FY 2013 Annual Consolidated Financial Results <IFRS>

16 May 2013

(English translation of the Japanese original)

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

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Annual general shareholders' meeting: 27 June 2013
Submission of annual financial statements to MOF: 28 June 2013
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 FY2013 Quarter 4 (From 1 April 2012 to 31 March 2013)

(1) Consolidated business results

	Revenue		Operating (loss)/profit		Loss before taxation		Loss for the period		Loss attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2013	521,346	(5.6)	(17,258)	-	(29,068)	-	(31,939)	-	(32,808)	-	(13,250)	-
FY2012	552,223	(4.3)	4,386	(80.8)	(4,822)	-	(1,749)	-	(2,815)	-	(48,938)	-

	Earnings per share – basic	Earnings per share - diluted	Profit ratio to equity attributable to owners of the parent	Loss before tax ratio to total assets	Operating profit/(loss) ratio to revenue
	¥	¥	%	%	%
FY2013	(36.36)	(36.36)	(21.4)	(3.4)	(3.3)
FY2012	(3.12)	(3.12)	(1.5)	(0.6)	0.8

Share of post-tax profit of joint ventures and associates accounted for using the equity method FY2013 ¥2,250 million (FY 2012 ¥5,115 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	%	¥
FY2013	885,436	155,453	145,031	16.4	160.68
FY2012	848,752	170,535	161,313	19.0	178.77

(3) Consolidated statement of cash flow

	Net cash generated from (used in) operating activities	Net cash generated from (used in) investing activities	Net cash generated from (used in) financing activities	Cash and cash equivalents as of term-end
	¥ million	¥ million	¥ million	¥ million
FY2013	14,213	(7,041)	27,945	65,173
FY2012	(9,914)	(26,327)	15,862	24,797

2. Dividends

	Dividends per share					Dividends (annual)	Payout ratio	Dividends over net assets
	Q1	Q2	Q3	Q4	Total			
FY2012 (actual)	-	¥ 3.00	-	¥ 1.50	¥ 4.50	¥ 4,060m	-	2.0%
FY2013 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-
FY2014 (forecast)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	-	-	-

Note: For further details, please refer to the dividend policy section on page 9.

3. Forecast for FY2014 (From 1 April 2013 to 31 March 2014)

	Revenue		Operating profit		Loss before taxation		Loss for the period		Loss attributable to owners of the parent		Earnings per share - basic	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥	%
Half year	290,000	11.2	(1,000)	-	(10,000)	-	(12,000)	-	(12,500)	-	(13.85)	
Full year	600,000	15.1	3,000	-	(15,000)	-	(20,000)	-	(21,000)	-	(23.27)	

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

4. Other items

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

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

(c) Number of shares outstanding (common stock)

- (i) Number of shares issued at the end of the period, including shares held as treasury stock:
  903,550,999 shares as of 31 March 2013 and 903,550,999 shares as of 31 March 2012
- (ii) Number of shares held as treasury stock at the end of the period:
  963,765 shares as at 31 March 2013 and 1,200,613 shares as at 31 March 2012
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
  902,383,303 shares for the period ending 31 March 2013 and 902,229,975 shares for the period ending 31 March 2012

Unconsolidated financial results of the parent company
1.Financial results of FY2013 (From 1 April 2012 to 31 March 2013)

(1)Stand-alone business results

	Sales		Operating Income		Ordinary Loss		Net Loss	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2013	98,767	(9.2)	(1,275)	-	(1,115)	-	(4,854)	-
FY 2012	108,801	(4.8)	(1,258)	-	(1,466)	-	(827)	-

	Net income per share		Diluted earnings per share	
	¥	%	¥	%
FY2013	(5.38)		-	
FY2012	(0.92)		-	

(2)Stand-alone financial positions

	Gross assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	¥
FY2013	630,209	290,289	46.0	320.96
FY2012	599,339	296,520	49.4	327.88

Note: shareholders equity

	¥ millions
FY2013	289,697
FY2012	295,863

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 8 for qualitative information such as assumptions used for the projections.

[Attachments]

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1. Business Performance and Financial Standing

(1) Business performance

1) Background to Results

During the fourth quarter of the year, the Group continued to experience challenging conditions in its main markets. Volumes were generally similar to previous quarters, but continued to be below the levels of the previous year. European Architectural volumes were weak, although there were signs of improvement elsewhere. Dispatches of Solar Energy glass were stable during the quarter, but remain at a relatively low level. Automotive markets were below the previous year, although North American volumes further improved during the quarter. Technical glass markets were relatively robust, at levels similar to the previous year.

