

January 27, 2006

**Interim Financial Statements for 9 months to December 2005**

**Financial Statements**

**Consolidated Balance Sheets**

For 9 months to December 2005

(million yen)

	Dec 31 2005	Mar 31 2005	Change	Dec 31 2004
<b>(Assets)</b>				
Total current assets	171,448	167,724	3,724	174,616
Cash and deposits	62,991	64,163	(1,172)	63,010
Notes and account receivable: trade	59,884	59,785	99	62,984
Inventories	39,508	34,582	4,925	38,939
Other current assets	9,064	9,192	(128)	9,682
Total fixed assets	299,267	259,185	40,082	260,817
Tangible fixed assets	118,889	114,084	4,805	115,800
Intangible fixed assets	7,285	3,890	3,395	4,030
Investments and other assets	173,092	141,210	31,882	140,985
<b>Total assets</b>	<b>470,716</b>	<b>426,909</b>	<b>43,806</b>	<b>435,433</b>
<b>(Liabilities)</b>				
Current liabilities	100,711	108,007	(7,295)	111,927
Notes and accounts payable : trade	36,084	38,922	(2,838)	38,456
Short-term bank borrowings	40,269	37,178	3,091	39,699
Current portion of bonds	-	9,600	(9,600)	9,600
Other current liabilities	24,357	22,306	2,051	24,171
Long-term liabilities	135,449	110,859	24,589	116,353
Bonds payable	43,000	43,000	-	43,000
Long-term bank borrowings	40,621	31,533	9,087	35,212
Other long-term liabilities	51,828	36,326	15,501	38,141
<b>Total liabilities</b>	<b>236,160</b>	<b>218,867</b>	<b>17,293</b>	<b>228,281</b>
<b>(Minority interests)</b>	<b>3,109</b>	<b>2,741</b>	<b>368</b>	<b>2,793</b>
<b>(Shareholders' equity)</b>				
Common stock	41,060	41,060	-	41,060
Additional paid-in capital	50,373	50,373	0	50,373
Retained earnings	94,767	95,355	(587)	93,855
Unrealized holding gain on securities	46,832	26,787	20,044	27,400
Translation adjustments	(1,294)	(8,019)	6,725	(8,130)
Treasury stock, at cost	(295)	(257)	(38)	(200)
<b>Total shareholders' equity</b>	<b>231,445</b>	<b>205,300</b>	<b>26,144</b>	<b>204,358</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>470,716</b>	<b>426,909</b>	<b>43,806</b>	<b>435,433</b>

**Consolidated Statements of Operations**

(million yen)

	9 months to Dec 2005	9 months to Dec 2004	Fiscal 2005
<b>Net sales</b>	191,073	193,872	264,975
Cost of sales	138,443	140,609	194,843
<b>Gross profit</b>	52,630	53,263	70,131
Selling, general and administrative expenses	45,650	43,787	58,106
<b>Operating income</b>	6,980	9,475	12,025
Non-operating income	7,144	6,117	7,485
Non-operating expenses	5,268	4,855	6,240
<b>Income before extra-ordinary items</b>	8,855	10,737	13,270
Extra ordinary income	2,673	3,315	5,418
Extra ordinary losses	3,222	4,590	7,264
Income before income taxes and minority interests	8,306	9,462	11,424
Income tax : Current	3,248	2,925	4,294
Income tax : Deferred	(962)	120	(873)
Minority interests in net income of consolidated subsidiaries	233	307	415
<b>Net income</b>	5,785	6,109	7,588

**Consolidated Statements of Cash Flows**

(million yen)

	9 months to Dec 2005	9 months to Dec 2004	Fiscal 2005
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	8,306	9,462	11,424
Depreciation and amortization	9,225	9,276	12,553
Decrease (increase) in notes and accounts receivable	2,412	(3,140)	(1,135)
Decrease (increase) in inventories	(3,970)	(3,105)	(436)
(Decrease) increase in notes and accounts payable	(4,752)	(1,055)	(1,793)
Other, net	(2,255)	170	(1,313)
<b>Subtotal</b>	<b>8,966</b>	<b>11,606</b>	<b>19,298</b>
Interest and dividend income received	5,025	3,786	4,485
Interest paid	(1,147)	(1,492)	(2,036)
Income tax paid	(2,332)	(4,008)	(4,947)
<b>Net cash provided by operating activities</b>	<b>10,511</b>	<b>9,892</b>	<b>16,799</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	(14,208)	(8,392)	(12,496)
Proceeds from sales of property, plant and equipment	857	4,502	6,773
Purchase of investments in securities	(2,833)	(953)	(1,123)
Proceeds from sales of investments in securities	3,897	4,654	7,041
Other, net	(127)	(489)	(451)
<b>Net cash provided by (used in) investing activities</b>	<b>(12,414)</b>	<b>(678)</b>	<b>(255)</b>
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term borrowings	4,247	(4,095)	(9,259)
Issuance of long-term indebtedness	9,916	7,332	8,279
Repayment of long-term indebtedness	(3,158)	(5,007)	(7,265)
Issuance of bonds	-	23,000	23,000
Redemption of bonds	(9,600)	(19,791)	(19,791)
Cash dividends paid	(2,658)	(2,659)	(2,659)
Other, net	(107)	(53)	(110)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,360)</b>	<b>(1,276)</b>	<b>(7,806)</b>
<b>Effect of change rate on cash and cash equivalents</b>	<b>679</b>	<b>(924)</b>	<b>(438)</b>
<b>Net decrease (increase) in cash and cash equivalents</b>	<b>(2,583)</b>	<b>7,012</b>	<b>8,297</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>63,512</b>	<b>55,356</b>	<b>55,356</b>
<b>Effect of change in scope of consolidation</b>	<b>764</b>	<b>(117)</b>	<b>(142)</b>
<b>Cash and cash equivalents at the end of the quarter</b>	<b>61,692</b>	<b>62,251</b>	<b>63,512</b>

**Revision for the Business Forecast**

Nippon Sheet Glass Co., Ltd announces revision for business forecast of fiscal year to March 2006, showed on May 31, 2005.

**Consolidated Business Forecast (from April 1, 2005 to March 31 2006)**

(million yen, %)

	Net sales	Income before extra-ordinary items	Net income
Forecast on May 31, 2005 (A)	274,000	15,000	10,000
Revised forecast (B)	265,000	10,000	6,500
Changes (B-A)	-9,000	-5,000	-3,500
Rate of change	-3.3%	-33.3%	-35.0%
Fiscal year to March 2005	264,975	13,270	7,588