

FY 2023 Annual Consolidated Financial Results <IFRS>

12 May 2023



(English translation of the Japanese original)

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Annual general shareholders' meeting: 29 June 2023
 Submission of annual financial statements to MOF: 30 June 2023
 Payment of dividends start from: N/A
 Annual result presentation papers: Yes
 Annual result presentation meeting: Yes (Teleconference for institutional investors)

1. Consolidated business results for FY2023 (From 1 April 2022 to 31 March 2023)

(1) Consolidated business results

	Revenue		Operating profit		Profit before taxation		Profit for the period		Profit attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2023	763,521	27.1	34,812	74.2	(21,933)	—	(31,017)	—	(33,761)	—	(62,308)	—
FY2022	600,568	20.3	19,980	52.9	11,859	—	6,759	—	4,134	—	79,357	—

	Earnings per share - basic	Ratio of profit attributable to owners of the parent to average equity attributable to owners of the parent	Profit before tax ratio to total assets	Operating profit ratio to revenue
	¥	%	%	%
FY2023	(393.06)	(27.9)	(2.3)	4.6
FY2022	24.07	4.0	1.3	3.3

Share of post-tax profit of joint ventures and associates accounted for using the equity method

FY2023: ¥7,333 million FY2022: ¥7,498 million

Note:

- Operating profit in the above table is defined as being operating profit stated before exceptional items.
- Impairment of its equity investment in joint ventures and associates were recognized of ¥1,522 million in FY2023.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2023	951,387	124,868	97,040	10.2	723.78
FY2022	939,281	169,355	145,291	15.5	1,255.96

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash used in investing activities	Net cash generated from financing activities	Cash and cash equivalents as of term-end
	¥ millions	¥ millions	¥ millions	¥ millions
FY2023	48,506	(34,649)	(7,889)	68,518
FY2022	45,061	(22,787)	(20,823)	60,015

2. Dividends

	Dividends per share					Dividends (annual) (¥ millions)	Payout ratio	Dividends to net assets ratio (%)
	Q1	Q2	Q3	Q4	Total			
FY2022 (actual)	—	¥ 0.00	—	¥ 0.00	¥ 0.00	¥ 0	—	—
FY2023 (actual)	—	¥ 0.00	—	¥ 0.00	¥ 0.00	¥ 0	—	—
FY2024 (forecast)	—	¥ 0.00	—	¥ 0.00	¥ 0.00		—	

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

3. Forecast for FY2024 (From 1 April 2023 to 31 March 2024)

	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	370,000	(1.5)	14,000	(3.0)	7,000	-	4,000	-	3,000	-	22.24
Full year	760,000	(0.5)	30,000	(13.8)	16,000	-	9,000	-	7,000	-	55.55

Note:

- Forecast of basic earnings per share for FY2024 is calculated by dividing the profit attributable to owners of the parent after deducting preferred dividends for Class A shares (a rate of 6.5% per annum applied to the outstanding balance at 31 March 2024), by 90,911,135 shares which is the number of ordinary shares issued at 31 March 2023, reduced by the number of treasury stock and restricted shares (225,000 shares).
- For further details, please refer to the prospects section on pages 7 and 8.

4. Other items

- (a) Changes in status of principal subsidiaries: — No
- (b) Changes in accounting policies and changes in accounting estimates:
- (i) Changes due to revisions in accounting standards under IFRS — No
- (ii) Changes due to other reasons — No
- (iii) Changes in accounting estimates — No

Note:

- For further details, please refer to the changes in accounting policy section on page 15.

- (c) Number of shares outstanding (common stock)
- (i) Number of shares issued at the end of the period, including shares held as treasury stock:
91,167,199 shares as at 31 March 2023 and 91,000,199 shares as at 31 March 2022
- (ii) Number of shares held as treasury stock at the end of the period:
31,064 shares as at 31 March 2023 and 25,700 shares as at 31 March 2022
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
90,853,349 shares for the period ending 31 March 2023 and 90,726,994 shares for the period ending 31 March 2022

(Reference) Non-consolidated financial results of the parent company
Financial results of FY2023 (From 1 April 2022 to 31 March 2023)

(1) Stand-alone business results

	Revenue		Operating profit/(loss)		Ordinary profit/(loss)		Net profit/(loss)	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2023	96,695	9.5	509	—	12,349	—	13,331	716.4
FY2022	88,300	1.1	(1,793)	—	(3,808)	—	1,633	—

	Basic earnings per share	Diluted earnings per share
	¥	¥
FY2023	125.27	93.82
FY2022	(3.51)	(3.51)

(2) Stand-alone financial positions

	Total assets	Total equity	Equity ratio	Total equity per share
	¥ millions	¥ millions	%	¥
FY2023	693,819	317,844	45.7	3,147.89
FY2022	678,566	311,345	45.8	3,079.40

Note: Shareholders' equity

FY2023: ¥ 317,418 million

FY2022: ¥ 310,873 million

Status of audit procedures taken by external auditors for the annual results

This document (Tanshin) is out of scope for independent audit 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 are 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, but not limited.

(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				
	Q1	Q2	Q3	Q4	Total
Class A Shares					
FY2022 (Actual)	—	¥ 0.00	—	¥ 65,000.00	¥ 65,000.00
FY2023 (Actual)	—	¥ 0.00	—	¥ 65,000.00	¥ 65,000.00
FY2024 (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 FY2024, is ¥ 1,950 million.

[Attachments]

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1. Overview about business performance etc.

