FY 2016 Annual Consolidated Financial Results <IFRS>

13 May 2016

(English translation of the Japanese original)

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

Representative: Representative Executive Officer, President and CEO — Name: Shigeki Mori

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Annual general shareholders' meeting: 29 June 2016
Submission of annual financial statements to MOF: 30 June 2016
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 FY2016 (From 1 April 2015 to 31 March 2016)

(1) Consolidated business results

	Revenue		Operating profit		Profit/(loss) before taxation		Profit/(loss) for the period		Profit/(loss) attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2016	629,172	0.4	19,362	14.9	(37,439)	-	(47,500)	-	(49,838)	-	(73,200)	-
FY2015	626,713	3.4	16,848	15.7	4,807	-	2,893	-	1,668	-	(6,578)	-

	Earnings per share - basic	Earnings per share - diluted	Ratio of profit/(loss) attributable to owners of the parent to average equity attributable to owners of the parent	Profit/(loss) before tax ratio to total assets	Operating profit ratio to revenue
	¥	¥	%	%	%
FY2016	(55.18)	(55.18)	(35.7)	(4.3)	3.1
FY2015	1.85	1.84	0.9	0.5	2.7

Share of post-tax profit/(loss) of joint ventures and associates accounted for using the equity method
FY2016: ¥(3,435) million FY2015: ¥413 million

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

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2016	812,120	112,011	103,109	12.7	114.14
FY2015	920,106	186,008	175,746	19.1	194.60

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash used in investing activities	Net cash generated /(used in) from financing activities	Cash and cash equivalents as of term-end
	¥ millions	¥ millions	¥ millions	¥ millions
FY2016	21,789	(26,401)	(5,908)	46,162
FY2015	24,593	(23,192)	7,295	62,340

2. Dividends

	Dividends per share					Dividends (annual)	Payout ratio	Dividends over net assets
	Q1	Q2	Q3	Q4	Total			
FY2015 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-
FY2016 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-
FY2017 (forecast)	-	-	-	-	¥ 0.00	-	-	-

Note: The Group has a policy in its Article of Incorporation, to pay dividends to shareholders as of 30 September and 31 March, but forecast has not been established yet.

Note: For further details, please refer to the dividend policy section on page 8.

3. Forecast for FY2017 (From 1 April 2016 to 31 March 2017)

	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	305,000	(5.2)	12,500	105.3	-	-	-	-	-	-	-
Full year	620,000	(1.5)	31,000	60.1	15,000	-	7,000	-	5,000	-	5.53

Note: As the Group forecast only the annual figures of Profit before taxation, Profit for the period, and Profit attributable to owners of the parent, disclosure for the half year forecast is limited to Revenue and Operating profit.

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

4. Other items

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

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

Note: For further details, please refer to the principal accounting policies section on page 15.

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 2016 and 903,550,999 shares as of 31 March 2015
- (ii) Number of shares held as treasury stock at the end of the period: 194,949 shares as at 31 March 2016 and 415,309 shares as at 31 March 2015
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock: 903,259,969 shares for the period ending 31 March 2016 and 902,919,080 shares for the period ending 31 March 2015

Unconsolidated financial results of the parent company
1. Financial results of FY2016 (From 1 April 2015 to 31 March 2016)

(1) Stand-alone business results

	Sales		Operating Loss		Ordinary Income/(Loss)		Net Loss	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2016	101,156	(5.5)	(2,798)	-	(7,688)	-	(6,655)	-
FY2015	107,018	1.3	715	-	(2,722)	-	1,064	-

	Net income per share		Diluted earnings per share	
	¥	%	¥	%
FY2016	(7.37)		-	
FY2015	1.18		1.17	

(2) Stand-alone financial positions

	Gross assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	¥
FY2016	682,556	282,805	41.3	312.34
FY2015	688,308	290,632	42.1	321.10

Note: Shareholders' equity

	¥ millions
FY2016	282,155
FY2015	290,000

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 7 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

During the year to 31 March 2016 (FY2016), the Group experienced contrasting conditions in its major markets. European Architectural markets improved from the previous year and Automotive markets continued to recover, with significant increases in light vehicle sales in key Southern and Western European markets. In Japan, Architectural markets were stable, with volumes similar to the previous year, whilst Automotive markets were negatively affected by revised eco-car tax exemption rules. North American markets showed further growth, particularly in Architectural. Low-levels of consumer confidence contributed to a significant decline in Automotive markets in South America. In Technical Glass, markets for thin glass for displays were particularly challenging.

