



## FY 2009 2<sup>nd</sup> Quarter Consolidated Financial Results

14 November 2008

(English translation of the Japanese original)

Listed Company Name: Nippon Sheet Glass Co., Ltd.  
Code Number 5202

Stock Exchange Listing: Tokyo, Osaka  
(URL <http://www.nsggroup.net>)

Representative: Representative Executive Director,  
President and CEO  
Inquiries to: Executive Officer, General Manager  
Corporate Communications Dept.

Name: Stuart Chambers  
Name: Kazumitsu Fujii  
TEL: +81 3 5443 9477

Submission of quarterly report to MOF: 14 November 2008

Payment of dividends starts: 5 December 2008

### 1. Consolidated business results for FY 2009 Quarter 2 (From 1 April 2008 to 30 September 2008)

#### (1) Consolidated business results

	Sales		Operating income		Ordinary income		Net income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
H1 FY 2009	431,082	-	17,198	-	12,541	-	18,311	-
H1 FY 2008	433,944	58.8	27,047	214.9	17,301	138.6	51,469	154.0

	Net income per share - basic	Net income per share - diluted
	H1 FY 2009	¥ 27.40
H1 FY 2008	¥ 77.01	¥ 72.35

#### (2) Changes in financial position

	Gross assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	¥
FY 2009 Half year	1,258,522	367,856	28.2	531.34
FY 2008 Full year	1,319,290	371,998	27.2	536.37

Note: Total Equity H1 FY 2009 ¥ 355,035 million FY 2008 Full year ¥ 358,434 million

### 2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
FY 2008 (Actual)	-	¥ 3.00	-	¥ 3.00	¥ 6.00
FY 2009 (Actual)	-	¥ 3.00	-	-	-
FY 2009 (Forecast)	-	-	-	¥ 3.00	¥ 6.00

Note: Changes in dividend forecast during the quarter --- None

### 3. Forecast for FY 2009 (From 1 April 2008 to 31 March 2009)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Full year	810,000	(6.4)	20,000	(57.0)	8,000	(73.7)	9,000	(82.1)	13.47

Note: Revisions to consolidated business performance forecast during the quarter --- Yes

#### 4. Other items

- (1) Changes in status of principal subsidiaries --- Yes  
Newly established: 1 subsidiary (Name of the subsidiary: NSG Building Products Co. Ltd.)
- (2) Adoption of simplified accounting policies, procedures, and presentation --- Yes  
Note: For details, please refer to page 7.
- (3) Changes implemented to the accounting policies, practice and presentations related to the preparation of quarterly consolidated financial statements
  - Changes due to revisions in accounting standards --- Yes
  - Changes due to other reasons --- YesNote: For details, please refer to pages 7 and 8.
- (4) Number of shares outstanding (common stock)
  - Number of shares issued at the end of the period (including treasury stock):  
669,550,999 shares as of 30 September 2008 and 31 March 2008
  - Number of shares held as treasury stock at the end of the period:  
1,364,078 shares as of 30 September 2008 and 1,290,932 shares as of 31 March 2008
  - Average number of shares in issue during the period:  
668,234,240 shares for the period ending 30 September 2008 and 668,355,199 shares for the period ending 30 September 2007

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

1. 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 environment in major markets (such as Japan, Europe, North and South America, Asia, etc.), product supply/demand shifts, fluctuations in currency exchange and interest rate as well as price changes in primary fuels and raw materials.
2. In the current financial year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12, issued on 14 March 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14, issued on 14 March 2007).

The Company's quarterly consolidated financial statements have been prepared pursuant to the "Regulations Concerning Terminology, Forms, and Method for Preparing Quarterly Consolidated Financial Statements" (2007 Cabinet Ordinance No.64). The Company also applied the Supplementary Provision 7-1-5 under the "Amendment of Regulations Concerning Terminology, Forms, and Method of Financial Statements" (2008 Cabinet Ordinance No.50, issued on 7 August 2008).

