

FY 2024 Annual Consolidated Financial Results <IFRS>

10 May 2024



(English translation of the Japanese original)

Listed Company Name: Nippon Sheet Glass Company, Limited Stock Exchange Listing: Tokyo
Code Number: 5202 (URL: <http://www.nsg.com>)
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Annual general shareholders' meeting: 26 June 2024
Submission of annual financial statements to MOF: 27 June 2024
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 FY2024 (From 1 April 2023 to 31 March 2024)

(1) Consolidated business results

	Revenue		Operating profit		Profit/(loss) before taxation		Profit/(loss) for the period		Profit/(loss) attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2024	832,537	9.0	35,860	3.0	17,597	-	10,930	-	10,633	-	(8,025)	-
FY2023	763,521	27.1	34,812	74.2	(21,933)	-	(31,017)	-	(33,761)	-	(62,308)	-

	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
	¥	%			
FY2024	95.40	9.6	1.8	4.3	
FY2023	(393.06)	(27.9)	(2.3)	4.6	

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

FY2024: ¥5,092 million FY2023: ¥7,333 million

Note:

- Operating profit in the above table is defined as being operating profit stated before exceptional items.
- Reversal of impairment of equity investment and financial receivables in joint ventures and associates were recognized of ¥ 4,836 million in FY2024.

(2) Changes in financial position

	Total assets	Total equity	Total shareholders' equity	Total shareholders' equity ratio	Total shareholders' equity per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2024	1,007,585	153,838	124,275	12.3	1,021.29
FY2023	951,387	124,868	97,040	10.2	723.78

(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
FY2024	58,769	(43,512)	(48,079)	44,278
FY2023	48,506	(34,649)	(7,889)	68,518

2. Dividends

	Dividends per share					Dividends (annual) (¥ millions)	Payout ratio	Dividends to net assets ratio (%)
	Q1	Q2	Q3	Q4	Total			
FY2023 (actual)	—	¥ 0.00	—	¥ 0.00	¥ 0.00	¥ 0	—	—
FY2024 (actual)	—	¥ 0.00	—	¥ 0.00	¥ 0.00	¥ 0	—	—
FY2025 (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 9.

3. Forecast for FY2025 (From 1 April 2024 to 31 March 2025)

	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	410,000	(2.4)	16,000	(38.5)	4,500	(76.7)	2,000	(80.9)	1,000	(89.8)	0.24
Full year	840,000	0.9	37,000	3.2	13,000	(26.1)	6,000	(45.1)	4,000	(62.4)	22.50

Note:

- Forecast of basic earnings per share for FY2025 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 2025), by 91,095,595 shares which is the number of ordinary shares issued at 31 March 2024, reduced by the number of treasury stock and restricted shares (272,500 shares).
- For further details, please refer to the prospects section on page 9.

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 16.
- (c) Number of shares outstanding (common stock)
- (i) Number of shares issued at the end of the period, including shares held as treasury stock:
91,401,499 shares as at 31 March 2024 and 91,167,199 shares as at 31 March 2023
- (ii) Number of shares held as treasury stock at the end of the period:
33,404 shares as at 31 March 2024 and 31,064 shares as at 31 March 2023
- (iii) Average number of shares in issue during the period, after deducting shares held as treasury stock:
91,017,613 shares for the period ending 31 March 2024 and 90,853,349 shares for the period ending 31 March 2023

(Reference) Non-consolidated financial results of the parent company
Financial results of FY2024 (From 1 April 2023 to 31 March 2024)

(1) Stand-alone business results

	Revenue		Operating profit		Ordinary profit		Net profit	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2024	109,159	12.9	2,518	394.7	756	(93.9)	2,130	(84.0)
FY2023	96,695	9.5	509	—	12,349	—	13,331	716.4

	Basic earnings per share	Diluted earnings per share
	¥	¥
FY2024	1.98	1.97
FY2023	125.27	93.82

(2) Stand-alone financial positions

	Total assets	Total equity	Equity ratio	Total equity per share
	¥ millions	¥ millions	%	¥
FY2024	695,383	314,934	45.2	3,111.09
FY2023	693,819	317,844	45.7	3,147.89

Note: Shareholders' equity

FY2024: ¥314,647million

FY2023: ¥317,418 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					
FY2023 (Actual)	—	¥ 0.00	—	¥ 65,000.00	¥ 65,000.00
FY2024 (Actual)	—	¥ 0.00	—	¥ 65,000.00	¥ 65,000.00
FY2025 (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 FY2025, 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 a further deterioration in certain key markets during the fourth quarter of the year. In particular, the Group's largest Architectural markets in Europe were increasingly challenging. Automotive markets continued to gradually recover, with volumes benefitting from a return to more normal conditions, following a long period of challenges within the supply-chain. Technical glass markets were relatively weak across many areas, although some markets showed signs of improvement.