In Europe, economic difficulties continued to depress construction and refurbishment activity, with the fourth quarter also affected by harsh winter weather conditions. Prices were stable during the fourth quarter, but continue to be at historically low levels. Automotive markets were also challenging, with low levels of consumer demand leading to reductions in vehicle production compared to the previous year. During the fourth quarter, the German market, which had been robust earlier in the financial year, weakened, whilst most other significant markets in Western and Southern Europe continued to be depressed. Demand for vehicles in the UK remained relatively strong however. AGR markets were flat, aided by the fourth quarter weather conditions. In Technical glass markets, volumes of glass cord for engine timing belts were below the previous year, consistent with conditions experienced in the Automotive business.

In Japan, underlying conditions in construction markets continued to gradually improve, with new housing starts being approximately 5 percent higher than the previous year, although unfavorable winter weather conditions had a negative impact on demand during the fourth quarter. In Automotive, domestic vehicle purchases, which had been relatively robust earlier in the year, were below the levels of the previous year during the third and fourth quarters. The weakening Japanese yen provided support to vehicle exports towards the end of the year. AGR markets were stable with demand levels similar to the previous year. Technical Glass markets were robust, with strong demand for components for consumer electronic devices.

In North America, Architectural markets steadily improved during the year, but are still significantly below the level of 2008. Automotive light vehicle build also improved during the year, with the increased volumes continuing into the fourth quarter. Market conditions in AGR were challenging, with sluggish demand experienced during the fourth quarter.

In the rest of the world, the Group's Architectural markets in South America continued to grow, albeit relatively slowly. Architectural markets in South East Asia improved during the fourth quarter. In Automotive markets, light vehicle build volumes were ahead of the previous year, whilst AGR markets were stable.

2) Review by Business Segment

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

Architectural, representing 42 percent of Group sales, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

Automotive, with 47 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 11 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, and glass fiber products, including battery separators and glass components for engine timing belts.

JPY millions	Revenue		Operating profit before exceptional items	
	FY2013	**FY2012**	**FY2013**	**FY2012**
Architectural	215,739	239,440	303	9,135
Automotive	245,022	251,229	4,755	5,123
Technical Glass	59,404	60,167	6,719	6,942
Other Operations	1,181	1,387	(9,831)	(13,484)
Total	521,346	552,223	1,946	7,716

Architectural

Results in the Architectural business continued to improve during the fourth quarter, although profitability remains relatively weak. Volumes were significantly below the previous year, although the rate of decline slowed during the year, and fourth quarter demand was relatively stable at low levels of activity. Profitability improved during the year as the impact of the Group's restructuring actions began to more than offset the deteriorating market conditions. Solar Energy dispatches, as anticipated, were significantly below the previous year.

In Europe, representing 38 percent of the Group's Architectural sales, revenues and profits fell from the previous year. Losses narrowed during the year however, as restructuring actions significantly reduced the Group's European cost base. Excluding Solar Energy dispatches, cumulative Architectural volumes fell by approximately 12.5 percent from the previous year, leading to industry-wide over-capacity and a weak pricing environment. Industry-wide activities to reduce capacity continued through the year and prices were stable, but at a low level, during the fourth quarter. On 8 November 2012, the Group announced its intention to close its float glass line in Venice, Italy, which had previously been in a state of hot hold. Also on 8 November 2012, the Group announced that it had entered into consultation with employee representatives regarding plans to close its float glass plant in Halmstad, Sweden. Both of these float glass lines have subsequently ceased production. On 14 December 2012, the Group announced that one of its float glass lines in St Helens, UK, would be temporarily kept out of operation on hot hold.

Revenues in Japan, representing 33 percent of Architectural sales, were below the previous year, with improving domestic markets being more than offset by reduced dispatches of Solar Energy glass. Adverse weather conditions impacted demand during the fourth quarter, although underlying sentiment in the construction sector continued to improve, with new housing starts improving by approximately 5 percent from the previous year.

In North America, representing 9 percent of Architectural sales, revenues and profits were below the previous year. Dispatches of Solar Energy products fell, more than offsetting improving domestic construction markets.

In the rest of the world, revenues improved from the previous year with a full period of sales generated by the Group's Solar Energy float line in Vietnam, which commenced production during the previous year. Volumes in South America were similar to the previous year. Market conditions in South East Asia improved during the fourth quarter, whilst the Group's Solar Energy rolled line in China experienced weak demand throughout the year.

The Architectural business achieved sales of ¥ 215,739 million and an operating profit before exceptional items of ¥ 303 million.

Automotive

In the Automotive business, revenues fell from the previous year, due largely to a significant decline in volumes in Europe, where light vehicle demand fell to its lowest level for more than 15 years. This was partly offset by relatively strong demand in Japan, where the previous year had been affected by the March 2011 earthquake, and also in North America.

