FY 2017 Annual Consolidated Financial Results <IFRS>

12 May 2017

(English translation of the Japanese original)

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

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Annual general shareholders' meeting: 29 June 2017
Submission of annual financial statements to MOF: 30 June 2017 Payment of dividends start from: N/A
Annual result presentation papers: Yes
Annual result presentation meeting: Yes (For institutional investors)

1. Consolidated business results for FY2017 (From 1 April 2016 to 31 March 2017)

(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	%
FY2017	580,795	(7.7)	29,862	54.2	14,751	-	7,292	-	5,605	-	(16,712)	-
FY2016	629,172	0.4	19,362	14.9	(37,439)	-	(47,500)	-	(49,838)	-	(73,200)	-

	Earnings per share - basic	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
	¥	%	%	%
FY2017	62.04	4.9	1.8	5.1
FY2016	(551.75)	(35.7)	(4.3)	3.1

Share of post-tax profit/(loss) of joint ventures and associates accounted for using the equity method
FY2017: ¥ 1,142 million FY2016: ¥ (3,435) million

Note:
- Operating profit in the above table is defined as being operating profit stated before exceptional items.
- Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Basic earnings per share are calculated under the assumption that this share consolidation was conducted on 1 April 2015.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2017	790,192	133,708	124,146	15.7	941.76
FY2016	812,120	112,011	103,109	12.7	1,141.40

Note:
- Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Total shareholders' equity per share is calculated under the assumption that this share consolidation was conducted on 1 April 2015.

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash used in investing activities	Net cash generated from /(used in) from financing activities	Cash and cash equivalents as of term-end
	¥ millions	¥ millions	¥ millions	¥ millions
FY2017	30,429	(10,152)	16,398	79,808
FY2016	21,789	(26,401)	(5,908)	46,162

2. Dividends

	Dividends per share					Dividends (annual)	Payout ratio	Dividends over net assets
	Q1	Q2	Q3	Q4	Total			
FY2016 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	¥ 0	-	-
FY2017 (actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00	¥ 0	-	-
FY2018 (forecast)	-	-	-	-	-	-	-	-

Note:
- The above table shows dividends on common shares. Please refer to "(Reference) Dividends for Class Shares" for information regarding dividends on class shares, which are unlisted and have different rights from common shares.
- 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.
- For further details, please refer to the dividend policy section on page 8.

3. Forecast for FY2018 (From 1 April 2017 to 31 March 2018)

	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	290,000	0.1	16,500	22.3	-	-	-	-	-	-	-
Full year	600,000	3.3	36,000	20.6	17,000	15.2	10,000	37.1	8,000	42.7	88.54

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.
- 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 --- Yes
- (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:
  90,365,699 shares as at 31 March 2017 and 90,355,099 shares as at 31 March 2016
- (ii) Number of shares held as treasury stock at the end of the period:
  11,489 shares as at 31 March 2017 and 19,494 shares as at 31 March 2016
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
  90,348,090 shares for the period ending 31 March 2017 and 90,325,996 shares for the period ending 31 March 2016

Note:
- Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Number of shares presented above were calculated under the assumption that this share consolidation was conducted on 1 April 2015.

<u>Status of audit procedures taken by external auditors for the annual results</u>

This document (Tanshin) is out of scope for independent audit by the external auditors.

<u>Explanation for the appropriate usage of performance projections and other special items</u>

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.

(Reference) Dividends for Class Shares

Dividends per share related to Class Shares with different rights from those of common shares are as follows.

	Dividends per share				
	Q1	Q2	Q3	Q4	Total
Class A Shares					
FY2017 (Actual)	-	-	-	-	-
FY2018 (Forecast)	-	-	-	-	-

(Note) Number of Class A Shares issued are 40,000 shares. The Class A Shares were issued on 31 March 2017. In accordance to the clause defined in the Company's Articles of Incorporation, dividends, that have dividend record dates belonging to FY2017, are nil, as the issuance date falls on the last day of the period. Forecast of dividends, that have dividend record dates belonging to FY2018, has not been established yet.