Underlying operating profitability continues to improve, and the Group recorded a full-year trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) of ¥ 27,175 million (FY2015 ¥ 25,270 million). The loss attributable to owners of the parent was ¥ 49,838 million (FY2015 profit of ¥ 1,668 million). On 31 March 2016, the Group announced a revised forecast for FY2016 containing a number of one-off exceptional items, which have therefore resulted in the net loss for the year. Further details of the exceptional items charged during the year are set out in note 6(g).

2) Review by Business Segment

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

Architectural, representing 42 percent of the Group's annual sales, includes the manufacture 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.

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

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

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

¥ millions	**Revenue**		**Operating profit**	
	FY2016	**FY2015**	**FY2016**	**FY2015**
Architectural	262,559	252,914	24,560	17,020
Automotive	316,327	313,956	9,813	9,372
Technical Glass	49,490	58,741	267	4,922
Other Operations	796	1,102	(15,278)	(14,466)
Total	629,172	626,713	19,362	16,848

Architectural

Operating results in the Architectural business improved from the previous year due to reduced energy-related input costs and further improvements to market conditions in North America. Revenues also increased, due largely to the strong market conditions in North America.

In Europe, representing 35 percent of the Group's Architectural sales, demand increased through the year leading to an improved pricing environment. Cumulative local currency revenues increased reflecting the improved underlying conditions. Profitability was negatively affected by a cold repair, offsetting the positive impact of lower input costs.

In Japan, representing 27 percent of Architectural sales, cumulative volumes were similar to the previous year. Revenues and profitability improved due to improved prices and increased sales of value-added products.

In North America, representing 15 percent of Architectural sales, architectural glass markets continued to register year on year growth. The Group's revenues and profits improved from the previous year. Volumes increased, with domestic demand being particularly strong. Domestic price levels were also above the previous year.

In the rest of the world, markets were generally at similar levels to the previous year. Solar glass dispatches were robust in South East Asia, and profits in South America were resilient despite a challenging economic environment and a cold repair in Argentina. On 31 March 2016, the Group announced its decision to exit from its loss-making business in China producing rolled glass for crystalline silicon photovoltaic applications.

The Architectural business recorded revenues of ¥ 262,559 million and an operating profit of ¥ 24,560 million.

Automotive

Automotive business revenues were similar to the previous year. Profitability improved however, with increased volumes and cost savings in Japan.

Europe represents 44 percent of the Group's Automotive sales. Light-vehicle sales were ahead of the previous year, with further growth in Western Europe indicating a sustainable market recovery. The Group also benefitted from robust volumes in its Automotive Glass Replacement (AGR) business. Total local currency revenues and profits were both slightly improved from the previous year.

In Japan, representing 18 percent of the Group's Automotive sales, OE revenues and profits were both ahead of the previous year. The Group's volumes increased, despite light-vehicle sales falling after the implementation of revised eco-car tax exemption rules. AGR profits were also ahead of the previous year.

In North America, representing 28 percent of the Group's Automotive sales, cumulative OE local currency revenues were ahead of the previous year as market volumes continued to strengthen. The Group's AGR revenues fell however.

In the rest of the world, weak market conditions persist in South America, with a significant decrease in light-vehicle sales in Brazil.

The Automotive business recorded sales of ¥ 316,327 million and an operating profit of ¥ 9,813 million.