Europe represents 43 percent of the Group's Automotive sales. In the European Original Equipment (OE) sector, revenues and profits fell from the previous year, due to reduced demand. Results in the Automotive Glass Replacement (AGR) business were similar to the previous year, with reduced demand being offset by an increasing proportion of sales of higher value-added products. On 26 October 2012, the Group announced that it had entered into consultation with employee representatives regarding its intention to close its Automotive manufacturing facilities in Landskrona, Sweden, and Ylöjärvi, Finland. The closure process for these plants will be completed during FY2014.

In Japan, representing 19 percent of the Group's Automotive sales, cumulative OE revenues and profits were higher than the previous year. Following the March 2011 earthquake, which significantly affected the start of the previous year, market volumes have improved steadily. During the third and fourth quarters, volumes were stable but below the level of the previous year. AGR revenues and profits were similar to the previous year.

In North America, representing 23 percent of the Group's Automotive sales, OE revenues improved from the previous year, due to increased volumes. Profitability remains weak. AGR revenues and profits fell, with reduced market demand.

In the rest of the world, local currency revenues were generally similar to the previous year. Profitability improved slightly but is still at a low level.

The Automotive business recorded sales of ¥ 245,022 million and an operating profit of ¥ 4,755 million.

Technical Glass

Revenues and profits in the Technical Glass Business were similar to the previous year. Demand for thin glass for displays remains stable, with end-customer demand in sectors such as smart phones and tablet devices generally positive. Demand for components used in multi-function printers continued to be sluggish during the fourth quarter. Demand for glass cord used in engine timing belts fell in Europe, consistent with market conditions experienced in the Automotive business.

The Technical Glass business recorded revenues of ¥ 59,404 million and an operating profit of ¥ 6,719 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 losses incurred in Other Operations and Eliminations fell from the previous year due to cost savings and some non-recurring gains.

Consequently, this segment recorded revenues of ¥ 1,181 million and operating costs of ¥ 9,831 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits fell as these business experienced market conditions similar to the Group's Architectural subsidiary businesses. Profits at Cebrace, the Group's joint venture in Brazil, fell, due to reduced volumes and prices. Profitability at the Group's Architectural joint ventures and associates in China also fell. The Group's joint venture in Russia recorded profits similar to the level of the previous year.

The Group's share of joint ventures and associates profits after tax was ¥ 2,250 million (FY2012 profit of ¥ 5,115 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 financial year ending 31 March 2014 is set out on page 2.

During FY2013, the Group's sales volumes fell from the previous year, with European Architectural volumes particularly affected by difficult economic conditions. Solar Energy dispatches were negatively impacted by decreased levels of government support for solar energy projects. Automotive volumes were affected by low levels of consumer confidence in Europe, resulting in light vehicle sales declining to their lowest level for more than 15 years. Some markets performed better however, with Automotive and Architectural volumes in North America steadily improving, and Architectural markets in Japan also showing signs of recovery. Technical glass markets were robust, with volumes similar to the previous year.

The Group expects that in FY2014, activity in European markets will continue to be at a low level, although it does not anticipate a further significant decline in volumes. European Architectural prices, which ended FY2013 at historically low levels, are not expected to fall further. The pricing environment should be aided by industry-wide capacity reductions leading to an improved level of utilization. In Japan, markets are expected to benefit from improving business sentiment, resulting from a weakening currency and growth enhancing government policies, although Automotive volumes are expected to be negatively impacted by an end to vehicle purchase subsidies and further transfers of vehicle production to other locations. Volumes in North America should continue the improvement already experienced in FY2013, and volume growth is also expected in the Group's emerging markets. Solar Energy glass dispatches are anticipated to be stable. Technical glass markets are likely to be broadly in line with FY2013 levels.

The Group's operating profitability will increasingly benefit from the restructuring actions that have been undertaken during FY2013. On 2 February 2012, the Group announced a program of capacity rationalization and headcount reduction, with a total cash cost of ¥25,000 million and recurring cash benefits of ¥20,000 million. On 10 May 2012, the Group announced an acceleration of this program such that it would be completed within two years rather than three as originally anticipated.

On 2 August 2012, the Group announced that total annualized restructuring benefits, originally expected to be ¥ 20,000 million per year, had been revised upwards to ¥ 25,000 million per year. Total restructuring costs of ¥ 25,000 million would not be expected to change, however anticipated non-cash impairments were increased from ¥ 3,000 million to ¥ 9,000 million.

The Group's restructuring program continued to progress satisfactorily during the fourth quarter. The acceleration of the restructuring program has enabled the Group to generate benefits in FY2013 of ¥ 10,000 million, being a significant improvement on the Group's originally anticipated benefit for FY2013 of ¥ 5,000 million.

The Group now expects that recurring annual benefits will be approximately ¥ 30,000 million per year. Total restructuring costs are now anticipated to be ¥ 30,000 million, due to additional plant closures necessitated by the continuing economic difficulties in Europe. Related non-cash impairment charges are anticipated to be ¥ 9,000 million.