## Part 1, Narratives

### I. Business Performance and Financial Standing

#### 1. Background to Results

Western European economies slowed further during the second quarter, as the global financial crisis limited the availability of credit and eroded consumer confidence. Building Products markets were generally weak. Sales of new cars continued to fall, with the rate of decline increasing towards the end of the period. The European Automotive replacement (AGR) market also softened with end customers deferring purchases. In Europe, demand for glass cord used in timing belts, weakened.

In Japan, market conditions were also difficult. Building Products sales have been impacted by deteriorating consumer confidence, resulting in financial difficulties amongst construction companies. Vehicle sales in Japan were also affected by the continuing challenging economic conditions and an increase in vehicle purchase tax, but vehicle build for export was sustained. Demand for Specialty Glass products was generally weak.

The North American economy remained challenging, with the Building Products market continuing to suffer from reduced construction activity and declining property prices. Sales of new cars continued to decline, although the AGR market held up at levels close to the previous year.

Most of the emerging economies in which the Group operates continued to perform well.

On 12 November 2008 the company received notification of a decision by the EU Competition Commission to levy a fine of €370 million on the company following the conclusion of its investigation into the European car glass business. The company will examine the decision and decide on future action, including a possible appeal. The provision previously held with respect to this fine has been updated to reflect the value of the fine as notified. This has resulted in a loss of ¥ 8,971 million being recognized as an extraordinary item in the income statement.

#### 2. Review by Business Segment

The Groups' business lines cover three core product sectors; Building Products, Automotive, and Specialty Glass.

Building Products, representing 46 percent of Group sales, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the building products market.

Automotive, with 44 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Specialty Glass, representing 9 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of micro-optics and very thin glass, and the manufacture and sale of glass fiber products, such as air filters, battery separators and components for engine timing belts.

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

JPY millions	Sales		Operating income	
	H1 FY 2009	H1 FY 2008	H1 FY 2009	H1 FY 2008
<b>Building Products</b>	196,735	204,768	10,946	17,578
<b>Automotive</b>	187,767	183,163	10,459	12,608
<b>Specialty Glass</b>	39,256	40,260	3,465	4,778
<b>Other Operations &amp; eliminations</b>	7,324	5,751	(7,672)	(7,916)
<b>Total</b>	431,082	433,944	17,198	27,047

### Building Products Business

The profit performance for Building Products (BP) in the first half year was lower than last year as a consequence of higher input costs, partly offset by higher selling prices.

In Europe, representing 58 percent of the Group's BP sales, sales revenue was lower than last year, as a consequence of lower prices, partly offset by an improved product mix. Profit performance was lower than last year in most regions, as lower selling prices and rising input costs impacted the result.

Sales in Japan, representing 23 percent of BP sales, reduced due to difficult market conditions. Profits were higher than last year, as higher selling prices and the benefits of the restructuring have more than offset the rising input costs.

In North America, representing 8 percent of BP sales, dollar revenues increased, despite a declining domestic housing market, due to higher prices and a better mix. Revenues in yen were flat due to exchange translation differences. Profitability was lower than last year as a consequence of the Ottawa float line cold repair, which lasted for 3 months, and rising input costs.

In the rest of the world, sales were higher than last year as a consequence of higher selling prices, while profits were flat as increased input costs offset higher selling prices. In South America, profits remain at satisfactory levels as market conditions remained relatively robust. Profits in South East Asia demonstrated a year-on-year improvement.

The Building Products business worldwide achieved sales of ¥ 196,735 million and operating income of ¥ 10,946 million.

### Automotive Business

In the European Original Equipment (OE) and Automotive Glass Replacement (AGR) sectors, representing 52 percent of the Group's Automotive sales, revenues improved, although profits were below the previous year due to cost increases and challenging market conditions. In the second quarter, demand has been lower than expected and the market outlook suggests that this trend will continue and accelerate during the rest of the year. The lower demand will have a negative impact on profits.

In Japan, representing 15 percent of the Group's Automotive sales, the sales from the OE business have been slightly better than last year. Profits have increased strongly and are significantly ahead of the prior year, as the improvements in manufacturing and operational performance drive cost reductions within the business. Demand is expected to decline due to both local market reductions and with exports from vehicle manufacturers reducing.