Technical Glass

Revenues and profits in the Technical Glass business were below the previous year due to a challenging competitive environment in the Display business.

On 31 March 2016, the Group announced an adjustment to its production of thin glass for displays, with the mothballing of its thin glass float line in Vietnam. The timing for restarting this line is to be decided, and will be dependent on the future market situation, inventory levels, and other relevant factors.

Demand for components used in multi-function printers which had been robust in earlier quarters, softened during the second half of the year. Volumes of glass cord used in engine timing belts were robust, consistent with strengthening Automotive markets in Europe.

The Technical Glass business recorded revenues of ¥ 49,490 million and an operating profit of ¥ 267 million.

Other Operations and Eliminations

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

Consequently, this segment recorded revenues of ¥ 796 million and operating costs of ¥ 15,278 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates losses was worse than the previous year. Profits at Cebrace, the Group's joint venture in Brazil were stable. Results also improved at the Group's joint venture in Russia. However, deteriorating results at the Group's affiliates in China more than offset the improved profitability in Brazil and Russia.

The Group's share of joint ventures and associates loss after tax was ¥ 3,435 million (Q4 FY15 profit of ¥ 413 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 2017 is set out on page 2.

The Group expects to see an improvement in market conditions during FY2017. In Europe, Architectural markets are likely to be broadly stable with supply and demand in balance across the region. Light vehicle sales increased steadily during FY2016, and this recovery should continue through FY2017. Absolute levels of light vehicle sales in Europe will still be below their previous peak however. Architectural markets in Japan are likely to be generally flat but with the Group benefitting from an increase in VA sales, whilst automotive revenues are likely to fall following the implementation of revised eco-car tax exemption rules during FY2016. Architectural markets in North America will continue to be robust, with the Group benefitting from a high proportion of VA product sales. Automotive markets should also be at a good level, with the Group's profitability expected to improve. In South America, the Group expects to see a leveling-off of previous declines in light vehicle sales, although does not anticipate a significant rebound in near-term volumes. In the rest of the world, market conditions in South East Asia are likely to continue at a good level and the Group's Architectural results will benefit from the closure of the rolled glass line in China as announced on 31 March 2016. Within the Technical Glass business unit, results from the display division will benefit from the temporary closure of the Group's thin glass float line in Vietnam, also as announced on 31 March 2016. Across the Group, operating profitability is expected to benefit from relatively low energy costs and the Group's continued efforts to reduce its cost base. Amortization costs arising on the acquisition of Pilkington will fall to approximately half the level of FY2016.

Taking account of the above factors, the Group expects to record an improvement in operating profitability in FY2017.

(2) Financial condition

Total assets at the end of March 2016 were ¥ 812,120 million, representing a decrease of ¥ 107,986 million from the end of March 2015. Total equity was ¥ 112,011 million, representing a decrease of ¥ 73,997 million due to the loss for the period and the translational impact of a strengthening Japanese yen. A reduction in net retirement benefit obligations partly offset the impact of currency movements and the loss for the year.

Net financial indebtedness increased by ¥ 6,953 million from 31 March 2015 to ¥ 381,045 million at the period end. Currency movements generated an increase in net debt of approximately ¥ 700 million over the period. Gross debt was ¥ 436,960 million at the period end. As of 31 March 2016, the Group had un-drawn, committed facilities of ¥ 49,647 million.

Cash inflows from operating activities were ¥ 21,789 million. Cash outflows from investing activities were ¥ 26,401 million, including capital expenditure on property, plant, and equipment of ¥ 28,197 million. As a result, total cash outflows before financing were ¥ 4,612 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 sustained during the year, the directors do not recommend a dividend for the year to 31 March 2016. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

2. Management Policy and Long-Term Mission and Strategy

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

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

The overall objectives of the MTP are to achieve financial sustainability and to further develop the NSG Group's position as a VA glass company. The Group has established two very clear financial targets to be achieved by 31 March 2018, Net financial debt / EBITDA of 3X and Operating return on sales of greater than 8%. Under MTP, the Group aims at achieving Return on equity (ROE) of greater than 10% in FY2018.