(1) Overview about business performance

1) Background to Results

The Group experienced mostly stable market conditions during the final quarter of the year. Architectural markets continued to be relatively soft in Europe, although were more positive elsewhere. Energy-related input costs declined during the fourth quarter, but were still at a high level compared to historic norms. The high input costs continued to be largely offset by positive selling prices. Demand for solar energy glass was also positive. Automotive markets continued to gradually recover from a shortage of semi-conductors in the supply chain. The Group also made further progress with recovering increased input costs from Automotive customers. Technical glass markets weakened somewhat during the fourth quarter.

Group revenues increased by 27 percent to ¥ 763,521 million (FY2022 ¥ 600,568 million), with improvements in revenue in both the Architectural and Automotive businesses. At constant exchange rates, cumulative revenues would have increased by 21 percent. Operating profits were ¥ 34,812 million (FY2022 ¥ 19,980 million). Net exceptional losses of ¥ 45,154 million included an impairment of goodwill and other intangible assets of ¥ 48,776 million, recorded during the second quarter of the year, which represented a full impairment of all remaining goodwill and intangible assets related to the Group's automotive business in Europe, originally arising on the acquisition of Pilkington in 2006. Please see note 3 (5)(d) for a further explanation of this item. Taxation charges were ¥ 9,084 million (FY2022 ¥ 5,100 million). As a consequence of the significant exceptional cost, the Group recorded a loss attributable to owners of the parent of ¥ 33,761 million (FY2022 profit of ¥ 4,134 million).

2) Review by Business Segment

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

Architectural, representing 48 percent of cumulative revenues, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the Solar Energy sector.

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

Technical Glass, representing 5 percent of cumulative revenues, 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, and glass fiber 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 profit/(loss)	
	FY2023	FY2022	FY2023	FY2022
Architectural	365,947	281,816	33,557	28,130
Automotive	354,693	276,246	4,052	(7,908)
Technical Glass	38,754	39,770	8,733	9,907
Other Operations	4,127	2,736	(11,530)	(10,149)
Total	763,521	600,568	34,812	19,980

Architectural

The Architectural business recorded cumulative revenues of ¥ 365,947 million (FY2022: ¥ 281,816 million) and an operating profit of ¥ 33,557 million (FY2022: ¥ 28,130 million).

Architectural revenues and profits increased from the previous year due to higher selling prices and the translational impact of a weaker Japanese yen.

In Europe, representing 43 percent of the Group's architectural sales, revenues improved significantly as a consequence of increased selling prices and foreign exchange movements. Profits were similar to the previous year, with higher energy-related input costs offsetting the increased selling prices. Energy prices declined during the fourth quarter, although the benefit of this was offset by falling selling prices, including the effect of reduced energy surcharges. Volumes also softened during the fourth quarter, as increased levels of inflation and interest rates negatively affected business and consumer confidence.

In Asia, representing 27 percent of the Group's architectural sales, revenues and profits were above the previous year. Market conditions improved with increases in sales volumes and prices, which, together with a positive operational performance, more than offset the effect of increasing input costs.

In the Americas, representing 30 percent of the Group's architectural sales, revenues and profits were ahead of the previous year. Positive customer demand was mitigated by North American logistics constraints, which affected sales volumes in the first half of the year, although this eased during the second half. The Group commenced production at its second float glass line in Argentina during the third quarter of the year.

Automotive

The Automotive business recorded cumulative revenues of ¥ 354,693 million (FY2022: ¥ 276,246 million) and an operating profit of ¥ 4,052 million (FY2022: loss of ¥ 7,908 million).

Profits in the Automotive business continued to recover with a further improvement in quarterly profit allowing the business to record a positive overall profit for the full year. Volumes continued to gradually improve and price increases with customers were agreed to offset the high level of input costs.

Europe represents 42 percent of the Group's automotive sales. Revenues increased, due partly to foreign exchange movements. Volumes were negatively affected by a shortage of semi-conductor components at the Group's customers, although this eased somewhat during the second half of the year. Profitability continued to be affected by high input costs, although this was increasingly offset by rising sales prices, with the Group successfully concluding price negotiations with a number of customers from the second and third quarters. Volumes in glass replacement markets were positive.

In Asia, representing 20 percent of the Group's automotive sales, revenues and profits improved from the previous year, as price increases were negotiated with customers to mitigate the effect of rising input costs.

In the Americas, representing 38 percent of the Group's automotive sales, revenues increased from the previous year, assisted by foreign exchange movements, whilst profits declined. Demand in North America was generally positive with vehicle manufacturers increasing levels of inventory, although supply chain issues continued to negatively affect demand levels at many of the Group's customers. Demand in South America was relatively strong, with volumes improving in both Brazil and Argentina.

Technical Glass

The Technical Glass business recorded cumulative revenues of ¥ 38,754 million (FY2022: ¥ 39,770 million) and an operating profit of ¥ 8,733 million (FY2022: ¥ 9,907 million).

Revenues and profits fell slightly in the Technical Glass business due to the disposal of the Battery Separator division during the previous year. The lost revenue and profits from this disposal was largely offset by positive market conditions experienced by continuing businesses, although Covid lockdowns and a general economic slowdown had a negative

effect on results during the second half of the year.

In the fine glass business, sales were impacted by slowing economic conditions. In the information devices business, demand for printer lenses slightly softened due to inflation in North America and Europe. Whilst underlying consumer demand was stable, volumes of glass cord used in engine timing belts continued to be impacted by supply chain issues at the Group's customers. Metashine sales slightly recovered for automotive and cosmetic applications.

Joint Ventures and Associates

Including both the share of profits arising from joint ventures and associates, and also other gains and losses relating to these investments, the Group recorded a net gain from equity method investments of ¥ 5,811 million (FY2022: ¥ 4,076 million).