In North America, representing 20 percent of the Group's Automotive sales, AGR sales have been below expectations although slightly ahead of last year. However, there has been a continued improvement in profits through operational efficiencies. Sales in OE continue to be down on last year driven by lower market demand and this, coupled with the costs associated with a float re-build, has reduced year-on-year profits. The sales are expected to decline further as market demand continues to soften.

In the rest of the world, revenues remain relatively strong as the markets continue to expand, although in the remainder of the financial year the rate of growth is expected to slow. Profits driven by the higher demand were above last year.

The Automotive business recorded sales of ¥ 187,767 million and operating income of ¥ 10,459million.

### **Specialty Glass Business**

Market conditions for the Group's principal information technology products were steady. Profits arising from micro-optics and very thin glass declined, due to sales price pressure from competitors and increases in material prices. The strength of the yen also negatively impacted exports from Japan. Profits arising from glass fiber products decreased slightly, due to slowing demand in the glass cord market.

The Specialty Glass business recorded overall sales of ¥ 39,256 million and an operating profit of ¥ 3,465 million.

### **Other Operations**

This segment mainly covers corporate costs and engineering income, but also includes small businesses not included in the segments discussed above. Other operations experienced a slight increase in general expenses.

Consequently, this segment recorded sales of ¥ 7,324 million and an operating loss of ¥ 7,672 million.

### **Joint Ventures and Associated Companies**

The Group's share of the results of its joint venture and associated companies is included within non-operating income in the income statement. The Group disposed of its shareholding in NH Techno Glass Co., Ltd. during the period. Consequently, the results of this company from 1 April 2008 up to the date of disposal are excluded from the share of earnings of joint ventures and associates. On a like-for-like basis, the Group's share of post-tax profit of its joint ventures and associates has increased. Cebrace, the Group's joint venture company in Brazil, performed strongly during the period, with significantly improved profits. In Russia, the Group's joint venture company, Pilkington Glass LLC, also improved profitability.



#### IV. Others (Changes in accounting policies, etc.)

##### Changes in status of principal subsidiaries

From the first quarter of this financial year, NSG Building Products Co. Ltd. (NSG BP) was established after a merger of three consolidated subsidiaries. NSG BP became one of the Company's *Tokutei Kogaisha*, as defined in the Ordinance for Corporate Disclosures.

##### Adoption of simplified accounting policies, procedures, and presentations

###### 1. Simplified accounting treatments

###### (1) Estimations for the amount of bad debt included in the balance of normal receivables

The Company and consolidated subsidiaries calculate the amount of provision for bad debt relating to normal receivables, using the rate of default which had been computed in the previous year.

###### (2) Income tax, deferred tax assets and liabilities

In determining the recoverability of deferred tax assets, the Company and consolidated subsidiaries utilize the information obtained from future business forecasts and tax planning methods which have been used in the previous year.

###### 2. Special accounting treatments adopted for the preparation of quarterly consolidated financial statements

###### (1) Calculations of income tax expenses

The Company and its subsidiaries calculate income tax expenses for the second quarter, based on the effective annual tax rates which have been practically evaluated.

The sum of current and deferred income taxes for the period is presented in the income statement.

##### Changes implemented to the accounting policies, practice and presentations related to the preparation of quarterly consolidated financial statements

###### 1. Adoption of accounting standard for quarterly financial reporting

In the current financial year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12, issued on 14 March 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14, issued on 14 March 2007). The quarterly financial statements were also prepared in accordance with the "Regulations on Quarterly Consolidated Financial Statements".

The Company's quarterly consolidated financial statements have been prepared pursuant to the "Regulations Concerning Terminology, Forms, and Method for Preparing Quarterly Consolidated Financial Statements" (2007 Cabinet Ordinance No.64). The Company also applied the Supplementary Provision 7-1-5 under the "Amendment of Regulations Concerning Terminology, Forms, and Method of Financial Statements" (2008 Cabinet Ordinance No.50, issued on 7 August 2008).

###### 2. Adoption of accounting standard for valuation of inventories

Due to the mandatory application of "Accounting Standards for Valuation of Inventories" (Accounting Standard No.9, issued on 5 July 2006), inventories of the Company and its domestic consolidated subsidiaries are principally stated at cost determined by the moving-average method (with provision for reducing the balance in case net realizable value decreases). Inventories of the Company and its domestic subsidiaries were previously stated at cost determined by the moving-average method.