The Group will perform an assessment of its performance against its MTP, and consider any actions that now need to be taken to ensure that the Group continues to move towards achievement of its MTP objectives. The results of this assessment are expected to be communicated alongside the Group's second quarter results for FY2017.

3. Basic concept regarding selection of accounting standards

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

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

4. Consolidated Financial Statements

(1). (a) Consolidated income statement

¥ millions

	Note	**FY2016 For the period 1 April 2015 to 31 March 2016**	FY2015 For the period 1 April 2014 to 31 March 2015
Revenue	(6)-(f)	**629,172**	626,713
Cost of sales		**(472,217)**	(473,194)
Gross profit		**156,955**	153,519
Other income		**2,945**	3,929
Distribution costs		**(56,639)**	(59,131)
Administrative expenses		**(70,716)**	(68,788)
Other expenses		**(13,183)**	(12,681)
Operating profit	(6)-(f)	**19,362**	16,848
Exceptional items	(6)-(g)	**(35,142)**	5,490
Operating profit / (loss) after exceptional items		**(15,780)**	22,338
Finance income	(6)-(h)	**1,624**	2,201
Finance expenses	(6)-(h)	**(19,848)**	(20,145)
Share of post-tax profit/(loss) of joint ventures and associates accounted for using the equity method		**(3,435)**	413
Profit / (loss) before taxation		**(37,439)**	4,807
Taxation	(6)-(i)	**(10,061)**	(1,914)
Profit / (loss) for the period		**(47,500)**	2,893
Profit attributable to non-controlling interests		**2,338**	1,225
Profit / (loss) attributable to owners of the parent		**(49,838)**	1,668
		(47,500)	2,893
Earnings per share attributable to owners of the parent	(6)-(j)		
Basic		**(55.18)**	1.85
Diluted		**(55.18)**	1.84

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

¥ millions

	Note	**FY2016 For the period 1 April 2015 to 31 March 2016**	FY2015 For the period 1 April 2014 to 31 March 2015
Profit / (loss) for the period		**(47,500)**	2,893
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(6)-(n)	**12,203**	(13,199)
Share of other comprehensive income of affiliates		**(749)**	(1,721)
Sub total		**11,454**	(14,920)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**(39,176)**	7,009
Revaluation of available-for-sale investments		**4,877**	795
Cash flow hedges:			
- fair value losses, net of taxation		**(2,855)**	(2,355)
Sub total		**(37,154)**	5,449
Total other comprehensive income for the period, net of taxation		**(25,700)**	(9,471)
Total comprehensive income for the period		**(73,200)**	(6,578)
Attributable to non-controlling interests		**(496)**	1,728
Attributable to owners of the parent		**(72,704)**	(8,306)
		(73,200)	(6,578)

(2) Consolidated balance sheet

	FY2016 as of 31 March 2016	FY2015 as of 31 March 2015
		¥ millions
ASSETS		
Non-current assets		
Goodwill	**113,459**	130,734
Intangible assets	**62,898**	75,680
Property, plant and equipment	**258,866**	293,529
Investment property	**715**	867
Investments accounted for using the equity method	**17,869**	30,528
Retirement benefit asset	**18,837**	9,754
Trade and other receivables	**15,297**	16,656
Financial assets:		
- Available-for-sale investments	**33,995**	31,870
- Derivative financial instruments	**26**	75
Deferred tax assets	**48,357**	62,072
Tax receivables	**1,098**	1,199
	571,417	652,964
Current assets		
Inventories	**108,862**	113,662
Construction work-in-progress	**716**	825
Trade and other receivables	**72,574**	79,010
Financial assets:		
- Available-for-sale investments	**346**	3
- Derivative financial instruments	**815**	882
Cash and cash equivalents	**55,074**	67,695
Tax receivables	**1,093**	1,558
	239,480	263,635
Assets held for sale	**1,223**	3,507
	240,703	267,142
Total Assets	**812,120**	920,106

