FY 2021 1st Quarter Consolidated Financial Results <IFRS> 6 August 2020

(English translation of the Japanese original)

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

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Submission of quarterly report to MOF: 11 August 2020
Payment of dividends start from: N/A
Quarterly result presentation papers: Yes
Quarterly result presentation meeting: Yes (Teleconference for institutional investors)

1. Consolidated business results for FY 2021 1st Quarter (From 1 April to 30 June 2020)

(1) Consolidated business results

	Revenue		Operating (loss)/profit		(Loss)/profit before taxation		(Loss)/profit for the period		(Loss)/profit attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
1Q FY 2021	91,871	(37.5)	(609)	–	(14,900)	–	(16,529)	–	(16,436)	–	(17,943)	–
1Q FY 2020	147,066	(7.2)	8,817	(9.0)	5,194	(44.4)	3,055	(49.2)	2,891	(46.6)	(5,991)	–

	Earnings per share - basic
1Q FY 2021	¥ (186.73)
1Q FY 2020	¥ 18.55

Note: Operating profit in the above table is defined as being operating profit stated before exceptional items.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio
	¥ millions	¥ millions	¥ millions	%
FY 2021 1st Quarter	757,524	70,689	56,016	7.4
FY 2020 Full year	765,197	88,194	73,612	9.6

2. Dividends

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
FY 2020 (Actual)	-	-	-	-	-
FY 2021 (Actual)	-				
FY 2021 (Forecast)		-	-	-	-

Note: • The above table shows dividends on common shares. Please refer to "(Reference) Dividends for Class A Shares" for information regarding dividends on Class A shares, which are unlisted and have different rights from common shares.

3. Forecast for FY 2020 (From 1 April 2019 to 31 March 2020)

	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	210,000	(27.2)	-	-	(22,000)	-	(24,000)	-	(24,000)	-	(275.63)
Full year	460,000	(17.3)	-	-	-	-	-	-	-	-	-

Note:
- For details for FY2021 Consolidated Financial Forecast, please refer to the "FY2021 Consolidated Financial and Dividend Forecast" and the slides on FY2021 forecast in "FY2021 First Quarter Results Presentation" separately announced today.
- Forecast of basic earnings per share for FY2021 half year is calculated by dividing the profit attributable to owners of the parent after deducting daily pro-rated dividends which will be paid to the holders of Class A Shares, by 90,620,977 shares.

4. Other items

(1) Changes in status of principle subsidiaries --- No

(2) 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 14.

(3) Numbers of shares outstanding (common stock)
  (i) Number of shares issued at the end of the period, including shares held as treasury stock: 90,642,499 shares as of 30 June 2020 and 90,642,499 shares as at 31 March 2020
  (ii) Number of shares held as treasury stock at the end of the period: 21,522 shares as at 30 June 2020 and 21,279 shares as at 31 March 2020
  (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock: 90,621,106 shares for the period ending 30 June 2020 and 90,577,154 shares for the period ending 30 June 2019

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

This document (Tanshin) is out of scope for quarterly review by the external auditors.

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 us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results include but are not limited to the economic and competitive environment in major markets, product supply and demand shifts, currency exchange and interest rate fluctuations, changes in supply of raw materials and fuel and changes and laws and regulations.

(For Reference) Dividends for Class A Shares

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

	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Class A Shares					
FY2020 (Actual)	-	¥ 0.00	-	¥ 55,000.00	¥ 55,000.00
FY2021 (Actual)	-				
FY2021 (Forecast)		¥ 0.00	-	¥ 65,000.00	¥ 65,000.00

(Note) Number of Class A Shares in issue are 30,000 shares. 40,000 Class A Shares were originally issued on 31 March 2017. On 7 December 2018, the Company acquired and then retired a total of 5,000 Class A shares. On 6 June 2019, the Company acquired and then retired a total of 5,000 Class A shares. The forecast of dividends, for Class A shares that have dividend record dates belonging to FY2021, is ¥ 1,950 million.

[Attachments]

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1. Narratives about financial results

(1) Business Performance

(a) Background to Results

The Group's markets were significantly affected by a reduction in demand associated with the COVID-19 pandemic. In Architectural markets, lockdown restrictions seriously curtailed construction markets, although activity levels improved as the lockdown measures eased. Demand for Solar Energy glass remained robust. In Automotive markets, the Group's customers closed their production facilities as demand collapsed. Automotive volumes, which in many cases had been at near-zero levels during April and early May, strengthened markedly in June, although were still significantly below normal levels. Technical glass markets were also significantly impacted although to a lesser extent.

