FY 2014 1st Quarter Consolidated Financial Results <IFRS>

1 August 2013

(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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Submission of quarterly report to MOF: 5 August 2013
Payment of dividends starts from: N/A
Quarterly result presentation papers: Yes
Quarterly result presentation meeting: Yes
(Teleconference for institutional investors)

1. Consolidated business results for FY 2014 Quarter 1 (From 1 April 2013 to 30 June 2013)

(1) Consolidated business results (prior year restated)

	Revenue		Operating profit/(loss)		Loss before taxation		Loss for the period		Loss attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Q1 FY 2014	150,690	14.8	(398)	-	(5,364)	-	(6,881)	-	(7,112)	-	11,339	-
Q1 FY 2013	131,221	(9.6)	(8,509)	-	(12,181)	-	(10,982)	-	(11,123)	-	(33,154)	-

	Earnings per share - basic	Earnings per share - diluted
Q1 FY 2014	¥ (7.88)	¥ (7.88)
Q1 FY 2013	¥ (12.33)	¥ (12.33)

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio
	¥ millions	¥ millions	¥ millions	%
FY 2014 Quarter 1	894,549	166,619	155,985	17.4
FY 2013 Full year	885,436	155,453	145,031	16.4

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
FY 2013 (Actual)	-	¥ 0.00	-	¥ 0.00	¥ 0.00
FY 2014 (Actual)	-	-	-	-	¥ 0.00
FY 2014 (Forecast)	-	¥ 0.00	-	¥ 0.00	¥ 0.00

Note: There have been no changes to the forecast dividends this quarter.

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

	Revenue		Operating profit/(loss)		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: There have been no changes to the forecast results this quarter.
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 changes in accounting policy section on pages 7 through 8.

(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 30 June 2013 and 903,550,999 shares as of 31 March 2013
(ii) Number of shares held as treasury stock at the end of the period:
959,882 shares as at 30 June 2013 and 963,765 shares as at 31 March 2013
(iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
902,591,147 shares for the period ending 30 June 2013 and 902,349,011 shares for the period ending 30 June 2012

Status of quarterly review procedures taken by external auditors for the quarterly results

These quarterly consolidated financial results are out of scope for independent review by the external auditors based on the Financial Instrument and Exchange Law of Japan (MOF). The review procedures are still ongoing as of the date of announcement of the quarterly consolidated financial results.

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

The projections contained in this document are based on information currently available to the Group and certain assumptions considered reasonable. Hence, the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Japan, Europe, North and South America, Asia, etc.), product supply/demand shifts, fluctuations in currency exchange and interest rates, as well as price changes in primary fuels and raw materials. Please refer to the section entitled "Prospects" on page 7 for qualitative information such as assumptions used for the projections.

[Attachments]

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

1 Narratives about financial results

(1) Business Performance and Financial Standing

(a) Background to Results

Automotive and architectural market conditions during the first quarter of the year were broadly stable. Markets that had shown signs of recovery during the previous year, continued to improve, although the Group's significant European markets remain depressed. Overall, technical glass markets were similar to the previous year.

In Europe, economic difficulties continued to depress construction and refurbishment activity. Prices for architectural glass were stable during the quarter, although volumes remain at historically low levels. Automotive Original Equipment (OE) markets continue to be extremely challenging, with the UK being the only market to show any meaningful signs of growth. Light vehicle sales in the European Union are now at their lowest levels for 20 years. Automotive Glass Replacement (AGR) demand improved following the harsh winter weather conditions experienced towards the end of the previous year. In technical glass markets, volumes of glass cord for engine timing belts improved.

The prospects for architectural markets in Japan continues to be positive, with a further increase in new housing starts from the previous year. This will take some time to be translated into a significant increase in demand for glass products however. Automotive OE markets were stable with the weaker yen continuing to provide support for vehicle exports. AGR markets softened. Technical glass markets were generally similar to the previous year with relatively stable demand for consumer electronic devices, printers, and scanners.

In North America, architectural glass markets continued to improve, mainly due to increases in private residential construction. Automotive OE markets continued the steady improvement of the previous year, with light vehicle build levels increasing further during the quarter. AGR markets were stable.

In the rest of the world, the Group's architectural and automotive markets in South America saw increased demand. Market conditions in South East Asia improved with increased domestic glass sales.