(2) Financial condition

Total assets at the end of March 2013 were ¥ 885,436 million, representing an increase of ¥ 36,684 million from the end of March 2012. The Group has adopted "Net Debt" (interest–bearing debt and derivative assets and liabilities minus cash and cash equivalents) as a Key Performance Indicator for its financial performance. The table below shows the movement of "Net Debt" following the acquisition of Pilkington in June 2006.

		Net Debt
		JPY million
FY2007 Quarter 1	30 June 2006	514,097
FY2007 Full year	31 March 2007	400,203
FY2008 Full year	31 March 2008	328,479
FY2009 Full year	31 March 2009	331,343
FY2010 Full year	31 March 2010	357,562
FY2011 Full year	31 March 2011	313,131
FY2012 Full year	31 March 2012	351,155
FY2013 Full year	31 March 2013	360,848

Net financial indebtedness increased by ¥ 9,693 million from 31 March 2012 to ¥ 360,848 million at the period end. Increases in indebtedness were caused primarily by the low overall level of profitability, and expenditure on the Group's restructuring program. Cash inflows from operating activities were ¥ 14,213 million. Included within this were cash inflows from reductions in working capital of ¥ 21,728 million. Cash outflows from investing activities were ¥ 7,041 million, including capital expenditure on property, plant, and equipment of ¥ 25,553 million. As a result, total cash inflows before financing were ¥ 7,172 million. Currency movements generated an increase in net debt of approximately ¥ 8,840 million over the period. Gross debt was ¥ 447,849 million at the period end.

On 28 March 2013, the Group announced new financial facilities. These included a syndicated loan facility of ¥70,000 million, arranged by Sumitomo Mitsui Banking Corporation, new bilateral finance agreements of ¥ 9,000 million, and a further bank facility of ¥ 30,000 million. In addition, a new committed revolving credit facility of ¥ 25,000 million was signed with Sumitomo Mitsui Banking Corporation, which is intended to provide additional liquidity.

(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 2013. 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.

The Group's vision statement is "Making a difference to our world through glass technology".

The mission of the NSG Group is "to be the global leader in innovative high-performance glass and glazing solutions, contributing to the conservation and generation of energy, working safely and ethically".

Both the Group Vision and the Group Mission underpin the Group's strategy.

3. Consolidated Financial Statements

(1). (a) Consolidated income statement

¥ millions

	Note	**FY2013 For the period 1 April 2012 to 31 March 2013**	FY2012 For the period 1 April 2011 to 31 March 2012
Revenue	(6)-(f)	**521,346**	552,223
Cost of sales		**(404,027)**	(420,033)
Gross profit		**117,319**	132,190
Other income		**7,915**	7,932
Distribution costs		**(50,784)**	(49,457)
Administrative expenses		**(60,592)**	(66,156)
Other expenses		**(11,912)**	(16,793)
Operating profit before exceptional items	(6)-(f)	**1,946**	7,716
Exceptional items	(6)-(g)	**(19,204)**	(3,330)
Operating profit/(loss)	(6)-(f)	**(17,258)**	4,386
Finance income	(6)-(h)	**1,823**	2,423
Finance expenses	(6)-(h)	**(15,883)**	(16,746)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**2,250**	5,115
Loss before taxation		**(29,068)**	(4,822)
Taxation	(6)-(i)	**(2,871)**	3,073
Loss for the period		**(31,939)**	(1,749)
Profit attributable to non-controlling interests		**869**	1,066
Loss attributable to owners of the parent		**(32,808)**	(2,815)
		(31,939)	(1,749)
Earnings per share attributable to owners of the parent	(6)-(j)		
Basic		**(36.36)**	(3.12)
Diluted		**(36.36)**	(3.12)

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

	Note	FY2013 For the period 1 April 2012 to 31 March 2013	FY2012 For the period 1 April 2011 to 31 March 2012
			¥ millions
Loss for the period		**(31,939)**	(1,749)
Other comprehensive income:			
Foreign currency translation adjustments		**26,188**	(18,707)
Post-retirement benefits, net of taxation	(6)-(o)	**(6,581)**	(24,454)
Revaluation of available-for-sale investments		**(35)**	313
Cash flow hedges:			
- fair value gains, net of taxation		**435**	(1,432)
Share of other comprehensive income of joint ventures and associates accounted for using equity method		**(1,318)**	(2,909)
Other comprehensive income for the period, net of taxation		**18,689**	(47,189)
Total comprehensive income for the period		**(13,250)**	(48,938)
Attributable to non-controlling interests		**1,707**	633
Attributable to owners of the parent		**(14,957)**	(49,571)
		(13,250)	(48,938)

