FY 2014 Annual Consolidated Financial Results <IFRS>

15 May 2014

(English translation of the Japanese original)

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

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Annual general shareholders' meeting: 27 June 2014
Submission of annual financial statements to MOF: 30 June 2014
Annual result presentation papers: Yes
Annual result presentation meeting: Yes
(For institutional investors)

Payment of dividends starts from: N/A

1. Consolidated business results for FY2014 Quarter 4 (From 1 April 2013 to 31 March 2014)

(1) Consolidated business results

	Revenue		Operating profit/(loss)		Loss before taxation		Loss for the period		Loss attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2014	606,095	16.3	734	-	(16,401)	-	(16,485)	-	(17,630)	-	19,575	-
FY2013	521,346	(5.6)	(17,258)	-	(31,096)	-	(33,455)	-	(34,324)	-	(13,250)	-

	Earnings per share – basic	Earnings per share - diluted	Ratio of loss attributable to owners of the parent to average equity attributable to owners of the parent	Loss before tax ratio to total assets	Operating profit/(loss) ratio to revenue
	¥	¥	%	%	%
FY2014	(19.53)	(19.53)	(11.4)	(1.8)	0.1
FY2013	(38.04)	(38.04)	(22.4)	(3.6)	(3.3)

Share of post-tax profit of joint ventures and associates accounted for using the equity method FY2014 ¥1,002 million (FY 2013 ¥2,250 million)

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2014	925,175	174,498	164,986	17.8	182.75
FY2013	885,436	155,453	145,031	16.4	160.68

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash used in investing activities	Net cash (used in) /generated from financing activities	Cash and cash equivalents as of term-end
	¥ millions	¥ millions	¥ millions	¥ millions
FY2014	17,880	(17,106)	(20,744)	52,293
FY2013	14,213	(7,041)	27,945	65,173

2. Dividends

	Dividends per share					Dividends (annual)	Payout ratio	Dividends over net assets
	Q1	Q2	Q3	Q4	Total			
FY2013 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-
FY2014 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-
FY2015 (forecast)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-

Note: For further details, please refer to the dividend policy section on page 6 and 7.

3. Forecast for FY2015 (From 1 April 2014 to 31 March 2015)

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Earnings per share - basic	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥	%
Half year	310,000	2.6	8,000	-	0	-	(1,000)	-	(2,000)	-	(2.22)	-
Full year	620,000	2.3	21,000	-	5,000	-	2,000	-	1,000	-	1.11	-

Note: For further details, please refer to the prospects section on page 6.

4. Other items

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

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

Note: For further details, please refer to the changes in accounting policy section on pages 14 through 15.

(c) Number of shares outstanding (common stock)

(i) Number of shares issued at the end of the period, including shares held as treasury stock:
903,550,999 shares as of 31 March 2014 and 903,550,999 shares as of 31 March 2013
(ii) Number of shares held as treasury stock at the end of the period:
758,952 shares as at 31 March 2014 and 963,765 shares as at 31 March 2013
(iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
902,617,647 shares for the period ending 31 March 2014 and 902,383,303 shares for the period ending 31 March 2013

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

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

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

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

[Attachments]

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

1. Business Performance and Financial Standing

(1) Business performance

1) Background to Results

Conditions in the Group's major markets slightly improved from the previous year. Activity levels in Europe remain at low levels, although conditions gradually strengthened towards the end of the year. Markets in Japan improved, with higher demand ahead of planned increases in indirect taxation. North American markets also showed further growth. Elsewhere, markets in South America improved, although demonstrated some weakening towards the end of the year. Overall, technical glass markets were mixed, with improvements in some areas and reductions in others.

The cumulative operating income represented a significant improvement on the previous year, particularly in Europe, due to lower fixed cost levels and improved asset utilization. The Group recorded a trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) of ¥ 22,452 million (FY13 ¥ 8,986 million). The loss attributable to owners of the parent narrowed to ¥ 17,630 million (FY13 ¥ 34,324 million).

2) Review by Business Segment

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

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

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

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

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

¥ millions	Revenue		Operating profit before exceptional items	
	FY2014	**FY2013**	**FY2014**	**FY2013**
Architectural	240,606	215,739	10,951	303
Automotive	305,114	245,022	11,154	4,755
Technical Glass	59,355	59,404	5,898	6,719
Other Operations	1,020	1,181	(13,436)	(9,831)
Total	606,095	521,346	14,567	1,946

Architectural

Operating results in the Architectural business were significantly better than the previous year due mainly to the effects of the Groups' restructuring program. Revenues improved due to the translational impact of a weaker Japanese yen.