[Attachments]

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

1. Overview about business performance etc.
(1) Overview about business performance

1) Background to Results

During the year to 31 March 2017 (FY2017), market conditions continued to represent an improvement from the previous year, with results additionally benefitting from a further improvement in sales of higher-value-added (VA) products. European architectural markets were robust with strong demand in most regions, and automotive markets benefitted from increasing vehicle sales. Construction activity in Japan remains at a low level, although forward indicators, such as new housing starts, are generally positive. Vehicle sales in Japan were slightly higher than the previous year. Market conditions in North America were strong in both architectural and automotive markets. Automotive markets in South America remain weak. Markets in South East Asia were strong. Overall, technical glass markets remain mixed with a fall in demand for printer components offset by improvements in other areas.

Cumulative FY2017 revenues were below the previous year due to the translational impact of a strengthened Japanese yen. At constant exchange rates, revenue were ahead of the previous year. Cumulative operating profits were 54 percent higher than the previous year. The Group recorded a 22 percent increase in trading profit (before exceptional items and amortization relating to the acquisition of Pilkington) to ¥ 33,062 million (FY2016 ¥ 27,175 million). Reported trading profits were negatively affected by the strength of the yen. At constant exchange rates, trading profits would have increased by 39 percent. The profit attributable to owners of the parent was ¥ 5,605 million (FY2016 loss of ¥ 49,838 million).

2) Review by Business Segment

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

Architectural, representing 41 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 51 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	
	FY2017	**FY2016**	**FY2017**	**FY2016**
Architectural	237,722	262,559	27,044	24,560
Automotive	296,560	316,327	12,654	9,813
Technical Glass	46,088	49,490	1,756	267
Other Operations	425	796	(11,592)	(15,278)
Total	580,795	629,172	29,862	19,362

Architectural

Architectural revenues fell from the previous year due to the translational impact of a strengthened Yen. At constant exchange rates, revenues increased slightly from the previous year with improved prices in Europe and North America. Operating profits also benefitted from the continued low level of input costs.

In Europe, representing 35 percent of the Group's architectural sales, markets continued to be positive, with strong demand leading to a robust pricing environment. Profits also benefitted from benign input costs. On 13 February 2017, the Group announced its intention to restart its float glass manufacturing plant at Venice, Italy, with production expected to recommence during FY2018.

In Japan, representing 28 percent of the Group's architectural sales, volumes were below the previous year. Whilst construction markets remain at a low level, volumes improved through the year. Price levels were similar to the previous year. The generally weak market environment was mitigated by additional cost savings and falling input costs.

In North America, representing 15 percent of the Group's architectural sales, local currency revenues were similar to the previous year as improving prices offset a decline in commodity volumes. Local currency profits were also similar to the previous year. On 28 February 2017, a Tornado damaged the Group's float glass manufacturing plant at Ottawa, Illinois. Production is currently suspended and the Group intends to conduct an expedited cold repair of the furnace during FY2018.

In the rest of the world, markets were generally improved from the previous year. Local currency profitability in South America increased with the previous year having included the effect of a cold repair in Argentina. Profitability also improved in South East Asia with growing domestic markets and robust dispatches of Solar Energy glass.

The Architectural business recorded revenues of ¥ 237,722 million and an operating profit of ¥ 27,044 million.

Automotive

In the Automotive business, revenues were also below the previous year due to the translational impact of a strengthened Yen. At constant exchange rates, revenues were ahead of the previous year, mainly due to increased volumes in Europe and North America. Profits were also ahead, due to the increased volumes and a continued improvement in operational performance.

Europe represents 44 percent of the Group's automotive sales. The Group's original equipment (OE) volumes were similar to the previous year, although volumes increased in the Automotive Glass Replacement (AGR) business. Profits increased with the higher volumes and improved operational performance.

In Japan, representing 19 percent of the Group's automotive sales, revenues and profits fell slightly from the previous year. Vehicle sales started the year at a low level, impacted by the Kumamoto earthquake, but have improved significantly since. AGR profits were similar to the previous year.

In North America, representing 27 percent of the Group's automotive sales, local currency revenues and profits improved from the previous year. Overall light vehicle sales were similar to the previous year, although the Group's volumes increased. AGR results were slightly below the previous year.

In the rest of the world, weak market conditions persist in South America.

The Automotive business recorded sales of ¥ 296,560 million and an operating profit of ¥ 12,654 million.

Technical Glass

Revenues and profits in the Technical Glass business continue to be under pressure from challenging conditions in display glass markets and a decline in volumes of components used in multi-function printers.