Group revenues increased by nine percent to ¥ 832,537 million (4Q FY2023 ¥ 763,521 million), with the improvement arising mainly within the Automotive business. Operating profits were ¥ 35,860 million (4Q FY2023 ¥ 34,812 million), with the improvement again being recorded in the Automotive businesses.

Net exceptional items were an overall gain of ¥ 90 million (4Q FY2023 loss of ¥ 45,154 million). The improved net exceptional gain/loss is mainly due to no recurrence of the significant impairment of goodwill arising during the previous year. Net financial expenses increased to ¥ 28,208 million (4Q FY2023 ¥ 17,402 million), due largely to higher prevailing interest rates during the period. As a consequence of the Group's joint venture, SP Glass Holdings B.V. disposing of its Russian subsidiaries, the Group recorded a gain on the reversal of previous impairments of balances owed by joint ventures during the first quarter of ¥ 3,740 million and also recognized a reversal of the previous impairment of the investment in this joint venture of ¥ 1,096 million, included within other gains on equity method investments. Taxation charges were ¥ 6,667 million (4Q FY2023 ¥ 9,084 million). As a consequence of the improved operating profit, exceptional gains, and the gains arising with respect to equity method investments, the Group recorded a positive profit attributable to owners of the parent of ¥ 10,633 million (4Q FY2023 loss of ¥ 33,761 million).

2) Review by Business Segment

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

Architectural, representing 45 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 50 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)	
	FY2024	FY2023	FY2024	FY2023
Architectural	371,777	365,947	29,087	33,557
Automotive	417,558	354,693	11,343	4,052
Technical Glass	39,945	38,754	7,146	8,733
Other Operations	3,257	4,127	(11,716)	(11,530)
Total	832,537	763,521	35,860	34,812

Architectural

The Architectural business recorded cumulative revenues of ¥ 371,777 million (4Q FY2023: ¥ 365,947 million) and an operating profit of ¥ 29,087 million (4Q FY2023: ¥ 33,557 million).

Architectural revenues were similar to the previous year, and profits below, with a declining performance across Europe and North America, partly offset by positive results in Japan, South America, and the Group's solar energy business.

In Europe, representing 38 percent of the Group's architectural sales, revenues and profits were below the previous year as volumes and prices reduced in line with deteriorating economic activity during the second half of the year. The impact of the weaker market conditions was mitigated somewhat by a decrease in input costs.

In Asia, representing 30 percent of the Group's architectural sales, revenues and profits were above the previous year. Results improved in Japan, assisted by improved selling prices, although markets remain depressed in other South-East Asia regions. Volumes of glass for solar energy were positive. During the third quarter, the Group completed the conversion of its float glass production line in Malaysia, from the production of architectural products for buildings, to glass for solar energy.

In the Americas, representing 32 percent of the Group's architectural sales, revenues were ahead of, and profits were similar to, the previous year. In North America, results improved with increasing solar energy volumes offsetting a challenging domestic architectural market. Sales volumes in South America benefitted from the Group's new float glass facility in Argentina.

Automotive

The Automotive business recorded cumulative revenues of ¥ 417,558 million (4Q FY2023: ¥ 354,693 million) and an operating profit of ¥ 11,343 million (4Q FY2023: ¥ 4,052 million). Higher sales volumes were experienced across most regions, as an easing of supply chain constraints allowed the Group's customers to recover levels of production.

Europe represents 42 percent of the Group's automotive sales. Revenues improved, with increased input costs being partially recovered from customers. Volumes benefitted from improving vehicle sales, together with a replenishment of vehicle inventory at customers and distribution networks, with supply chain constraints continuing to ease.

In Asia, representing 19 percent of the Group's automotive sales, revenues and profits improved from the previous year. Japanese volumes benefitted from increased vehicle sales, and profitability was also assisted by agreements with customers to mitigate the continued high level of input costs.

In the Americas, representing 39 percent of the Group's automotive sales, revenues and profits both increased from the previous year. Demand benefitted from a recovery in vehicle sales and a lessening of supply chain constraints at the Group's customers.