(b) Review by Business Segment

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

Architectural, representing 38 percent of Group sales in the first quarter, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

Automotive, with 52 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

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

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

¥ millions	Revenue		Operating profit before exceptional items	
	Q1 FY14	**Q1 FY13**	**Q1 FY14**	**Q1 FY13**
Architectural Glass	57,655	52,371	322	(3,278)
Automotive	77,656	63,154	2,870	2,615
Technical Glass	15,155	15,134	2,016	1,504
Other Operations	224	562	(3,215)	(1,902)
Total	150,690	131,221	1,993	(1,061)

Architectural Business

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

In Europe, representing 39 percent of the Group's Architectural sales, local currency revenues were below the level of the previous year, following a decline in volumes of approximately 15 percent during FY2013. Demand continued to be weak during the quarter. Prices were stable, although remain at historically low levels. Losses narrowed further during the quarter due to the Group's restructuring program.

Revenues in Japan, representing 30 percent of Architectural sales, were slightly ahead of the previous year. Losses widened with low levels of asset utilization during the quarter, although domestic market conditions continue to improve gradually which should benefit results going forwards.

In North America, representing 10 percent of Architectural sales, revenues and profits improved compared to the previous year. Volumes improved due to strengthening domestic demand whilst prices remained stable.

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

The Architectural business recorded revenues of ¥ 57,655 million and an operating profit of ¥ 322 million.

Automotive Business

In the Automotive business, revenues improved from the previous year due to the translational impact of weaker Japanese yen. Markets remain challenging, particularly in Europe.

Europe represents 46 percent of the Group's Automotive sales. In the European Original Equipment (OE) sector, local currency revenues improved due to new model launches, although market volumes remain at historically low levels. Profits improved due mainly to cost savings arising from the Groups' restructuring program. Results in the Automotive Glass Replacement (AGR) business also improved due to increased demand.

In Japan, representing 15 percent of the Group's Automotive sales, revenues were similar to the previous year, although profits improved due to cost reductions achieved during the quarter. Results in the AGR business were slightly below the previous year with changes in the insurance market contributing to reduced demand.

In North America, representing 24 percent of the Group's Automotive sales, OE local currency revenues were similar to the previous year. Profitability remains at a low level. AGR revenues and profits were similar to the previous year.

In the rest of the world, revenues improved due to stronger consumer vehicle demand in both South America and South East Asia.

The Automotive business recorded sales of ¥ 77,656 million and an operating profit of ¥ 2,870 million.

Technical Glass Business

Revenues in the Technical Glass business were similar to the previous year, although profits improved, mainly due to higher sales margins from a weakening yen and cost reductions achieved in the quarter. Demand for thin glass for displays was positive, with end customer demand in sectors such as smart phones and tablet devices, remaining robust. Volumes of thin glass used in other applications fell, however. Demand for components used in multi-function printers also increased from the previous year. Volumes of glass cord used in engine timing belts improved, with increased demand for vehicles using relatively small, fuel-efficient engines incorporating the Group's products.

The Technical Glass business recorded revenues of ¥ 15,155 million and an operating profit of ¥ 2,016 million.

Other Operations and Eliminations

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

Consequently, this segment recorded revenues of ¥ 224 million and operating costs of ¥ 3,215 million.

Joint Ventures and Associates

The Group's share of joint ventures and associates profits was slightly better than the previous year. Profits at Cebrace, the Group's joint venture in Brazil, improved due to increased demand levels. This was partly offset however, by start up losses at the Group's associate in Colombia. Profitability at the Group's Architectural joint ventures and associates in China improved from the previous year, whilst the results of the Group's joint venture in Russia were similar to the previous year.

The Group's share of joint ventures and associates profits after tax was ¥ 25 million (Q1 FY13 losses of ¥ 103 million).

(2) Financial condition

Total assets at the end of June 2013 were ¥ 894,549 million, representing an increase of ¥ 9,113 million from the end of March 2013.

Net financial indebtedness increased by ¥ 17,143 million from 31 March 2013 to ¥ 377,991 million at the period end. The increase in indebtedness arose as a result of exchange differences generated by the weakening Japanese yen, as well as the low overall level of profitability and seasonally negative working capital cash flows. Currency movements generated an increase in net debt of approximately ¥ 6,710 million over the period. Gross debt was ¥ 445,785 million at the period end.