Losses narrowed in the display business following the mothballing of the Group's thin glass float line in Vietnam. Demand for components used in multi-function printers continued to be below the previous year. Volumes of glass cord used in engine timing belts were robust, consistent with strengthening automotive markets. Battery separator profits benefitted from strong demand and an improving operational performance.

The Technical Glass business recorded revenues of ¥ 46,088 million and an operating profit of ¥ 1,756 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 below the previous year, due mainly to a reduction in amortization costs of intangible assets.

Consequently, this segment recorded revenues of ¥ 425 million and operating costs of ¥ 11,592 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates results was improved from the previous year. Profits fell at Cebrace, the Group's joint venture in Brazil, due to difficult conditions in that market. This was offset by the non-recurrence of losses incurred by the Group's joint ventures in Russia and China during the previous year, following the Group's decision to impair its equity investment in these businesses to nil at 31 March 2016.

The Group's share of joint ventures and associates profit after tax was ¥ 1,142 million (FY2016 loss of ¥ 3,435 million).

(2) Overview about financial condition and cash flows

Total assets at the end of March 2017 were ¥ 790,192 million, representing a decrease of ¥ 21,928 million from the end of March 2016. Total equity was ¥ 133,708 million, representing an increase of ¥ 21,697 million as the issuance of Class A shares more than offset the translational impact of a strengthened Japanese yen.

Net financial indebtedness decreased by ¥ 67,791 million from 31 March 2016 to ¥ 313,254 million at the period end due to positive operating cash inflows and the repayment of debt following the issuance of Class A shares. Currency movements generated a decrease in net debt of approximately ¥ 3,870 million over the period. Gross debt was ¥ 399,385 million at the period end. As of 31 March 2017, the Group had un-drawn, committed facilities of ¥ 50,524 million.

Cash inflows from operating activities were ¥ 30,429 million. Cash outflows from investing activities were ¥ 10,152 million, including capital expenditure on property, plant, and equipment of ¥ 24,130 million and proceeds on disposal of property, plant, and equipment of ¥ 10,403 million. As a result, total cash flows before financing improved significantly to a cash inflow of ¥ 20,277 million (FY2016 cash outflow of ¥ 4,612 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 2018 is set out on page 2.

The Group expects to see a further recovery in profitability during the next financial year. Architectural and Automotive markets are expected to experience a continued modest recovery. The Group also expects a further improvement in VA contribution generally, with growth in some areas compensating for a temporary reduction of demand in others. A further improvement in profitability is expected in the Technical Glass business, with increased sales of VA products including glanova™, thin glass for displays.

Taking account of the above factors, the Group expects to record an improvement in operating profitability in FY2018.

Exceptional costs will reflect restructuring expenditure necessary to achieve additional improvements in operational efficiency and overall cost reductions. In addition, exceptional costs will include costs incurred at the Ottawa facility prior to re-start following a cold repair. Financial costs will fall following the repayment of debt during March 2017.

Based on our Long-term Strategic Vision to transform the NSG Group into a VA Glass Company, the Group launched the Medium-term Plan ("MTP") starting in FY2015. The key objectives of the MTP are: to achieve financial sustainability; and to start the transformation into a VA Glass Company. The two financial targets were Net financial debt / EBITDA of 3X and Operating return on sales of greater than 8%. The Group also envisions a

Return on Equity (ROE) of greater than 10% to be achieved under the MTP. From FY2018, the Group now enters Phase 2 of the MTP, re-doubling its efforts to ensure the achievement of these targets by FY2020. The Group will focus on the four key measures under MTP Phase 2: "Drive VA No.1 Strategy"; "Establish growth drivers"; "Business culture innovation" and "Enhancement of Global Management", in order to achieve the targets, as well as to expedite the stabilization of its financial base and growth strategy.

Phase 2 of the Group's MTP introduces specific financial targets consistent with the establishment of a sound financial platform on which to base the Group's long term Growth. The Group has targeted an equity ratio of not less than 20%, (defined as total shareholders' equity / total assets), and a net debt of not more than ¥ 300,000 million to be achieved during this phase. Although a significant immediate improvement in these metrics is generated from the issuance of Class A shares, the Group expects to achieve these targets within this phase even after the repayment of Class A shares.

(4) Dividend policy

The Group's dividend policy is to secure dividend payments based on sustainable business results. After considering the factors such as the current Group's financial position and its level of profitability, the directors do not recommend a dividend for the year to 31 March 2017. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

Dividends related to Class A Shares are detailed on page 3.

