**	-	(1)
Interest charged		**-**	**1**	-	1
At 31 March	18	**-**	**94**	-	82

The loans to associates are secured.

Commitments and contingencies
There were no material commitments and contingencies of joint ventures and associates at 31 March 2026 or 2025.

At 31 March 2026 and 31 March 2025, the Group has not made any guarantees in the ordinary course of business in respect of joint ventures and associates.

Key management compensation
Details of the key management compensation are disclosed in note 8.

Post-employment benefit plans
Details of contributions into post-employment benefit plans are included in note 8. The assets (including details of the Group's right to surplus) and liabilities of post-employment benefit plans are detailed in note 28.

40. Hyperinflationary accounting adjustments

As from the second quarter of FY2019, 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 Wholesale Price Index (IPIM) (30 June 2016 = 100)	Conversion coefficient
30 June 2006	100.0	518.951
31 March 2007	103.9	499.644
31 March 2008	120.2	431.707
31 March 2009	128.7	403.213
31 March 2010	146.5	354.243
31 March 2011	165.5	313.583
31 March 2012	186.7	277.924
31 March 2013	211.1	245.788
31 March 2014	265.6	195.408
31 March 2015	305.7	169.732
31 March 2016	390.6	132.852
31 March 2017	467.2	111.071
31 March 2018	596.1	87.063
31 March 2019	970.9	53.449
31 March 2020	1,440.8	36.018
31 March 2021	2,046.4	25.359
31 March 2022	3,162.1	16.412
31 March 2023	6,402.2	8.106
31 March 2024	25,671.9	2.021
31 March 2025	39,196.0	1.324
30 April 2025	40,768.1	1.273
31 May 2025	41,380.1	1.254
30 June 2025	42,050.0	1.234
31 July 2025	42,849.6	1.211
31 August 2025	43,653.4	1.189
30 September 2025	44,559.6	1.165
31 October 2025	45,603.2	1.138
30 November 2025	46,730.9	1.111
31 December 2025	48,060.5	1.080
31 January 2026	49,445.5	1.050
28 February 2026	50,877.6	1.020
31 March 2026	51,895.1	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).

41. Group information

The consolidated financial statements of the Group include 175 entities in form of subsidiaries, joint ventures and associates. The following list of subsidiary undertakings comprises those companies that principally affect the financial statements of the Group. All subsidiary undertakings account to 31 March each year. Details of joint ventures and associates can be found in note 17.

Name	Proportion of issued ordinary shares held	Country of operation and incorporation	Principal activity
Europe			
Pilkington United Kingdom Ltd.	100%	UK	Architectural
Pilkington Automotive Ltd.	100%	UK	Automotive
Pilkington Technology Management Ltd.	100%	UK	Architectural and Automotive
Pilkington Deutschland AG	96.3%	Germany	Architectural
Pilkington Automotive Deutschland GmbH	100%	Germany	Automotive
Pilkington Automotive Poland Sp. z o.o.	100%	Poland	Automotive
Pilkington Italia S.p.A.	100%	Italy	Architectural and Automotive
Asia			
NSG Building Products Co., Ltd.	100%	Japan	Architectural
NSG S&S Co., Ltd.	100%	Japan	Architectural
NSG Vietnam Glass Industries Ltd.	100%	Vietnam	Architectural
Americas			
NSG Glass North America, Inc.	100%	USA	Architectural
Pilkington North America, Inc.	100%	USA	Architectural and Automotive
Vidrieria Argentina S.A.	51%	Argentina	Architectural
Pilkington Brasil Ltda.	100%	Brazil	Architectural and Automotive
Vidrios Lirquen S.A.*	51.6%	Chile	Architectural
Holding and financing companies			
NSG Holding (Europe) Ltd.	100%	UK	Holding company
NSG UK Enterprises Ltd.	100%	UK	Holding company
Pilkington Group Ltd.	100%	UK	Holding company

*: Vidrios Lirquen S.A. is owned 51.6% by a 51% owned subsidiary of Pilkington Group Limited.

Parent company

The parent company of the Group, Nippon Sheet Glass Company, Limited, is incorporated and domiciled in Japan and has shares publicly traded on the Tokyo Stock Exchange.

Restrictions on accessing the assets of subsidiaries

The ability of NSG UK Enterprises Ltd, a significant subsidiary company of the Group, to pay cash dividends to its immediate parent company, and ultimately therefore to Nippon Sheet Glass Company, Limited, is restricted by the external banking agreements entered into by NSG UK Enterprises Ltd, such that NSG UK Enterprises Ltd is only able to pay cash dividends to its immediate parent, to the extent that such a dividend would not cause it to be in breach of its banking covenants.