Group revenues fell by 38 percent to ¥ 91,871 million (Q1 FY2020 ¥ 147,066 million), affected by the unprecedented market conditions facing the Group, and also, but to a much lesser extent, the translational impact of foreign exchange movements. At constant exchange rates, revenues would have fallen by 34 percent. Operating losses were ¥ 609 million (Q1 FY2020 operating profit of ¥ 8,817 million). The Group has classified the costs of COVID-19 separately within the income statement, including direct costs such as the deep cleaning of sites, and the wages and salaries of furloughed employees, together with the unrecovered costs of facilities that were idle as a consequence of the COVID-19 pandemic. These costs, net of government support received, amounted to ¥ 11,464 million. The Group also recorded other exceptional items of ¥ 59 million. The loss attributable to owners of the parent was ¥ 16,436 million (Q1 FY2020 profit attributable of ¥ 2,891 million) with the deterioration being due to the dramatic reduction in demand.

(b) Review by Business Segment

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

Architectural, representing 49 percent of first-quarter sales, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

Automotive, with 42 percent of first-quarter sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Technical Glass, representing 9 percent of Group sales, comprises several discrete businesses, including the manufacture and sale of very thin glass used as cover glass for 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 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.

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

¥ millions	Revenue		Operating (loss)/profit	
	1st Quarter FY 2021	1st Quarter FY 2020	1st Quarter FY 2021	1st Quarter FY 2020
Architectural	44,873	59,899	2,674	5,715
Automotive	38,691	76,825	(2,863)	3,984
Technical Glass	8,098	10,105	1,380	1,842
Other Operations	209	237	(1,800)	(2,724)
Total	91,871	147,066	(609)	8,817

Architectural Business

The Architectural business recorded revenues of ¥ 44,873 million (Q1 FY2020: ¥ 59,899 million) and an operating profit of ¥ 2,674 million (Q1 FY2020: ¥ 5,715 million).

Architectural revenues and profits fell from the previous year due to the impact on demand of the COVID-19 pandemic.

In Europe, representing 36 percent of the Group's architectural sales, revenues fell, due to lower volumes associated with the COVID-19 pandemic. Glass production was either suspended or significantly reduced at many of the Group's European manufacturing facilities, although some lines returned to more normal production levels towards the end of the quarter.

In Asia, representing 43 percent of the Group's architectural sales, revenues were also below the previous year due to the COVID-19 pandemic, although the decline was less significant than that experienced in Europe or the Americas. Profits improved however, partly due to robust sales of glass for solar energy, which were largely unaffected by COVID-19, and partly due to a reduction of costs in Japan. The Group temporarily suspended production at some architectural plants in the region and, as previously announced, ceased production at the Chiba #1 furnace and at a furnace in Malaysia towards the end of the quarter.

In the Americas, representing 21 percent of the Group's architectural sales, revenues and profits were below the previous year due to the impact of the COVID-19 pandemic. As in other regions, the Group suspended production at certain facilities to match output to the prevailing level of demand. Construction of the Group's new solar glass facility in North America continued during the quarter with a planned start date scheduled for the end of the calendar year 2020. Construction of the new architectural glass facility in Argentina has been suspended however.

Automotive Business

The Automotive business recorded sales of ¥ 38,691 million (Q1 FY2020: ¥ 76,825 million) and an operating loss of ¥ 2,863 million (1Q FY2020: profit of ¥ 3,984 million).

In the Automotive business, revenues and profits were below the previous year due to the collapse of demand arising from the COVID-19 pandemic, particularly at the start of the quarter. In the OE business demand reflected the closure of customers' production facilities during the quarter. In the AGR business, demand reflected a significant reduction in vehicle miles being driven with lockdown measures in force across many regions.

Europe represents 43 percent of the Group's automotive sales. Revenues and profits fell, due to a collapse in demand as a result of the COVID-19 pandemic. The Group suspended production at its European facilities in line with actions taken by the Group's automotive customers. Facilities that were suspended during April reopened in May, and by the end of June the Group's facilities were fully open, albeit operating at a reduced capacity

In Asia, representing 26 percent of the Group's automotive sales, revenues and profits were also below the previous year due to the COVID-19 pandemic, although, as in the Architectural business, the decline was less severe than in Europe or the Americas. The Group's automotive facilities generally remained operational

throughout the quarter, although production levels were well below capacity.

In the Americas, representing 31 percent of the Group's automotive sales, revenues and profits also declined as a consequence of the COVID-19 pandemic. Vehicle production rebounded in North America towards the end of the quarter, driven by low inventory levels and recovering vehicle sales. Production in South America continued to be significantly below normal levels throughout the quarter.