2. Basic concept regarding selection of accounting standards

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

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

3. Consolidated Financial Statements

(1). (a) Consolidated income statement

¥ millions

	Note	**FY2017 For the period 1 April 2016 to 31 March 2017**	FY2016 For the period 1 April 2015 to 31 March 2016 (restated)*
Revenue	(6)-(f)	**580,795**	629,172
Cost of sales		**(429,122)**	(472,217)
Gross profit		**151,673**	156,955
Other income		**1,874**	2,945
Distribution costs		**(51,834)**	(56,639)
Administrative expenses		**(64,922)**	(70,716)
Other expenses		**(6,929)**	(13,183)
Operating profit	(6)-(f)	**29,862**	19,362
Exceptional items	(6)-(g)	**2,921**	(35,142)
Operating profit/(loss) after exceptional items		**32,783**	(15,780)
Finance income	(6)-(h)	**1,380**	1,624
Finance expenses	(6)-(h)	**(20,554)**	(19,848)
Share of post-tax profit/(loss) of joint ventures and associates accounted for using the equity method		**1,142**	(3,435)
Profit/(loss) before taxation		**14,751**	(37,439)
Taxation	(6)-(i)	**(7,459)**	(10,061)
Profit/(loss) for the period		**7,292**	(47,500)
Profit attributable to non-controlling interests		**1,687**	2,338
Profit/(loss) attributable to owners of the parent		**5,605**	(49,838)
		7,292	(47,500)
Earnings per share attributable to owners of the parent	(6)-(j)		
Basic		**62.04**	(551.75)
Diluted		**61.49**	(551.75)

*: For further details, please refer to Note (6)-(j).

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

	Note	**FY2017 For the period 1 April 2016 to 31 March 2017**	FY2016 For the period 1 April 2015 to 31 March 2016 (restated)*
			¥ millions
Profit/(loss) for the period		**7,292**	(47,500)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(6)-(n)	**(1,833)**	12,203
Revaluation of Assets held at Fair Value through Other Comprehensive Income - equity investments (net of taxation)		**(6,182)**	4,912
Share of other comprehensive income of affiliates		**33**	(749)
Sub total		**(7,982)**	16,366
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		**(19,190)**	(39,176)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)		**95**	(35)
Cash flow hedges:			
- fair value losses, net of taxation		**3,073**	(2,855)
Sub total		**(16,022)**	(42,066)
Total other comprehensive income for the period, net of taxation		**(24,004)**	(25,700)
Total comprehensive income for the period		**(16,712)**	(73,200)
Attributable to non-controlling interests		**1,388**	(496)
Attributable to owners of the parent		**(18,100)**	(72,704)
		(16,712)	(73,200)

*: For further details, please refer to (6) Notes to Consolidated Financial Statements (d) Principal accounting policies on page 15.

(2) Consolidated balance sheet

¥ millions

	FY2017 as at 31 March 2017	FY2016 as at 31 March 2016
ASSETS		
Non-current assets		
Goodwill	**105,972**	113,459
Intangible assets	**56,288**	62,898
Property, plant and equipment	**245,157**	258,866
Investment property	**523**	715
Investments accounted for using the equity method	**13,773**	17,869
Retirement benefit asset	**19,227**	18,837
Trade and other receivables	**17,170**	15,297
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**26,568**	33,995
- Derivative financial instruments	**248**	26
Deferred tax assets	**41,622**	48,357
Tax receivables	**1,270**	1,098
	527,818	571,417
Current assets		
Inventories	**105,514**	108,862
Construction work-in-progress	**625**	716
Trade and other receivables	**68,010**	72,574
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**572**	346
- Derivative financial instruments	**963**	815
Cash and cash equivalents	**84,920**	55,074
Tax receivables	**1,644**	1,093
	262,248	239,480
Assets held for sale	**126**	1,223
	262,374	240,703
Total Assets	**790,192**	812,120