In Europe, representing 38 percent of the Group's Architectural sales, economic difficulties continued to depress construction and refurbishment activity. Current year market volumes were stable, but remain at a low level. Local currency revenues fell from the previous year, with the Group's architectural volumes falling following the mothballing of under-utilized facilities. During the third quarter, the Group mothballed its float line at Cowley Hill, St Helens, UK. The Group's restructuring actions generated an improved level of asset utilization, enabling a strong improvement in profitability. Year-to-date average, commodity glass prices were similar to the previous year.

In Japan, representing 31 percent of Architectural sales, the prospects for architectural markets continue to be positive, with a further increase in new housing starts from the previous year. This will take some time to be translated into a significant increase in demand for glass products, however, with labor shortages generating delays in construction activities. Revenues in Japan were slightly ahead of the previous year, although profitability fell with an increase in energy costs.

In North America, representing 10 percent of Architectural sales, architectural glass markets continued to improve, mainly due to increases in private residential construction. The Group's revenues and profits improved from the previous year. Volumes were similar to the previous year, with strengthening domestic demand offsetting reduced dispatches of Solar Energy glass. Domestic price levels were above the previous year.

In the rest of the world, revenues and profits improved from the previous year. Market conditions in South America and South East Asia improved, with increased demand.

The Architectural business recorded revenues of ¥ 240,606 million and an operating profit of ¥ 10,951 million.

Automotive

In the Automotive business, revenues improved from the previous year due mainly to the translational impact of a weaker Japanese yen. Market conditions generally improved from the previous year.

Europe represents 46 percent of the Group's Automotive sales. Cumulative light-vehicle sales remain at a low level, and were similar to the previous year. Volumes improved gradually through the year however, with fourth quarter volume gains tentatively indicating a market recovery. In the OE sector, the Group's cumulative local currency revenues were slightly ahead of the previous year. Profits improved due mainly to cost savings arising from the Groups' restructuring program. Results in the Automotive Glass Replacement (AGR) business also improved due to increased demand.

In Japan, representing 17 percent of the Group's Automotive sales, OE volumes were stronger than the previous year, with the weaker yen providing support for vehicle exports. Domestic vehicle demand improved through the year, ahead of the increase in consumption taxes planned for April 2014. The Group's revenues and profits were ahead of the previous year. AGR markets were stable.

In North America, representing 24 percent of the Group's Automotive sales, revenues and profitability improved. OE market volumes were ahead of the previous year and the AGR business benefited from increased demand following harsh winter weather conditions.

In the rest of the world, revenues improved due to increased volumes, although volume growth in South America stalled towards the end of the year.

The Automotive business recorded sales of ¥ 305,114 million and an operating profit of ¥ 11,154 million.

Technical Glass

Revenues in the Technical Glass business were similar to the previous year as yen translation gains offset volume reductions. Profits fell slightly but remain at a satisfactory level.

Revenues from thin glass for displays decreased, due partly to the disposal of the Group's LCD component assembly business early in the year. Sales of thin glass for smart phones and tablet devices decreased due to a line repair. Demand for components used in multi-function printers improved from the previous year. Volumes of glass cord used in engine timing belts also improved, with increased demand for vehicles using relatively small, fuel-efficient engines incorporating the Group's products.

The Technical Glass business recorded revenues of ¥ 59,355 million and an operating profit of ¥ 5,898 million.

Other Operations and Eliminations

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above and the amortization of other intangible assets related to the acquisition of Pilkington plc. Operating costs incurred in Other Operations and Eliminations increased due to the non-recurrence of certain one-off gains experienced in FY2013.

Consequently, this segment recorded revenues of ¥ 1,020 million and operating costs of ¥ 13,436 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits was below the previous year. Profits at Cebrace, the Group's joint venture in Brazil, improved due to increased demand levels. Start-up losses at the Group's associate in Colombia, and losses sustained by the Group's joint venture in Russia, offset the improved Cebrace profits. Profitability at the Group's Architectural joint ventures and associates in China improved from the previous year.

The Group's share of joint ventures and associates profits after tax was ¥ 1,002 million (FY13 ¥ 2,250 million).

3) Prospects

The forecast of revenue, operating profit, profit before taxation, profit for the period, profit attributable to owners of the parent and earnings per share for the year to 31 March 2015 is set out on page 2.

The Group expects a further, gradual improvement in market conditions during FY2015. European markets are expected to continue to slowly recover, although will still be significantly below pre-recession levels. Increased levels of indirect taxation are likely to affect automotive markets in Japan negatively, although architectural markets should benefit from positive construction lead indicators experienced during FY2014. Volumes in the North America and Rest of the World geographies are likely to increase, although volumes in South America are expected to be relatively weak in the near term. Technical glass markets are expected to be similar to FY2014. The Group will start its new ultra thin glass float line in Vietnam from June 2014, with production commencing from the second half of the year. Underlying profitability will continue to benefit from the Groups' restructuring actions.