The net gain from equity method investments was above the previous year, largely due to a reduction in the value of impairments relating to the Group's investment in its joint venture in Russia. Following the impairment of the Group's equity investment applied in the previous financial year, the Group has also processed an immediate impairment of its share of profits earned at this joint venture during the current year. Both the previous and current year impairments are shown in the income statement as other gains/(losses) on equity method investments.

(2) Overview about financial condition and cash flows

Total assets at the end of March 2023 were ¥ 951,387 million, representing an increase of ¥ 12,106 million from the end of March 2022. Total equity was ¥ 124,868 million, representing a decrease of ¥ 44,487 million from the March 2022 figure of ¥ 169,355 million. The decrease in total equity was primarily due to an impairment of goodwill and intangible assets, which generated a loss for the period.

Net financial indebtedness increased by ¥ 42,751 million from 31 March 2022 to ¥ 407,923 million at the period end. The increase in indebtedness arose largely from foreign exchange movements and a reduction in the value of energy-related derivative assets. Foreign exchange movements generated an increase in net indebtedness of ¥ 15,850 million. Gross debt was ¥ 495,120 million at the period end. As of 31 March 2023, the Group had un-drawn, committed, revolving credit facilities of ¥ 46,159 million and, in addition, the Group also had an undrawn committed term loan of ¥ 8,250 million.

Cash inflows from operating activities were ¥ 48,506 million. Cash outflows from investing activities were ¥ 34,649 million, including capital expenditure on property, plant, and equipment of ¥ 37,710 million. As a result, free cash flow was an inflow of ¥ 13,857 million (4Q FY2022 free cash inflow of ¥ 22,274 million).

(3) Prospects

The Group's forecast for the financial year FY2024 is shown on page 2.

The Group expects revenues in FY2024 to be relatively stable. Volumes are expected to grow modestly in Automotive, although sales prices in Architectural may experience some downward pressure as input costs for energy reduce.

Operating profitability in FY2024 is expected to decline somewhat. In the Architectural business, although headline prices of energy are likely to reduce, input costs overall are anticipated to stay at a relatively high level compared to historic norms. European architectural markets are expected to experience relatively soft market conditions due to the impact of high inflation and increased interest rates on consumer confidence. Profitability in Automotive should improve further, as volumes will benefit from a continued easing of supply-chain constraints. Profitability is likely to decline in Technical glass, due to a deterioration in market conditions.

The Group expects to return to a positive overall net income with no repeat of the significant impairment charge recorded during FY2023.

NSG Group has set out its direction as the Medium-Term Vision aiming for becoming a global glass supplier contributing to the world with high value-added glass products and services, under which it will focus on the three areas of

contribution: such as Safety & Comfort; Eco Society; and ICT.

At the same time the Group has announced a new medium-term management plan, "Revival Plan 24" (RP24), for a three-year period from 1 April 2021 to 31 March 2024 as the first step to achieve the Medium-Term Vision.

Reviewing the previous Medium-Term Plan (MTP) and reflecting the changes in the business environment, the Group sets RP24 as the period for its business transformation and will execute a drastic reform of its profit structure, with the restoration of financial stability and the transformation of the Group's business portfolio, consisting of the following Three Reforms and Two Key Initiatives.

Three Reforms: Cost structure reform; Business structure reform; Corporate culture reform

Two Key Initiatives: Restoration of financial stability; Transformation into more profitable business portfolio

The Group has established a set of key financial metrics as below that it expects to achieve by the end of the RP24 period.

Operating profit margin ^{*1}	8%
Net profit ^{*2}	More than ¥ 30 billion cumulatively for 3 years
Equity ratio	More than 10%
Free cash flow	More than ¥ 10 billion

*1: Based on operating profit after amortization

*2: Profit attributable to owners of the parent

(4) Dividend policy

Recognizing the distribution of profit to shareholders as one of its important management objectives, the Group has upheld a stable basic policy of declaring dividend payments on ordinary shares based on sustainable business results. To that end, dividend payments by the Group will be determined in view of the enhancement of its financial status and accumulation of the appropriate level of retained earnings for future business growth. Considering factors such as the Group's current financial position and its level of profitability, the Board of Directors has regrettably decided not to declare dividends for ordinary shares for the fiscal year to 31 March 2023. The Group has forecast that no dividend will be paid for the fiscal year to 31 March 2024, either, as set out on page 2. 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 and their notes

(1) (a) Consolidated income statement

¥ millions			
	Note	FY2023 For the period 1 April 2022 to 31 March 2023	FY2022 For the period 1 April 2021 to 31 March 2022
Revenue	(5)-(c)	763,521	600,568
Cost of sales		(591,705)	(465,139)
Gross profit		171,816	135,429
Other income		1,664	2,214
Distribution costs		(64,009)	(53,089)
Administrative expenses		(68,346)	(59,532)
Other expenses		(6,313)	(5,042)
Operating profit	(5)-(c)	34,812	19,980
Exceptional items - gains	(5)-(d)	7,024	6,027
Exceptional items - losses	(5)-(d)	(52,178)	(2,381)
Operating (loss)/profit after exceptional items		(10,342)	23,626
Finance income	(5)-(e)	5,239	2,117
Finance expenses	(5)-(e)	(22,641)	(14,586)
Impairment of financial receivables owed by joint ventures and associates		-	(3,374)
Share of post-tax profit of joint ventures and associates accounted for using the equity method		7,333	7,498
Other gains/(losses) on equity method investments		(1,522)	(3,422)
(Loss)/profit before taxation		(21,933)	11,859
Taxation	(5)-(f)	(9,084)	(5,100)
(Loss)/profit for the period		(31,017)	6,759
Profit attributable to non-controlling interests		2,744	2,625
(Loss)/profit attributable to owners of the parent		(33,761)	4,134
		(31,017)	6,759
Earnings per share attributable to owners of the parent			
Basic	(5)-(g)	(393.06)	24.07
Diluted	(5)-(g)	(393.06)	23.92

