

Nippon Sheet Glass Co., Ltd.
Consolidated Financial Statements for 3 Months to June 2004

Consolidated Balance Sheets

(¥ million)

| | June 30. 2004 | March 31. 2004 | Change |
|---|------------------|-------------------|---------------|
| (ASSETS) | | | |
| Total current assets | 188,192 | 165,785 | 22,407 |
| Cash and deposits | 78,612 | 55,968 | 22,643 |
| Notes and accounts receivable: Trade | 61,124 | 61,927 | (803) |
| Inventories | 38,085 | 36,184 | 1,901 |
| Other current assets | 10,370 | 11,705 | (1,334) |
| Total fixed assets | 275,719 | 276,378 | (659) |
| Tangible fixed assets | 126,339 | 126,271 | 67 |
| Intangible fixed assets | 3,846 | 3,999 | (152) |
| Investments and other assets | 145,533 | 146,107 | (574) |
| Total assets | 463,912 | 442,163 | 21,748 |
| (LIABILITIES) | | | |
| Current liabilities | 130,030 | 136,219 | (6,188) |
| Notes and accounts payable: Trade | 38,054 | 41,939 | (3,885) |
| Short-term bank borrowings | 50,035 | 53,301 | (3,265) |
| Current portion of bonds | 19,791 | 19,791 | - |
| Other current liabilities | 22,149 | 21,187 | 962 |
| Long-term liabilities | 125,536 | 99,483 | 26,053 |
| Bonds | 52,800 | 29,800 | 23,000 |
| Long-term bank borrowings | 33,423 | 31,211 | 2,211 |
| Other long-term liabilities | 39,313 | 38,472 | 841 |
| Total liabilities | 255,567 | 235,702 | 19,864 |
| (MINORITY INTERESTS) | | | |
| Minority interests in consolidated subsidiaries | 6,068 | 5,898 | 170 |
| (SHAREHOLDERS' EQUITY) | | | |
| Common stock | 41,060 | 41,060 | - |
| Additional paid-in capital | 50,372 | 50,371 | 0 |
| Retained earnings | 92,097 | 90,558 | 1,538 |
| Unrealized holding gain on securities | 29,150 | 28,751 | 398 |
| Translation adjustments | (10,233) | (10,010) | (222) |
| Treasury stock, at cost | (171) | (170) | (1) |
| Total shareholders' equity | 202,276 | 200,562 | 1,713 |
| Total liabilities, minority interests and shareholders' equity | 463,912 | 442,163 | 21,748 |

Consolidated Statements of Operations

(¥ million)

| | Quarter to June 2004 | Year to March 2004 |
|---|-------------------------|-----------------------|
| Net sales | 64,524 | 269,149 |
| Cost of sales | 47,487 | 200,973 |
| Gross income | 17,036 | 68,175 |
| Selling, general and administrative expenses | 14,460 | 58,150 |
| Operating income | 2,576 | 10,025 |
| Non-operating income | 2,637 | 6,472 |
| Non-operating expenses | 1,689 | 8,740 |
| Income before extra-ordinary items | 3,524 | 7,757 |
| Extra-ordinary income | 1,087 | 15,053 |
| Extra-ordinary losses | 362 | 13,249 |
| Income before income taxes and minority interests | 4,248 | 9,562 |
| Income taxes :Current | 1,354 | 3,998 |
| Income taxes :Deferred | (122) | 2,121 |
| Minority interests in net income of consolidated subsidiaries | 194 | 234 |
| Net income | 2,822 | 3,207 |

Consolidated Statements of Cash Flows

(¥ million)

| | Quarter to June 2004 | Year to March 2004 |
|---|-------------------------|-----------------------|
| Cash flows from operating activities: | | |
| Income before income taxes and minority interests | 4,248 | 9,562 |
| Depreciation and amortization | 3,037 | 14,875 |
| Decrease (increase) in notes and accounts receivable | 2,601 | 1,166 |
| Decrease (increase) in inventories | (2,074) | (429) |
| (Decrease) increase in notes and accounts payable | (1,268) | 2,096 |
| Other, net | (2,477) | (7,409) |
| Subtotal | 4,067 | 19,861 |
| Interest and dividend income received | 901 | 4,139 |
| Interest paid | (477) | (3,144) |
| Income taxes paid | (2,310) | (3,252) |
| Net cash provided by operating activities | 2,181 | 17,603 |
| Cash flows from investing activities: | | |
| Purchases of property, plant and equipment | (2,624) | (13,126) |
| Proceeds from sales of property, plant and equipment | 154 | 3,703 |
| Purchases of investments in securities | (464) | (5,531) |
| Proceeds from sales of investments in securities | 2,701 | 25,046 |
| Other, net | (319) | (451) |
| Net cash provided by investing activities | (552) | 9,641 |
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term borrowings | (351) | 817 |
| Issuance of long-term indebtedness | - | 9,306 |
| Repayment of long-term indebtedness | (479) | (24,610) |
| Issuance of bonds | 23,000 | 20,000 |
| Redemption of bonds | - | (20,566) |
| Cash dividends paid | (1,330) | (1,330) |
| Other, net | (24) | (240) |
| Net cash provided by (used in) financing activities | 20,815 | (16,623) |
| Effect of exchange rate changes on cash and cash equivalents | 221 | (1,045) |
| Net increase in cash and cash equivalents | 22,665 | 9,575 |
| Cash and cash equivalents at beginning of the year | 55,356 | 45,781 |
| Effect of change in scope of consolidation | (21) | - |
| Cash and cash equivalents at end of the quarter | 78,001 | 55,356 |