(2) Consolidated balance sheet continued

¥ millions

	FY2016 as of 31 March 2016	FY2015 as of 31 March 2015
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**139,089**	112,119
- Derivative financial instruments	**4,453**	3,090
Trade and other payables	**120,979**	133,550
Taxation liabilities	**2,219**	2,326
Provisions	**16,181**	12,509
Deferred income	**2,989**	3,345
	285,910	266,939
Non-current liabilities		
Financial liabilities:		
- Borrowings	**289,319**	325,008
- Derivative financial instruments	**4,098**	2,527
Trade and other payables	**714**	741
Deferred tax liabilities	**17,321**	20,700
Taxation liabilities	**1,002**	650
Retirement benefit obligations	**75,111**	89,924
Provisions	**16,512**	17,826
Deferred income	**10,122**	9,783
	414,199	467,159
Total liabilities	**700,109**	734,098
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	**(63,502)**	(25,082)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(9,301)**	24,916
Total shareholders' equity	**103,109**	175,746
Non-controlling interests	**8,902**	10,262
Total equity	**112,011**	186,008
Total liabilities and equity	**812,120**	920,106

(3) Consolidated statement of changes in equity

¥ millions

FY2016	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 2015	116,449	127,511	(25,082)	(68,048)	24,916	**175,746**	10,262	**186,008**
Loss for the period	-	-	(49,838)	-	-	**(49,838)**	2,338	**(47,500)**
Other comprehensive income	-	-	11,454	-	(34,320)	**(22,866)**	(2,834)	**(25,700)**
Total Comprehensive Income	-	-	(38,384)	-	(34,320)	**(72,704)**	(496)	**(73,200)**
Transactions with owners								
Stock options	-	(36)	-	-	107	**71**	-	**71**
Dividends paid	-	-	-	-	-	**-**	(864)	**(864)**
Issuance & purchase of treasury stock	-	-	-	-	(4)	**(4)**	-	**(4)**
Transfer of retained earnings to capital surplus	-	36	(36)	-	-	**-**	-	**-**
At 31 March 2016	**116,449**	**127,511**	**(63,502)**	**(68,048)**	**(9,301)**	**103,109**	**8,902**	**112,011**

¥ millions

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

(4) Consolidated statement of cash flows

	Note	**FY2016 for the period 1 April 2015 to 31 March 2016**	FY2015 for the period 1 April 2014 to 31 March 2015
			¥ millions
Cash flows from operating activities			
Cash generated from operations	(6)-(l)	**42,281**	44,935
Interest paid		**(17,931)**	(18,314)
Interest received		**1,282**	2,168
Tax paid		**(3,843)**	(4,196)
Net cash inflows from operating activities		**21,789**	24,593
Cash flows from investing activities			
Dividends received from joint ventures and associates		**2,741**	3,131
Purchase of joint ventures and associates		**-**	(183)
Proceeds on disposal of joint ventures and associates		**-**	162
Purchase of subsidiaries (net of cash disposed)		**-**	(488)
Proceeds on disposal of businesses (net of cash disposed)		**-**	144
Purchases of property, plant and equipment		**(28,197)**	(32,602)
Proceeds on disposal of property, plant and equipment		**608**	6,229
Purchases of intangible assets		**(1,790)**	(2,338)
Proceeds on disposal of intangible assets		**-**	21
Purchase of available-for-sale investments		**(13)**	(10)
Proceeds from available-for-sale investments		**128**	203
Loans advanced to joint ventures, associates & third parties		**(529)**	(1,486)
Loans repaid from joint ventures, associates & third parties		**370**	630
Others		**281**	3,395
Net cash outflows from investing activities		**(26,401)**	(23,192)
Cash flows from financing activities			
Dividends paid to shareholders		**-**	(11)
Dividends paid to non-controlling interests		**(857)**	(978)
Repayment of borrowings		**(136,485)**	(135,828)
Proceeds from borrowings		**131,438**	144,115
Others		**(4)**	(3)
Net cash in/(out)flows from financing activities		**(5,908)**	7,295
Increase/(decrease) in cash and cash equivalents (net of bank overdrafts)		**(10,520)**	8,696
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(m)	**62,340**	52,293
Effect of foreign exchange rate changes		**(5,658)**	1,351
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(m)	**46,162**	62,340