In general, the Group's subsidiaries in Europe, North America, and South America are also subsidiaries of NSG UK Enterprises Ltd, although there are several examples of subsidiaries in these regions that are not also subsidiaries of NSG UK Enterprises Ltd, and also examples of subsidiaries in other regions that are subsidiaries of NSG UK Enterprises Ltd.

The cash and cash equivalent balances held by the Group's subsidiaries which are not generally available for use elsewhere amounted to ¥4,991 million (2025: ¥6,517 million).

42. Non-controlling interests

Name	Non-controlling shareholding	Country of operation and incorporation	Principal activity
Vidrieria Argentina S.A.	49%	Argentina	Architectural
Vidrios Lirquen S.A.*	48.4%	Chile	Architectural

*: Vidrios Lirquen S.A. is owned 51.6% by a 51% owned subsidiary of Pilkington Group Limited.

Millions of yen

	2026	2025
Accumulated balances of material non-controlling interests		
Vidrieria Argentina S.A.	**30,172**	30,807
Vidrios Lirquen S.A.*	**2,891**	2,810
Others	**1,231**	729
Total	**34,294**	34,346
Profit for the period allocated to material non-controlling interests		
Vidrieria Argentina S.A.	**673**	445
Vidrios Lirquen S.A.*	**(176)**	113
Others	**593**	(193)
Total	**1,090**	365

The summarized financial information of these subsidiaries is provided below. This information is based upon amounts before intra-company eliminations.

Summarized income statements

Millions of yen

	2026		2025	
	Vidrieria Argentina S.A.	**Vidrios Lirquen S.A.**	Vidrieria Argentina S.A.	Vidrios Lirquen S.A.
Revenue	**30,226**	**7,252**	31,694	8,204
Profit/(loss) for the period from continuing operations	**1,373**	**(239)**	908	153
Total comprehensive income	**12,149**	**(147)**	17,243	129
Dividends paid to non-controlling interests	**(2,163)**	**-**	(460)	(34)

Summarized statements of financial position

Millions of yen

	2026		2025	
	Vidrieria Argentina S.A.	**Vidrios Lirquen S.A.**	Vidrieria Argentina S.A.	Vidrios Lirquen S.A.
Current assets	**15,735**	**4,359**	15,527	3,599
Non-current assets	**59,065**	**4,292**	57,187	3,933
Current liabilities	**(6,874)**	**(4,055)**	(7,349)	(3,154)
Non-current liabilities	**(2,242)**	**(673)**	(2,493)	(565)
Total equity	**65,684**	**3,923**	62,872	3,813
Attributable to owners of the parent	**33,499**	**1,032**	32,065	1,003
Attributable to non-controlling interests	**32,185**	**2,891**	30,807	2,810

Summarized cash flow statements

Millions of yen

	2026		2025	
	Vidrieria Argentina S.A.	**Vidrios Lirquen S.A.**	Vidrieria Argentina S.A.	Vidrios Lirquen S.A.
Cash flows from operating activities	**864**	**(322)**	4,919	364
Cash flows from investing activities	**(1,343)**	**(182)**	(936)	(201)
Cash flows from financing activities	**70**	**(262)**	1,299	(32)
Increase/(decrease) in cash and cash equivalents (net of bank overdrafts)	**(409)**	**(766)**	5,282	131
Cash and cash equivalents (net of bank overdrafts) at the beginning of the period	**7,644**	**210**	2,999	81
Effect of foreign exchange rates	**(1,363)**	**(25)**	(637)	(2)
Cash and cash equivalents (net of bank overdrafts) at the end of the period	**5,872**	**(581)**	7,644	210

43. Significant subsequent events

No matter identified.

44. Additional information

(Issuance of New Shares through Third-Party Allotment, Partial Amendments to the Articles of Incorporation, and Share Consolidation)

The Board of Directors, on 24 March 2026, resolved the following:

- To issue our common stock through a third-party allocation with a total subscription price of approximately 165 billion yen (the "Third-Party Allocation") to Lumina Japan Acquisition Co., Ltd., a special purpose company owned by an investment fund for which Apollo Global Management, Inc. and its affiliated subsidiaries provide investment advice.
- To submit a proposal regarding the Third-Party Allocation and a proposal regarding an amendment to the Articles of Incorporation to increase the total number of authorized shares of our company necessary for the implementation of the Third-Party Allocation to our ordinary general meeting of shareholders (the "Ordinary General Meeting of Shareholders") scheduled to be held in late June 2026.
- To consolidate our common stock of 122,222,222 shares into 1 share in order to limit our shareholders to only the allocation recipient, and to provide our shareholders other than the allocation recipient with a price per share of our common stock before a share consolidation (the "Share Consolidation"). The Board of Directors' resolution to submit the provision of 500 yen to the Ordinary General Meeting of Shareholders is hereby submitted.