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

(2) Financial condition

Total assets at the end of March 2014 were ¥ 925,175 million, representing an increase of ¥ 39,739 million from the end of March 2013. Total equity was ¥ 174,498 million, representing an increase of ¥ 19,045 million, as the translational impact of a weakened Japanese yen of ¥ 35,525 million, more than offset the loss recorded for the period.

Net financial indebtedness increased by ¥ 18,264 million from 31 March 2013 to ¥ 379,112 million at the period end. The increase in indebtedness arose mainly as a result of exchange differences generated by the weakening Japanese yen. Currency movements generated an increase in net debt of approximately ¥ 15,980 million over the period. Gross debt was ¥ 455,303 million at the period end. As of 31 March 2014, the Group had un-drawn, committed facilities of ¥ 14,600 million.

Cash inflows from operating activities were ¥ 17,880 million. Cash outflows from investing activities were ¥ 17,106 million, including capital expenditure on property, plant, and equipment of ¥ 25,686 million. As a result, total cash inflows before financing were ¥ 774 million.

(3) Dividend policy

The Group's dividend policy is to secure dividend payments based on sustainable business results. As a consequence of the current market conditions faced by the Group, and the loss recorded for the year, the directors do not recommend a dividend for the year to 31 March 2014. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

2. Management Policy and Long-Term Mission and Strategy

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

Medium-Term Plan

The Group has announced its' medium-term plan (MTP), covering the financial period to 31 March 2018.

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

Medium-Term Plan – strategic direction

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

Our aim is to:

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

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

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

Successful restructuring has restored the Group's profitability, helping create a more agile, leaner, lower cost organization to implement the MTP. NSG is well-positioned to capitalize on improvements in the global economy, with a balanced global footprint and business mix.

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

Medium-Term Plan – financial targets

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

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

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

3. Consolidated Financial Statements

(1). (a) Consolidated income statement

¥ millions

	Note	**FY2014 For the period 1 April 2013 to 31 March 2014**	FY2013 For the period 1 April 2012 to 31 March 2013 (Restated)
Revenue	(6)-(f)	**606,095**	521,346
Cost of sales		**(459,821)**	(404,027)
Gross profit		**146,274**	117,319
Other income		**7,205**	7,915
Distribution costs		**(57,677)**	(50,784)
Administrative expenses		**(66,619)**	(60,592)
Other expenses		**(14,616)**	(11,912)
Operating profit before exceptional items	(6)-(f)	**14,567**	1,946
Exceptional items	(6)-(g)	**(13,833)**	(19,204)
Operating profit/(loss)		**734**	(17,258)
Finance income	(6)-(h)	**3,338**	1,823
Finance expenses	(6)-(h)	**(21,475)**	(17,911)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**1,002**	2,250
Loss before taxation		**(16,401)**	(31,096)
Taxation	(6)-(i)	**(84)**	(2,359)
Loss for the period		**(16,485)**	(33,455)
Profit attributable to non-controlling interests		**1,145**	869
Loss attributable to owners of the parent		**(17,630)**	(34,324)
		(16,485)	(33,455)
Earnings per share attributable to owners of the parent	(6)-(j)		
Basic		**(19.53)**	(38.04)
Diluted		**(19.53)**	(38.04)

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

¥ millions

		FY2014 For the period 1 April 2013 to 31 March 2014	FY2013 For the period 1 April 2012 to 31 March 2013 (Restated)
Loss for the period		**(16,485)**	(33,455)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(6)-(o)	**445**	(5,065)
Share of other comprehensive income of affiliates		**602**	(1,318)
Sub total		**1,047**	(6,383)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**35,525**	26,188
Revaluation of available-for-sale investments		**(571)**	(35)
Cash flow hedges:			
- fair value losses, net of taxation		**59**	435
Sub total		**35,013**	26,588
Total other comprehensive income for the period, net of taxation		**36,060**	20,205
Total comprehensive income for the period		**19,575**	(13,250)
Attributable to non-controlling interests		**(110)**	1,707
Attributable to owners of the parent		**19,685**	(14,957)
		19,575	(13,250)

(2) Consolidated balance sheet

	FY2014 as of 31 March 2014	FY2013 as of 31 March 2013
		¥ millions
ASSETS		
Non-current assets		
Goodwill	**135,826**	116,768
Intangible assets	**86,999**	84,496
Property, plant and equipment	**289,389**	267,983
Investment property	**644**	635
Investments accounted for using the equity method	**50,070**	45,063
Trade and other receivables	**15,615**	14,208
Financial assets:		
- Available-for-sale investments	**6,743**	6,742
- Derivative financial instruments	**893**	1,362
Deferred tax assets	**55,571**	51,797
Tax receivables	**1,619**	2,306
	643,369	591,360
Current assets		
Inventories	**109,167**	100,790
Construction work-in-progress	**982**	428
Trade and other receivables	**92,523**	101,242
Financial assets:		
- Available-for-sale investments	**94**	652
- Derivative financial instruments	**1,434**	2,168
Cash and cash equivalents	**73,864**	83,472
Tax receivables	**1,943**	2,686
	280,007	291,438
Assets held for sale	**1,799**	2,638
	281,806	294,076
Total Assets	**925,175**	885,436
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**119,954**	152,585
- Derivative financial instruments	**1,514**	1,744
Trade and other payables	**127,858**	113,780
Taxation liabilities	**2,510**	3,371
Provisions	**19,179**	17,982
Deferred income	**3,027**	2,914
	274,042	292,376
Liabilities related to assets held for sale	**332**	666
	274,374	293,042