(1) (b) Consolidated statement of comprehensive income

		¥ millions	
	Note	FY2023 For the period 1 April 2022 to 31 March 2023	FY2022 For the period 1 April 2021 to 31 March 2022
(Loss)/profit for the period		(31,017)	6,759
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(5)-(m)	(2,405)	12,498
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)		274	1,354
Sub total		(2,131)	13,852
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		(6,108)	25,945
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)		(1,451)	(344)
Cash flow hedges: – fair value losses, net of taxation	(5)-(h)	(21,601)	33,145
Sub total		(29,160)	58,746
Total other comprehensive income for the period, net of taxation		(31,291)	72,598
Total comprehensive income for the period		(62,308)	79,357
Attributable to non-controlling interests		(4,011)	1,990
Attributable to owners of the parent		(58,297)	77,367
		(62,308)	79,357

(2) Consolidated balance sheet

¥ millions

	FY2023 as at 31 March 2023	FY2022 as at 31 March 2022
ASSETS		
Non-current assets		
Goodwill	74,081	104,737
Intangible assets	39,480	50,256
Property, plant and equipment	370,460	341,736
Investment property	120	163
Investments accounted for using the equity method	25,349	20,410
Retirement benefit asset	28,185	32,349
Contract assets	378	554
Trade and other receivables	12,970	13,176
Financial assets:		
– Assets held at Fair Value through Other Comprehensive Income	22,227	23,022
– Derivative financial instruments	13,011	17,291
Deferred tax assets	28,613	33,115
Tax receivables	194	223
	615,068	637,032
Current assets		
Inventories	156,918	132,242
Contract assets	3,191	1,270
Trade and other receivables	93,450	72,816
Financial assets:		
– Derivative financial instruments	4,873	24,957
Cash and cash equivalents	69,313	60,464
Tax receivables	3,407	3,266
	331,152	295,015
Assets held for sale	5,167	7,234
	336,319	302,249
Total Assets	951,387	939,281

(2) Consolidated balance sheet continued

	¥ millions	
	FY2023 as at 31 March 2023	FY2022 as at 31 March 2022
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
– Borrowings	161,610	114,347
– Derivative financial instruments	2,102	1,501
Trade and other payables	183,612	163,114
Contract liabilities	14,896	7,132
Taxation liabilities	3,838	3,843
Provisions	16,194	13,621
Deferred income	710	499
	382,962	304,057
Liabilities related to assets held for sale	1,415	2,674
	384,377	306,731
Non-current liabilities		
Financial liabilities:		
– Borrowings	329,933	352,017
– Derivative financial instruments	1,475	20
Trade and other payables	704	457
Contract liabilities	18,260	5,347
Deferred tax liabilities	14,523	22,608
Taxation liabilities	4,799	3,061
Retirement benefit obligations	50,676	55,459
Provisions	18,772	21,196
Deferred income	3,000	3,030
	442,142	463,195
Total liabilities	826,519	769,926
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	116,756	116,709
Capital surplus	155,746	155,312
Retained earnings	(86,675)	(60,121)
Retained earnings (Translation adjustment at the IFRS transition date)	(68,048)	(68,048)
Other reserves	(20,739)	1,439
Total shareholders' equity	97,040	145,291
Non-controlling interests	27,828	24,064
Total equity	124,868	169,355
Total liabilities and equity	951,387	939,281

(3) Consolidated statement of changes in equity

¥ millions

FY2023	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	Total share holders' equity	Non-controlling interests	Total equity
At 1 April 2022	116,709	155,312	(60,121)	(68,048)	1,439	145,291	24,064	169,355
Profit for the period	—	—	(33,761)	—	—	(33,761)	2,744	(31,017)
Other comprehensive income	—	—	(2,405)	—	(22,131)	(24,536)	(6,755)	(31,291)
Total Comprehensive Income	—	—	(36,166)	—	(22,131)	(58,297)	(4,011)	(62,308)
Hyperinflation adjustment	—	—	11,906	—	—	11,906	10,562	22,468
<i>Transactions with owners</i>								
Dividends paid	—	—	(1,950)	—	—	(1,950)	(2,273)	(4,223)
Share-based compensation with restricted shares	24	24	—	—	—	48	—	48
Stock options	23	23	—	—	(46)	—	—	—
Purchase of treasury stock	—	—	—	—	(1)	(1)	—	(1)
Changes in ownership interests in subsidiaries and others	—	387	—	—	—	387	(835)	(448)
Equity transaction with non-controlling interests	—	—	(344)	—	—	(344)	321	(23)
At 31 March 2023	116,756	155,746	(86,675)	(68,048)	(20,739)	97,040	27,828	124,868

¥ millions

FY2022	Share Capital	Capital surplus	Retained earnings	Retained earnings (Translation adjustment at the IFRS transition date)	Other reserves	Total share holders' equity	Non-controlling interests	Total equity
At 1 April 2021	116,643	155,245	(81,692)	(68,048)	(59,211)	62,937	16,825	79,762
Profit for the period	—	—	4,134	—	—	4,134	2,625	6,759
Other comprehensive income	—	—	12,498	—	60,735	73,233	(635)	72,598
Total Comprehensive Income	—	—	16,632	—	60,735	77,367	1,990	79,357
Hyperinflation adjustment	—	—	6,889	—	—	6,889	6,039	12,928
<i>Transactions with owners</i>								
Dividends paid	—	—	(1,950)	—	—	(1,950)	(790)	(2,740)
Share-based compensation with restricted shares	24	25	—	—	—	49	—	49
Stock options	42	42	—	—	(84)	—	—	—
Purchase of treasury stock	—	—	—	—	(1)	(1)	—	(1)
At 31 March 2022	116,709	155,312	(60,121)	(68,048)	1,439	145,291	24,064	169,355

