



## TO OUR SHAREHOLDERS

NIPPON SHEET GLASS CO., LTD.  
150TH FISCAL PERIOD REPORT  
1 APRIL 2015 - 31 MARCH 2016

'MAKING A DIFFERENCE TO OUR WORLD  
THROUGH GLASS TECHNOLOGY'

## MESSAGE FROM THE PRESIDENT AND CEO

On behalf of the NSG Group, I thank you for continued support.

The following is a summary of the Group's performance for the 150th fiscal period starting on 1 April 2015 and ending on 31 March 2016.



**Shigeki Mori**

Representative Executive Officer  
President and CEO  
Nippon Sheet Glass Co., Ltd.

### Summary of the financial year to 31 March 2016

The year to 31 March 2016 can be summarized in the following three points.

1. Reflecting the more intensified competitive market situation in the Display business and demand downturns in emerging markets, the Group posted a significant amount of one-off losses in the financial year. This is largely because in some business areas the Group could not response to the changes in the environment in a fully adequate manner.

Going forward in our business management, the Group will respond to the changing business environment more quickly and will ensure an improved anticipation and stricter management of future risks.

2. At the same time, the Group continued to improve operating profit following recent restructuring and cost reduction measures and this represents a steady recovery in the robustness of the Group's core businesses.

3. Further, the Group made a steady progress in the shift to "VA Glass Company" as described in the Medium-term Plan (MTP) with an increased ratio of value-added products including glass for thin-film solar applications and various functional products in the Architectural business.

Building on these developments, the Group will maintain the strategic approach of the Medium-term Plan (MTP) to increase revenue and profit through business improvement in the financial years to 31 March 2017 and 2018. We will continue the shift to "VA Glass Company" and focus on accelerating growth strategies each business has been implementing.

The Group posted a significant amount of one-off losses in the financial year including the costs associated with the exit from a loss-making business and impairments of assets in emerging countries. As a result we recorded a large net loss. This is deeply regrettable and the Group's management takes it seriously.

## Medium-term Management Policy

It is the Group's Long-term Strategic Vision to be "VA Glass Company".

Specifically, it means:

- To consolidate our trusted reputation as a glass specialist;
- To work closely with our customers in a range of global industries to deliver values required by our customers through our products and services; and
- To transform our flat glass business, moving from a traditional commodity business model towards one increasingly focused on value-added products and services.

Our business segments will develop their business strategy further in line with the following:

### Architectural Glass

To respond to expanding needs for glass in relation to safety, conserving & generating energy, health & comfort and design, delivering various values through our glass products. In this way, to promote a shift from commodity to value-added products.

### Automotive Glass

To increase values of glass in response to the evolution of vehicle features such as automated driving, information technology, safety & comfort and more sophisticated design. To provide higher-value services in the replacement glass business. In this way, to promote the VA shift with manufacturing and technological excellence.

### Technical Glass

To create new growth opportunities through information and communication technologies and specific unique industrial applications. To reinforce the R&D and marketing functions to support these aims.

The Group will reduce the overhead cost further across the globe and reduce its debt and finance cost steadily by thorough management of working capital and capital

expenditure including liquidation of assets as well as increasing operating cash flow.

The Group will make no change to the basic strategy of its Medium-term Plan (MTP) but recognizes the need of acceleration in order to deliver its targets.

In accordance with the above policy, we will expedite actions for the improvement of the business profitability and reduce its debt and finance cost by operating profit improvement and cash flow generation in the financial year to 31 March 2017 to achieve more stable business performance.

## Dividend Payment

The Group's dividend policy is to secure dividend payments based on sustainable business results. The directors, regrettably, did not recommend a dividend for the year to 31 March 2016. The Group recognizes the importance of dividends to our shareholders and concentrates our efforts to improve our profitability toward resumption of dividend as early as possible.

## Last but not Least

As we look forward to the centennial of the establishment of Nippon Sheet Glass Co., Ltd. in 2018, the Group renews its commitment to work as a team and to make every effort towards its further development and the furtherance of shareholder value in the future.