(2) Consolidated balance sheet continued

¥ millions

	FY2017 as at 31 March 2017	FY2016 as at 31 March 2016
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**78,417**	139,089
- Derivative financial instruments	**1,393**	4,453
Trade and other payables	**123,794**	120,979
Taxation liabilities	**2,797**	2,219
Provisions	**14,091**	16,181
Deferred income	**2,733**	2,989
	223,225	285,910
Non-current liabilities		
Financial liabilities:		
- Borrowings	**317,981**	289,319
- Derivative financial instruments	**1,595**	4,098
Trade and other payables	**443**	714
Deferred tax liabilities	**15,005**	17,321
Taxation liabilities	**1,536**	1,002
Retirement benefit obligations	**70,826**	75,111
Provisions	**16,903**	16,512
Deferred income	**8,970**	10,122
	433,259	414,199
Total liabilities	**656,484**	700,109
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,463**	116,449
Capital surplus	**166,578**	127,511
Retained earnings	**(59,646)**	(63,502)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(31,201)**	(9,301)
Total shareholders' equity	**124,146**	103,109
Non-controlling interests	**9,562**	8,902
Total equity	**133,708**	112,011
Total liabilities and equity	**790,192**	812,120

(3) Consolidated statement of changes in equity

¥ millions

FY2017	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 2016	116,449	127,511	(63,502)	(68,048)	(9,301)	**103,109**	8,902	**112,011**
Profit for the period	-	-	5,605	-		**5,605**	1,687	**7,292**
Other comprehensive income	-	-	(1,800)	-	(21,905)	**(23,705)**	(299)	**(24,004)**
Total Comprehensive Income	-	-	3,805	-	(21,905)	**(18,100)**	1,388	**(16,712)**
Transactions with owners								
Issuance of preference shares	20,000	20,000	-	-	-	**40,000**	-	**40,000**
Share issuance costs	-	(946)	-	-	-	**(946)**	-	**(946)**
Transfer of share capital to capital surplus	(20,000)	20,000	-	-	-	**-**	-	**-**
Share based payments	14	(12)	76	-	8	**86**	-	**86**
Dividends paid	-	-	-	-	-	**-**	(728)	**(728)**
Issuance & purchase of treasury stock	-	-	-	-	(3)	**(3)**	-	**(3)**
Transfer of retained earnings to capital surplus	-	25	(25)	-		**-**	-	**-**
At 31 March 2017	**116,463**	**166,578**	**(59,646)**	**(68,048)**	**(31,201)**	**124,146**	**9,562**	**133,708**

¥ 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

(4) Consolidated statement of cash flows

¥ millions

	Note	**FY2017 for the period 1 April 2016 to 31 March 2017**	FY2016 for the period 1 April 2015 to 31 March 2016
Cash flows from operating activities			
Cash generated from operations	(6)-(l)	**54,523**	42,281
Interest paid		**(20,666)**	(17,931)
Interest received		**1,567**	1,282
Tax paid		**(4,995)**	(3,843)
Net cash inflows from operating activities		**30,429**	21,789
Cash flows from investing activities			
Dividends received from joint ventures and associates		**1,104**	2,741
Proceeds on disposal of joint ventures and associates		**2,005**	-
Purchases of property, plant and equipment		**(24,130)**	(28,197)
Proceeds on disposal of property, plant and equipment		**10,403**	608
Purchases of intangible assets		**(1,855)**	(1,790)
Proceeds on disposal of intangible assets		**46**	-
Purchase of assets held at FVOCI		**(7)**	(13)
Proceeds on disposal of assets held at FVOCI		**1,967**	128
Loans advanced to joint ventures, associates & third parties		**(465)**	(529)
Loans repaid from joint ventures, associates & third parties		**641**	370
Others		**139**	281
Net cash outflows from investing activities		**(10,152)**	(26,401)
Cash flows from financing activities			
Dividends paid to non-controlling interests		**(728)**	(857)
Issuance of preferred shares		**39,054**	-
Repayment of borrowings		**(210,499)**	(136,485)
Proceeds from borrowings		**188,573**	131,438
Others		**(2)**	(4)
Net cash in/(out)flows from financing activities		**16,398**	(5,908)
Increase/(decrease) in cash and cash equivalents (net of bank overdrafts)		**36,675**	(10,520)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(m)	**46,162**	62,340
Effect of foreign exchange rate changes		**(3,029)**	(5,658)
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(m)	**79,808**	46,162

(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 assets held at fair value through comprehensive income 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 2017 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 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 2017 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2016, except for the changes described below:

The Group has adopted IFRS 9 "Financial Instruments" from FY2017. The main impact arising from this is the reclassification of "available-for-sale" assets into a new category of investments entitled "assets held at fair value through other comprehensive income". All assets previously held as "available-for-sale" have now been reclassified as "assets held at fair value through other comprehensive income". Included in this category are fixed interest and equity investments. The equity investments held within this category are those where the Group does not have a significant influence over the finance and operating policies of the investee. The Group expects to retain its investments in these entities. Therefore it considers gains and losses arising from fluctuations in valuations of investments to be unrealized.