(4) Consolidated statement of cash flows

		¥ millions	
		FY2023 for the period 1 April 2022 to 31 March 2023	FY2022 for the period 1 April 2021 to 31 March 2022
	Note		
Cash flows from operating activities			
Cash generated from operations	(5)-(k)	68,228	58,295
Interest paid		(21,048)	(12,589)
Interest received		8,364	4,231
Tax paid		(7,038)	(4,876)
Net cash inflows from operating activities		48,506	45,061
Cash flows from investing activities			
Dividends received from joint ventures and associates		5,466	5,682
Purchase of joint ventures and associates		(4,509)	—
Proceeds on disposal of joint ventures and associates		284	1
Purchase of subsidiaries, net of cash balances held by subsidiaries upon acquisition		(7)	—
Proceeds on disposal of subsidiaries, net of cash balances held by subsidiaries on disposal		2,192	6,191
Purchases of property, plant and equipment		(37,710)	(33,080)
Proceeds on disposal of property, plant and equipment		1,300	1,354
Purchases of intangible assets		(1,401)	(1,400)
Proceeds on disposal of intangible assets		4	6
Purchase of assets held at FVOCI		(27)	(1,785)
Proceeds on disposal of assets held at FVOCI		12	2
Loans advanced to joint ventures, associates & third parties		(574)	(4,051)
Loans repaid from joint ventures, associates & third parties		321	4,293
Net cash outflows from investing activities		(34,649)	(22,787)
Cash flows from financing activities			
Dividends paid to owners of the parent		(1,955)	(1,959)
Dividends paid to non-controlling interests		(2,273)	(790)
Repayment of borrowings		(98,687)	(119,962)
Proceeds from borrowings		95,475	101,889
Increase in Treasury stock		(1)	(1)
Capital contribution for non-controlling interests		(448)	—
Net cash (out)/inflows from financing activities		(7,889)	(20,823)
Increase/(decrease) in cash and cash equivalents (net of bank overdrafts)		5,968	1,451
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(5)-(l)	60,015	53,500
Effect of foreign exchange rate changes		762	3,787
Hyperinflation adjustment	(5)-(n)	1,773	1,277
Cash and cash equivalents (net of bank overdrafts) at end of period	(5)-(l)	68,518	60,015

(5) Notes to the 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) Accounting policies, critical accounting estimates and assumptions

The principal accounting policies applied to the consolidated financial statements for the year ended 31 March 2023 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2022.

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not usually be equal to the eventual actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

In each case, unexpected changes in estimates and assumptions could cause a material change in balance sheet assets and liabilities, particularly in the areas noted below.

When assessing the recoverability of certain balance sheet assets such as goodwill and other intangible assets arising on consolidation, the Group compares the value-in-use of the Group's identified Cash Generating Units (CGUs) with the accounting value of assets within each CGU. The value-in-use for this purpose is considered to be the capitalized current value of the future cash flows of each CGU as calculated by discounting the projected future operating cash flows of each cash-generating unit, using an appropriate discount rate. The choice of discount rate is therefore a key determinant in assessing the value-in-use, and is calculated based on prevailing conditions in bond and equity markets. If discount rates increase, as happened during the second quarter of the year, then an impairment of assets such as goodwill becomes more likely.

Sales volumes are a key input into expectations of future trading conditions and, consequently, cash flows. Sales prices and input costs are also important factors. The Group experienced an increase in input costs during FY2022, exacerbated by the invasion of Ukraine by Russia towards the end of the year, and this has continued during FY2023. The Group protects against volatility of input costs through hedging techniques, although this does not provide complete protection from all cost increases, particularly over the longer term. The Group expects to recover input costs increases through higher selling prices. The extent of this recovery is likely to vary by business and region. This reflects the Group's expected ability to raise selling prices, based on legal terms of trading and market forces generally.

The recoverability of long-term investments in joint ventures, including loans receivable, is based on the current and expected future trading environment. The expected future trading environment is assessed using reasonable estimates of possible future trading conditions. Where relevant, the Group will also consider the existence of legal restrictions that may prevent the payment of dividends or interest, or repayment of debt by the joint venture when assessing the recoverability of such investments. In addition, the Group would also consider any projected corporate restructurings or other similar transactions that the joint venture may enter, but only in circumstances where the Group considers there is a satisfactory level of confidence that such a transaction will be completed.

(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, and glass fiber 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.

The amortization arising from the acquisition of Pilkington plc was ¥ 553 million in 4Q FY2023 (4Q FY2022: ¥1,035 million).

The segmental results for the financial period to 31 March 2023 were as follows:

	¥ millions				
FY2023 For the period 1 April 2022 to 31 March 2023	Architectural	Automotive	Technical Glass	Other Operations	Total
Total revenue	393,262	355,411	40,993	6,036	795,702
Inter-segmental revenue	(27,315)	(718)	(2,239)	(1,909)	(32,181)
External revenue	365,947	354,693	38,754	4,127	763,521
<i>Disaggregation of external revenue by geographical regions:</i>					
<i>Europe</i>	157,085	150,164	9,537	3,043	319,829
<i>Asia</i>	99,225	69,871	27,580	1,084	197,760
<i>Americas</i>	109,637	134,658	1,637	—	245,932
Operating profit/(loss)	33,557	4,052	8,733	(11,530)	34,812
Exceptional items - gains	1,183	2,563	104	3,174	7,024
Exceptional items - losses	(1,566)	(1,551)	(8)	(49,053)	(52,178)
Operating profit after exceptional items					(10,342)
Finance costs – net					(17,402)
Share of post-tax profit from joint ventures and associates					7,333
Other gains/(losses) on investments in joint ventures & associates					(1,522)
Loss before taxation					(21,933)
Taxation					(9,084)
Loss for the period from continuing operations					(31,017)