Technical Glass Business

The Technical Glass business recorded revenues of ¥ 8,098 million (Q1 FY2020: ¥ 10,105 million) and an operating profit of ¥ 1,380 million (Q1 FY2020: ¥ 1,842 million).

Revenues and profits fell in the Technical Glass business due mainly to the impact of COVID-19.

In the fine glass business, sales mix improvement partially offset the negative impact of COVID-19. In the information devices business, demand for glass components used in printers and scanners declined. Demand for glass cord used in engine timing belts fell, reflecting conditions in the automotive sector. Metashine sales also fell as a result of COVID-19. Results in the battery separator business remained stable.

Joint Ventures and Associates

The Group's share of joint ventures and associates' losses after tax was ¥ 392 million (Q1 FY2020: profit of ¥ 479 million).

The Group's share of joint ventures and associate's profits was below the previous year, also due to the challenging market conditions associated with the COVID-19 pandemic. Cebrace, the Group's architectural joint venture in Brazil, recorded a loss for the period, and results were also significantly below the previous year at the Group's other affiliated companies.

(2) Financial Condition

Total assets at the end of June 2020 were ¥ 757,524 million, representing a decrease of ¥ 7,673 million from the end of March 2020. Total equity was ¥ 70,689 million, representing a decrease of ¥ 17,505 million from the March 2020 figure of ¥ 88,194 million. Total equity fell mainly as a result of the loss recorded for the period.

Net financial indebtedness increased by ¥ 50,545 million from 31 March 2020 to ¥ 440,714 million at the period end. The increase in indebtedness arose from the cash out flow during the period arising from the COVID-19 related trading conditions and also investment in strategically important capital expenditure projects. Gross debt was ¥ 477,928 million at the period end. As of 30 June 2020, the Group had un-drawn, committed facilities of ¥ 73,150 million.

Cash outflows from operating activities were ¥ 30,630 million. Cash outflows from investing activities were ¥ 16,084 million, including capital expenditure on property, plant, and equipment of ¥ 13,170 million. As a result, free cash flow was an outflow of ¥ 46,714 million.

(3) Prospects

For details, please refer to the "FY2021 Consolidated Financial and Dividend Forecast" and the slides on FY2021 forecast in "FY2021 First Quarter Results Presentation" separately announced today.

2. Consolidated financial statements and their notes

(1) (a) Condensed quarterly consolidated income statement

¥ millions

	Note	**1st Quarter FY 2021 For the period 1 April to 30 June 2020**	1st Quarter FY 2020 For the period 1 April to 30 June 2019
Revenue	(5)-(c)	**91,871**	147,066
Cost of sales		**(69,774)**	(108,482)
Gross profit		**22,097**	38,584
Other income		**519**	514
Distribution costs		**(8,785)**	(12,976)
Administrative expenses		**(13,202)**	(15,830)
Other expenses		**(1,238)**	(1,475)
Operating (loss)/profit	(5)-(c)	**(609)**	8,817
Exceptional items (gains)	(5)-(d)	**1,433**	973
Exceptional items (losses)	(5)-(d)	**(12,956)**	(1,602)
Operating (loss)/profit after exceptional items		**(12,132)**	8,188
Finance income	(5)-(e)	**715**	624
Finance expenses	(5)-(e)	**(3,091)**	(4,097)
Share of post-tax (loss)/profit of joint ventures and associates accounted for using the equity method		**(392)**	479
(Loss)/profit before taxation		**(14,900)**	5,194
Taxation	(5)-(f)	**(1,629)**	(2,139)
(Loss)/profit for the period		**(16,529)**	3,055
(Loss)/profit attributable to non-controlling interests		**(93)**	164
(Loss)/profit attributable to owners of the parent		**(16,436)**	2,891
		(16,529)	3,055
Earnings per share attributable to owners of the parent			
Basic	(5)-(g)	**(186.73)**	18.55
Diluted	(5)-(g)	**(186.73)**	18.42

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

¥ millions

	1st Quarter FY 2021 For the period 1 April to 30 June 2020	1st Quarter FY 2020 For the period 1 April to 30 June 2019 (restated)
(Loss)/profit for the period	**(16,529)**	3,055
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Re-measurement of retirement benefit obligations (net of taxation)	**(97)**	(70)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)	**(703)**	(971)
Sub-total	**(800)**	(1,041)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	**(2,053)**	(7,051)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)	**103**	20
Cash flow hedges:		
- fair value gains, net of taxation	**1,336**	(974)
Sub-total	**(614)**	(8,005)
Total other comprehensive income for the period, net of taxation	**(1,414)**	(9,046)
Total comprehensive income for the period	**(17,943)**	(5,991)
Attributable to non-controlling interests	**(928)**	58
Attributable to owners of the parent	**(17,015)**	(6,049)
	(17,943)	(5,991)