We look forward to your continuing understanding and support of our activities.

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### Shigeki Mori

Representative Executive Officer  
President and CEO  
Nippon Sheet Glass Co., Ltd.

7 June 2016

## NEWS

### Pilkington OptiView™ Protect OW was selected for the Egyptian Museum in Turin

The Museo Egizio (Egyptian Museum) in Turin, reopened in April 2015, boasts more than 2,000 square meters of the Group's value-added glass products.

The important exhibits needed to be displayed in a safe environment, so it was imperative that the 103 showcases and 70 cabinets include the right type of glass for clear views, protection against vandalism and theft and from harmful ultraviolet rays. And the exhibition design also called for complete integration between the architecture and display space, to allow a clear sight line between the objects and the 17<sup>th</sup> Century building that houses them.

Pilkington OptiView™ Protect OW was selected due to its anti-reflective and extra-clear properties as well as being laminated for all-round safety.



Photo : Pino & Nicola Dell'Aquila

### NSG Spacia™ Cool Vacuum Glazing work for energy saving at Fukuoka City Hall

NSG Spacia™ Cool Vacuum Glazing has been used for the new windows of Fukuoka City Hall. 670 windows in the west side of the building between the 2<sup>nd</sup> and 14<sup>th</sup> floor were replaced by this innovative product. Spacia™ Cool Vacuum Glazing is a high-heat-insulation type of Spacia™. It can also reduce solar heat gain, offering an excellent energy saving performance throughout the year.

The City Hall had to address summer heat problems and save air conditioning costs, especially because of its large windows on the west side that let in the glare of late-afternoon sun. After considering several options, including heat reduction films, Spacia™ Cool was selected due to its high solar heat gain reduction, ease of installation, shortened panel replacement time and future maintenance cost savings.



Fukuoka City Hall (Photo provided by Fukuoka city)

### NSG had "Kurumin" Certification as a Childcare Support Company

On 4 December 2015, NSG was certified by the Minister of Health, Labor and Welfare in Japan as a Childcare Support Company under the Act on Advancement of Measures to Support Raising Next-Generation Children and was allowed to use the "Kurumin" next-generation supporter mark.

NSG has actively communicated to the employees of the public and internal support frameworks for parenthood and childcare and achieved the two targets: to encourage male employees' participation in childcare; and to improve the Company's childcare and family care support framework, which have led to the "Kurumin" certification. More specifically, we support childcare leaves of male employees; modify internal rule regarding family care leaves; and extend the period for short-time work set forth in the Company's childcare procedure.

The new NSG action plan period started in September 2015 with two goals. Male employee's active participation in childcare will be continuously promoted and improving employees' work-life balance has been added as a new goal. The Company will continue to support employees' childcare proactively and work towards providing a better working environment.



# CONSOLIDATED FINANCIAL HIGHLIGHTS

## Income statement

	Millions of yen	
	Fiscal 2016	Fiscal 2015
Revenue	629,172	626,713
Operating profit	19,362	16,848
Profit/(loss) before taxation	(37,439)	4,807
Profit/(loss) for the period	(47,500)	2,893
Profit/(loss) attributable to the owners of the parent	(49,838)	1,668
Basic earnings per share attributable to owners of the parent (yen)	(55.18)	1.85

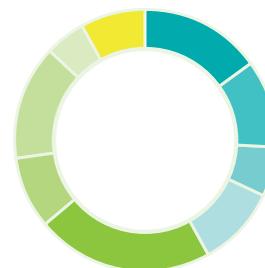
## Balance sheets

	Millions of yen	
	31 MARCH 2016	31 MARCH 2015
Non-current assets	571,417	652,964
Current assets	240,703	267,142
Total assets	812,120	920,106
Total liabilities	700,109	734,098
Total equity	112,011	186,008
Total liabilities and equity	812,120	920,106