Due to this change, operating income, ordinary income and net income before tax have decreased by ¥ 41 million during the first half of the current financial year.

### 3. Changes in the depreciation method of fixed assets

From this first quarter, the Company and domestic consolidated subsidiaries have changed the depreciation method for tangible fixed assets to the straight-line method from the declining balance method.

The Company has been preparing to implement a uniform set of accounting policies, which is essential for the establishment of a global management system, after the acquisition of Pilkington in June 2006.

Prior to the change of the depreciation method, the majority of the tangible fixed assets owned by the Company and its subsidiaries were already depreciated using the straight-line method. The directors believe that the straight-line method of depreciation best reflects the pattern of usage of the tangible fixed assets, given that glass manufacturing facilities are generally operated in stable economic conditions during their useful life.

Due to this change, operating income increased by ¥ 932 million, ordinary income and net income before taxation increased by ¥ 972 million during the first half of the current financial year.

(Additional information)

From the beginning of this year, the estimated useful life of machinery and equipment owned by the Company has been changed from the previous 3 to 15 years to 3 to 9 years. This change has been made following the Company's review of expected useful lives of machinery and equipment in the light of the recent amendment of the Corporate Tax Code of Japan.

Due to this change, operating income decreased by ¥ 156 million, ordinary income and net income before taxation decreased by ¥ 154 million during the first half of the current financial year.

### 4. Application of accounting standard for leased assets

From the beginning of this quarter, the Company and its domestic consolidated subsidiaries have applied the "Accounting Standard for Lease Transactions" (Accounting Standard No.13, issued on 17 June 1993 by the Business Accounting Council, amended on 30 March 2007) and the "Guidance on Accounting Standards for Lease Transactions" (Guidance No.16, issued on 18 January 1994 by the Accounting Standards Committee of the Japanese Institute of Certified Public Accountants, amended 30 March 2007), and finance lease transactions in which ownership are not transferred, previously accounted for as operating leases, are now being accounted for based on purchase transactions which are recognized as lease assets on the balance sheet.

Leased assets, in which operating lease accounting had been previously applied, will be depreciated by the straight-line method to residual amount of zero. The effect of this application on the income statement is minimal.



## Part 2 Consolidated Financial Statements

## 1. Quarterly consolidated balance sheet

(¥ millions)

	First Half FY 09 As of 30 September 2008	FY 08 (Abbreviated) As of 31 March 2008
<b>Assets</b>		
Current assets		
Cash and deposits	130,730	127,928
Notes and accounts receivable – trade	136,727	145,560
Merchandise and finished goods	72,558	68,772
Work in process	13,199	14,653
Raw materials and supplies	37,405	36,062
Other current assets	33,760	33,788
Allowance for doubtful accounts	(4,966)	(4,830)
<b>Total: Current assets</b>	<b>419,415</b>	<b>421,935</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	156,518	157,260
Accumulated depreciation	(78,527)	(76,559)
Buildings and structures, net	77,991	80,700
Machinery, equipment and vehicles	394,441	389,523
Accumulated depreciation	(179,135)	(172,112)
Machinery, equipment and vehicles, net	215,305	217,410
Tools, furniture and fixtures	43,347	42,190
Accumulated depreciation	(24,590)	(22,279)
Tools, furniture and fixtures, net	18,757	19,910
Land	51,253	54,041
Lease assets	8,856	-
Accumulated depreciation	(2,655)	-
Lease assets, net	6,201	-
Construction in progress	3,810	3,410
<b>Total: Property, plant and equipment</b>	<b>373,318</b>	<b>375,474</b>
Intangible assets		
Goodwill	166,601	181,167
Other intangible assets	154,352	171,506
<b>Total: intangible assets</b>	<b>320,953</b>	<b>352,674</b>
Investments and other assets		
Joint ventures, associates and other investments	70,570	99,867
Others	75,408	70,325
Allowance for doubtful accounts	(1,144)	(987)
<b>Total: Investments and other assets</b>	<b>144,834</b>	<b>169,205</b>
<b>Total: Non-current assets</b>	<b>839,107</b>	<b>897,354</b>
<b>Total: Assets</b>	<b>1,258,522</b>	<b>1,319,290</b>