The execution of a third-party allotment (the "Third-Party Allotment") is subject to the condition that all of the aforementioned proposals are approved at the Ordinary General Meeting of Shareholders. Furthermore, the Share Consolidation will take effect on the condition that the Third-Party Allotment has been executed.

The above Board of Directors' resolution is based on the premise that the prospective recipient will make our company a wholly owned subsidiary through the Third-Party Allocation and the subsequent Share Consolidation, that the funds from the Third-Party Allocation will be used to repay existing borrowings at the UK subsidiary and to provide monetary compensation to minority shareholders through the Share Consolidation, and that our common stock is scheduled to be delisted.

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Nippon Sheet Glass Company, Limited

The Audit of the Consolidated Financial Statements
Opinion
We have audited the accompanying consolidated financial statements of Nippon Sheet Glass Company, Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 March 31, 2026, and the consolidated income statement, the consolidated statement of comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter
We draw attention to Additional information to the consolidated financial statements, which describes the Company, at a meeting of its Board of Directors held on March 24, 2026, resolved to submit to the ordinary general shareholders' meeting to be held in late June 2026 a proposal regarding the issuance of common stocks through a third-party allocation to Lumina Japan Acquisition Co., Ltd. and a stock consolidation to limit shareholders to only the allocation recipient. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Valuation of goodwill and intangible assets with an indefinite useful life for Automotive North America</td></tr>
<tr><td>Description of Key Audit Matter</td><td>Auditor's Response</td></tr>
<tr><td>The Group performs impairment testing on an annual basis on goodwill and intangible assets with an indefinite useful life.

As described in Note 12 "Goodwill" to the consolidated financial statements, as a result of the impairment test at the end of the current fiscal year, the performance of Automotive North America CGU has suffered from increasing manufacturing costs. Based on a comparison between value in use and the accounting book value, an impairment loss of JPY 3,422 million was recognized for goodwill, resulting in a goodwill balance of JPY 14,928 million as of the end of the consolidated fiscal year.

The value in use of the CGU is considered to be the current value of the future cash flows as calculated by discounting the projected future operating cash flows, based on future forecast for the next five years with a perpetuity thereafter.

The key assumptions in estimating the value in use include discount rates and perpetuity growth rates, projected sales volume and prices and input costs in the period used for future operating cash flow calculation.

In calculating value in use, the above key assumptions are highly uncertain because they are largely affected by changes in the external economic environment, and the estimation requires judgments by management. Estimating discount rates requires a high level of specialized knowledge in the selection of calculation methods and input data.

Based on the above, we considered the estimation of the value in use of the Automotive North America CGU to be the most significant matter in the audit for the current consolidated fiscal year ended March 31, 2026 and therefore determined it to be the key audit matter.</td><td>We have primarily performed the following audit procedures regarding the valuation of goodwill and intangible assets with an indefinite useful life.

- With respect to the discount rate, we compared management's rate to an independently calculated rate prepared by a valuation specialist in our network firm.

- With respect to the perpetuity growth rate, we reviewed and compared available information from external sources, including long-term economic growth forecast issued by the Organization for Economic Co-operation and Development (OECD) and the long term budget outlook announcement made by the US Congressional Budget Office.

- In assessing the forecast of future revenue and operating margin ratio, we obtained management reports on the status of contract awards and contract modifications with key customers, and, through discussions with management, evaluated the achievability of the revenue forecasts. In addition, we evaluated the expected recovery in profitability over the forecast period, taking into account the recent operating performance of production sites in North America and the possibility of management's profitability improvement plans.

- With respect to the market volume trends, we inquired of management about the overall market volume forecasts in the period used for discounted cash flow estimations. We compared forecasts to available information from external sources regarding the changes in the outlook for the market size.

- With respect to future operating cash flows, we inquired of management and evaluated the consistency with the underlying business forecasts approved by management and publicly available information issued by the Company.

- We performed an independent sensitivity analysis, incorporating certain stress scenarios based on historical performance, on the risk factors included in the future operating cash flows.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Nippon Sheet Glass Company, Limited

Other Information
The other information comprises the information included in the annual consolidated financial statements that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management the Audit Committee for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by IFRS Accounting Standards, matters related to going concern.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRS Accounting Standards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR’S REPORT

The Board of Directors
Nippon Sheet Glass Company, Limited

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information
The fees for the audits of the financial statements of Nippon Sheet Glass Company, Limited and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are 932 million yen and 23 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan
Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan
25 June 2026

Daisuke Arikura
Designated Engagement Partner
Certified Public Accountant

Tomohiro Hazama
Designated Engagement Partner
Certified Public Accountant

Kentaro Koyama
Designated Engagement Partner
Certified Public Accountant