Cash outflows from operating activities were ¥ 6,559 million. Cash outflows from investing activities were ¥ 2,064 million, including capital expenditure on property, plant, and equipment of ¥ 4,051 million. As a result, total cash outflows before financing were ¥ 8,623 million.

As at 30 June 2013 the Group had un-drawn committed facilities of ¥40,100 million. In addition the Group had a further ¥47,000 million of term loans which were arranged in March 2013 and which are to be drawn later in the current financial year in order to retire maturing indebtedness.

(3) Prospects

The forecast of sales, operating profit, profit before taxation, profit after taxation, profit attributable to owners of the parent and income per share is set out on page 2. This forecast has not been amended from that first issued on 16 May 2013.

The Group expects that during the remainder of 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 during FY2013, 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. Automotive volumes are also expected to improve from increased exports by OE customers. 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. The Group expects that recurring annual benefits will be approximately ¥ 30,000 million per year from FY2015. Total restructuring costs are anticipated to be ¥ 30,000 million. Related non-cash impairment charges are ¥ 9,000 million.

2 Other information

(1) <u>Changes in status of principal subsidiaries</u>

There was no change.

(2) <u>Changes in accounting principles, practices and presentations</u>

(a) Accounting policies

The principal accounting policies applied to the condensed quarterly consolidated financial statements for the period ended 30 June 2013 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2013 except for the items below.

In accordance with IAS8, the comparative period primary financial statements have been restated following the implementation of the accounting standards set out below.

IAS19 was amended in June 2011. The impact on the Group's retirement benefit obligations is to replace interest cost and expected return on plan assets, previously calculated separately, with a net interest charge that is calculated by applying a territory specific discount rate to the net defined benefit liability in that territory. The amended standard is not anticipated to have a material effect on the Group's net defined benefit liabilities. At 31 March 2014, when the Group records its' net defined benefit liabilities using updated actuarial calculations, the increase in finance costs arising from the adoption of the amended standard is expected to be offset by an equivalent amendment to gains and losses recorded within the Statement of Comprehensive income. At interim reporting dates, the Group's accounting policy is to revalue its net defined benefit liabilities, using updated actuarial assumptions, if the impact of using such assumptions would be significant when compared to the opening net defined benefit liability. As a result, at interim reporting dates, the adoption of the amended standard may not be offset within the Statement of Comprehensive Income, and a change to the Group's net assets may arise as a result.

The Group has retrospectively adopted the amendments to IAS19 and has therefore restated its comparative FY2013 financial results. Consistent with the Group's accounting policy at interim reporting dates, the increase in finance costs within the restated Q1 FY2013 income statement is not offset by an amendment to gains and losses within the Statement of Comprehensive Income. For the full year, the increase in finance costs within the restated FY2013 income statement is offset by an amendment to gains and losses within the Statement of Comprehensive Income. Consequently, no amendment arises in the closing FY2013 balance sheet. The impact of adopting the amendments to IAS19 is summarized in note 6(m) below.

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

IFRS 11, 'Joint arrangements' has replaced IAS 31 'Interests in Joint Ventures' 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 has not resulted in any changes to the Group's financial performance or net assets.

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

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value, and a single source of fair value measurement and disclosure requirements for use across IFRS. The adoption of this standard has not resulted in any changes to the Group's financial performance or net assets, although the disclosure requirements contained within this standard that are applicable to interim reports, are included in note 6(j) below.

(b) 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.

Critical accounting estimates and assumptions used for the condensed quarterly consolidated financial statements are generally the same as the ones used for the consolidated financial statements for the year ended 31 March 2013.

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.