## 1. Quarterly consolidated balance sheets (continued)

(¥ millions)

	First Half FY 09 As of 30 September 2008	FY 08 (Abbreviated) As of 31 March 2008
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	79,722	98,955
Short-term loans payable	84,152	92,956
Bonds payable	-	10,000
Lease obligations	3,450	-
Income taxes payable	28,415	16,732
Provision arising from alleged violation of Competition Law of the European Union	54,987	49,992
Other provisions	15,151	22,508
Other current liabilities	88,002	98,630
<b>Total: Current liabilities</b>	<b>353,882</b>	<b>389,775</b>
Non-current liabilities		
Bonds payable	53,000	33,000
Long-term loans payable	287,168	320,452
Lease obligations	6,507	-
Provision for retirement benefits	70,688	75,026
Other provisions	17,603	17,447
Other non-current liabilities	101,814	111,589
<b>Total: Non-current liabilities</b>	<b>536,783</b>	<b>557,516</b>
<b>Total: Liabilities</b>	<b>890,666</b>	<b>947,291</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	96,147	96,147
Capital surplus	105,292	105,292
Retained earnings	167,304	152,097
Treasury stock	(579)	(541)
<b>Total: Shareholders' equity</b>	<b>368,165</b>	<b>352,995</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,055	9,194
Deferred gains or losses on hedges	(981)	(127)
Foreign currency translation adjustment	(17,204)	(3,626)
<b>Total: Valuation and translation adjustments</b>	<b>(13,130)</b>	<b>5,439</b>
Subscription rights to shares	492	253
Minority interests	12,328	13,310
<b>Total: Net assets</b>	<b>367,856</b>	<b>371,998</b>
<b>Total: Liabilities and net assets</b>	<b>1,258,522</b>	<b>1,319,290</b>

## 2. Consolidated income statement

( ¥ millions )

	First Half FY 09 For the period of 1 April 2008 to 30 September 2008
<b>Net sales</b>	<b>431,082</b>
Cost of sales	299,056
<b>Gross profit</b>	<b>132,026</b>
Selling, general and administrative expenses	114,828
<b>Operating income</b>	<b>17,198</b>
Non-operating income	
Interest income	3,019
Dividends income	906
Equity in earnings of affiliates	4,259
Other non-operating income	472
Total: Non-operating income	8,658
Non-operating expenses	
Interest expenses	11,328
Other non-operating expenses	1,986
Total: Non-operating expenses	13,315
<b>Ordinary income</b>	<b>12,541</b>
Extraordinary income	
Gain on sales of fixed assets	808
Gain on sales of investment securities	7,713
Gain on sales of investments in affiliates	30,038
Other extraordinary income	517
Total: Extraordinary income	39,078
Extraordinary loss	
Impairment loss	1,220
Restructuring expenditure	987
Loss arising on notification of EU car glass fine	8,971
Other extraordinary losses	1,260
Total: Extraordinary losses	12,439
<b>Income before income taxes and minority interests</b>	<b>39,180</b>
Income taxes	19,182
Minority interests	1,686
<b>Net income</b>	<b>18,311</b>