(2) Condensed quarterly consolidated balance sheet

¥ millions

	1st Quarter FY 2021 as at 30 June 2020	FY 2020 as at 31 March 2020
ASSETS		
Non-current assets		
Goodwill	**92,433**	91,199
Intangible assets	**47,319**	47,390
Property, plant and equipment	**296,911**	294,545
Investment property	**293**	303
Investments accounted for using the equity method	**21,337**	17,083
Retirement benefit asset	**32,825**	32,894
Contract assets	**574**	622
Trade and other receivables	**10,379**	10,792
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**16,244**	17,571
- Derivative financial instruments	**41**	51
Deferred tax assets	**29,504**	28,658
	547,860	541,108
Current assets		
Inventories	**114,247**	118,388
Contract assets	**2,568**	2,117
Trade and other receivables	**53,546**	56,122
Financial assets:		
- Assets held at Fair Value through Other Comprehensive Income	**1**	461
- Derivative financial instruments	**686**	1,179
Cash and cash equivalents	**36,487**	43,608
	207,535	221,875
Assets held for sale	**2,129**	2,214
	209,664	224,089
Total assets	**757,524**	765,197

(2) Condensed quarterly consolidated balance sheet continued

¥ millions

	1st Quarter FY 2021 as at 30 June 2020	FY 2020 as at 31 March 2020
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
- Borrowings	**66,911**	54,000
- Derivative financial instruments	**3,363**	4,664
Trade and other payables	**94,365**	126,377
Contract liabilities	**4,288**	4,537
Provisions	**8,126**	9,423
Deferred income	**869**	996
	177,922	199,997
Liabilities related to assets held for sale	**384**	392
	178,306	200,389
Non-current liabilities		
Financial liabilities:		
- Borrowings	**405,467**	373,728
- Derivative financial instruments	**2,187**	2,615
Trade and other payables	**2,771**	3,028
Contract liabilities	**6,119**	6,120
Deferred tax liabilities	**16,237**	16,105
Retirement benefit obligations	**58,988**	58,589
Provisions	**13,660**	13,261
Deferred income	**3,100**	3,168
	508,529	476,614
Total liabilities	**686,835**	677,003
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	**116,607**	116,607
Capital surplus	**155,222**	155,222
Retained earnings	**(71,390)**	(54,276)
Retained earnings (Translation adjustment at the IFRS transition date)	**(68,048)**	(68,048)
Other reserves	**(76,375)**	(75,893)
Total shareholders' equity	**56,016**	73,612
Non-controlling interests	**14,673**	14,582
Total equity	**70,689**	88,194
Total liabilities and equity	**757,524**	765,197

(3) Condensed quarterly consolidated statement of changes in equity

¥ millions

1st Quarter FY 2021	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2020	116,607	155,222	(54,276)	(68,048)	(75,893)	**73,612**	14,582	**88,194**
Total Comprehensive Income	—	—	(16,533)	—	(482)	**(17,015)**	(928)	**(17,943)**
Hyperinflation adjustment	—	—	1,103	—	—	**1,103**	621	**1,724**
Dividends paid	—	—	(1,650)	—	—	**(1,650)**	(24)	**(1,674)**
Equity transaction with non-controlling interests	—	—	(34)	—	—	**(34)**	422	**388**
At 30 June 2020	**116,607**	**155,222**	**(71,390)**	**(68,048)**	**(76,375)**	**56,016**	**14,673**	**70,689**

¥ millions

1st Quarter FY 2020 (restated)	Called up share capital	Capital surplus	Retained earnings	Retained earnings (Translation on adjustment at the IFRS translation date)	Other reserves	**Total share holders' equity**	Non-controlling interests	**Total equity**
At 1 April 2019	116,588	160,953	(40,530)	(68,048)	(45,203)	**123,760**	8,746	**132,506**
Adoption of new standards	—	—	(3,576)	—	—	**(3,576)**	—	**(3,576)**
At 1 April 2019 (after adjustment)	116,588	160,953	(44,106)	(68,048)	(45,203)	**120,184**	8,746	**128,930**
Total Comprehensive Income	—	—	2,821	—	(8,870)	**(6,049)**	58	**(5,991)**
Hyperinflation adjustment	—	—	666	—	—	**666**	429	**1,095**
Dividends paid	—	—	(2,822)	—	—	**(2,822)**	(161)	**(2,983)**
Stock options	1	1	—	—	(1)	**1**	—	**1**
Purchase of treasury stock	—	—	—	—	(5,751)	**(5,751)**	—	**(5,751)**
Retirement of treasury stock	—	(5,750)	—	—	5,750	—	—	—
Equity transaction with non-controlling interests	—	—	(3)	—	—	**(3)**	581	**578**
At 30 June 2019	**116,589**	**155,204**	**(43,444)**	**(68,048)**	**(54,075)**	**106,226**	**9,653**	**115,879**