3 Consolidated Financial Statements

(1). (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**Quarter 1 FY14 For the period 1 April 2013 to 30 June 2013**	Quarter 1 FY13 For the period 1 April 2012 to 30 June 2012 (Restated)
Revenue	(6)-(a)	**150,690**	131,221
Cost of sales		**(116,881)**	(103,010)
Gross profit		**33,809**	28,211
Other income		**2,393**	1,927
Distribution costs		**(14,202)**	(11,950)
Administrative expenses		**(16,558)**	(15,844)
Other expenses		**(3,449)**	(3,405)
Operating profit/(loss) before exceptional items	(6)-(a)	**1,993**	(1,061)
Exceptional items	(6)-(b)	**(2,391)**	(7,448)
Operating loss	(6)-(a)	**(398)**	(8,509)
Finance income	(6)-(c)	**760**	484
Finance expenses	(6)-(c)	**(5,751)**	(4,053)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		**25**	(103)
Loss before taxation		**(5,364)**	(12,181)
Taxation	(6)-(d)	**(1,517)**	1,199
Loss for the period		**(6,881)**	(10,982)
Profit attributable to non-controlling interests		**231**	141
Loss attributable to owners of the parent		**(7,112)**	(11,123)
		(6,881)	(10,982)
Earnings per share attributable to owners of the parent	(6)-(e)		
Basic		**(7.88)**	(12.33)
Diluted		**(7.88)**	(12.33)

(1). (b) Condensed quarterly consolidated statement of comprehensive income

¥ millions

	Quarter 1 FY14 For the period 1 April 2013 to 30 June 2013	Quarter 1 FY13 For the period 1 April 2012 to 30 June 2012 (Restated)
Loss for the period	**(6,881)**	(10,982)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Re-measurement of retirement benefit obligations (net of taxation)	**(133)**	-
Sub total	**(133)**	-
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	**18,791**	(20,020)
Revaluation of available-for-sale investments	**(40)**	(129)
Cash flow hedges:		
- fair value gains, net of taxation	**(398)**	(2,013)
Other	**-**	(10)
Sub total	**18,353**	(22,172)
Total other comprehensive income for the period, net of taxation	**18,220**	(22,172)
Total comprehensive income for the period	**11,339**	(33,154)
Attributable to non-controlling interests	**383**	(333)
Attributable to owners of the parent	**10,956**	(32,821)
	11,339	(33,154)

(2) Condensed quarterly consolidated balance sheet

¥ millions

	Quarter 1 FY14 as of 30 June 2013	FY13 as of 31 March 2013
ASSETS		
Non-current assets		
Goodwill	**125,698**	116,768
Intangible assets	**87,543**	84,496
Property, plant and equipment	**277,204**	267,983
Investment property	**679**	635
Investments accounted for using the equity method	**47,111**	45,063
Trade and other receivables	**15,184**	16,514
Financial assets:		
- Available-for-sale investments	**7,071**	6,742
- Derivative financial instruments	**1,339**	1,362
Deferred tax assets	**54,783**	51,797
	616,612	591,360
Current assets		
Inventories	**106,785**	100,790
Construction work-in-progress	**615**	428
Trade and other receivables	**103,253**	103,928
Financial assets:		
- Available-for-sale investments	**612**	652
- Derivative financial instruments	**1,415**	2,168
Cash and cash equivalents	**65,040**	83,472
	277,720	291,438
Assets held for sale	**217**	2,638
	227,937	294,076
Total Assets	**894,549**	885,436
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**131,073**	152,585
- Derivative financial instruments	**1,398**	1,744
Trade and other payables	**116,121**	117,151
Provisions	**15,432**	17,982
Deferred income	**2,827**	2,914
	266,851	292,376
Liabilities related to assets held for sale	**-**	666
	266,851	293,042

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	Quarter 1 FY14 as of 30 June 2013	FY13 as of 31 March 2013
Non-current liabilities		
Financial liabilities:		
- Borrowings	**311,580**	291,793
- Derivative financial instruments	**1,734**	1,727
Trade and other payables	**808**	2,344
Deferred tax liabilities	**24,469**	23,641
Retirement benefit obligations	**93,522**	89,760
Provisions	**19,109**	18,620
Deferred income	**9,857**	9,056
	461,079	436,941
Total liabilities	**727,930**	729,983
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,449**	116,449
Capital surplus	**127,514**	127,511
Retained earnings	**(18,520)**	(11,275)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(1,410)**	(19,606)
Total shareholders' equity	**155,985**	145,031
Non-controlling interests	**10,634**	10,422
Total equity	**166,619**	155,453
Total liabilities and equity	**894,549**	885,436