**3. Consolidated statement of cash-flow***(¥ millions)*

	First Half FY 09 For the period of 1 April 2008 to 30 September 2008
<b>Net cash provided by operating activities</b>	
Income before income taxes and minority interests	39,180
Adjustments for:	
Depreciation and amortization	31,188
Impairment Loss	1,220
Amortization of goodwill	4,915
Increase in allowance for doubtful accounts	334
Decrease in provision for retirement benefits	(14,684)
Increase in provision for furnace repairs	194
Increase in EU car glass provision	8,971
Net gain on sales and disposals of fixed assets	(167)
Net gain on sales and valuation of investment securities	(7,681)
Net gain on sales of investments in affiliates	(30,038)
Interest and dividends income	(3,926)
Interest expenses	11,328
Equity in earnings of affiliates	(4,259)
Decrease in notes and accounts receivable – trade	5,345
Increase in inventories	(7,704)
Decrease in notes and accounts payable – trade	(12,146)
Other, net	4,781
<b>Subtotal</b>	<b>26,850</b>
Interest and dividends income received	6,420
Interest expenses paid	(11,929)
Income taxes paid	(6,729)
<b>Net cash provided by operating activities</b>	<b>14,611</b>
<b>Net cash provided by investment activities</b>	
Purchase of property, plant and equipment	(25,478)
Proceeds from sales of property, plant and equipment	1,549
Purchase of intangible assets	(73)
Purchase of investment securities	(7)
Proceeds from sales of investment securities	9,618
Purchase of investments in subsidiaries and affiliates	(2,054)
Proceeds from sales of stocks of subsidiaries and affiliates	42,682
Decrease in short-term loans receivable	(2,945)
Payments of long-term loans receivable	(40)
Other, net	309
<b>Net cash provided by investment activities</b>	<b>23,560</b>

**3. Consolidated statement of cash-flow (continued)**

(¥ millions)	
First Half FY 09	
For the period of 1 April 2008 to	
30 September 2008	
<b>Net cash used in financing activities</b>	
Net decrease in short-term loans payable	(15,315)
Proceeds from long-term loans payable	2,302
Repayment of long-term loans payable	(27,457)
Proceeds from issuance of bonds	19,888
Redemption of Bonds	(10,000)
Cash dividends paid	(2,017)
Cash dividends paid to minority shareholders	(1,308)
Repayments of finance lease obligations	(2,227)
Other, net	(36)
<b>Net cash used in financing activities</b>	<b>(36,174)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(3,636)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,638)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>103,293</b>
<b>Increase in cash and cash equivalents resulting from change of scope of consolidation</b>	<b>2,181</b>
<b>Cash and cash equivalents at end of period</b>	<b>103,837</b>

Note:

In the current financial year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12, issued on 14 March 2007) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14, issued on 14 March 2007). The quarterly financial statements were also prepared in accordance with the "Regulations on Quarterly Consolidated Financial Statements".

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**4. Notes concerning conditions of "going concern"**

Not applicable

## 5. Segmental information

### By Business Line

First half of FY 09 (For the period of 1 April 2008 to 30 September 2008)

(¥ millions)

	Building products	Automotive	Specialty glass	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	196,735	187,767	39,256	7,324	431,082	-	431,082
(2) Inter-segment sales	1,277	2,161	537	2,504	6,480	(6,480)	-
Net sales	198,012	189,928	39,793	9,828	437,563	(6,480)	431,082
Operating income	10,946	10,459	3,465	(7,722)	17,148	49	17,198

Notes:

#### 1. Method of segmentation

Segmentations are defined by the categorization of parent company's external sales.

#### 2. Products included in business segments

Building products: Glass (float, laminated, coated etc), building materials and others

Automotive: Processed glass related to automotive and transport applications

Specialty glass: Micro optics, fine glass, industrial glass, LCD, specialized glass fiber products

Other: Engineering and general corporate expenses

### By Geography

First half of FY 09 (For the period of 1 April 2008 to 30 September 2008)

(¥ millions)

	Japan	Europe	North America	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	101,649	221,175	55,457	52,799	431,082	-	431,082
(2) Inter-segment sales	12,622	132,124	14,998	13,511	175,225	(175,225)	-
Net sales	114,271	353,300	70,456	66,310	606,307	(175,225)	431,082
Operating income	1,630	11,982	(2,412)	5,771	16,971	226	17,198

Notes:

#### 1. Method of segmentation

Segmentations are defined by the geographical relevance of countries and regions in which the businesses operate.

#### 2. Countries and regions included in the geographical segments

Europe: United Kingdom, Germany, Italy and others

North America: United States of America, Canada

Other: South America, China, Malaysia and others

**Overseas sales**

First half of FY 09 (For the period of 1 April 2008 to 30 September 2008)

*(¥ millions)*

	Europe	North America	Asia	Other	Total
a. Overseas sales	213,214	55,240	35,339	36,758	340,552
b. Consolidated sales					431,082
c. Overseas sales as a percentage of consolidated net sales	49.5%	12.8%	8.2%	8.5%	79.0%

Notes:

1. Overseas sales consist of export sales of the Company and domestic consolidated subsidiaries, and sales (other than exports to Japan) of the overseas consolidated subsidiaries.