Technical Glass

The Technical Glass business recorded cumulative revenues of ¥ 39,945 million (4Q FY2023: ¥ 38,754 million) and an operating profit of ¥ 7,146 million (4Q FY2023: ¥ 8,733 million).

Technical Glass revenues were slightly improved, with demand varying across sectors. Profits declined, with challenging market conditions in some areas preventing the recovery of increased input costs.

In the Fine Glass business, revenues and profits declined due to an adverse mix of products sold compared to the previous year. In the Information Devices business, demand for printer lenses was adversely affected by weak consumer demand and inventory reductions at the Group's customers. Volumes of glass cord used in engine timing belts benefitted from improving conditions in automotive markets. Metashine sales increased both for automotive and cosmetics 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 ¥ 6,115 million (4Q FY2023: ¥ 5,811 million).

The increase in overall gains from joint ventures was due to a reversal of previous impairments of the Group's investment in SP Glass Holdings B.V., a joint venture previously owning subsidiaries in Russia. The impairment reversal of ¥ 1,096 million is included within other gains on equity method investments, and arises following the disposal by SP Glass Holding B.V. of its Russian subsidiaries.

In addition, as a consequence of the same transaction, the Group also recorded a gain on the reversal of previous impairments of financial balances owed by joint ventures of ¥ 3,740 million.

Gains and losses with respect to equity method investments excluding SP Glass Holdings B.V., were slightly below the previous year.

(2) Overview about financial condition and cash flows

Total assets at the end of March 2024 were ¥ 1,007,585 million, representing an increase of ¥ 56,198 million from the end of March 2023. Total equity was ¥ 153,838 million, representing an increase of ¥ 28,970 million from the March 2023 figure of ¥ 124,868 million. The increase in total equity was due mainly to the recorded profit for the period together with positive foreign exchange movements arising from a weaker Yen.

Net financial indebtedness increased by ¥ 39,574 million from 31 March 2023 to ¥ 447,497 million at the period end. The increase in indebtedness arose largely from foreign exchange movements and a reduction in derivative assets as a consequence of falling energy prices, partly offset by a positive Free Cash Flow. Foreign exchange movements generated an increase in net indebtedness of ¥ 25,930 million. Gross debt was ¥ 506,459 million at the period end.

Cash inflows from operating activities were ¥ 58,769 million. Cash outflows from investing activities were ¥ 43,512 million, including capital expenditure on property, plant, and equipment of ¥ 54,900 million. As a result, free cash flow was an inflow of ¥ 15,257 million (4Q FY2023 free cash inflow of ¥ 13,857 million).

(3) Prospects

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

For details, please refer to the slides on 2025/3 forecast in 2024/3 Full-Year Results presentation.

The Group expects revenues during FY2025 to be slightly ahead of FY2024, due mainly to FX impacts arising from the continued low level of the Yen against other the major currencies used by the Group's subsidiaries. Operating profits are likely to be at a similar level to FY2024, with a reduction in Architectural profitability offset by a further improvement in Automotive. Architectural markets in Europe and North America will be challenging, with a continuation of low levels of commercial construction activity. Volumes of glass for solar energy will benefit from the new capacity available at the Group's facility in Malaysia. Elsewhere, architectural markets are likely to be at a similar level to FY2024. Automotive markets will benefit from a further recovery in vehicle build levels, although the improvement is expected to be modest. Profits in the Technical Glass business will be similar to FY2024 levels. The Group's forecast reflects relatively challenging market conditions during the first half of the year, with a recovery being experienced from the second half of the year.

Non-operating costs such as exceptional costs, financial costs and taxation are likely to be similar overall to FY2024 levels. However, the Group does not expect a repeat of the FY2024 one-off credits arising from, and with respect to, entities accounted for by the equity method, and, as a consequence, profits attributable to shareholders are expected to be below FY2024 levels.

The Group will announce a new medium term management plan from 1 April 2024, on 13 May 2024.