(3) Condensed quarterly consolidated statement of changes in equity

¥ million

Quarter 1 FY2014	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders' equity**	Non-controlling interests	**Total equity**
At 1 April 2013	116,449	127,511	(11,275)	(68,048)	(19,606)	**145,031**	10,422	**155,453**
Total Comprehensive Income	-	-	(7,245)	-	18,201	**10,956**	383	**11,339**
Dividends paid	-	-	-	-	-	**-**	(171)	**(171)**
Stock options	-	-	-	-	(6)	**(6)**	-	**(6)**
Issuance & purchase of treasury stock	-	3	-	-	1	**4**	**-**	**4**
At 30 June 2013	**116,449**	**127,514**	**(18,520)**	**(68,048)**	**(1,410)**	**155,985**	**10,634**	**166,619**

¥ million

Quarter 1 FY2013 (restated)	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	**Total shareholders' equity**	Non-controlling interests	**Total equity**
At 1 April 2012	116,449	127,511	30,793	(68,048)	(45,392)	**161,313**	9,222	**170,535**
Total Comprehensive Income	-	-	(11,134)	-	(21,687)	**(32,821)**	(333)	**(33,154)**
Dividends paid	-	-	(1,354)	-	-	**(1,354)**	(411)	**(1,765)**
Issuance & purchase of treasury stock	-	-	-	-	1	**1**	-	**1**
At 30 June 2012	**116,449**	**127,511**	**18,305**	**(68,048)**	**(67,078)**	**127,139**	**8,478**	**135,617**

(4) Condensed quarterly consolidated statement of cash flows

	Note	**Quarter 1 FY14 for the period 1 April 2013 to 30 June 2013**	Quarter 1 FY13 for the period 1 April 2012 to 30 June 2012
			¥ millions
Cash flows from operating activities			
Cash generated from operations	(6)-(h)	**(2,739)**	(3,062)
Interest paid		**(3,639)**	(2,558)
Interest received		**667**	335
Tax paid		**(848)**	(1,502)
Net cash outflows from operating activities		**(6,559)**	(6,787)
Cash flows from investing activities			
Dividends received from joint ventures and associates		**36**	34
Purchase of joint ventures and associates		**(21)**	(52)
Purchase of subsidiaries (net of cash disposed)		**(3)**	(1,217)
Proceeds on disposal of subsidiaries		**1,606**	-
Purchases of property, plant and equipment		**(4,051)**	(7,492)
Proceeds on disposal of property, plant and equipment		**541**	1,402
Purchases of intangible assets		**(329)**	(293)
Purchase of available-for-sale investments		**(2)**	(2)
Proceeds from available-for-sale investments		**1**	-
Loans with joint ventures, associates & third parties		**(85)**	961
Others		**243**	105
Net cash outflows from investing activities		**(2,064)**	(6,554)
Cash flows from financing activities			
Dividends paid to shareholders		**(5)**	(1,244)
Dividends paid to non-controlling interests		**(171)**	(408)
Repayment of borrowings		**(38,197)**	(7,507)
Proceeds from borrowings		**23,866**	20,607
Net cash inflows from financing activities		**(14,507)**	11,448
Decrease in cash and cash equivalents (net of bank overdrafts)		**(23,130)**	(1,893)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(6)-(i)	**65,173**	24,797
Effect of foreign exchange rate changes		**4,070**	(1,243)
Cash and cash equivalents (net of bank overdrafts) at end of period	(6)-(i)	**46,113**	21,661

(5) Notes regarding going concern

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

(6) Notes to the Group Results

(a) 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 first quarter to 30 June 2013 were as follows:

¥ millions

Quarter 1 FY14 For the period 1 April 2013 to 30 June 2013	**Architectural Glass**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	**57,655**	**77,656**	**15,155**	**224**	**150,690**
Inter-segmental revenue	**4,450**	**470**	**21**	**1,286**	**6,227**
Total revenue	**62,105**	**78,126**	**15,176**	**1,510**	**156,917**
Trading profit	**322**	**2,870**	**2,016**	**(1,106)**	**4,102**
Amortization arising from the acquisition of Pilkington plc	**-**	**-**	**-**	**(2,109)**	**(2,109)**
Operating profit before exceptional items	**322**	**2,870**	**2,016**	**(3,215)**	**1,993**
Exceptional items					**(2,391)**
Operating loss after exceptional items					**(398)**
Finance costs – net					**(4,991)**
Share of post tax profit from joint ventures and associates					**25**
Loss before taxation					**(5,364)**
Taxation					**(1,517)**
Loss for the period from continuing operations					**(6,881)**