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	FY2014 as of 31 March 2014	FY2013 as of 31 March 2013
Non-current liabilities		
Financial liabilities:		
- Borrowings	**331,839**	291,793
- Derivative financial instruments	**1,996**	1,727
Trade and other payables	**573**	1,049
Deferred tax liabilities	**23,190**	23,641
Taxation liabilities	**1,837**	1,295
Retirement benefit obligations	**90,591**	89,760
Provisions	**16,477**	18,620
Deferred income	**9,800**	9,056
	476,303	436,941
Total liabilities	**750,677**	729,983
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,449**	116,449
Capital surplus	**127,511**	127,511
Retained earnings	**(27,717)**	(11,275)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**16,791**	(19,606)
Total shareholders' equity	**164,986**	145,031
Non-controlling interests	**9,512**	10,422
Total equity	**174,498**	155,453
Total liabilities and equity	**925,175**	885,436

(3) Consolidated statement of changes in equity

¥ millions

FY2014	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders equity**	Non-controlling interests	**Total equity**
At 1 April 2013	116,449	127,511	(11,275)	(68,048)	(19,606)	**145,031**	10,422	**155,453**
Profit / (loss) for the period	-		(17,630)	-	-	**(17,630)**	1,145	**(16,485)**
Other comprehensive income	-	-	1,047	-	36,268	**37,315**	(1,255)	**36,060**
Total Comprehensive Income	-	-	(16,583)	-	36,268	**19,685**	(110)	**19,575**
Transactions with owners								
Stock options	-	-	-	-	135	**135**	-	**135**
Dividends paid	-	-	-	-	-	**-**	(646)	**(646)**
Issuance & purchase of treasury stock	-	(7)	-	-	(6)	**(13)**	-	**(13)**
Acquisition of additional investments in subsidiaries	-	-	148	-	-	**148**	(154)	**(6)**
Transfer of retained earnings to capital surplus	-	7	(7)	-	-	**-**	-	**-**
At 31 March 2014	**116,449**	**127,511**	**(27,717)**	**(68,048)**	**16,791**	**164,986**	**9,512**	**174,498**

¥ millions

FY2013 (Restated)	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders equity**	Non-controlling interests	**Total equity**
At 1 April 2012	116,449	127,511	30,793	(68,048)	(45,392)	**161,313**	9,222	**170,535**
Profit / (loss) for the period	-	-	(34,324)	-	-	**(34,324)**	869	**(33,455)**
Other comprehensive income	-	-	(6,383)	-	25,750	**19,367**	838	**20,205**
Total Comprehensive Income	-	-	(40,707)	-	25,750	**(14,957)**	1,707	**(13,250)**
Transactions with owners								
Stock options	-	-	-	-	38	**38**	-	**38**
Dividends paid	-	-	(1,354)	-	-	**(1,354)**	(436)	**(1,790)**
Issuance & purchase of treasury stock	-	(7)	-	-	(2)	**(9)**	-	**(9)**
Acquisition of additional investments in subsidiaries	-	-	-	-	-	**-**	(71)	**(71)**
Transfer of retained earnings to capital surplus	-	7	(7)	-	-	**-**	-	**-**
At 31 March 2013	**116,449**	**127,511**	**(11,275)**	**(68,048)**	**(19,606)**	**145,031**	**10,422**	**155,453**