Early adoption of IFRS9 allows the Group to classify investments at fair value through other comprehensive income with subsequent gains and losses recorded in other comprehensive income. The Group considers this accounting treatment to be more aligned with its intentions with respect to these investments compared to its treatment prior to adoption of IFRS9. Except for the change in categorization, no changes arise to the Group's accounting policies for fixed interest investments. The accounting policy for equity investments is amended with respect to the processing of impairment losses. Previously impairment losses were charged to the consolidated income statement. Future impairment losses will be charged to the consolidated statement of comprehensive income. As no such material impairments were recognized during FY2016, no restatement of the prior period income statement is required. The prior period statement of comprehensive income is restated to reflect movements in the fair value of equity investments classified as assets held at fair value through other comprehensive income within the section for items that will not be reclassified to profit or loss. Previously, such movements were included within the section for items that may be subsequently reclassified to profit or loss.

The Group now applies the expected credit loss method to receivables balances. This involves considering likely credit losses using a range of forward looking scenarios. No changes to the balances of receivables either at 1 April 2015, 31 March 2016 or at 31 March 2017 have arisen as a result of this change.

The Group's accounting policy for hedging instruments is amended such that for time period related hedges, the cost of hedging is now allocated to the income statement on a straight-line basis. Previously this cost of hedging was recognized over time as part of the gain or loss on the hedging instrument included in the statement of comprehensive income, and then recycled to the consolidated income statement on maturity. The impact of this amended policy on the Group's FY2016 financial statements is immaterial and therefore no restatement of the prior period has been processed in this respect.

(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 2017 were as follows:

¥ millions

FY2017 For the period 1 April 2016 to 31 March 2017	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	**237,722**	**296,560**	**46,088**	**425**	**580,795**
Inter-segmental revenue	**17,818**	**1,885**	**107**	**5,417**	**25,227**
Total revenue	**255,540**	**298,445**	**46,195**	**5,842**	**606,022**
Trading profit	**27,044**	**12,654**	**1,756**	**(8,392)**	**33,062**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(3,200)**	**(3,200)**
Operating profit	**27,044**	**12,654**	**1,756**	**(11,592)**	**29,862**
Exceptional items	**(2,082)**	**2,773**	**(802)**	**3,032**	**2,921**
Operating profit after exceptional items					**32,783**
Finance costs - net					**(19,174)**
Share of post tax profit from joint ventures and associates					**1,142**
Profit before taxation					**14,751**
Taxation					**(7,459)**
Profit for the period from continuing operations					**7,292**

(f) Segmental information continued

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	(7,618)	(11,183)	(8,918)	(7,423)	(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)

The segmental assets at 31 March 2017 and capital expenditure for the period ended 31 March 2017 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	**131,595**	**137,393**	**39,561**	**2,654**	**311,203**
Capital expenditure (including intangibles)	**11,585**	**13,316**	**1,664**	**1,448**	**28,013**

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

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

	FY2017 for the period 1 April 2016 to 31 March 2017	FY2016 for the period 1 April 2015 to 31 March 2016
	¥ millions	¥ millions
Exceptional Items (gains):		
Gain on disposal of non-current assets	**8,189**	237
Reversal of impairment of non-current assets	**1,468**	7
Gain on disposal of investments in associates	**907**	-
Reversal of restructuring provisions	**893**	-
Gain from exit of business	**855**	-
Settlement of litigation matters	**772**	-
Gain on dilution of investment in an associate	**-**	96
Others	**47**	90
	13,131	430
Exceptional Items (losses):		
Restructuring costs, including employee termination payments	**(4,759)**	(4,305)
Impairments of non-current assets	**(3,855)**	(12,708)
Settlement of litigation matters	**(972)**	(4,721)
Loss on disposal of current assets	**(624)**	(1,681)
Impairments of goodwill	**-**	(6,914)
Impairments of investment in affiliates	**-**	(5,234)
Others	**-**	(9)
	(10,210)	(35,572)
	2,921	(35,142)

The gain on disposal of non-current assets primarily relates to the sale and lease-back of land at Kyoto City, Kyoto Prefecture, Japan, and land and buildings at Sungai Buloh, Malaysia, both transactions as announced on 13 May 2016.