(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 2024. The Group has forecast that no dividend will be paid for the fiscal year to 31 March 2025, 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 and stability 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	FY2024 For the period 1 April 2023 to 31 March 2024	FY2023 For the period 1 April 2022 to 31 March 2023
Revenue	(5)-(c)	832,537	763,521
Cost of sales		(652,055)	(591,705)
Gross profit		180,482	171,816
Other income		1,409	1,664
Distribution costs		(64,120)	(64,009)
Administrative expenses		(77,449)	(68,346)
Other expenses		(4,462)	(6,313)
Operating profit	(5)-(c)	35,860	34,812
Exceptional items - gains	(5)-(d)	2,150	7,024
Exceptional items - losses	(5)-(d)	(2,060)	(52,178)
Operating (loss)/profit after exceptional items		35,950	(10,342)
Finance income	(5)-(e)	10,610	5,239
Finance expenses	(5)-(e)	(38,818)	(22,641)
Reversal of previous impairment of financial receivables owed by joint ventures and associates	(5)-(f)	3,740	-
Share of post-tax profit of joint ventures and associates accounted for using the equity method		5,092	7,333
Other gains/(losses) on equity method investments	(5)-(f)	1,023	(1,522)
Profit/(loss) before taxation		17,597	(21,933)
Taxation	(5)-(g)	(6,667)	(9,084)
Profit/(loss) for the period		10,930	(31,017)
Profit attributable to non-controlling interests		297	2,744
Profit/(loss) attributable to owners of the parent		10,633	(33,761)
		10,930	(31,017)
Earnings per share attributable to owners of the parent			
Basic	(5)-(h)	95.40	(393.06)
Diluted	(5)-(h)	74.85	(393.06)

(1) (b) Consolidated statement of comprehensive income

¥ millions

	Note	FY2024 For the period 1 April 2023 to 31 March 2024	FY2023 For the period 1 April 2022 to 31 March 2023
Profit/(loss) for the period		10,930	(31,017)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit obligations (net of taxation)	(5)-(m)	(403)	(2,405)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments (net of taxation)		(2,477)	274
Sub total		(2,880)	(2,131)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments		(3,453)	(6,108)
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments (net of taxation)		(162)	(1,451)
Cash flow hedges: – fair value losses, net of taxation		(12,460)	(21,601)
Sub total		(16,075)	(29,160)
Total other comprehensive income for the period, net of taxation		(18,955)	(31,291)
Total comprehensive income for the period		(8,025)	(62,308)
Attributable to non-controlling interests		(15,645)	(4,011)
Attributable to owners of the parent		7,620	(58,297)
		(8,025)	(62,308)

(2) Consolidated balance sheet

¥ millions

	FY2024 as at 31 March 2024	FY2023 as at 31 March 2023
ASSETS		
Non-current assets		
Goodwill	84,172	74,081
Intangible assets	46,734	39,480
Property, plant and equipment	431,212	370,460
Investment property	136	120
Investments accounted for using the equity method	26,164	25,349
Retirement benefit asset	28,704	28,185
Contract assets	320	378
Trade and other receivables	4,500	12,970
Financial assets:		
– Assets held at Fair Value through Other Comprehensive Income	23,537	22,227
– Derivative financial instruments	4,718	13,011
Deferred tax assets	35,802	28,613
Tax receivables	287	194
	686,286	615,068
Current assets		
Inventories	173,068	156,918
Contract assets	1,280	3,191
Trade and other receivables	84,571	93,450
Financial assets:		
– Derivative financial instruments	3,063	4,873
Cash and cash equivalents	51,183	69,313
Tax receivables	3,282	3,407
	316,447	331,152
Assets held for sale	4,852	5,167
	321,299	336,319
Total Assets	1,007,585	951,387

(2) Consolidated balance sheet continued

¥ millions

	FY2024 as at 31 March 2024	FY2023 as at 31 March 2023
LIABILITIES AND EQUITY		
Current liabilities		
Financial liabilities:		
– Borrowings	144,223	161,610
– Derivative financial instruments	3,816	2,102
Trade and other payables	178,512	183,612
Contract liabilities	17,560	14,896
Taxation liabilities	5,637	3,838
Provisions	18,286	16,194
Deferred income	512	710
	368,546	382,962
Liabilities related to assets held for sale	1,346	1,415
	369,892	384,377
Non-current liabilities		
Financial liabilities:		
– Borrowings	356,332	329,933
– Derivative financial instruments	2,089	1,475
Trade and other payables	1,232	704
Contract liabilities	29,331	18,260
Deferred tax liabilities	19,711	14,523
Taxation liabilities	2,893	4,799
Retirement benefit obligations	49,336	50,676
Provisions	19,237	18,772
Deferred income	3,694	3,000
	483,855	442,142
Total liabilities	853,747	826,519
Equity		
Capital and reserves attributable to the Company's equity shareholders		
Called up share capital	116,853	116,756
Capital surplus	155,840	155,746
Retained earnings	(56,882)	(86,675)
Retained earnings (Translation adjustment at the IFRS transition date)	(68,048)	(68,048)
Other reserves	(23,488)	(20,739)
Total shareholders' equity	124,275	97,040
Non-controlling interests	29,563	27,828
Total equity	153,838	124,868
Total liabilities and equity	1,007,585	951,387