(a) Segmental information continued

The segmental results for the quarter to 30 June 2012 were as follows:

¥ millions

Quarter 1 FY13 For the period 1 April 2012 to 30 June 2012 (Restated)	**Architectural Glass**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Revenue					
External revenue	52,371	63,154	15,134	562	131,221
Inter-segmental revenue	3,301	125	47	1,287	4,760
Total revenue	55,672	63,279	15,181	1,849	135,981
Trading profit	(3,278)	2,615	1,504	(190)	651
Amortization arising from the acquisition of Pilkington plc	-	-	-	(1,712)	(1,712)
Operating loss before exceptional items	(3,278)	2,615	1,504	(1,902)	(1,061)
Exceptional items					(7,448)
Operating loss after exceptional items					(8,509)
Finance costs – net					(3,569)
Share of post tax profit from joint ventures and associates					(103)
Loss before taxation					(12,181)
Taxation					1,199
Loss for the period from continuing operations					(10,982)

The segmental assets at 30 June 2013 and capital expenditure for the first quarter ended 30 June 2013 were as follows:

¥ millions

	Architectural Glass	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	**163,106**	**179,130**	**44,970**	**1,980**	**389,186**
Capital expenditure (including intangibles)	**556**	**2,518**	**1,282**	**53**	**4,409**

The segmental assets at 30 June 2012 and capital expenditure for the first quarter ended 30 June 2012 were as follows:

¥ millions

	Architectural Glass	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	156,893	165,811	48,618	215	371,537
Capital expenditure (including intangibles)	2,687	5,023	368	29	8,107

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.

(b) Exceptional items

	Quarter 1 FY14 for the period 1 April 2013 to 30 June 2013 ¥ millions	Quarter 1 FY13 for the period 1 April 2012 to 30 June 2012 ¥ millions
Exceptional Items (gains):		
Gain on acquisition of a subsidiary	**-**	276
Gain on joint venture dilution	**-**	326
Other gains	**62**	-
	62	602
Exceptional Items (losses):		
Restructuring costs, including employee termination payments	**(2,299)**	(4,679)
Impairments of property, plant & equipment	**-**	(3,302)
Settlement of litigation matters	**(96)**	(67)
Others	**(58)**	(2)
	(2,453)	(8,050)
	(2,391)	(7,448)

Exceptional items in FY2014 are as follows:

Restructuring costs arise in a variety of locations around the world. It also includes the cost of maintaining idle facilities, principally in Europe.

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.

Exceptional items in FY2013 were as follows:

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

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

Restructuring costs arose in a variety of locations around the world and relate the Groups' cost reduction program.

The impairments arising during the quarter related principally to the Group's architectural facility in Venice, Italy.

(c) Finance income and expenses

	Quarter 1 FY14 for the period 1 April 2013 to 30 June 2013 ¥ millions	Quarter 1 FY13 for the period 1 April 2012 to 30 June 2012 (Restated) ¥ millions
Finance income		
Interest income	**686**	409
Foreign exchange transaction gains	**74**	4
Fair value gains on financial instruments		
- interest rate swaps	**-**	71
	760	484
Finance expenses		
Interest expense:		
- bank and other borrowings	**(4,519)**	(2,988)
Dividend on non-equity preference shares due to minority shareholders	**(67)**	(54)
Foreign exchange transaction losses	**(278)**	(156)
	(4,864)	(3,198)
Unwinding discounts on provisions	**(96)**	(71)
Retirement benefit obligations - net finance charge	**(791)**	(784)
	(5,751)	(4,053)

(d) Taxation

The tax charge on losses before taxation, excluding the Group's share of net profits of joint ventures and associates, is a rate of 28.1 per cent in the first quarter to 30 June 2013 (30 June 2012 restated, tax credit on losses at a rate of 9.9 per cent). The tax charge for the quarter is based on the estimated effective rate for the year to 31 March 2014.

(e) 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 year excluding ordinary shares purchased by the company and held as treasury shares.

	Quarter ended 30 June 2013	Quarter ended 30 June 2012 (Restated)
	¥ millions	¥ millions
Profit attributable to owners of the parent	**(7,112)**	(11,123)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,591**	902,349
	¥	¥
Basic earnings per share	**(7.88)**	(12.33)

(e) 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.