(2) Consolidated balance sheet

	FY2013 as of 31 March 2013	FY2012 as of 31 March 2012
		¥ millions
ASSETS		
Non-current assets		
Goodwill	**116,768**	105,018
Intangible assets	**84,496**	87,475
Property, plant and equipment	**267,983**	260,597
Investment property	**635**	675
Investments accounted for using the equity method	**45,063**	50,359
Trade and other receivables	**14,208**	6,676
Financial assets:		
- Available-for-sale investments	**6,742**	9,156
- Derivative financial instruments	**1,362**	1,356
Deferred tax assets	**51,797**	61,248
Tax receivables	**2,306**	1,130
	591,360	583,690
Current assets		
Inventories	**100,790**	106,112
Construction work-in-progress	**428**	576
Trade and other receivables	**101,242**	109,493
Financial assets:		
- Available-for-sale investments	**652**	3
- Derivative financial instruments	**2,168**	2,354
Cash and cash equivalents	**83,472**	43,346
Tax receivables	**2,686**	2,090
	291,438	263,974
Assets held for sale	**2,638**	1,088
	294,076	265,062
Total Assets	**885,436**	848,752
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**152,585**	110,375
- Derivative financial instruments	**1,744**	2,363
Trade and other payables	**113,780**	109,269
Taxation liabilities	**3,371**	3,477
Provisions	**17,982**	14,896
Deferred income	**2,914**	2,493
	292,376	242,873
Liabilities related to assets held for sale	**666**	-
	293,042	242,873

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	FY2013 as of 31 March 2013	FY2012 as of 31 March 2012
Non-current liabilities		
Financial liabilities:		
- Borrowings	**291,793**	283,565
- Derivative financial instruments	**1,727**	1,909
Trade and other payables	**1,049**	1,151
Deferred tax liabilities	**23,641**	37,849
Taxation liabilities	**1,295**	1,600
Retirement benefit obligations	**89,760**	87,306
Provisions	**18,620**	15,733
Deferred income	**9,056**	6,231
	436,941	435,344
Total liabilities	**729,983**	678,217
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	**(11,275)**	30,793
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(19,606)**	(45,392)
Total shareholders' equity	**145,031**	161,313
Non-controlling interests	**10,422**	9,222
Total equity	**155,453**	170,535
Total liabilities and equity	**885,436**	848,752

(3) Consolidated statement of changes in equity

¥ million

	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	-	-	(32,808)	-	-	**(32,808)**	869	**(31,939)**
Other comprehensive income	-	-	(7,899)	-	25,750	**17,851**	838	**18,689**
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**

¥ million

	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 2011	116,449	127,510	63,475	(68,048)	(23,154)	**216,232**	10,345	**226,577**
Profit / (loss) for the period	-	-	(2,815)	-	-	**(2,815)**	1,066	**(1,749)**
Other comprehensive income	-	-	(24,454)	-	(22,302)	**(46,756)**	(433)	**(47,189)**
Total Comprehensive Income	-	-	(27,269)	-	(22,302)	**(49,571)**	633	**(48,938)**
Transactions with owners								
Stock options	-	-	-	-	67	**67**	-	**67**
Dividends paid	-	-	(5,413)	-	-	**(5,413)**	(1,811)	**(7,224)**
Issuance & purchase of treasury stock	-	1	-	-	(3)	**(2)**	-	**(2)**
Incorporation of new subsidiaries	-	-	-	-	-	**-**	55	**55**
At 31 March 2012	**116,449**	**127,511**	**30,793**	**(68,048)**	**(45,392)**	**161,313**	**9,222**	**170,535**

(4) Consolidated statement of cash flows

¥ millions

	Note	**FY2013 for the period 1 April 2012 to 31 March 2013**	FY2012 for the period 1 April 2011 to 31 March 2012
Cash flows from operating activities			
Cash generated from operations	(6)-(m)	**32,796**	8,436
Interest paid		**(14,279)**	(14,527)
Interest received		**1,707**	1,712
Tax paid		**(6,011)**	(5,535)
Net cash inflows/(outflows) from operating activities		**14,213**	(9,914)
Cash flows from investing activities			
Dividends received from joint ventures and associates		**5,788**	3,618
Purchase of joint ventures and associates		**-**	(3,735)
Proceeds on disposal of joint ventures and associates		**7,546**	-
Purchase of subsidiaries (net of cash disposed)		**(1,292)**	-
Proceeds on disposal of businesses (net of cash disposed)		**905**	-
Purchases of property, plant and equipment		**(25,553)**	(27,896)
Proceeds on disposal of property, plant and equipment		**2,908**	2,890
Purchases of intangible assets		**(1,805)**	(1,635)
Proceeds on disposal of intangible assets		**30**	-
Purchase of available-for-sale investments		**(8)**	(12)
Proceeds from available-for-sale investments		**3,198**	279
Loans with joint ventures, associates & third parties		**671**	(576)
Others		**571**	740
Net cash outflows from investing activities		**(7,041)**	(26,327)
Cash flows from financing activities			
Dividends paid to shareholders		**(1,360)**	(5,411)
Dividends paid to non-controlling interests		**(441)**	(1,811)
Repayment of borrowings		**(92,430)**	(47,742)
Proceeds from borrowings		**122,178**	70,775
Others		**(2)**	51
Net cash in/(out)flows from financing activities		**27,945**	15,862
Decrease in cash and cash equivalents (net of bank overdrafts)		**35,117**	(20,379)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(n)	**24,797**	46,491
Effect of foreign exchange rate changes		**5,408**	(1,315)
Decrease due to change in scope of consolidation		**(149)**	-
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(n)	**65,173**	24,797