(3) Consolidated statement of changes in equity

¥ millions

FY2024	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 2023	116,756	155,746	(86,675)	(68,048)	(20,739)	97,040	27,828	124,868
Profit for the period	—	—	10,633	—	—	10,633	297	10,930
Other comprehensive income	—	—	(403)	—	(2,610)	(3,013)	(15,942)	(18,955)
Total Comprehensive Income	—	—	10,230	—	(2,610)	7,620	(15,645)	(8,025)
Hyperinflation adjustment	—	—	21,513	—	—	21,513	18,655	40,168
<i>Transactions with owners</i>								
Dividends paid	—	—	(1,950)	—	—	(1,950)	(1,275)	(3,225)
Share-based compensation with restricted shares	28	25	—	—	—	53	—	53
Stock options	69	69	—	—	(138)	—	—	—
Purchase of treasury stock	—	—	—	—	(1)	(1)	—	(1)
At 31 March 2024	116,853	155,840	(56,882)	(68,048)	(23,488)	124,275	29,563	153,838

¥ 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/(loss) 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

(4) Consolidated statement of cash flows

		¥ millions	
		FY2024	FY2023
		For the period	For the period
	Note	1 April 2023 to	1 April 2022 to
		31 March 2024	31 March 2023
Cash flows from operating activities			
Cash generated from operations	(5)-(k)	86,045	68,228
Interest paid		(31,890)	(21,048)
Interest received		10,603	8,364
Tax paid		(5,989)	(7,038)
Net cash inflows from operating activities		58,769	48,506
Cash flows from investing activities			
Dividends received from joint ventures and associates		8,573	5,466
Purchase of joint ventures and associates		-	(4,509)
Proceeds on disposal of joint ventures and associates		-	284
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
Purchases of property, plant and equipment		(54,900)	(37,710)
Proceeds on disposal of property, plant and equipment		2,239	1,300
Purchases of intangible assets		(4,053)	(1,401)
Proceeds on disposal of intangible assets		4	4
Purchase of assets held at FVOCI		(2,515)	(27)
Proceeds on disposal of assets held at FVOCI		259	12
Loans advanced to joint ventures, associates & third parties		(191)	(574)
Loans repaid from joint ventures, associates & third parties		7,072	321
Net cash outflows from investing activities		(43,512)	(34,649)
Cash flows from financing activities			
Dividends paid to owners of the parent		(1,950)	(1,955)
Dividends paid to non-controlling interests		(1,074)	(2,273)
Repayment of borrowings		(160,337)	(98,687)
Proceeds from borrowings		115,283	95,475
Increase in Treasury stock		(1)	(1)
Capital contribution for non-controlling interests		-	(448)
Net cash (out)/inflows from financing activities		(48,079)	(7,889)
Increase/(decrease) in cash and cash equivalents (net of bank overdrafts)		(32,822)	5,968
Cash and cash equivalents (net of bank overdrafts) at beginning of period	(5)-(l)	68,518	60,015
Effect of foreign exchange rate changes		1,943	762
Hyperinflation adjustment	(5)-(n)	6,639	1,773
Cash and cash equivalents (net of bank overdrafts) at end of period	(5)-(l)	44,278	68,518

(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 2024 are the same as the ones applied to the consolidated financial statements for the year ended 31 March 2023.

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.

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 deteriorating markets during the second half of FY2024, particularly within its European Architectural business. Many of the Group's markets are sensitive to general levels of consumer confidence and economic activity, which have been negatively affected by increased interest rates in many regions. During FY2025 the Group expects such conditions to continue during the first-half of the year, but then to improve during the second half of the year.

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.

(c) Segmental information continued

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 ¥ 216 million in 4Q FY2024 (4Q FY2023: ¥ 553 million).