(c) Segmental information continued

The segmental results for the financial period to 31 March 2022 were as follows:

¥ millions

FY2022 For the period 1 April 2021 to 31 March 2022	Architectural	Automotive	Technical Glass	Other Operations	Total
Total revenue	292,243	278,835	41,901	5,549	618,528
Inter-segmental revenue	(10,427)	(2,589)	(2,131)	(2,813)	(17,960)
External revenue	281,816	276,246	39,770	2,736	600,568
<i>Disaggregation of external revenue by geographical regions:</i>					
<i>Europe</i>	116,038	116,683	7,908	1,788	242,417
<i>Asia</i>	86,241	60,405	30,553	948	178,147
<i>Americas</i>	79,537	99,158	1,309	—	180,004
Operating profit/(loss)	28,130	(7,908)	9,907	(10,149)	19,980
Exceptional items - gains	939	626	4,407	55	6,027
Exceptional items - losses	(442)	(775)	(67)	(1,097)	(2,381)
Operating profit after exceptional items					23,626
Finance costs – net					(12,469)
Impairment of financial receivables owed by joint ventures and associates					(3,374)
Share of post-tax profit from joint ventures and associates					7,498
Other gains/(losses) on investments in joint ventures & associates					(3,422)
Profit before taxation					11,859
Taxation					(5,100)
Profit for the period from continuing operations					6,759

The segmental assets at 31 March 2023 and capital expenditure for the period ended 31 March 2023 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	197,331	186,216	33,202	445	417,194
Capital expenditure (including intangibles)	22,840	14,384	1,913	1,780	40,917

The segmental assets at 31 March 2022 and capital expenditure for the period ended 31 March 2022 were as follows:

¥ millions

	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	157,030	164,299	28,555	3,708	353,592
Capital expenditure (including intangibles)	12,954	13,617	1,238	820	28,629

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	
	FY2023 for the period 1 April 2022 to 31 March 2023	FY2022 for the period 1 April 2021 to 31 March 2022
Exceptional items – gains:		
Settlement of litigation matters (a)	2,943	-
Reversal of surplus provisions (b)	1,870	424
Gain on disposal of subsidiaries (c)	1,480	-
Gain on disposal of non-current assets (d)	669	-
Reversal of previous impairments (e)	54	767
Gain on disposal of Battery Separator business (f)	-	4,405
COVID-19 government support (g)	-	400
Others	8	31
	7,024	6,027
Exceptional items – losses:		
Impairment of goodwill & intangible assets (h)	(48,776)	-
Impairment of non-current assets (i)	(2,594)	(630)
Restructuring costs, including employee termination payments (b)	(429)	(660)
Settlement of litigation matters (a)	(175)	(617)
Others	(204)	(474)
	(52,178)	(2,381)
	(45,154)	3,646

- (a) The current year gain on the settlement of litigation matters relates mainly to an additional settlement agreed with the Group's insurer and broker following damage to the Group's facility at Ottawa, Illinois, U.S.A., as a consequence of a Tornado on 28 February 2017. The Group has been engaged in a dispute with its insurer and its broker regarding the value of insurance coverage following this event and has reached a settlement that has resulted in an additional amount of \$20 million being paid to the Group.

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

- (b) The reversal of surplus provisions is related to restructuring provisions established in previous years, where the Group considers that the provision is no longer required.

Restructuring costs principally include the cost of compensating redundant employees for the termination of their contracts of employment.

- (c) The gain on disposal of subsidiaries relates to the disposal of Guilin Pilkington Safety Glass Co., Limited and Tianjin NSG Safety Glass Co., Limited, two companies involved in the processing and distribution of automotive glass in China. These companies have been sold to SYP Kangqiao Autoglass Co., Limited, a company in which the NSG Group held a 20 percent investment, and which is accounted for by the Group as an associate using the equity method of accounting. As part of this disposal the Group has re-invested the sales proceeds into additional equity of SYP Kangqiao Autoglass Co., Limited, increasing the Group's shareholding in this entity to 28.6 percent. The gain on disposal arises mainly on the recycling of historic foreign exchange movements relating to these former subsidiary companies into the Consolidated Income Statement from the Statement of Comprehensive Income
- (d) The gain on disposal of non-current assets relates mainly to the disposal of property, plant & equipment within the Architectural business in Europe and also to investments accounted for using the equity method in the Architectural business in Asia.

- (e) The reversal of previous impairments relates to the Architectural business in Europe.

In the previous year, the reversal of impairments related mainly to assets within the Architectural business in Asia.

- (f) During the previous year, the Group recognized an exceptional gain as a consequence of the disposal of its Battery Separator business during the second quarter of that year. On 10 May 2021, the Group and ENTEK Technology Holdings LLC (Head Office in Lebanon, Oregon, USA; "ENTEK") concluded a share transfer contract with the Group agreeing to sell its Battery Separator business to a new wholly-owned subsidiary of ENTEK that was to be established in Japan. Subsequently, the Group completed the transfer of this business on 1 September 2021.
- (g) In the previous year the Group received financial support from various governments to assist with the costs of maintaining its facilities and workforce during the COVID-19 pandemic. Such support was recognized as an exceptional gain.
- (h) The impairment of goodwill and intangible assets represents a full impairment of all remaining goodwill and intangible assets relating to the Group's automotive business unit in Europe, originally arising on the acquisition of Pilkington in 2006. The impairment was calculated by comparing the value-in-use with the accounting book values of this business unit. The value-in-use was calculated by discounting predicted future cash flows using an appropriate discount rate, determined using bond and equity market conditions prevailing at the balance sheet date.