(4) Consolidated statement of cash flows

¥ millions

	Note	FY2014 for the period 1 April 2013 to 31 March 2014	FY2013 for the period 1 April 2012 to 31 March 2013
Cash flows from operating activities			
Cash generated from operations	(6)-(m)	**37,508**	**32,796**
Interest paid		**(18,830)**	**(14,279)**
Interest received		**2,877**	**1,707**
Tax paid		**(3,675)**	**(6,011)**
Net cash inflows/(outflows) from operating activities		**17,880**	**14,213**
Cash flows from investing activities			
Dividends received from joint ventures and associates		**3,199**	**5,788**
Purchase of joint ventures and associates		**(22)**	**-**
Proceeds on disposal of joint ventures and associates		**3**	**7,546**
Purchase of subsidiaries (net of cash disposed)		**(122)**	**(1,292)**
Proceeds on disposal of businesses (net of cash disposed)		**1,097**	**905**
Purchases of property, plant and equipment		**(25,686)**	**(25,553)**
Proceeds on disposal of property, plant and equipment		**3,292**	**2,908**
Purchases of intangible assets		**(1,717)**	**(1,805)**
Proceeds on disposal of intangible assets		**25**	**30**
Purchase of available-for-sale investments		**(16)**	**(8)**
Proceeds from available-for-sale investments		**996**	**3,198**
Loans with joint ventures, associates & third parties		**1,371**	**671**
Others		**474**	**571**
Net cash outflows from investing activities		**(17,106)**	**(7,041)**
Cash flows from financing activities			
Dividends paid to shareholders		**(13)**	**(1,360)**
Dividends paid to non-controlling interests		**(646)**	**(441)**
Repayment of borrowings		**(154,359)**	**(92,430)**
Proceeds from borrowings		**134,280**	**122,178**
Others		**(6)**	**(2)**
Net cash in/(out)flows from financing activities		**(20,744)**	**27,945**
Decrease in cash and cash equivalents (net of bank overdrafts)		**(19,970)**	**35,117**
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(n)	**65,173**	**24,797**
Effect of foreign exchange rate changes		**7,090**	**5,408**
Decrease due to change in scope of consolidation		**-**	**(149)**
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(n)	**52,293**	**65,173**

(5) Notes regarding going concern

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

(6) Notes to the Consolidated Financial Statements

(a) Reporting entity

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

(b) Basis of preparation

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

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

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

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

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

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's annual accounting periods beginning on or after 1 April 2014 and are considered to be relevant and potentially material to the Group's primary financial statements. The Group has elected not to adopt early the standards as described below:

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

(d) Principal accounting policies

The principal accounting policies applied to the consolidated financial statements for the year ended 31 March 2014 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2013 except for the items below.

The Group has applied the following new accounting standards from this financial year.

In accordance with IAS 8, the comparative period primary financial statements have been restated following the implementation of the accounting standards set out below.

IAS 19 was amended in June 2011. The impact on the Group's retirement benefit obligations is to replace interest cost and expected return on plan assets, previously calculated separately, with a net interest charge that is calculated by applying a territory specific discount rate to the net defined benefit liability in that territory. The amended standard is not anticipated to have a material effect on the Group's net defined benefit liabilities. The increase in finance costs arising from the adoption of the amended standard is expected to be offset by an equivalent amendment to gains and losses recorded within the statement of comprehensive income.

(d) Principal accounting policies continued

The Group has retrospectively adopted the amendments to IAS 19 and has therefore restated its comparative FY2013 financial results. The increase in finance costs within the restated FY2013 income statement is offset by an amendment to gains and losses within the statement of comprehensive income. Consequently, no amendment arises in the closing FY2013 balance sheet. The impact of adopting the amendments to IAS 19 is summarized in note (6)-(r).

IFRS 10, 'Consolidated financial statements' identifies the concept of control as the determining factor in whether a subsidiary company should be consolidated within the Group's financial statements. The standard provides additional guidance to assist in the determination of control. The adoption of this standard has not resulted in any changes to the Group's financial performance or net assets.

IFRS 11, 'Joint arrangements' has replaced IAS 31 'Interests in Joint Ventures'. This standard deals with how a joint arrangement, of which two or more parties have joint control, should be classified. The adoption of this standard has not resulted in any changes to the Group's financial performance or net assets.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The adoption of this standard has not resulted in any changes to the Group's financial performance or net assets.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value, and a single source of fair value measurement and disclosure requirements for use across IFRS. The adoption of this standard has not resulted in any material changes to the Group's financial performance or net assets.

(e) Critical accounting estimates and assumptions

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

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

During the current financial year the Group changed its methodology used to calculate inventory provisions to reflect a more accurate forward looking estimation. The impact during the year-ended 31 March 2014 was to reduce inventory provisions by ¥ 1,440 million. The effect of this change in future periods is not expected to be material.

(f) Segmental information

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

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

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

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

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

(f) Segmental information continued

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

¥ millions

FY2014 For the period 1 April 2013 to 31 March 2014	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	**240,606**	**305,114**	**59,355**	**1,020**	**606,095**
Inter-segmental revenue	**15,494**	**2,147**	**89**	**5,411**	**23,141**
Total revenue	**256,100**	**307,261**	**59,444**	**6,431**	**629,236**
Trading profit	**10,951**	**11,154**	**5,898**	**(5,551)**	**22,452**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(7,885)**	**(7,885)**
Operating profit before exceptional items	**10,951**	**11,154**	**5,898**	**(13,436)**	**14,567**
Exceptional items					**(13,833)**
Operating profit after exceptional items					**734**
Finance costs - net					**(18,137)**
Share of post tax profit from joint ventures and associates					**1,002**
Loss before taxation					**(16,401)**
Taxation					**(84)**
Loss for the period from continuing operations					**(16,485)**