(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 products and automotive applications. In addition, the Group has a number of discreet technical glass businesses, operating in high technology areas. The parent company of the Group, Nippon Sheet Glass Company, Limited (the Company) is domiciled in Japan and has shares publicly traded in Tokyo and Osaka.

(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 1-2-1-1 I to Ni (3) 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 period beginning on or after 1 April 2013 and are considered to be relevant to the Group's primary financial statements. The Group has elected not to adopt early the standards as described below:

IAS 19, 'Employee benefits' was amended in June 2011, and this amendment is effective from the Group's financial period commencing 1 April 2013. The impact on accounting for the Group's retirement benefit obligations will be to replace interest cost and expected return on plan assets, currently calculated and disclosed separately, with a net interest charge that will be calculated by applying the relevant territory specific discount rates to the net defined benefit liabilities in that territory. The standard is not expected to have a material effect on the Group's net asset position, and therefore any amendment to charges within finance costs is expected to be offset by an equivalent amendment to gains and losses recognized within the Statement of Comprehensive Income. When presenting results during FY2014, the Group will re-present its comparative results for FY2013. The adoption of these changes to IAS19 is expected to result in an increase in finance expenses for FY2014 of ¥ 2,800 million, and an increase to finance expenses in FY2013, when restated, of ¥ 2,000 million.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities and will be effective from the Group's financial period commencing 1 April 2015. 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 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 and is effective from the Group's financial period commencing 1 April 2013. The adoption of this standard is not expected to result in a material difference to the Group's net assets or financial performance.

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

IFRS 11, 'Joint arrangements' replaces IAS 31 'Interests in Joint Ventures' and SIC 13 'Jointly controlled entities- non monetary contributions by venturers', and is effective from the Group's financial period commencing 1 April 2013. 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 is not expected to result in a material difference to the Group's net assets or financial performance.

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. It is effective from the Group's financial period commencing 1 April 2013. The adoption of this standard is not expected to result in a material difference to the Group's net assets or financial performance.

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. It is effective from the Group's financial period commencing 1 April 2013. The adoption of this standard is not expected to result in a material difference to the Group's net assets or financial performance.

(d) Principal accounting policies

The principal accounting policies applied to the consolidated financial statements for the period ended 31 March 2013 are the same as the ones applied to the consolidated financial statements for the period ended 31 March 2012.

(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.

From the first quarter, the names of the business segments were changed to Architectural, Automotive and Technical Glass, which were previously Building Products, Automotive and Specialty Glass, respectively.

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 2013 were as follows:

¥ millions

FY2013 For the period 1 April 2012 to 31 March 2013	**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 profit after exceptional items					**(17,258)**
Finance costs - net					**(14,060)**
Share of post tax profit from joint ventures and associates					**2,250**
Loss before taxation					**(29,068)**
Taxation					**(2,871)**
Loss for the period from continuing operations					**(31,939)**

The segmental results for the financial period to 31 March 2012 were as follows:

¥ millions

FY2012 For the period 1 April 2011 to 31 March 2012	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	**239,440**	**251,229**	**60,167**	**1,387**	**552,223**
Inter-segmental revenue	**13,710**	**385**	**217**	**5,384**	**19,696**
Total revenue	**253,150**	**251,614**	**60,384**	**6,771**	**571,919**
Trading profit	**9,135**	**5,123**	**6,942**	**(6,296)**	**14,904**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(7,188)**	**(7,188)**
Operating profit before exceptional items	**9,135**	**5,123**	**6,942**	**(13,484)**	**7,716**
Exceptional items					**(3,330)**
Operating profit after exceptional items					**4,386**
Finance costs - net					**(14,323)**
Share of post tax profit from joint ventures and associates					**5,115**
Loss before taxation					**(4,822)**
Taxation					**3,073**
Loss for the period from continuing operations					**(1,749)**

(f) Segmental information continued

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**

The segmental assets at 31 March 2012 and capital expenditure for the period ended 31 March 2012 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	160,915	165,908	47,364	(617)	373,570
Capital expenditure (including intangibles)	14,137	18,818	1,532	194	34,681