An impairment was recorded during the second quarter largely as a consequence of an increase in discount rates. At 31 March 2022 the Group calculated the value-in-use of this business unit using a discount rate of 6.92 percent. At 30 September 2022, the discount rate used was 8.8 percent. Future economic prospects deteriorated during the first two quarters of the year, largely as a consequence of rising inflation and interest rates. Such factors were directly linked to the increased discount rate used in the impairment testing process.

- (i) The impairment of non-current assets relates mainly to Architectural and Automotive assets in Asia.

In the previous year, the impairment of non-current assets related mainly to assets that were transferred into the assets held-for-sale category on the balance sheet. These assets have been subsequently disposed during the current financial year.

(e) Finance income and expenses

¥ millions

	FY2023 for the period 1 April 2022 to 31 March 2023	FY2022 for the period 1 April 2021 to 31 March 2022
Finance income		
Interest income	2,022	1,461
Foreign exchange transaction gains	224	39
Gain on net monetary position (5)-(n)	2,993	617
	5,239	2,117
Finance expenses		
Interest expense:		
– bank and other borrowings	(18,936)	(12,926)
Dividend on non-equity preference shares due to minority shareholders	(265)	(258)
Foreign exchange transaction losses	(968)	(71)
Other interest and similar charges	(2,423)	(1,083)
	(22,592)	(14,338)
Unwinding discounts on provisions	(243)	(180)
Retirement benefit obligations		
– net finance charge (5)-(m)	194	(68)
	(22,641)	(14,586)

(f)Taxation

¥ millions

	FY2023 for the period 1 April 2022 to 31 March 2023	FY2022 for the period 1 April 2021 to 31 March 2022
Current tax		
Charge for the period	(8,160)	(4,887)
Adjustment in respect of prior periods	(133)	315
	(8,293)	(4,572)
Deferred tax		
Credit/(charge)for the period	(824)	1,102
Adjustment in respect of prior periods	37	(183)
Adjustment in respect of rate changes	(4)	(1,447)
	(791)	(528)
Taxation charge for the period	(9,084)	(5,100)

The cumulative tax charge on the loss before taxation, excluding the Group's share of the net results of joint ventures and associates, is at a rate of (31.0) percent for the period to 31 March 2023 (FY2022- a rate of 116.9 percent).

Included in the loss before tax is an impairment charge relating to goodwill and intangible assets arising on the acquisition of Pilkington of ¥ 48,776 million. As a consequence of this impairment, the Group recorded a taxation credit in the second quarter of ¥ 3,089 million, arising on the reversal of deferred tax liabilities related to intangible assets. Excluding this impairment and related taxation, the cumulative tax rate applicable for the period would have been 62.4 percent.

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.

(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 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, and restricted shares which have not been satisfied the conditions to lift the restriction.

	Period ended 31 March 2023	Period ended 31 March 2022
	¥ millions	¥ millions
Profit/(loss) attributable to owners of the parent	(33,761)	4,134
Adjustment for;		
- Dividends on Class A shares	(1,950)	(1,950)
Profit/(loss) used to determine basic earnings per share	(35,711)	2,184
	Thousands	Thousands
Weighted average number to ordinary shares in issue	90,853	90,726
	¥	¥
Basic earnings per share	(393.06)	24.07

(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. Also Restricted shares for share-based payment plan are treated as dilutive potential ordinary shares if certain conditions are met. 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. Regarding restricted shares for share-based payment plan, during period from the start date of the transfer restriction period to the date of the first Ordinary General Meeting of Shareholders of the Company, if the fair value (determined as the average annual market share price of the Company's shares) exceeds the issue price, equivalent of the delivered service as consideration for compensation are treated as dilutive potential ordinary shares. 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.

	Period ended 31 March 2023	Period ended 31 March 2022
	¥ millions	¥ millions
Profit/(loss) attributable to owners of the parent	(33,761)	4,134
Adjustment for;		
- Dividends on Class A shares	(1,950)	(1,950)
Profit/(loss) used to determine basic earnings per share	(35,711)	2,184
	Thousands	Thousands
Weighted average number to ordinary shares in issue	90,853	90,726
Adjustment for:		
- Share options	—	541
- Class A shares	—	—
- Restricted shares	—	23
Weighted average number of ordinary shares for diluted earnings per share	90,853	91,290
	¥	¥
Diluted earnings per share	(393.06)	23.92

Diluted earnings per share for the current period do not include stock options, restricted shares, and Class A shares due to the anti-dilutive effect caused by the loss during the period. As at 31 March 2022, there are 50,679 thousand shares of Class A shares that are anti-dilutive, which are not included in the calculation of diluted earnings per share.

(h) Cash Flow Hedges – fair value gains

Revaluation gains on cash flow hedges in the Statement of Comprehensive Income comprises unrealized gains on derivative contracts that have not matured at the balance sheet date, less gains on maturing derivative contracts transferred to the income statement. Net losses posted in the Statement of Comprehensive Income totaled ¥ 21,601 million, comprising a gross movement of ¥ 28,213 million and deferred taxation of ¥ 6,612 million. Of the gross movement of ¥ 28,213 million, ¥ 25,678 million was due to gains on maturing contracts being transferred to the income statement, and ¥ 2,535 million was due to a decrease in the value of derivative contracts that had not matured at the balance sheet date.