(4) Condensed quarterly consolidated statement of cash flow

¥ millions

	Note	**1st Quarter For the period 1 April to 30 June 2020**	1st Quarter For the period 1 April to 30 June 2019
Cash flows from operating activities			
Cash flows generated from operations	(5)-(j)	**(28,104)**	(4,846)
Interest paid		**(2,371)**	(2,433)
Interest received		**1,062**	411
Tax paid		**(1,217)**	(3,233)
Net cash outflows from operating activities		**(30,630)**	(10,101)
Cash flows from investing activities			
Dividends received from joint ventures and associates		**—**	30
Purchase of joint ventures and associates		**(3,268)**	—
Proceeds on disposal of joint ventures and associates		**375**	—
Purchase of subsidiaries		**(68)**	—
Proceeds on disposal of subsidiaries		**—**	1,950
Decrease in cash and cash equivalents resulting from change in scope of consolidation		**—**	(129)
Purchases of property, plant and equipment		**(13,170)**	(19,131)
Proceeds on disposal of property, plant and equipment		**256**	8
Purchases of intangible assets		**(295)**	(285)
Proceeds on disposal of intangible assets		**—**	3
Purchase of assets held at FVOCI		**(402)**	(3)
Proceeds on disposal of assets held at FVOCI		**499**	—
Loans advanced to joint ventures, associates and third parties		**(233)**	(222)
Loans repaid from joint ventures, associates and third parties		**222**	292
Others		**—**	810
Net cash outflows from investing activities		**(16,084)**	(16,677)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(1,651)**	(2,747)
Dividends paid to non-controlling interests		**(13)**	(156)
Repayment of borrowings		**(7,699)**	(4,861)
Proceeds from borrowings		**48,913**	27,724
Purchase of treasury stock		**—**	(5,751)
Others		**389**	589
Net cash inflows from financing activities		**39,939**	14,798
Decrease in cash and cash equivalents (net of bank overdrafts)		**(6,775)**	(11,980)
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(5)-(k)	**40,512**	50,292
Effect of foreign exchange rate changes		**(243)**	(1,103)
Hyperinflation adjustment	(5)-(l)	**194**	363
Cash and cash equivalents (net of bank overdrafts) at end of period	(5)-(k)	**33,688**	37,572

(5) Notes to the condensed quarterly consolidated financial statements

(a) 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.

(b) Changes in accounting principles, practices and presentations

From 1 April 2020, the Group has changed its presentation of hyperinflation adjustments in subsidiaries with a functional currency that is the currency of a hyper-inflationary economy, to be consistent with the conclusions set out in the IFRS Interpretation Committee's agenda decisions published in March 2020. Hyperinflation restatement adjustments set out in IAS 29 which were previously included in the Consolidated Statement of Comprehensive Income will now be charged (credited) directly to retained earnings and will be recorded in the Consolidated Statement of Changes in Equity. Foreign exchange gains and losses arising from the retranslation of the assets and liabilities of subsidiaries with a functional currency that is the currency of a hyper-inflationary economy, will continue to be recognized in the Statement of Comprehensive Income. The Group chose its proposed treatment as this method is more consistent with the Group's previous practice. As result of this change, the Group's other comprehensive income and total comprehensive income recorded in the first quarter of FY2021 decreased by ¥1,724 million (first quarter of FY2020: decreased by ¥1,095 million). Closing balances of retained earnings as at 30 June 2020 and 2019 are not affected by this change.

(c) Segmental information

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

The Architectural segment engages in the manufacturing 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.

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

The Technical Glass segment comprises a number of discrete businesses, including the manufacture and sale of very thin glass used as cover glass for 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 Other segment covers corporate costs, certain small businesses not included in the segments covered above, and consolidation adjustments including amortization and impairment costs recorded with respect to goodwill and intangible assets related to the acquisition of Pilkington plc.

External revenue is disaggregated into three categories; Europe, Asia which includes Japan, and Americas which comprises of North and South Americas.

The Group's revenues comprise sales of glass recognized at a point in time and sales of services recognized over time. Sales of services recognized over time are immaterial and are therefore not disclosed separately at interim periods.

From 1 April 2020, the Group has changed its presentation of segmental results, by removing the lines of "Trading profit" and "Amortization arising from the acquisition of Pilkington plc". The amount of amortization has become less material in the context of Group's overall operating performance, as some of the intangible assets have been amortized to nil.