The segmental results for the financial period to 31 March 2013 were as follows:

¥ millions

FY2013 For the period 1 April 2012 to 31 March 2013 (restated)	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	215,739	245,022	59,404	1,181	521,346
Inter-segmental revenue	13,074	1,145	149	4,946	19,314
Total revenue	228,813	246,167	59,553	6,127	540,660
Trading profit	303	4,755	6,719	(2,791)	8,986
Amortization arising from the acquisition of Pilkington plc	-	-	-	(7,040)	(7,040)
Operating profit before exceptional items	303	4,755	6,719	(9,831)	1,946
Exceptional items					(19,204)
Operating loss after exceptional items					(17,258)
Finance costs - net					(16,088)
Share of post tax profit from joint ventures and associates					2,250
Loss before taxation					(31,096)
Taxation					(2,359)
Loss for the period from continuing operations					(33,455)

(f) Segmental information continued

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

¥ millions

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

The segmental assets at 31 March 2013 and capital expenditure for the period ended 31 March 2013 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	142,594	153,609	45,199	1,818	343,220
Capital expenditure (including intangibles)	10,742	13,491	1,669	84	25,986

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

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

(g) Exceptional items

	FY2014 for the period 1 April 2013 to 31 March 2014 ¥ millions	FY2013 for the period 1 April 2012 to 31 March 2013 ¥ millions
Exceptional Items (gains):		
Gain on dilution of shares in associate	**2,056**	-
Reversal of impairment of non-current assets	**1,227**	-
Reduction of pension liabilities	**1,098**	5,568
Gain on disposal of an associate	**-**	5,346
Gain on disposal of available-for-sale assets	**335**	1,614
Gain on EU fine recalculation	**-**	1,470
Gain on disposal of a subsidiary or business	**-**	794
Gain on joint venture dilution	**-**	326
Gain on acquisition of a subsidiary	**-**	187
Others	**802**	519
	5,518	15,824
Exceptional Items (losses):		
Restructuring costs, including employee termination payments	**(15,927)**	(22,676)
Impairments of non-current assets	**(2,034)**	(9,052)
Settlement of litigation matters	**(572)**	(1,332)
Loss on disposal or scrapping of non-current assets	**(240)**	(1,671)
Others	**(578)**	(297)
	(19,351)	(35,028)
	(13,833)	(19,204)

(g) Exceptional items continued

The gain on dilution of shares in associates relates to a placing of new shares by each of two of the Groups' associated entities, Shanghai Yaohua Pilkington Glass Co Ltd (China) and Holding Concorde SA (Colombia), in which the Group did not participate.

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

The reduction in pension liabilities arises at a UK subsidiary, where employees have accepted a change to their terms and conditions, whereby pensionable salaries in the subsidiary's pension scheme will be capped at their level on 1 January 2014.

The previous year reduction in pension liabilities also arose in the UK, where employees in the Groups' main UK defined benefit pension scheme accepted a change to their terms and conditions, whereby pensionable salaries were capped at their level on 30 April 2013. Future salary increases for employees who are members of this scheme, will become pensionable in the Group's UK defined contribution pension scheme. An accounting gain arose on this amendment, as actuarial assumptions used in calculating the Group's defined benefit pension obligations, include an assumption of future pensionable salary increases.

Both of these changes enable the Group to further reduce its future pension liability risk.

The previous year gain on disposal of an associate related to the sale of the Group's shareholding in FMC Wyoming Corporation as announced on 28 March 2013.

The gain on disposal of available-for-sale investments relates to the disposal of investments in Japan and the UK.

The previous year gain on disposal of available-for-sale investments, arose on the disposal of various investments in Japan.

The previous year gain on EU fine recalculation arose from a partial refund of the fine paid following the European Commission's decision announced on 12 November 2008, resulting from an alleged breach of European competition laws by the Group. This refund related to errors made by the European Commission in calculating the size of the fine to be imposed on the Group, and is not connected to the Group's appeal against this fine which is still proceeding.

The previous year gain on disposal of a subsidiary or business arose from the Groups' disposal of its Fire Protection glass business in North America.

The gain on joint venture dilution recorded during the previous year related to a refinancing of the Group's joint venture in Russia, where new investors injected equity into the joint venture at a subscription price in excess of the accounting net asset value per share prior to the subscription.

The previous year gain on subsidiary acquisition arose on the acquisition of the shares of Flovetro SpA, see note (6)-(q), business combinations.

Restructuring costs arose in a variety of locations around the world. It also includes the cost of maintaining idle facilities, principally in Europe. The costs incurred during the year include the costs arising from the Groups' decision to mothball its' float line at Cowley Hill, St Helens, UK. This action was part of the Groups' ongoing restructuring program, which was also responsible for the restructuring costs incurred in the previous year.

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

The impairments arising during the previous year related principally to the Groups' architectural float lines in Venice, Italy and Halmstad, Sweden.