(i) Dividends paid and proposed

(i) Dividends on ordinary shares

	Year ended 31 March 2023	Year ended 31 March 2022
Declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	—	—
Dividend per share (¥)	—	—

(ii) Dividends on Class A shares

	Year ended 31 March 2023	Year ended 31 March 2022
Declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	1,950	1,950
Dividend per share (¥)	65,000.00	65,000.00
Declared after the end of the reporting period and not recognized as a liability:		
Final dividend for the previous year		
Dividend total (¥ millions)	1,950	1,950
Dividend per share (¥)	65,000.00	65,000.00

(j) Exchange rates

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

	FY2023 31 March 2023		FY2022 31 March 2022	
	Average	Closing	Average	Closing
GBP	163	165	153	160
US dollar	135	133	112	122
Euro	141	145	130	136
Argentine peso	—	0.64	—	1.10

(k) Cash flows generated from operations

		¥ millions	
	Note	FY2023 for the period 1 April 2022 to 31 March 2023	FY2022 for the period 1 April 2021 to 31 March 2022
Profit/(loss) for the period from continuing operations		(31,017)	6,759
Adjustments for:			
Taxation	(5)-(f)	9,084	5,100
Depreciation		38,021	34,010
Amortization		2,191	2,665
Impairment		52,728	1,535
Reversal of impairment of non-current assets		(58)	(1,295)
Profit on sale of property, plant and equipment		(824)	26
Profit on sale of subsidiaries		(1,555)	(4,404)
Grants and deferred income		(32)	(236)
Finance income	(5)-(e)	(5,239)	(2,117)
Finance expenses	(5)-(e)	22,641	14,586
Impairment of financial receivables owed by joint ventures and associates		—	3,374
Share of profits from joint ventures and associates		(7,333)	(7,498)
Other (gains)/losses on equity method investments		1,522	3,422
Other items		(1,060)	309
Operating cash flows before movement in provisions and working capital		79,069	56,236
Decrease in provisions and retirement benefit obligations		(3,846)	(3,642)
Changes in working capital:			
- inventories		(22,860)	(14,033)
- trade and other receivables		(18,282)	(6,197)
- trade and other payables		16,083	25,156
- contract balances		18,064	775
Net change in working capital		(6,995)	5,701
Cash flows generated from operations		68,228	58,295

(l) Cash and cash equivalents

	¥ millions	
	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents	69,313	60,464
Bank overdrafts	(795)	(449)
	68,518	60,015

(m) 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:

FY2023 for the period 1 April 2022 to 31 March 2023

	¥ millions		
	Operating costs	Finance Costs	SoCI*
Post-employment benefits	(2,548)	552	(6,557)
Post-retirement healthcare benefits	(16)	(358)	2,211
Deferred income and other taxes**	-	-	1,941
	(2,564)	194	(2,405)

FY2022 for the period 1 April 2021 to 31 March 2022

	¥ millions		
	Operating costs	Finance Costs	SoCI*
Post-employment benefits	(3,339)	220	12,656
Post-retirement healthcare benefits	(24)	(288)	5,880
Deferred income and other taxes**	-	-	(6,038)
	(3,363)	(68)	12,498

* Consolidated Statement of Comprehensive Income

** Included within deferred income and other taxes in the Consolidated Statement of Comprehensive Income is a deferred tax charge of ¥ 2,843 million (FY2022: ¥ 1,856 million) and a credit with respect to other taxes of ¥ 4,784 million (FY2022: charge of ¥ 4,182 million), which represents a movement in the tax charge against pensions with surplus balances.

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

	%	
	As at 31 March 2023	As at 31 March 2022
UK discount rate	4.8	2.8
UK inflation	2.7	3.0
Japan discount rate	1.0	0.7
US discount rate	4.7	3.4
Eurozone discount rate	3.7	1.7

During the second quarter of the year, the Group's main retirement benefit scheme in the UK entered into a buy-in transaction, to insure pensions in payment for a specific group of pensioners. The plan now holds annuity contracts to cover the costs of providing such pensions. This transaction is consistent with the Group's long-term policy of reducing the risk of retirement benefit obligations on the Group's financial position. As a consequence of this transaction, the Group recorded a loss of £10 million (¥ 1,630 million), net of taxation, in the Statement of Comprehensive Income.

(n) 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	64.022
31 March 2007	103.9	61.640
31 March 2008	120.2	53.259
31 March 2009	128.7	49.744
31 March 2010	146.5	43.702
31 March 2011	165.5	38.686
31 March 2012	186.7	34.287
31 March 2013	211.1	30.322
31 March 2014	265.6	24.107
31 March 2015	305.7	20.939
31 March 2016	390.6	16.390
31 March 2017	467.2	13.703
31 March 2018	596.1	10.741
31 March 2019	970.9	6.594
31 March 2020	1,440.8	4.444
31 March 2021	2,046.4	3.128
31 March 2022	3,162.1	2.025
30 April 2022	3,408.0	1.879
31 May 2022	3,580.1	1.788
30 June 2022	3,769.6	1.698
31 July 2022	4,048.8	1.581
31 August 2022	4,331.0	1.478
30 September 2022	4,598.1	1.392
31 October 2022	4,889.9	1.309
30 November 2022	5,130.3	1.248
31 December 2022	5,393.2	1.187
31 January 2023	5,718.3	1.120
28 February 2023	6,097.3	1.050
31 March 2023	6,402.2	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).

(o) Significant subsequent events

After the balance sheet date, the Group's Joint Venture, SP Glass Holdings BV, a company registered in the Netherlands but owning operating subsidiaries in Russia, concluded an agreement to dispose of those subsidiaries. As of the date of publishing these financial statements, this transaction is awaiting regulatory approval as a condition precedent to legal completion.