The prior year gain on disposal of non-current assets related to the disposal of assets in China.

Reversals of impairment of non-current assets, and reversals of restructuring provisions together arise from the Group's decision to restart its float glass production line at Venice, Italy, as announced on 13 February 2017.

The gain from disposal of investments in associates relates to the disposal of a part of the Group's shareholding in China Glass Holdings Ltd. This includes a gain on recycling to the income statement of foreign exchange postings, made previously within the statement of comprehensive income.

The gain on exit from business relates to the exit from the Group's business in China producing rolled glass for Solar Energy applications. This includes a gain on recycling to the income statement of foreign exchange postings, made previously within the statement of comprehensive income.

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. The gain arising during the period represents a partial reversal of provision recognized through exceptional costs in previous periods.

The previous-year 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.

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 current year cost relates principally to restructuring activities in both Architectural and Automotive Europe, and Technical Glass in Vietnam.

The impairment of non-current assets for the current year relates mainly to assets in Architectural and Automotive Europe, together with an impairment of architectural assets in Vietnam.

The previous year impairment 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 asset write-downs at the Group's thin glass facility in Vietnam.

The loss on disposal or scrapping of assets relates to inventories damaged at Ottawa, USA, during the Tornado that struck this site on 28 February 2017. It also includes the scrapping of current assets in Europe connected to restructuring programs undertaken in that region.

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

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

The prior-year impairment of the Group's investments in affiliates related to difficult market conditions in Russia and China. The Group processed an impairment of its investment in SP Glass Holdings BV, a joint venture company owning glass production facilities in Russia. The Group 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.

(h) Finance income and expenses

	Note	**FY2017 for the period 1 April 2016 to 31 March 2017**	FY2016 for the period 1 April 2015 to 31 March 2016
		¥ millions	¥ millions
Finance income			
Interest income		**1,342**	1,312
Foreign exchange transaction gains		**38**	312
		1,380	1,624
Finance expenses			
Interest expense:			
- bank and other borrowings		**(18,227)**	(16,943)
Dividend on non-equity preference shares due to minority shareholders		**(238)**	(263)
Foreign exchange transaction losses		**(33)**	(76)
Other interest and similar charges		**(942)**	(877)
		(19,440)	(18,159)
Unwinding discounts on provisions		**(216)**	(240)
Retirement benefit obligations - net finance charge	(6)-(n)	**(898)**	(1,449)
		(20,554)	(19,848)

(i) Taxation

	FY2017 for the period 1 April 2016 to 31 March 2017	FY2016 for the period 1 April 2015 to 31 March 2016
	¥ millions	¥ millions
Current tax		
Charge for the period	**(5,010)**	(4,962)
Adjustment in respect of prior periods	**(418)**	460
	(5,428)	(4,502)
Deferred tax		
(Charge)/credit for the period	**(3,185)**	(6,322)
Adjustment in respect of prior periods	**842**	52
Adjustment in respect of rate changes	**312**	711
	(2,031)	(5,559)
Taxation charge for the period	**(7,459)**	(10,061)

The Group has a tax charge for FY2017 which results in an effective rate of tax of 54.81 percent on the profit before taxation for the period, after excluding the Group's share of net profits of joint ventures and associates (FY2016: a tax charge of 29.6 percent on the loss 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.

(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 2017	Period ended 31st March 2016
	¥ millions	¥ millions
Profit/(loss) attributable to owners of the parent	**5,605**	(49,838)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,348**	90,326
	¥	¥
Basic earnings per share	**62.04**	(551.75)

Note: Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Basic earnings per share is calculated under the assumption that this share consolidation was conducted on 1 April 2015.

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, following the exercise of share options and exercise of put options, attached to Class A shares, for which the consideration is common shares. As for share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is deducted from the number of shares that would have been issued assuming the exercise of the share options. As for Class A shares, a calculation is performed to determine the number of shares that would have been issued, assuming a conversion to common shares that is most advantageous for holders of the class shares. Conversion of Class A shares to common shares is reflected in the diluted earnings per share, using the factor applied to the case where the put options are exercised from 1 July 2022 onward.

