FY 2009 3rd Quarter Consolidated Financial Results

13 February 2009

(English translation of the Japanese original)

Listed Company Name:	Nippon Sheet Glass Co., Ltd.	Stock Exchange Listing: Tokyo, Osaka	
Code Number	5202	(URL http://www.nsggroup.net)	
Representative:	Representative Executive Director, President and CEO	Name:	Stuart Chambers
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Submission of quarterly report to MOF: 13 February 2009

1. Consolidated business results for FY 2009 Quarter 3 (From 1 April 2008 to 31 December 2008)

(1) Consolidated business results

	Sales		Operating income		Ordinary income		Net income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Q3 FY 2009	586,437	-	13,420	-	4,581	-	10,543	-
Q3 FY 2008	648,654	33.5	40,821	79.2	28,978	47.8	60,801	115.8

	Net income per share - basic	Net income per share - diluted
Q3 FY 2009	¥ 15.78	¥ 14.83
Q3 FY 2008	¥ 90.97	¥ 85.47

(2) Changes in financial position

	Gross assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	¥
FY 2009 Quarter 3	1,019,502	285,906	27.1	413.06
FY 2008 Full year	1,319,290	371,998	27.2	536.37

Note: Total Equity Q3 FY 2009 ¥ 275,995 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	750,000	(13.4)	-	(100.0)	(13,000)	-	(22,000)	-	(32.92)

Note: Revisions to consolidated business performance forecast during the quarter --- No

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

1) Changes due to revisions in accounting standards --- Yes

2) Changes due to other reasons --- Yes

Note: For details, please refer to pages 7 and 8.

(4) Number of shares outstanding (common stock)

1) Number of shares issued at the end of the period (including treasury stock):

669,550,999 shares as of 31 December 2008 and 31 March 2008

2) Number of shares held as treasury stock at the end of the period:

1,383,598 shares as of 31 December 2008 and 1,290,932 shares as of 31 March 2008

3) Average number of shares in issue during the period:

668,217,276 shares for the period ending 31 December 2008 and 668,334,236 shares for the period ending 31 December 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 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 rates, 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).

Narratives

1. Business Performance and Financial Standing

(1) Background to Results

Most of the Group's major geographical markets, affecting each of the Group's three business lines, either moved into recession during the quarter or are heading towards recession. Vehicle sales in most major markets fell sharply, causing vehicle manufacturers to cut production, with a consequent reduction in the demand for automotive glazing. Declining housing starts, a reduction in residential property transactions and low levels of commercial office utilization, combined to decrease demand for building products glazing. Against this market background, on 29 January 2009 the Group announced a program of initiatives to improve profitability and enhance operational efficiencies, and published a revision of its forecast for the current financial year.

Western European economies moved firmly into recession during the third quarter. Building Products markets were weak with low levels of construction activity and residential house purchases. Sales of new cars continued to fall, and vehicle manufacturers responded by cutting production to reduce inventory levels. The European Automotive replacement (AGR) market held up relatively well, helped in December by cold weather conditions. Demand for glass cord declined during the quarter, due to the slowdown in the automotive industry.

In Japan, market conditions were also difficult. Building Products sales continued to be impacted by deteriorating consumer confidence. Vehicle production in Japan, which had earlier in the year held up better than in other developed economies, also began to decline. Exports suffered, due to weak export markets and a further strengthening yen. Demand for Specialty Glass products was generally weak.

The North American economy remained challenging, with the Building Products market continuing to suffer from a declining construction sector. Property prices continued to fall. Sales of new cars declined further, although the AGR market held up at levels close to the previous year.

The emerging markets in which the Group operates performed relatively well compared to more developed markets.

On 9 December 2008, Pilkington Group Limited (a wholly owned subsidiary of the Company) received formal notification of a decision by the European Commission to levy a fine of €370 million on Pilkington Group Limited and certain of its wholly owned subsidiaries, following the conclusion of its investigation into alleged breaches of competition law by companies operating in the European car glass sector. Pilkington Group Limited does not agree with the decision and, on 16 December 2008, the Company announced that it intends to submit an appeal to the European Court of the First Instance. Notwithstanding such appeal, the fine is required to be paid within three months of the date of notification of the decision.

(2) Review by Business Segment

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

Building Products, representing 46 per cent of Group sales, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the building products market. It also includes glass for the growing Solar Energy sector.

Automotive, with 42 per cent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Specialty Glass, representing 10 per cent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as air filters, battery separators and glass components for engine timing belts.

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

JPY millions	Sales		Operating income	
	Q3 FY 2009	**Q3 FY 2008**	**Q3 FY 2009**	**Q3 FY 2008**
Building Products	270,614	305,479	12,147	27,840
Automotive	245,269	271,927	5,459	17,522
Specialty Glass	58,117	61,546	4,340	6,911
Other Operations & Eliminations	12,436	9,701	(8,528)	(11,452)
Total	586,437	648,654	13,420	40,821

Building Products Business

The profit performance for Building Products (BP) for the first three quarters was lower than for the same period last year, as a consequence of higher input costs and increasingly challenging market conditions.