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

(g) Exceptional items continued

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

The previous year loss on disposal or scrapping of non-current assets related mainly to the scrapping of an unused software system

(h) Finance income and expenses

	FY2014 for the period 1 April 2013 to 31 March 2014 ¥ millions	FY2013 for the period 1 April 2012 to 31 March 2013 (restated) ¥ millions
Finance income		
Interest income	**2,929**	1,624
Foreign exchange transaction gains	**409**	126
Fair value gains on financial instruments		
- interest rate swaps	**-**	73
	3,338	1,823
Finance expenses		
Interest expense:		
- bank and other borrowings	**(15,724)**	(13,130)
Dividend on non-equity preference shares due to minority shareholders	**(274)**	(220)
Foreign exchange transaction losses	**(88)**	(242)
Other interest and similar charges	**(1,892)**	(864)
	(17,978)	(14,456)
Unwinding discounts on provisions	**(293)**	(285)
Retirement benefit obligations - net finance charge	**(3,204)**	(3,170)
	(21,475)	(17,911)

(i) Taxation

	FY2014 for the period 1 April 2013 to 31 March 2014 ¥ millions	FY2013 for the period 1 April 2012 to 31 March 2013 (Restated) ¥ millions
Current tax		
Charge for the period	**(4,437)**	(3,722)
Adjustment in respect of prior periods	**(61)**	(88)
	(4,498)	(3,810)
Deferred tax		
Credit for the period	**1,675**	197
Adjustment in respect of prior periods	**(44)**	560
Adjustment in respect of rate changes	**2,783**	694
	4,414	1,451
Taxation charge for the period	**(84)**	(2,359)

(i) Taxation continued

The Group has a tax charge for the financial period to 31 March 2014 equivalent to (0.48) per cent of the loss before taxation, excluding the Group's share of net profits of joint ventures and associates (31 March 2013 – a tax charge on losses of (7.07) per cent). The tax charge for the period is calculated as the sum of the total current and deferred tax charge or credit arising in each territory in which the Group operates and applying the prevailing statutory tax rate and tax law in that territory.

(j) Earnings per share

(i) Basic

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

	Period ended 31st March 2014	Period ended 31st March 2013 (Restated)
	¥ millions	¥ millions
Loss attributable to owners of the parent	**(17,630)**	(34,324)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,618**	902,383
	¥	¥
Basic earnings per share	**(19.53)**	(38.04)

(ii) Diluted

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

	Period ended 31st March 2014	Period ended 31st March 2013 (Restated)
	¥ millions	¥ millions
Earnings		
Loss attributable to owners of the parent	**(17,630)**	(34,324)
Loss used to determine diluted earnings per share	**(17,630)**	(34,324)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,618**	902,383
Adjustment for: - Share options	-	-
Weighted average number of ordinary shares for diluted earnings per share	**902,618**	902,383
	¥	¥
Diluted earnings per share	**(19.53)**	(38.04)

Diluted earnings per share does not include stock options due to the anti-dilutive effect caused by the losses during the period ended 31 March 2014 and the period ended 31 March 2013.

(k) Dividends paid and proposed

	Period ended 31st March 2014 ¥ millions	Period ended 31st March 2013 ¥ millions
Dividends on ordinary shares declared during the period:		
Final dividend for the period ended 31 March 2013 nil per share (2012: ¥ 1.5 per share)	**-**	1,354
Interim dividend for the period ended 31 March 2014 ¥ nil per share (2013: ¥ nil per share)	**-**	-
Dividends on ordinary shares declared after the end of the reporting period and not recognized as a liability:		
Final dividend for the period ended 31 March 2014 ¥ nil per share (2013: ¥ nil per share)	**-**	**-**

(l) Exchange rates

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

	FY2014 31 March 2014		FY2013 31 March 2013	
	Average	**Closing**	Average	Closing
GBP	**159**	**171**	131	141
US dollar	**100**	**103**	83	93
Euro	**134**	**141**	107	119

(m) Cash flows generated from operations

	FY2014 for the period 1 April 2013 to 31 March 2014 ¥ millions	**FY2013 for the period 1 April 2012 to 31 March 2013 (restated)** ¥ millions
Profit /(loss) for the period from continuing operations	**(16,485)**	(33,455)
Adjustments for:		
Taxation	**84**	2,359
Depreciation	**30,081**	26,800
Amortization	**10,330**	9,755
Impairment	**3,593**	9,099
Reversal of impairment of non-current assets	**(1,227)**	(282)
Profit on sale of property, plant and equipment	**(591)**	(910)
Loss/(profit) on sale of subsidiaries and businesses	**57**	(6,146)
Deemed disposal of share of associate	**(2,056)**	-
Grants and deferred income released	**(896)**	2,184
Finance income	**(3,338)**	(1,823)
Finance expenses	**21,475**	17,911
Share of profit from joint ventures and associates	**(1,002)**	(2,250)
Other items	**(1,777)**	(945)
Operating cash flows before movement in provisions and working capital	**38,248**	22,297
Decrease in provisions and retirement benefit obligations	**(15,911)**	(11,229)
Changes in working capital:		
- inventories	**1,176**	6,398
- construction work-in-progress	**(437)**	180
- trade and other receivables	**8,424**	14,061
- trade and other payables	**6,008**	1,089
Net change in working capital	**15,171**	21,728
Cash flows generated from operations	**37,508**	32,796