	Period ended 31st March 2017	Period ended 31st March 2016
	¥ millions	¥ millions
Earnings		
Profit/(loss) attributable to owners of the parent	**5,605**	(49,838)
Profit/(loss) used to determine diluted earnings per share	**5,605**	(49,838)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,348**	90,326
Adjustment for:		
- Share options	614	-
- Preferred shares	185	-
Weighted average number of ordinary shares for diluted earnings per share	**91,147**	90,326
	¥	¥
Diluted earnings per share	**61.49**	(551.75)

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.

Note: Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Diluted earnings per share is calculated under the assumption that this share consolidation was conducted on 1 April 2015.

(k) Exchange rates

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

	FY2017 31 March 2017		FY2016 31 March 2016	
	Average	**Closing**	Average	Closing
GBP	**142**	**139**	181	161
US dollar	**108**	**111**	120	113
Euro	**119**	**119**	132	127

(l) Cash flows generated from operations

	Note	**FY2017 for the period 1 April 2016 to 31 March 2017**	FY2016 for the period 1 April 2015 to 31 March 2016
		¥ millions	¥ millions
Profit /(loss) for the period from continuing operations		**7,292**	(47,500)
Adjustments for:			
Taxation	(6)-(i)	**7,459**	10,061
Depreciation		**26,742**	30,477
Amortization		**5,447**	10,472
Impairment		**3,970**	24,943
Reversal of impairment of non-current assets		**(1,469)**	(41)
Profit on sale of property, plant and equipment		**(8,177)**	(258)
Gain from exit of business		**(855)**	-
Gain on disposal of investments in associates		**(907)**	-
Deemed disposal of share of associate		**-**	(96)
Grants and deferred income		**(803)**	914
Finance income	(6)-(h)	**(1,380)**	(1,624)
Finance expenses	(6)-(h)	**20,554**	19,848
Share of (profit)/loss from joint ventures and associates		**(1,142)**	3,435
Other items		**(1,064)**	(446)
Operating cash flows before movement in provisions and working capital		**55,667**	50,185
Decrease in provisions and retirement benefit obligations		**(7,728)**	(5,050)
Changes in working capital:			
- inventories		**(9)**	(3,890)
- construction work-in-progress		**22**	66
- trade and other receivables		**3,410**	3,554
- trade and other payables		**3,161**	(2,584)
Net change in working capital		**6,584**	(2,854)
Cash flows generated from operations		**54,523**	42,281

(m) Cash and cash equivalents

	As at 31 March 2017	As at 31 March 2016
	¥ millions	¥ millions
Cash and cash equivalents	**84,920**	55,074
Bank overdrafts	**(5,112)**	(8,912)
	79,808	46,162

(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:

FY2017 for the period 1 April 2016 to 31 March 2017

	Operating costs	**Finance costs**	**SoCI***
	¥ millions	**¥ millions**	**¥ millions**
Post-employment benefits	**(3,523)**	**21**	**185**
Post-retirement healthcare benefits	**(45)**	**(919)**	**136**
Deferred income and other taxes**	**-**	**-**	**(2,154)**
	(3,568)	**(898)**	**(1,833)**

Included in "Re-measurement of retirement benefit obligations" within the consolidated statement of comprehensive income, is an asset loss caused by a pension buy-in at the Group's main pension scheme in the UK. Through this transaction, the Group's main UK pension scheme has obtained a guaranteed income stream from an insurance company. In order to facilitate this, the scheme has transferred certain assets to the insurance company. Such a buy-in enables the scheme to reduce its exposure to future pension risks including movements in discount rates and trends in longevity.

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

* Consolidated Statement of Comprehensive Income
** Included within deferred income and other taxes is a deferred tax charge of ¥ 524 million (FY2016: charge of ¥ 2,882 million) and other taxes of ¥ 1,630 million (FY2016: ¥ 6,063 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 2017 %	As at 31 March 2016 %
UK discount rate	**2.6**	3.4
UK inflation	**2.1**	1.8
Japan discount rate	**0.8**	0.5
US discount rate	**3.9**	3.6
Eurozone discount rates (range)	**1.0-1.8**	1.0-1.7

(7) Significant subsequent events

There were no significant subsequent events.