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

	FY2013 for the period 1 April 2012 to 31 March 2013 ¥ millions	FY2012 for the period 1 April 2011 to 31 March 2012 ¥ millions
Exceptional Items (gains):		
Reduction of pension liabilities	**5,568**	4,309
Gain on disposal of an associate	**5,346**	-
Gain on disposal of available-for-sale assets	**1,614**	-
Gain on EU fine recalculation	**1,470**	-
Gain on dilution of shares in associate	**-**	1,393
Gain on disposal of a subsidiary or business	**794**	-
Gain on joint venture dilution	**326**	-
Gain on acquisition of a subsidiary	**187**	-
Others	**519**	132
	15,824	5,834
Exceptional Items (losses):		
Restructuring costs, including employee termination payments	**(22,676)**	(2,804)
Impairments of non-current assets	**(9,052)**	(2,325)
Loss on disposal or scrapping of non-current assets	**(1,671)**	-
Impairments of investment in associates	**-**	(1,941)
Settlement of litigation matters	**(1,332)**	(2,094)
Others	**(297)**	-
	(35,028)	(9,164)
	(19,204)	(3,330)

(g) Exceptional items continued

The reduction in pension liabilities arises in the UK, where employees have accepted a change to their terms and conditions, whereby pensionable salaries in the Group's main UK defined benefit pension scheme will be 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 arises on this amendment, as actuarial assumptions used in calculating the Group's defined benefit pension obligations, include an assumption of future pensionable salary increases. This change enables the Group to reduce further its future pension liability risk.

The previous period gain in this category also related to the UK, and related to a change in the scheme rules of the Group's main UK pension scheme, whereby future inflationary increases in pensions in payment will be based on a measure of inflation that is anticipated to result in a reduced level of future inflation based increases in pensions payable.

The gain on disposal of an associate relates 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 assets, arises on the disposal of various available for sale assets in Japan.

The gain on EU fine recalculation arises 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 relates 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 period gain 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 gain on disposal of a subsidiary or business arises from the Group's disposal of its Fire Protection glass business in North America.

The gain on joint venture dilution arises on a refinancing of the Group's joint venture in Russia, where new investors have 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 gain on subsidiary acquisition arises on the acquisition of the shares of Flovetro SpA, see note (q), business combinations.

Restructuring costs arise in a variety of locations around the world. The majority of the costs included in this category are closure costs relating to the Group's previously announced restructuring program, and the Group has announced the permanent or temporary closure of several facilities during the period. In addition, this category also includes the cost of maintaining idle facilities during the period.

The impairments arising during the period relate principally to the Group's architectural float lines in Venice, Italy and Halmstad, Sweden.

The loss on disposal or scrapping of non-current assets relates mainly to the scrapping of an unused software system.

The previous period impairment of an investment in an associate related to the Group's investment in China Glass Holdings Ltd in order to equate the carrying value with the market value of the company as at 31 March 2012.

In both the current and previous periods, 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 competition law.

(h) Finance income and expenses

	FY2013 for the period 1 April 2012 to 31 March 2013	FY2012 for the period 1 April 2011 to 31 March 2012
	¥ millions	¥ millions
Finance income		
Interest income	**1,624**	1,873
Foreign exchange transaction gains	**126**	140
Fair value gains on financial instruments		
- interest rate swaps	**73**	410
	1,823	2,423
Finance expenses		
Interest expense:		
- bank and other borrowings	**(13,130)**	(14,594)
Dividend on non-equity preference shares due to minority shareholders	**(220)**	(225)
Foreign exchange transaction losses	**(242)**	(56)
Fair value losses on interest rate swaps	**-**	(163)
Other interest and similar charges	**(864)**	(54)
	(14,456)	(15,092)
Unwinding discounts on provisions	**(285)**	(263)
Retirement benefit obligations - finance costs less finance income	**(1,142)**	(1,391)
	(15,883)	(16,746)

(i) Taxation

	FY2013 for the period 1 April 2012 to 31 March 2013	FY2012 for the period 1 April 2011 to 31 March 2012
	¥ millions	¥ millions
Current tax		
Charge for the period	**(3,722)**	(4,427)
Adjustment in respect of prior periods	**(88)**	(884)
	(3,810)	(5,311)
Deferred tax		
(Charge)/credit for the period	**(315)**	5,708
Adjustment in respect of prior periods	**560**	1,378
Adjustment in respect of rate changes	**694**	1,298
	939	8,384
Taxation (charge)/credit for the period	**(2,871)**	3,073

The Group has a tax charge for the financial period to 31 March 2013 equivalent to (9) per cent of the loss before taxation, excluding the Group's share of net profits of joint ventures and associates (31 March 2012 – a tax credit on losses of 31 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 2013	Period ended 31st March 2012
	¥ millions	¥ millions
Profit attributable to owners of the parent	**(32,808)**	(2,815)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,383**	902,230
	¥	¥
Basic earnings per share	**(36.36)**	(3.12)