The amortization arising from the acquisition of Pilkington plc was ¥401 million in FY2021 Q1 (FY2020 Q1: ¥471 million).

(c) Segmental information continued

The segmental results for the first quarter to 30 June 2020 were as follows:

¥ millions

1st Quarter FY 2021 For the period 1 April 2020 to 30 June 2020	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	**46,239**	**38,909**	**9,028**	**807**	**94,983**
Inter-segmental revenue	**(1,366)**	**(218)**	**(930)**	**(598)**	**(3,112)**
External revenue	**44,873**	**38,691**	**8,098**	**209**	**91,871**
Disaggregation of external revenue by geographical regions:					
Europe	***16,004***	***16,632***	***1,296***	***29***	***33,961***
Asia	***19,190***	***9,870***	***6,545***	***180***	***35,785***
Americas	***9,679***	***12,189***	***257***	—	***22,125***
Operating loss	**2,674**	**(2,863)**	**1,380**	**(1,800)**	**(609)**
Exceptional items (gains)	**382**	**411**	**37**	**603**	**1,433**
Exceptional items (losses)	**(5,375)**	**(6,966)**	**(238)**	**(377)**	**(12,956)**
Operating loss after exceptional items					**(12,132)**
Finance costs – net					**(2,376)**
Share of post-tax loss from joint ventures and associates					**(392)**
Loss before taxation					**(14,900)**
Taxation					**(1,629)**
Loss for the period from continuing operations					**(16,529)**

(c) Segmental information continued

The segmental results for the first quarter to 30 June 2019 were as follows:

¥ millions

1st Quarter FY 2020 For the period 1 April 2019 to 30 June 2019	**Architectural**	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Total revenue	64,035	77,336	11,255	1,104	153,730
Inter-segmental revenue	(4,136)	(511)	(1,150)	(867)	(6,664)
External revenue	59,899	76,825	10,105	237	147,066
Disaggregation of external revenue by geographical regions:					
Europe	*23,234*	*33,488*	*1,683*	*61*	*58,466*
Asia	*22,424*	*17,411*	*8,022*	*176*	*48,033*
Americas	*14,241*	*25,926*	*400*	—	*40,567*
Operating profit	5,715	3,984	1,842	(2,724)	8,817
Exceptional items (gains)	—	—	973	—	973
Exceptional items (losses)	(699)	(816)	(2)	(85)	(1,602)
Operating profit after exceptional items					8,188
Finance costs – net					(3,473)
Share of post-tax profit from joint ventures and associates					479
Profit before taxation					5,194
Taxation					(2,139)
Profit for the period from continuing operations					3,055

The segmental assets at 30 June 2020 and capital expenditure for the first quarter ended 30 June 2020 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	**156,606**	**163,289**	**33,612**	**6,031**	**359,538**
Capital expenditure (including intangibles)	**6,935**	**1,097**	**51**	**288**	**8,371**

The segmental assets at 30 June 2019 and capital expenditure for the first quarter ended 30 June 2019 were as follows:

¥ millions

	Architectural	**Automotive**	**Technical Glass**	**Other Operations**	**Total**
Net trading assets	156,821	167,359	35,062	10,278	369,520
Capital expenditure (including intangibles)	6,821	2,385	170	8,803	18,179

Net trading assets consist of property, plant and equipment, investment property, intangible assets excluding those arising from a business combination, inventories, trade and other receivables and trade and other payables, contract assets and liabilities.

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

(d) Exceptional items

¥ millions

	1st Quarter FY 2021 For the period 1 April to 30 June 2020	1st Quarter FY 2020 For the period 1 April to 30 June 2019
Exceptional items (gains):		
COVID-19 government support (a)	**844**	—
Gain on disposal of subsidiaries and joint ventures (b)	**555**	973
Others	**34**	—
	1,433	973
Exceptional items (losses):		
Suspension and other costs caused by COVID-19 (a)	**(12,308)**	—
Restructuring costs, including employee termination payments (c)	**(397)**	(800)
Suspension of facilities (d)	**(137)**	(511)
Settlement of litigation matters (e)	**(109)**	(116)
Impairment of non-current assets (f)	—	(175)
Others	**(5)**	—
	(12,956)	(1,602)
	(11,523)	(629)

(a) The Group has recorded the direct costs and also unrecovered operating costs arising from the COVID-19 pandemic as exceptional items, together with any related income from governments. Such costs include payments to employees not engaged in productive activities due to the COVID-19 pandemic, costs of maintaining idle facilities, and direct costs such as the deep cleaning of facilities to promote a safe operating environment.