The segmental results for the financial period to 31 March 2024 were as follows:

	¥ millions				
FY2024 For the period 1 April 2023 to 31 March 2024	Architectural	Automotive	Technical Glass	Other Operations	Total
Total revenue	407,039	417,845	41,645	5,458	871,987
Inter-segmental revenue	(35,262)	(287)	(1,700)	(2,201)	(39,450)
External revenue	371,777	417,558	39,945	3,257	832,537
<i>Disaggregation of external revenue by</i> <i>geographical regions:</i>					
<i>Europe</i>	141,544	174,743	10,590	2,176	329,053
<i>Asia</i>	109,618	78,288	27,545	1,081	216,532
<i>Americas</i>	120,615	164,527	1,810	—	286,952
Operating profit/(loss)	29,087	11,343	7,146	(11,716)	35,860
Exceptional items - gains	1,158	—	(743)	1,735	2,150
Exceptional items - losses	(1,312)	(522)	(43)	(183)	(2,060)
Operating profit after exceptional items					35,950
Finance costs – net					(28,208)
Reversal of previous impairment of financial receivables owed by joint ventures and associates					3,740
Share of post-tax profit from joint ventures and associates					5,092
Other gains on investments in joint ventures & associates					1,023
Profit before taxation					17,597
Taxation					(6,667)
Profit for the period from continuing operations					10,930

(c) Segmental information continued

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 loss after exceptional items					(10,342)
Finance costs – net					(17,402)
Share of post-tax profit from joint ventures and associates					7,333
Other 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)

The segmental assets at 31 March 2024 and capital expenditure for the period ended 31 March 2024 were as follows:

¥ millions					
	Architectural	Automotive	Technical Glass	Other Operations	Total
Net trading assets	239,272	192,793	35,183	6,132	473,380
Capital expenditure (including intangibles)	40,343	15,506	1,501	825	58,175

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

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

	FY2024 For the period 1 April 2023 to 31 March 2024	FY2023 For the period 1 April 2022 to 31 March 2023
Exceptional items – gains:		
Settlement of litigation matters (a)	1,028	2,943
Gain on disposal of subsidiaries and businesses (b)	969	1,480
Reversal of impairments of non-current assets (c)	150	54
Reversal of surplus provisions (d)	—	1,870
Gain on disposal of non-current assets (e)	—	669
Others	3	8
	2,150	7,024
Exceptional items – losses:		
Restructuring costs, including employee termination payments (d)	(906)	(429)
Impairment of non-current assets (f)	(729)	(2,594)
Write down of inventories (g)	(235)	—
Settlement of litigation matters (a)	(134)	(175)
Impairment of goodwill & intangible assets (h)	—	(48,776)
Others	(56)	(204)
	(2,060)	(52,178)
	90	(45,154)

(a) The gain on the settlement of litigation matters relates mainly to an additional settlement agreed with the Group's insurer and broker following the suspension of production at the Group's facility in Laurinburg, North Carolina, U.S.A, following an electrical power outage at this facility during Q1 of FY2020. 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 \$6 million being paid to the Group.

The previous-year gain on the settlement of litigation matters related 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 during Q4 of FY2017. The Group had been engaged in a dispute with its insurer and its broker regarding the value of insurance coverage following this event, and reached a settlement that 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 gain on disposal of subsidiaries and businesses relates mainly to the recycling to the income statement of previous foreign exchange gains, recorded within the Statement of Comprehensive Income, relating to the Company's investments in a Chinese automotive subsidiary, after the repayment of capital by the holding company of that subsidiary during the third quarter, following the disposal of that subsidiary in a previous year. In addition, this item also includes adjustments arising to the variable element of the sales price of business disposals recorded as exceptional gains in previous years.

The previous-year gain on disposal of subsidiaries related 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 were 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 reinvested 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 related mainly to the recycling of historic foreign exchange movements relating to these former subsidiary companies into the Consolidated Income Statement from the Statement of Comprehensive Income.

- (c) The reversal of previous impairments of non-current assets relates to the impairment of property, plant & equipment assets at the Architectural business in Asia.

In the prior year, the reversal of previous impairments of non-current assets relates to the impairment of property, plant & equipment assets at the Architectural business in Europe.

- (d) The reversal of surplus provisions during the prior year relates to the reversal of restructuring provisions established previously.

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

- (e) The previous-year 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.

- (f) The impairment of non-current assets relates to the impairment of property, plant & equipment within the Architectural business in Asia.

The previous-year impairment of non-current assets relates mainly to the impairment of property, plant & equipment within the Architectural and Automotive businesses in Asia.

- (g) The write down of inventories arises outside of the normal course of business and relates mainly to the Architectural business in Asia as a result of the repurposing of the float glass line in Malaysia from Architectural products to glass for solar energy.

- (h) The previous-year impairment of goodwill and intangible assets represented 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 largely as a consequence of an increase in discount rates during the previous year. 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 generally deteriorated during the second quarter of the previous year, largely as a consequence of rising inflation and interest rates. Such factors were directly linked to the increased discount rate used in the Group's impairment testing process.