(5) Notes regarding going concern

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

(6) Notes to the Consolidated Financial Statements

(a) Reporting entity

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

(b) Basis of preparation

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

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

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

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

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

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group’s annual accounting periods beginning on or after 1 April 2016 and are considered to be relevant and potentially material to the Group’s primary financial statements. The Group has elected not to adopt early the standards as described below:

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

IFRS 15 ‘Revenue from Contracts with Customers’ addresses the recognition of revenues and will be effective from the Group’s financial period commencing 1 April 2018. This new standard will replace IAS 18 ‘Revenue’ and IAS 11 ‘Construction Contracts’. The Group has not yet calculated the impact of the adoption of this new standard.

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

(d) Principal accounting policies

The principal accounting policies applied to the consolidated financial statements for the year ended 31 March 2016 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2015.

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

(e) Critical accounting estimates and assumptions

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

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

(f) Segmental information

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

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

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

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

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

The segmental results for the financial period to 31 March 2016 were as follows:

¥ millions

FY2016 For the period 1 April 2015 to 31 March 2016	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	**262,559**	**316,327**	**49,490**	**796**	**629,172**
Inter-segmental revenue	**22,208**	**2,185**	**48**	**5,368**	**29,809**
Total revenue	**284,767**	**318,512**	**49,538**	**6,164**	**658,981**
Trading profit	**24,560**	**9,813**	**267**	**(7,465)**	**27,175**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(7,813)**	**(7,813)**
Operating profit	**24,560**	**9,813**	**267**	**(15,278)**	**19,362**
Exceptional items					**(35,142)**
Operating loss after exceptional items					**(15,780)**
Finance costs - net					**(18,224)**
Share of post tax loss from joint ventures and associates					**(3,435)**
Loss before taxation					**(37,439)**
Taxation					**(10,061)**
Loss for the period from continuing operations					**(47,500)**

(f) Segmental information continued

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

¥ millions

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

The segmental assets at 31 March 2016 and capital expenditure for the period ended 31 March 2016 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	**148,164**	**155,754**	**44,428**	**2,786**	**351,132**
Capital expenditure (including intangibles)	**13,156**	**13,272**	**1,452**	**312**	**28,192**

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

¥ millions

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

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

	FY2016 for the period 1 April 2015 to 31 March 2016	FY2015 for the period 1 April 2014 to 31 March 2015
	¥ millions	¥ millions
Exceptional Items (gains):		
Gain on disposal of non-current assets	**237**	5,141
Gain on dilution of shares in associate	**96**	-
Reversal of impairment of non-current assets	**7**	518
Gain on reclassification of investments	**-**	13,349
Others	**90**	560
	430	19,568
Exceptional Items (losses):		
Impairments of non-current assets	**(12,708)**	(560)
Impairments of goodwill	**(6,914)**	-
Impairments of investment in affiliates	**(5,234)**	(2,124)
Settlement of litigation matters	**(4,721)**	(1,337)
Restructuring costs, including employee termination payments	**(4,305)**	(8,922)
Loss on dilution of investment in associates	**-**	(649)
Loss on disposal of current assets	**(1,681)**	-
Others	**(9)**	(486)
	(35,572)	(14,078)
	(35,142)	5,490

The gain on disposal of non-current assets relates to the disposal of assets in China.

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

The gain on dilution of shares in an associate arose following a placing of shares by Holding Concorde SA in which the Group did not participate.

The reversal of impairment of non-current assets relates mainly to assets in Italy, which have had their recoverable value re-assessed during the year.