	Quarter ended 30 June 2013	Quarter ended 30 June 2012 (Restated)
	¥ millions	¥ millions
Earnings		
Profit attributable to owners of the parent	**(7,112)**	(11,123)
Profit used to determine diluted earnings per share	**(7,112)**	(11,123)

	Thousands	Thousands
Weighted average number to ordinary shares in issue	**902,591**	902,349
Adjustment for;		
- Share options	**-**	-
Weighted average number of ordinary shares for diluted earnings per share	**902,591**	902,349

	¥	¥
Diluted earnings per share	**(7.88)**	(12.33)

(f) Dividends paid

	Quarter ended 30 June 2013	Quarter ended 30 June 2012
	¥ millions	¥ millions
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the year ended 31 March 2013 ¥ 0 per share (2012: ¥ 1.5 per share)	**-**	1,244

(g) Exchange rates

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

	Quarter 1 FY14 30 June 2013		Year ended 31 March 2013		Quarter 1 FY13 30 June 2012	
	Average	**Closing**	Average	Closing	Average	Closing
GBP	**152**	**151**	131	141	127	125
US dollar	**99**	**99**	83	93	80	80
Euro	**129**	**129**	107	119	103	101

(h) Cash flows generated from operations

	Quarter 1 FY14 for the period 1 April 2013 to 30 June 2013 ¥ millions	Quarter 1 FY13 for the period 1 April 2012 to 30 June 2012 (Restated) ¥ millions
Loss for the period from continuing operations	**(6,881)**	(10,982)
Adjustments for:		
Taxation	**1,517**	(1,199)
Depreciation	**7,499**	6,561
Amortization	**2,732**	2,350
Impairment	**-**	3,302
Gain on sale of property, plant and equipment	**(283)**	(799)
Loss on sale of subsidiaries, joint ventures, associates and businesses	**5**	-
Grants and deferred income	**(50)**	188
Finance income	**(760)**	(484)
Finance expenses	**5,751**	4,053
Share of profit from joint ventures and associates	**(25)**	103
Other items	**17**	(878)
Operating cash flows before movement in provisions and working capital	**9,522**	2,215
Decrease in provisions and retirement benefit obligations	**(7,381)**	(1,138)
Changes in working capital:		
- inventories	**(173)**	403
- construction work-in-progress	**(156)**	(583)
- trade and other receivables	**(4,762)**	(1,850)
- trade and other payables	**211**	(2,109)
Net change in working capital	**(4,880)**	(4,139)
Cash flows generated from operations	**(2,739)**	(3,062)

(i) 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

	As of 30 June 2013	As of 30 June 2012
	¥ millions	¥ millions
Cash and cash equivalents	**65,040**	40,321
Bank overdrafts	**(18,927)**	(18,660)
	46,113	21,661

(j) Financial Instruments

Fair Value hierarchy, assets and liabilities measured at fair value on a recurring basis:

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

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

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

				As of 30 June 2013
	Level 1 ¥ millions	**Level 2** ¥ millions	**Level 3** ¥ millions	**Total** ¥ millions
Available for sale investments:				
UK Government gilts	**3,749**	**-**	**-**	**3,749**
Listed equities	**155**	**-**	**-**	**155**
Unlisted equities	**-**	**-**	**3,170**	**3,170**
Bond funds	**448**	**-**	**-**	**448**
Other	**-**	**-**	**161**	**161**
Derivative assets				
Interest rate swaps	**-**	**142**	**-**	**142**
Forward foreign exchange contracts	**-**	**894**	**-**	**894**
Energy hedges	**-**	**1,718**	**-**	**1,718**
Derivative liabilities				
Interest rate swaps	**-**	**(1,088)**	**-**	**(1,088)**
Forward foreign exchange contracts	**-**	**(602)**	**-**	**(602)**
Energy hedges	**-**	**(1,442)**	**-**	**(1,442)**

				As of 31 March 2013
	Level 1 ¥ millions	**Level 2** ¥ millions	**Level 3** ¥ millions	**Total** ¥ millions
Available for sale investments:				
UK Government gilts	3,543	-	-	3,543
Listed equities	143	-	-	143
Unlisted equities	-	-	3,144	3,144
Bond funds	415	-	-	415
Other	-	-	149	149
Derivative assets				
Interest rate swaps	-	101	-	101
Forward foreign exchange contracts	-	1,178	-	1,178
Energy hedges	-	2,251	-	2,251
Derivative liabilities				
Interest rate swaps	-	(1,371)	-	(1,371)
Forward foreign exchange contracts	-	(923)	-	(923)
Energy hedges	-	(1,177)	-	(1,177)

There were no transfers of assets or liabilities between the valuation hierarchy levels during the period.