(e) Finance income and expenses

¥ millions

	Note	FY2024 For the period 1 April 2023 to 31 March 2024	FY2023 For the period 1 April 2022 to 31 March 2023
Finance income			
Interest income		9,924	2,022
Foreign exchange transaction gains		339	224
Gain on net monetary position	(5)-(n)	347	2,993
		10,610	5,239
Finance expenses			
Interest expense:			
– bank and other borrowings		(31,604)	(18,936)
Dividend on non-equity preference shares due to minority shareholders		(313)	(265)
Foreign exchange transaction losses		(2,473)	(968)
Other interest and similar charges		(4,134)	(2,423)
		(38,524)	(22,592)
Unwinding discounts on provisions		(301)	(243)
Retirement benefit obligations			
– net finance charge	(5)-(m)	7	194
		(38,818)	(22,641)

(f) Investments accounted for using the equity method

The Group's Joint Venture, SP Glass Holdings B.V. disposed its subsidiaries in Russia during the first quarter of the year. As a consequence of this transaction, the Group recorded a reversal of previous impairments of its investment in SP Glass Holdings B.V. of ¥ 1,096 million and also recorded a reversal of the previous impairment of a financial receivable owed by a Russian subsidiary of SP Glass Holdings BV of ¥ 3,740 million. These two items are presented separately in the consolidated income statement as other gains/(losses) on equity method investments and as reversal of previous impairment of financial receivables owed by joint ventures and associates respectively. The value recorded in total as other gains/(losses) on equity method investments also includes a charge of ¥ 73 million relating to the impairment of the Group's share of the profits of SP Glass Holdings B.V. earned during the first quarter of the year, prior to the disposal of its subsidiaries in Russia.

(g) Taxation

	¥ millions	
	FY2024	FY2023
	For the period	For the period
	1 April 2023 to	1 April 2022 to
	31 March 2024	31 March 2023
Current tax		
Charge for the period	(5,692)	(8,160)
Adjustment in respect of prior periods	(249)	(133)
	(5,941)	(8,293)
Deferred tax		
Charge for the period	(1,064)	(824)
Adjustment in respect of prior periods	427	37
Adjustment in respect of rate changes	(89)	(4)
	(726)	(791)
Taxation charge for the period	(6,667)	(9,084)

The cumulative tax charge on the profit before taxation, excluding the Group's share of the net results of joint ventures and associates, is at a rate of 53.3 percent for the period to 31 March 2024 (FY2023 - a rate of 62.4 percent after excluding the impact of goodwill impairment).

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.

(h) 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 2024	Period ended 31 March 2023
	¥ millions	¥ millions
Profit/(loss) attributable to owners of the parent	10,633	(33,761)
Adjustment for;		
- Dividends on Class A shares	(1,950)	(1,950)
Profit/(loss) used to determine basic earnings per share	8,683	(35,711)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	91,017	90,853
	¥	¥
Basic earnings per share	95.40	(393.06)

(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 2024	Period ended 31 March 2023
	¥ millions	¥ millions
Profit/(loss) attributable to owners of the parent	10,633	(33,761)
Adjustment for;		
– Dividends on Class A shares	–	(1,950)
Profit/(loss) used to determine basic earnings per share	10,633	(35,711)
	Thousands	Thousands
Weighted average number to ordinary shares in issue	91,017	90,853
Adjustment for:		
– Share options	340	–
– Class A shares	50,679	–
– Restricted shares	21	–
Weighted average number of ordinary shares for diluted earnings per share	142,057	90,853
	¥	¥
Diluted earnings per share	74.85	(393.06)

Diluted earnings per share for the previous 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.

(i) Dividends paid and proposed

(i) Dividends on ordinary shares

	Year ended 31 March 2024	Year ended 31 March 2023
Declared and paid during the period:		
Final dividend for the previous year		
Dividend total (¥ millions)	–	–
Dividend per share (¥)	–	–
Declared after the end of the reporting period and not recognized as a liability:		
Final dividend for the year		
Dividend total (¥ millions)	–	–
Dividend per share (¥)	–	–

(ii) Dividends on Class A shares

	Year ended 31 March 2024	Year ended 31 March 2023
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 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:

	FY2024 31 March 2024		FY2023 31 March 2023	
	Average	Closing	Average	Closing
GBP	182	191	163	165
US dollar	144	152	135	133
Euro	157	163	141	145
Argentine peso	—	0.18	—	0.64