(b) The gain on disposal of a joint venture relates to the recycling into the income statement of foreign exchange gains and losses recognized during previous years within the Statement of Comprehensive Income, following the disposal of the Group's shares in Jiangsu Pilkington SYP Glass Co., Ltd a float glass manufacturing entity in China.

The prior year gain on disposal of a subsidiary related to the sale of Nippon Sheet Glass Environment Amenity Co., Limited, a subsidiary operating within the Technical Glass business.

(c) Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment. In the current year the costs relate to restructuring programs in Architectural South East Asia and Automotive Europe.

In the previous years, restructuring costs related to several relatively minor projects in various locations. The previous year cost also included the cost of maintaining idle facilities, principally in Automotive Europe.

(d) The suspension of facilities relates to the repair of facilities in Architectural Japan following a Typhoon during the previous year.

The prior year suspension of facilities mainly related to a short-term suspension of the Group's Architectural facility in Laurinburg, U.S.A., due to a power failure in the local area.

(e) In both the current and prior year, the settlement of litigation matters relates to legal claims arising as a result of transactions that were previously recorded as exceptional items.

(f) The prior year impairment of non-current assets related to assets in Architectural Japan.

(e) Finance income and expenses

¥ millions

	1st Quarter FY 2021 For the period 1 April to 30 June 2020	1st Quarter FY 2020 For the period 1 April to 30 June 2019
Finance income		
Interest income	**633**	268
Foreign exchange transaction gains	**75**	356
Gain on net monetary position	**7**	—
	715	624
Finance expenses		
Interest expense:		
- bank and other borrowings	**(2,876)**	(3,293)
Dividend on non-equity preference shares due to minority shareholders	**(59)**	(62)
Foreign exchange transaction losses	**(13)**	(291)
Other interest and similar charges	**(101)**	—
	(3,049)	(3,646)
Unwinding discounts on provisions	**(45)**	(51)
Retirement benefit obligations		
- net finance charge	**3**	(105)
Loss on net monetary position	—	(295)
	(3,091)	(4,097)

(f) Taxation

The tax charge on the loss before taxation, excluding the Group's share of net results of joint ventures and associates, is a rate of (11.2) percent in the first quarter to 30 June 2020 (30 June 2019 - a rate of 45.4 percent). The tax charge for the quarter is based on the estimated effective rate for the year to 31 March 2021.

(g) Earnings per share

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent, after deducting dividends and redemption premium paid to holders of Class A shares, by the weighted average number of ordinary shares in issue during the year. The dividends related to Class A shares are calculated by the dividend rate defined in the terms and conditions of the shares. The weighted average number of ordinary shares excludes ordinary shares purchased by the company and held as treasury shares.

	Quarter ended 30 June 2020	Quarter ended 30 June 2019
	¥ millions	¥ millions
(Loss)/Profit attributable to owners of the parent	**(16,436)**	2,891
Adjustment for;		
- Dividends on Class A shares	**(486)**	(461)
- Redemption premium paid on Class A shares	—	(750)
Profit used to determine basic earnings per share	**(16,922)**	1,680
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,621**	90,577
	¥	¥
Basic earnings per share	**(186.73)**	18.55

(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, if the conversion has dilutive effect.

	Quarter ended 30 June 2020	Quarter ended 30 June 2019
	¥ millions	¥ millions
(Loss)/Profit attributable to owners of the parent	**(16,436)**	2,891
Adjustment for;		
- Dividends on Class A shares	**(486)**	(461)
- Redemption premium paid on Class A shares	—	(750)
Profit used to determine diluted earnings per share	**(16,922)**	1,680
	Thousands	Thousands
Weighted average number to ordinary shares in issue	**90,621**	90,577
Adjustment for:		
- Share options	—	635
- Class A shares	—	—
Weighted average number of ordinary shares for diluted earnings per share	**90,621**	91,212
	¥	¥
Diluted earnings per share	**(186.73)**	18.42

Diluted earnings per share for the period do not include stock options and Class A shares due to the anti-dilutive effect caused by the profits and the loss during the period.