(n) Cash and cash equivalents

	As of 31 March 2014 ¥ millions	As of 31 March 2013 ¥ millions
Cash and cash equivalents	**73,864**	83,472
Bank overdrafts	**(21,571)**	(18,299)
	52,293	65,173

(o) Post-retirement benefits

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

FY2014 for the period 1 April 2013 to 31 March 2014

	Operating costs* ¥ millions	**Finance costs ¥ millions**	**SoCI** ¥ millions**
Post-employment benefits	**(2,710)**	**(2,328)**	**2,934**
Post-retirement healthcare benefits	**(76)**	**(876)**	**2,322**
Deferred Taxation	**-**	**-**	**(4,811)**
	(2,786)	**(3,204)**	**445**

FY2013 for the period 1 April 2012 to 31 March 2013 (restated)

	Operating costs* ¥ millions	**Finance costs ¥ millions**	**SoCI** ¥ millions**
Post-employment benefits	**(3,037)**	**(2,346)**	**(6,799)**
Post-retirement healthcare benefits	**(66)**	**(824)**	**1,325**
Deferred Taxation	**-**	**-**	**409**
	(3,103)	**(3,170)**	**(5,065)**

*Operating costs above exclude exceptional gains as itemized in note (6)-(g).
** Consolidated Statement of Comprehensive Income

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

	As at 31 March 2014 %	As at 31 March 2013 %
UK discount rate	**4.2**	4.2
UK inflation	**3.4**	3.4
Japan discount rate	**1.4**	1.4
US discount rate	**4.2**	3.8
Eurozone discount rates (range)	**2.0-3.1**	2.0-3.2

(p) Contingent Liabilities

Claims

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

(q) Business Combinations

There were no significant business combinations during the period to 31 March 2014.

On 2 April 2012, the Group acquired the remaining 50 percent interest in Flovetro SpA that it did not already own. Previously this had been accounted for as a joint venture with the Group owning 50 percent of the issued share capital. Flovetro SpA is a float glass manufacturing entity supplying flat glass to the Group's Automotive business in Europe.

Under the terms of the acquisition, the Group paid cash of ¥ 407m to St Gobain, the Group's former joint venture partner in this company. The book value of the Group's joint venture investment at the acquisition date was ¥ 407 million, and the Group processed a gain on revaluation of this investment to fair value of ¥ 94 million. The total fair value of the acquisition was therefore ¥ 908 million.

The fair value of assets acquired consisted of property, plant, & equipment of ¥ 3,216 million, inventories of ¥ 724 million, receivables of ¥ 1,556 million, financial liabilities of ¥ (2,640) million, trade payables of ¥ (874) million, overdrawn cash balances of ¥ (812) million, and other net liabilities of ¥ (169) million. Total net assets acquired were therefore ¥ 1,001 million.

Negative goodwill arising on this transaction therefore amounted to ¥ 93 million, and was recognized as a gain during the period. Including the revaluation gain on the previous joint venture investment, the total gain recognized in the consolidated income statement as an exceptional item was ¥ 187 million.

During the fourth quarter of FY2013, as permitted in IFRS3, the Group revised the fair values of the assets and liabilities acquired in this business combination. The above numbers include this revision.

(r) Restatement of FY2013 Comparative Information

As described on page 14 to 15, the Group has restated its comparative results following its adoption of the amended version of IAS19. The table below sets out the adjustments made to FY2013 comparative data and the impact of this amendment on the current year financial statements.

	FY2014 ¥ millions	FY2013 ¥ millions
As of 1 April		
Change in total shareholders' equity	-	-
Change in total equity	-	-
As of 31 March		
Increase in finance expenses	2,722	2,028
Increase in loss before taxation	2,722	2,028
Decrease in taxation charge	616	512
Increase in loss for the period	2,105	1,516
Re-measurement of retirement benefit obligations charged within the statement of comprehensive income, net of taxation	2,105	1,516
Increase in total comprehensive loss for the period	-	-
Change in total shareholders' equity	-	-
Change in total equity	-	-
Increase in loss per share attributable to owners of the parent (basic) - yen	2.33	1.68
Increase in loss per share attributable to owners of the parent (diluted) - yen	2.33	1.68

(7) Significant subsequent events

There were no significant subsequent events.