Level 2 assets and liabilities comprise only derivative assets and liabilities. These are valued at either valuations provided by the counterparty to each financial instrument, or valuations based on current market rates prevailing at the balance sheet date.

Level 3 assets comprise mainly unlisted equity investments in Japan. A variety of techniques are used to calculate a fair value of these equities, including future projected cash flows and net asset values of the underlying investments. The valuation of these investments is subject to a variety of sensitivities. As these investments comprise mainly Japanese trading companies, economic growth projections in Japan are the main sensitivity influencing the valuation.

A reconciliation of movements in available for sale investments included in the above hierarchy based on level 3 valuation techniques is as follows:

	Quarter 1 FY14 for the period 1 April 2013 to 30 June 2013 ¥ millions	Quarter 1 FY13 for the period 1 April 2012 to 30 June 2012 ¥ millions
As at 1 April	**3,293**	184
Acquisitions	**28**	-
Transfers from level 2 to level 3 of the fair value hierarchy	**-**	3,107
Valuation gains / (losses) recognized in the consolidated income statement	**-**	(9)
Exchange differences	**10**	(12)
As at 30 June	**3,331**	3,270

Fair values of borrowings:

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

	30 June 2013		31 March 2013	
	Carrying amounts	**Fair values**	**Carrying amounts**	**Fair values**
	¥ millions	¥ millions	¥ millions	¥ millions
Bank borrowings	242,679	242,679	223,236	223,236
Other long-term loans	62,482	59,406	62,463	57,986
Finance lease obligations	1,666	1,666	1,751	1,751
Non-equity, non-controlling interest preference shares	4,753	4,753	4,343	4,343
	311,580	308,504	291,793	287,316

The Group considers that, except as disclosed above, fair value equates to carrying value for all other classes of assets and liabilities.

(k) Contingent Liabilities

Claims

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

(l) Business Combinations

There were no significant business combinations during the quarter to 30 June 2013.

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

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

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

During the fourth quarter of FY2013, as permitted in IFRS3, the Group revised the fair values of the assets and liabilities acquired in this business combination. The above numbers include this revision and as a result are not identical to the business combination values used to determine the gain arising during the first quarter of FY2013.

(m) Restatement of FY2013 Comparative Information

As described on page 8, the Group has restated its comparative results following its adoption of the amended version of IAS19. The table below sets out the adjustments made to FY2013 comparative data, and the recorded, and expected, impact of this amendment on the current year financial statements.

	FY2014 ¥ millions	FY2013 ¥ millions
As of 1 April		
Change in total shareholders' equity	-	-
Change in total equity	-	-
As of 30 June		
Increase in finance expenses	680	507
Increase in loss before taxation	680	507
Decrease in taxation charge / increase in taxation credit	154	128
Increase in loss for the period	526	379
Increase in total comprehensive loss for the period	526	379
Increase in net retirement benefit obligation liability	680	507
Increase in deferred taxation asset	154	128
Decrease in total shareholders' equity	526	379
Decrease in total equity	526	379
Increase in loss per share attributable to owners of the parent (basic) - yen	0.58	0.42
Increase in loss per share attributable to owners of the parent (diluted) - yen	0.58	0.42
As of 31 March		
Increase in finance expenses	2,722	2,028
Increase in loss before taxation	2,722	2,028
Decrease in taxation charge	616	512
Increase in loss for the period	2,105	1,516
Decrease in retirement benefit obligations charge within the statement of Comprehensive income, net of taxation	2,105	1,516
Increase in total comprehensive loss for the period	-	-
Change in total shareholders' equity	-	-
Change in total equity	-	-
Increase in loss per share attributable to owners of the parent (basic) - yen	2.33	1.68
Increase in loss per share attributable to owners of the parent (diluted) - yen	2.33	1.68

(7) Significant subsequent events

There were no significant subsequent events.