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

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

The impairment of non-current assets includes asset write-downs following the Group's decision to exit from its business in China producing rolled glass for crystalline silicon photovoltaic applications, and also the asset write-downs at the Group's thin glass facility in Vietnam as a result of the current low level of profitability of the Display glass business.

The impairments of non-current assets in the previous-year related to the Group's Architectural facilities in Japan.

The impairment of goodwill mainly relates to the Group's Automotive Rest of World cash generating unit (CGU) and follows a significant reduction in light vehicle sales, particularly in Brazil, during FY2016. This write-down applies to goodwill created on the acquisition of Pilkington in 2006. It also includes an impairment of goodwill related to the Group's business in China producing rolled glass for crystalline silicon photovoltaic applications.

The impairment of the Group's investments in affiliates relates to difficult market conditions in Russia and China. The Group has processed an impairment of its investment in SP Glass Holdings BV, a joint venture company owning glass production facilities in Russia. The Group has also processed impairments of its investments in Jiangsu Pilkington SYP Glass Co., Limited and Tianjin Pilkington SYP Glass Co., Limited, both joint venture companies owning glass production facilities in China.

The previous-year impairment of investment in affiliates represented an impairment of the Group's interests in China Glass Holdings Ltd, following a review of the recoverable value of that investment.

In both the current and previous-years, the settlement of litigation matters relates to claims made by certain of the Group's Automotive customers in Europe, following the European Commission's earlier decision to fine the Group for alleged breaches of European competition law. Following an increase in litigation provisions during FY2016, the Group no longer believes that it has any further material contingent liabilities for such claims.

Restructuring costs arise in a variety of locations around the world and principally includes the cost of compensating redundant employees for the termination of their contracts of employment.

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

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

(h) Finance income and expenses

	Note	**FY2016 for the period 1 April 2015 to 31 March 2016**	FY2015 for the period 1 April 2014 to 31 March 2015
		¥ millions	¥ millions
Finance income			
Interest income		**1,312**	2,093
Foreign exchange transaction gains		**312**	108
		1,624	2,201
Finance expenses			
Interest expense:			
- bank and other borrowings		**(16,943)**	(15,852)
Dividend on non-equity preference shares due to minority shareholders		**(263)**	(278)
Foreign exchange transaction losses		**(76)**	(31)
Other interest and similar charges		**(877)**	(1,846)
		(18,159)	(18,007)
Unwinding discounts on provisions		**(240)**	(139)
Retirement benefit obligations - net finance charge	(6)-(n)	**(1,449)**	(1,999)
		(19,848)	(20,145)

(i) Taxation

	FY2016 for the period 1 April 2015 to 31 March 2016	FY2015 for the period 1 April 2014 to 31 March 2015
	¥ millions	¥ millions
Current tax		
Charge for the period	**(4,962)**	(3,483)
Adjustment in respect of prior periods	**460**	(24)
	(4,502)	(3,507)
Deferred tax		
(Charge)/credit for the period	**(6,322)**	3,013
Adjustment in respect of prior periods	**52**	(691)
Adjustment in respect of rate changes	**711**	(729)
	(5,559)	1,593
Taxation charge for the period	**(10,061)**	(1,914)

The Group has a tax charge for FY2016 which results in an effective rate of tax of (29.6) percent on the loss before taxation for the period, after excluding the Group's share of net profits of joint ventures and associates (FY2015: a tax charge of 43.57 percent on a profit for the period).

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

Included in the deferred tax charge for the period is a charge of ¥ 5,237 million arising in Japan following a re-assessment of expectations of future utilization of deferred tax assets recognized in previous years.

(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 2016	Period ended 31st March 2015
	¥ millions	¥ millions
Profit/(loss) attributable to owners of the parent	**(49,838)**	1,668
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**903,260**	902,919
	¥	¥
Basic earnings per share	**(55.18)**	1.85

(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 2016	Period ended 31st March 2015
	¥ millions	¥ millions
Earnings		
Profit/(loss) attributable to owners of the parent	**(49,838)**	1,668
Profit/(loss) used to determine diluted earnings per share	**(49,838)**	1,668
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**903,260**	902,919
Adjustment for: - Share options	-	4,575
Weighted average number of ordinary shares for diluted earnings per share	**903,260**	907,494
	¥	¥
Diluted earnings per share	**(55.18)**	1.84

FY2016 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 2016.