2. Method of segmentation

Segmentations are defined by the geographical relevance of countries and regions in which the businesses operate.

3. Countries and regions included in the geographical segments

Europe: United Kingdom, Germany, Italy and others

North America: United States of America, Canada

Asia: China, Malaysia, Philippines and others

Other: South America and others

**6. Material changes in the shareholders' equity**

Not applicable

**[Attachments]****Consolidated financial statements of H1 FY 2008****1. Quarterly consolidated income statement***(¥ millions)*

	First Half FY 08 For the period of 1 April 2007 to 30 September 2007
<b>Net sales</b>	<b>433,944</b>
Cost of sales	294,738
Gross Income	139,205
Selling, general and administrative expenses	112,157
<b>Operating income</b>	<b>27,047</b>
<b>Non-operating Income</b>	
Interest income	3,632
Dividend income	974
Equity in earnings of affiliates	4,811
Other income	1,150
<b>Total: Non-operating income</b>	<b>10,569</b>
<b>Non-operating expenses</b>	
Interest expense	14,934
Provision for bad debts	590
Loss on foreign currency exchange	878
Labor differences	178
Other expenses	3,733
<b>Total: Non-operating expenses</b>	<b>20,315</b>
<b>Income before extraordinary items</b>	<b>17,301</b>
<b>Extra-ordinary Income</b>	
Gain on sales of fixed assets	2,262
Gain on sales of investments in securities	13,159
Gain on sale of discontinued operations	31,745
Income from discontinued operations	509
Gain on insurance proceeds received	1,830
Gain on prior year adjustments	1,055
<b>Total: Extra-ordinary income</b>	<b>50,563</b>
<b>Extra-ordinary loss</b>	
Loss on disposal of fixed assets	165
Loss on sale of fixed assets	2
Loss on impairment of fixed assets	136
Loss on revaluation of investments in securities	147
Loss on revaluation of investments in subsidiaries and affiliates	979
Loss on sales of investments in unconsolidated subsidiaries	12
Loss on revaluation or sales of golf club memberships	17
Loss on termination of businesses	288
<b>Total: Extra-ordinary loss</b>	<b>1,749</b>
<b>Income before income taxes and minority interests</b>	<b>66,115</b>



Income taxes – current	6,540
Income taxes – deferred	6,780
Minority interests	1,324
<b>Net income</b>	<b>51,469</b>

**2. Quarterly consolidated statement of cash-flow**(*¥ millions*)

First Half FY 08

For the period of 1 April 2007 to

30 September 2007

<b>Cash flows from operating activities:</b>	
Income before income taxes and minority interests	66,115
Adjustments for:	
Depreciation of tangible assets	22,461
Amortization of intangible assets (excluding goodwill)	9,212
Amortization of goodwill	5,158
Loss on impairment of fixed assets	136
Increase in allowance for doubtful accounts	539
Decrease in accrued retirement benefits	(4,486)
Gain on sales and disposals of fixed assets	(2,093)
Gain on sales of investment securities	(13,159)
Gain from disposal of discontinuing operations	(31,745)
Loss from revaluation of investments in securities	1,126
Equity in earnings of affiliates	(4,811)
Interest and dividends income	(4,607)
Interest expenses	14,934
Decrease in notes and accounts receivable	1,655
Increase in inventories	(6,273)
Decrease in notes and accounts payable	(12,119)
Decrease in provision for rebuilding furnaces	216
Other, net	9,883
<b>Subtotal</b>	<b>52,144</b>
Interest and dividends income received	5,075
Interest expenses paid	(15,486)
Income taxes paid	(27,906)
<b>Net cash provided by operating activities</b>	<b>13,827</b>
<b>Cash Flows from investing activities:</b>	
Payments for time deposits	(1,150)
Proceeds from time deposits	1,320
Acquisition of investments in securities	(539)
Proceeds from sale of investments in securities	15,095
Acquisition of investments in subsidiaries and affiliates	(6,484)
Proceeds from sale of investments in subsidiaries and affiliates	31
Proceeds from sale of discontinuing operations	68,478
Acquisition of property, plant and equipment	(19,301)
Proceeds from sale of property, plant and equipment	2,102
Acquisition of intangible assets	(631)
Decrease in short term loans receivable	1,029
Payments for long-term loans receivable	(79)
Other, net	(114)
<b>Net cash provided by investment activities</b>	<b>59,755</b>