## Statement of cash flows

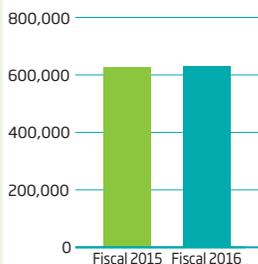
	Millions of yen	
	Fiscal 2016	Fiscal 2015
Net cash inflows from operating activities	21,789	24,593
Net cash outflows from investing activities	(26,401)	(23,192)
Cash flow before financing activities	(4,612)	1,401
Net cash inflows/(outflows) from financing activities	(5,908)	7,295
Cash and cash equivalents (net of bank overdrafts) at the end of the period	46,162	62,340

## Net revenue by business



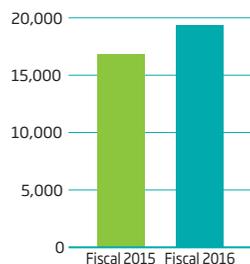
### Revenue

Millions of yen



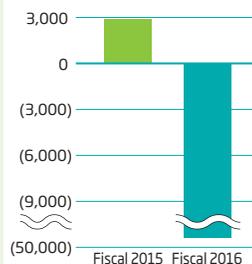
### Operating profit

Millions of yen



### Profit/(loss) for the period

Millions of yen



Architectural Europe	15%
Architectural Japan	11%
Architectural North America	6%
Architectural Rest of World	10%
Automotive Europe	22%
Automotive Japan	9%
Automotive North America	14%
Automotive Rest of World	5%
Technical Glass	8%

Notes: The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) from the financial year to 31 March 2012.

Operating profit in the above is defined from the financial year to 31 March 2016 as being operating profit stated before exceptional items.

## SHAREHOLDER INFORMATION

<b>Fiscal period</b>	1 April to 31 March of the following year
<b>Ordinary General Meeting of Shareholders</b>	Held annually in June
<b>Record Dates</b>	Ordinary General Meeting of Shareholders: 31 March Dividend: 30 September and 31 March
<b>Transfer agent</b>	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
<b>Operating office</b>	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
<b>Public notice</b>	<a href="http://www.nsg.com/">http://www.nsg.com/</a>
<b>Accounting auditor</b>	Ernst & Young ShinNihon LLC

If you need to record any changes in your address, personal details or any other relevant matter, please contact the securities company administrating your shareholder account.

If you do not use a securities company, please notify our transfer agent as shown below.

### Notice to shareholders holding odd-lot shares

If you hold an odd-lot of shares (1 to 999 shares), which is less than a trading unit of shares (1,000 shares), you could:

1. sell these shares to the Company, or
2. purchase odd-lot shares from the Company to supplement your holding to the extent necessary to constitute a trading unit.

Please contact the securities company administrating your shareholder account for its specific procedures.

If you do not use a securities company, please contact our transfer agent as shown below.

**Mail address** Stock Transfer Agency Department,  
Sumitomo Mitsui Trust Bank, Limited  
8-4, Izumi 2-chome, Suginami-ku,  
Tokyo 168-0063, Japan

**Telephone Number** ☎ 0120-782-031 (toll free in Japan)

## CORPORATE DATA (as at 31 March 2016)

<b>Company name</b>	Nippon Sheet Glass Co., Ltd.
<b>Head office</b>	Sumitomo Fudosan Mita Twin Building West Wing, 5-27, Mita 3-chome, Minato-ku, Tokyo 108-6321 Japan Tel: +81-3-5443-9500
<b>Established</b>	22 November 1918
<b>Number of permanent employees</b>	27,463 (consolidated)
<b>Paid-in capital</b>	¥116,449 million
<b>Stock listing</b>	Tokyo (Code: 5202)
<b>Contact</b>	<a href="http://www.nsg.com/en/contact-us">http://www.nsg.com/en/contact-us</a>

### General Information

Voting results of the 150<sup>th</sup> Ordinary General Meeting of Shareholders will be filed and shown via EDINET (<http://disclosure.edinet-fsa.go.jp/>) in the form of an Extraordinary Report (in Japanese Only) and also disclosed on the Company's website at <http://www.nsg.com/> (in English) and at <http://www.nsg.co.jp/> (in Japanese).

### Website

Further information about the Group including its financial results and latest IR information is available at <http://www.nsg.com/>