(k) Exchange rates

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

	FY2016 31 March 2016		FY2015 31 March 2015	
	Average	**Closing**	Average	Closing
GBP	**181**	**161**	177	178
US dollar	**120**	**113**	110	120
Euro	**132**	**127**	139	130

(l) Cash flows generated from operations

	Note	**FY2016 for the period 1 April 2015 to 31 March 2016**	FY2015 for the period 1 April 2014 to 31 March 2015
		¥ millions	¥ millions
Profit /(loss) for the period from continuing operations		**(47,500)**	2,893
Adjustments for:			
Taxation	(6)-(i)	**10,061**	1,914
Depreciation		**30,477**	30,778
Amortization		**10,472**	10,935
Impairment		**24,943**	3,544
Reversal of impairment of non-current assets		**(41)**	(1,506)
Profit on sale of property, plant and equipment		**(258)**	(5,216)
Profit on sale of subsidiaries and businesses		**-**	(26)
Gain on reclassification of investments		**-**	(13,349)
Deemed disposal of share of associate		**(96)**	649
Grants and deferred income		**914**	493
Finance income	(6)-(h)	**(1,624)**	(2,201)
Finance expenses	(6)-(h)	**19,848**	20,145
Share of (profit)/loss from joint ventures and associates		**3,435**	(413)
Other items		**(446)**	(1,449)
Operating cash flows before movement in provisions and working capital		**50,185**	47,191
Decrease in provisions and retirement benefit obligations		**(5,050)**	(16,134)
Changes in working capital:			
- inventories		**(3,890)**	(2,973)
- construction work-in-progress		**66**	154
- trade and other receivables		**3,554**	11,610
- trade and other payables		**(2,584)**	5,087
Net change in working capital		**(2,854)**	13,878
Cash flows generated from operations		**42,281**	44,935

(m) Cash and cash equivalents

	As of 31 March 2016	As of 31 March 2015
	¥ millions	¥ millions
Cash and cash equivalents	**55,074**	67,695
Bank overdrafts	**(8,912)**	(5,355)
	46,162	62,340

(n) Post-retirement benefits

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

FY2016 for the period 1 April 2015 to 31 March 2016

	Operating costs	**Finance costs**	**SoCI***
	¥ millions	**¥ millions**	**¥ millions**
Post-employment benefits	**(3,680)**	**(411)**	**15,990**
Post-retirement healthcare benefits	**(71)**	**(1,038)**	**5,158**
Deferred income and other taxes**	**-**		**(8,945)**
	(3,751)	**(1,449)**	**12,203**

FY2015 for the period 1 April 2014 to 31 March 2015

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

* Consolidated Statement of Comprehensive Income
** Included within deferred income and other taxes is a deferred tax charge of ¥ 2,882 million (FY2015: credit of ¥ 5,237 million) and other taxes of ¥ 6,063 million (FY2015: ¥ 2,645 million), which represent a charge against the pension asset.

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

	As at 31 March 2016	As at 31 March 2015
	%	%
UK discount rate	**3.4**	3.1
UK inflation	**1.8**	2.0
Japan discount rate	**0.5**	0.9
US discount rate	**3.6**	3.5
Eurozone discount rates (range)	**1.0-1.7**	1.0-1.3

(7) Significant subsequent events

On 13 May 2016 the Group announced its intention to sell and lease-back land at Kyoto City, Kyoto Prefecture, Japan, and land and buildings at Sungai Buloh, Malaysia. The combined disposal proceeds expected to be realized on these transactions is approximately ¥ 9,300 million, to be fully accounted for within FY2017.