(k) Cash flows generated from operations

¥ millions

	Note	FY2024 For the period 1 April 2023 to 31 March 2024	FY2023 For the period 1 April 2022 to 31 March 2023
Profit/(loss) for the period from continuing operations		10,930	(31,017)
Adjustments for:			
Taxation	(5)-(g)	6,667	9,084
Depreciation		43,776	38,021
Amortization		2,146	2,191
Impairment		1,022	52,728
Reversal of impairment of non-current assets		(179)	(58)
Profit on sale of property, plant and equipment		(27)	(824)
Profit on sale of subsidiaries		(969)	(1,555)
Grants and deferred income		(147)	(32)
Finance income	(5)-(e)	(10,610)	(5,239)
Finance expenses	(5)-(e)	38,818	22,641
Reversal of previous Impairment of financial receivables owed by joint ventures and associates		(3,740)	—
Share of profits from joint ventures and associates		(5,092)	(7,333)
Other (gains)/losses on equity method investments		(1,023)	1,522
Other items		(51)	(1,060)
Operating cash flows before movement in provisions and working capital		81,521	79,069
Decrease in provisions and retirement benefit obligations		(3,677)	(3,846)
Changes in working capital:			
- inventories		(8,421)	(22,860)
- trade and other receivables		17,609	(18,282)
- trade and other payables		(15,615)	16,083
- contract balances		14,628	18,064
Net change in working capital		8,201	(6,995)
Cash flows generated from operations		86,045	68,228

(l) Cash and cash equivalents

	¥ millions	
	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	51,183	69,313
Bank overdrafts	(6,905)	(795)
	44,278	68,518

(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:

FY2024 for the period 1 April 2023 to 31 March 2024

	¥ millions		
	Operating costs	Finance Costs	SoCI*
Post-employment benefits	(2,008)	436	(5,395)
Post-retirement healthcare benefits	(11)	(429)	645
Deferred income and other taxes**	—	—	4,347
	(2,019)	7	(403)

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)

* 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 ¥ 1,680 million (FY2023: ¥ 2,843 million) and a credit with respect to other taxes of ¥ 6,027 million (FY2023: credit of ¥ 4,784 million), which represents a movement in the tax charge against pensions with surplus balances. Other taxes represents a tax charge on pensions with a surplus balance, and within this, a credit of ¥ 3,958 million arises as a result of a tax rate change during the year as explained below. A credit of ¥ 2,069 million arises due to other movements in the value of retirement benefit obligations during the year.

On 22 November 2023, the U.K. Government announced a reduction in the rate of taxation that would apply on the refund of surplus amounts to a sponsoring employer from a UK pensions scheme. This rate of taxation reduced to 25 percent from 35 percent with effect from 6 April 2024. The Group has two U.K. pension schemes which have an accounting surplus, and the Group has therefore reduced the tax rate applied to these surpluses from 35 percent to 25 percent, as the surplus on these schemes would be expected to be remitted back to the Group entirely after 6 April 2024. The Group recognizes this tax on pension surplus within a net pension surplus asset on its balance sheet, rather than included within taxation, or deferred taxation, liabilities. The group has recognized a credit in Statement of Comprehensive Income of ¥ 3,958 million during the year to reflect this change.

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

	As at 31 March 2024	As at 31 March 2023	%
UK discount rate	4.8	4.8	
UK inflation	2.7	2.7	
Japan discount rate	1.5	1.0	
US discount rate	5.0	4.7	
Eurozone discount rate	3.4	3.7	

(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	256.719
31 March 2007	103.9	247.168
31 March 2008	120.2	213.560
31 March 2009	128.7	199.465
31 March 2010	146.5	175.240
31 March 2011	165.5	155.126
31 March 2012	186.7	137.486
31 March 2013	211.1	121.588
31 March 2014	265.6	96.666
31 March 2015	305.7	83.964
31 March 2016	390.6	65.720
31 March 2017	467.2	54.946
31 March 2018	596.1	43.069
31 March 2019	970.9	26.441
31 March 2020	1,440.8	17.818
31 March 2021	2,046.4	12.545
31 March 2022	3,162.1	8.119
31 March 2023	6,402.2	4.010
30 April 2023	7,111.4	3.610
31 May 2023	7,664.2	3.350
30 June 2023	8,120.3	3.161
31 July 2023	8,635.5	2.973
31 August 2023	9,709.9	2.644
30 September 2023	10,947.8	2.345
31 October 2023	11,856.7	2.165
30 November 2023	13,375.6	1.919
31 December 2023	16,781.8	1.530
31 January 2024	20,241.3	1.268
29 February 2024	22,921.4	1.120
31 March 2024	25,671.9	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

No matters identified.