(j) Earnings per share continued

(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 2013	Period ended 31st March 2012
	¥ millions	¥ millions
Earnings		
Profit attributable to owners of the parent	**(32,808)**	(2,815)
Profit used to determine diluted earnings per share	**(32,808)**	(2,815)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,383**	902,230
Adjustment for;		
- Share options	**-**	-
Weighted average number of ordinary shares for diluted earnings per share	**902,383**	902,230
	¥	¥
Diluted earnings per share	**(36.36)**	(3.12)

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 2013 and the period ended 31 March 2012.

(k) Dividends paid and proposed

	Period ended 31st March 2013	Period ended 31st March 2012
	¥ millions	¥ millions
Dividends on ordinary shares declared during the period:		
Final dividend for the period ended 31 March 2012 ¥ 1.5 per share (2011: ¥ 3 per share)	**1,354**	2,705
Interim dividend for the period ended 31 March 2013 ¥ nil per share (2012: ¥ 3 per share)	**-**	2,706
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 2013 ¥ nil per share (2012: ¥ 1.5 per share)	**-**	**1,354**

(l) Exchange rates

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

	FY2013 31 March 2013		FY2012 31 March 2012	
	Average	**Closing**	Average	Closing
GBP	**131**	**141**	126	131
US dollar	**83**	**93**	79	82
Euro	**107**	**119**	109	109

(m) Cash flows generated from operations

	FY2013 for the period 1 April 2012 to 31 March 2013	FY2012 for the period 1 April 2011 to 31 March 2012
	¥ millions	¥ millions
Profit /(loss) for the period from continuing operations	**(31,939)**	(1,749)
Adjustments for:		
Taxation	**2,871**	(3,073)
Depreciation	**26,800**	28,975
Amortization	**9,755**	9,752
Impairment	**9,099**	4,430
Profit on sale of property, plant and equipment	**(910)**	(1,157)
Profit on sale of subsidiaries and businesses	**(6,146)**	-
Deemed disposal of share of associate	**-**	(1,393)
Grants and deferred income released	**2,184**	1,342
Finance income	**(1,823)**	(2,423)
Finance expenses	**15,883**	16,746
Share of profit from joint ventures and associates	**(2,250)**	(5,115)
Other items	**(1,227)**	(534)
Operating cash flows before movement in provisions and working capital	**22,297**	45,801
Decrease in provisions and retirement benefit obligations	**(11,229)**	(17,392)
Changes in working capital:		
- inventories	**6,398**	(9,320)
- construction work-in-progress	**180**	21
- trade and other receivables	**14,061**	512
- trade and other payables	**1,089**	(11,186)
Net change in working capital	**21,728**	(19,973)
Cash flows generated from operations	**32,796**	8,436

(n) Cash and cash equivalents

	As of 31 March 2013	As of 31 March 2012
	¥ millions	¥ millions
Cash and cash equivalents	**83,472**	43,346
Bank overdrafts	**(18,299)**	(18,549)
	65,173	24,797

(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:

FY2013 for the period 1 April 2012 to 31 March 2013

	Operating costs*	**Finance costs**	**SoCI****
	¥ millions	**¥ millions**	**¥ millions**
Post-employment benefits	**3,037**	**318**	**8,827**
Post-retirement healthcare benefits	**66**	**824**	**(1,325)**
Deferred Taxation	**-**	**-**	**(921)**
	3,103	**1,142**	**6,581**

FY2012 for the period 1 April 2011 to 31 March 2012

	Operating costs*	Finance costs	SoCI**
	¥ millions	¥ millions	¥ millions
Post-employment benefits	3,110	455	31,399
Post-retirement healthcare benefits	57	936	557
Deferred Taxation	-	-	(7,502)
	3,167	1,391	24,454

*Operating costs above exclude exceptional gains as itemized in note (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 2013	As at 31 March 2012
	%	%
UK discount rate	**4.2**	4.7
UK inflation	**3.4**	3.3
Japan discount rate	**1.4**	1.7
US discount rate	**3.8**	4.2
Eurozone discount rates (range)	**2.0-3.2**	3.0-4.1

(p) Contingent Liabilities

Guarantees
At 31 March 2013, the Group has guaranteed, in the ordinary course of business, ¥ 60 million in respect of other entities.

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
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 JPY 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 JPY 407 million, and the Group processed a gain on revaluation of this investment to fair value of JPY 94 million. The total fair value of the acquisition was therefore JPY 908 million.

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

Negative goodwill arising on this transaction therefore amounted to JPY 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 JPY 187 million.

During the fourth quarter, 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.

(7) Significant subsequent events

There were no significant subsequent events.