(h) Dividends

	Quarter ended 30 June 2020	Quarter ended 30 June 2019
Dividends on ordinary shares declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	—	1,811
Dividend per share (¥)	—	20

	Quarter ended 30 June 2020	Quarter ended 30 June 2019
Dividends on Class A shares declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	**1,650**	960
Dividend per share (¥)	**55,000.00**	27,424.70
The daily pro-rated preferred dividend for the partial acquisition during the year		
Dividend total (¥ millions)	—	50
Dividend per share (¥)	—	10,068.30

(i) Exchange rates

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

	Quarter ended 30 June 2020		Year ended 31 March 2020		Quarter ended 30 June 2019	
	Average	**Closing**	Average	Closing	Average	Closing
GBP	**133**	**132**	138	133	141	137
US dollar	**107**	**107**	109	108	109	108
Euro	**118**	**121**	121	119	124	123
Argentine peso	—	**1.53**	—	1.68	—	2.53

(j) Cash flows generated from operations

¥ millions

	1st Quarter FY 2021 for the period 1 April 2019 to 30 June 2020	1st Quarte FY 2020r for the period 1 April 2019 to 30 June 2019
(Loss)/Profit for the period from continuing operations	**(16,529)**	3,055
Adjustments for:		
Taxation	**1,629**	2,139
Depreciation	**7,780**	7,784
Amortization	**809**	908
Impairment	**25**	555
(Gain)/loss on sale of property, plant and equipment	**(28)**	6
Gain on sale of subsidiaries and joint ventures	**(555)**	(973)
Grants and deferred income	**(271)**	(643)
Finance income	**(715)**	(624)
Finance expenses	**3,091**	4,097
Share of loss/(profit) from joint ventures and associates	**392**	(479)
Other items	**(194)**	(289)
Operating cash flows before movement in provisions and working capital	**(4,566)**	15,536
Decrease in provisions and retirement benefit obligations	**(1,427)**	(958)
Changes in working capital:		
- inventories	**4,361**	(6,351)
- trade and other receivables	**(4,476)**	(5,264)
- trade and other payables	**(21,361)**	(6,647)
- contract balances	**(635)**	(1,162)
Net change in working capital	**(22,111)**	(19,424)
Cash flows generated from operations	**(28,104)**	(4,846)

(k) Cash and cash equivalents

¥ millions

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	**43,608**	52,406
Bank overdrafts	**(3,096)**	(2,114)
	40,512	50,292

¥ millions

	As at 30 June 2020	As at 30 June 2019
Cash and cash equivalents	**36,487**	39,687
Bank overdrafts	**(2,799)**	(2,115)
	33,688	37,572

(l) Hyperinflationary accounting adjustments

As from the second quarter of FY 2019, the wholesale price index in Argentina indicated that cumulative 3-year inflation had exceeded 100 percent. Consequently, the Group has concluded that its subsidiaries in Argentina, each of which has the Argentine Peso as a functional currency, are currently operating in a hyperinflationary environment. The Group has therefore applied accounting adjustments to the underlying financial results and position of its subsidiaries in Argentina as required by IAS 29 'Financial Reporting in Hyperinflationary Economies'.

As required by IAS 29, the Group's consolidated financial statements will include the results and financial position of its Argentinian subsidiaries, restated in terms of the measuring unit current at the period end date.

For the restatement of results and financial positions of its Argentinian subsidiaries, the Group will apply the conversion coefficient derived from the Internal Wholesales Price Index (IPIM) published by Instituto Nacional de Estadística y Censos de la República Argentina (INDEC). IPIM and corresponding conversion coefficients from June 2006 are presented below.

Balance sheet date	Internal Wholesales Price Index (IPIM) (30 June 2006 = 100)	Conversion coefficient
30 June 2006	100.0	15.347
31 March 2007	103.9	14.776
31 March 2008	120.2	12.767
31 March 2009	128.7	11.924
31 March 2010	146.5	10.476
31 March 2011	165.5	9.274
31 March 2012	186.7	8.219
31 March 2013	211.1	7.269
31 March 2014	265.6	5.779
31 March 2015	305.7	5.019
31 March 2016	390.6	3.929
31 March 2017	467.2	3.285
31 March 2018	596.1	2.575
31 March 2019	970.9	1.581
31 March 2020	1,440.8	1.065
30 April 2020	1,474.5	1.041
31 May 2020	1,497.3	1.025
30 June 2020	1,534.7	1.000

The Group's subsidiaries in Argentina will restate their non-monetary items held at historical cost, namely property, plant and equipment, by applying the conversion coefficient based on when the items were initially recognized. Monetary items and non-monetary items held at current cost will not be restated, as they are expressed in terms of the measuring unit current at the period end date. The effect of inflation on the net monetary position of the Group's Argentinian subsidiaries is presented in the finance expenses section of the income statement.

The Argentinian subsidiaries' income statement and cash flow statement will also be restated, applying the conversion coefficient for the current financial year as shown in the above table.

For the purpose of consolidation, the results and financial position of the Group's Argentinian subsidiaries are translated using the closing exchange rates at the period end date. Comparative financial statements are not restated based on IAS 21 'The Effects of Changes in Foreign Exchange Rates' para 42(b).

(m) Significant subsequent events

There were no significant subsequent events.