**Consolidated statement of cash-flow (continued)***(¥ millions)*

First Half FY 08 For the period of 1 April 2007 to 30 September 2007	
<b>Cash flows from financing activities:</b>	
Decrease in short-term borrowings	(2,606)
Proceeds from long-term loans payable	108,193
Repayment of long-term loans payable	(165,570)
Cash dividends paid	(2,005)
Cash dividends paid to minority shareholders	(1,864)
Other, net	(294)
<b>Net cash used in financing activities</b>	<b>(64,147)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>755</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,679</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>159,762</b>
<b>Decrease in cash and cash equivalents resulting from change of scope of consolidation</b>	<b>(38,711)</b>
<b>Cash and cash equivalents at end of period</b>	<b>129,729</b>

**3. Segmental information****By Business Line**

First Half of FY 08 (For the period of 1 April 2007 to 30 September 2007)

*(¥ millions)*

	Building products	Automotive	Specialty glass	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	204,768	183,163	40,260	5,751	433,944	-	433,944
(2) Inter-segment sales	1,889	1,902	573	1,163	5,529	(5,529)	-
Net sales	206,657	185,066	40,834	6,915	439,473	(5,529)	433,944
Operating expenses	189,079	172,458	36,055	14,808	412,402	(5,505)	406,896
Operating income	17,578	12,608	4,778	(7,893)	27,071	(23)	27,047

Notes:

## 1. Method of segmentation

Segmentations are defined by the categorization of parent company's external sales.

## 2. Products included in business segments

Building products: Glass (float, laminated, coated etc), building materials and others

Automotive: Processed glass related to automotive and transport applications

Specialty glass: Micro optics, fine glass, industrial glass, LCD, specialized glass fiber products

Other: Engineering and general corporate expenses

**By Geography**

First Half of FY 08 (For the period of 1 April 2007 to 30 September 2007)

(¥ millions)

	Japan	Europe	North America	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	103,920	223,020	60,767	46,234	433,944	-	433,944
(2) Inter-segment sales	13,222	127,540	10,718	11,320	162,801	(162,801)	-
Net sales	117,143	350,561	71,485	57,555	596,745	(162,801)	433,944
Operating expenses	116,209	330,423	70,916	52,367	569,916	(163,020)	406,896
Operating income	933	20,138	568	5,188	26,829	218	27,047

Notes:

## 1. Method of segmentation

Segmentations are defined by the geographical relevance of countries and regions in which the businesses operate.

## 2. Countries and regions included in the geographical segments

Europe: United Kingdom, Germany, Italy and others

North America: United States of America, Canada

Other: South America, China, Malaysia and others

**Overseas sales**

First half of FY08 (For the period of 1 April 2007 to 30 September 2007)

(¥ millions)

	Europe	North America	Asia	Rest of World	Total
a. Overseas sales	219,303	59,187	23,659	41,625	343,776
b. Consolidated sales					433,944
c. Overseas sales as a percentage of consolidated net sales	50.5%	13.6%	5.5%	9.6%	79.2%

Notes:

1. Overseas sales consist of export sales of the Company and domestic consolidated subsidiaries, and sales (other than exports to Japan) of the overseas consolidated subsidiaries.

## 2. Method of segmentation

Segmentations are defined by the geographical relevance of countries and regions in which the businesses operate.

## 3. Countries and regions included in the geographical segments

Europe: United Kingdom, Germany, Italy and others

North America: United States of America, Canada

Asia: China, Malaysia, Philippines and others

Other: South America and others