In Europe, representing 55 per cent of the Group's BP sales, revenue was lower than last year as a consequence of lower prices in difficult markets. Profit performance was also lower than last year in most markets, with results impacted by reduced selling prices and rising input costs.

Revenues in Japan, representing 26 per cent of BP sales, fell due to difficult market conditions. Profits were higher than last year, with higher selling prices, an improving product mix and the benefits of the restructuring offsetting the rising input costs.

In North America, representing 9 per cent of BP sales, dollar revenues increased, despite a declining domestic housing market, due to higher prices and improved mix. Profitability was lower than last year, because of rising input costs and the cold repair of the Ottawa float line, which lasted for three months.

In the rest of the world, sales expressed in US dollars were higher than last year, due to higher selling prices. Profits decreased, as input costs increased. In South America, profits remain at satisfactory levels, as market conditions remained relatively robust, although profits in South East Asia declined.

The Building Products business achieved sales of ¥ 270,614 million and operating income of ¥ 12,147 million.

Automotive Business

In the European Original Equipment (OE) and Automotive Glass Replacement (AGR) sectors, representing 51 per cent of the Group's Automotive sales, cumulative revenues were below last year, due to significantly lower demand from OE customers during the third quarter. AGR demand was less severely impacted. Profits were also below the previous year, especially within OE during the third quarter, due to the rapidly reducing volumes, which meant that it was not possible to reduce capacity and costs quickly enough to match the lower sales.

In Japan, representing 16 per cent of the Group's Automotive sales, revenues were slightly down as the impact of reduced demand only started to be realized at the end of the third quarter. Despite this, profits are strongly ahead of the prior year, reflecting the continuing improvements in manufacturing and operational performance. Demand in Japan continues to decline rapidly as vehicle manufacturers cut production to address reductions in vehicle sales into both domestic and export markets.

In North America, representing 21 per cent of the Group's Automotive sales, AGR sales were similar to last year and there has been a continued improvement in profits through operational efficiencies. Sales in OE continue to be down on last year, driven by accelerated lower market demand in the third quarter. This, coupled with higher energy costs and costs associated with a float re-build, has significantly affected business performance. Sales have continued to decline further, reflecting the ongoing weak market.

In the rest of the world, revenues were relatively strong as the markets continue to develop, although the rate of growth has slowed sharply at the end of the third quarter. This trend is expected to continue for the rest of the year. Profits were flat as increasing input costs offset improvements through cost reduction.

The Automotive business recorded sales of ¥245,269 million and operating income of ¥5,459 million.

Specialty Glass Business

The global economic slowdown impacted the Specialty Glass business during the quarter. All Specialty Glass markets are experiencing significant deterioration. The strength of the yen also negatively affected exports from Japan of components for printers and scanners.

The Specialty Glass business recorded overall sales of ¥58,117 million and an operating profit of ¥4,340 million.

Other Operations

This segment covers corporate costs and engineering income, but also includes small businesses not included in the segments covered above. Other operations benefited from a reduction in general expenses.

Consequently, this segment recorded sales of ¥12,436 million and an operating loss of ¥8,528 million.

Joint Ventures and Associates

The Group's share of the results of its joint venture and associates 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 underlying post-tax profit of its joint ventures and associates was similar to last year. Cebrace, the Group's joint venture company in Brazil, performed strongly during the period, with significantly improved profits. Pilkington Glass LLC, the Group's joint venture company in Russia, also improved operating profitability but suffered from increased financial costs.

2. Financial condition

Total assets at the end of December 2008 were ¥ 1,019,502 million, representing a decrease of ¥ 299,788 million from the end of March 2008. Of this decrease, approximately ¥ 280,000 million was due to exchange rate movements.

The Group has adopted "Net Debt" (interest bearing debt minus cash and cash equivalents) as a Key Performance Indicator for its financial performance. The chart below shows the movement of "Net Debt" following the acquisition of Pilkington in June 2006.

		Net Debt
		JPY million
FY 2007 Quarter 1	30 June 2006	514,097
FY 2007 Full year	31 March 2007	400,203
FY 2008 Full year	31 March 2008	328,479
FY 2009 Quarter 3	31 December 2008	275,953

Net financial indebtedness decreased by ¥ 52,526 million from 31 March 2008 to ¥ 275,953 million at the period end, mainly due to the proceeds from the sale of the NH Techno Glass Co., Ltd and exchange differences on consolidation. Included in net debt at 31 December 2008 are financial lease creditors of ¥ 8,810 million. This represents a change in definition during the current financial year. Excluding this change, net debt decreased by ¥ 61,336 million during the period. Currency movements generated a decrease in net debt of approximately ¥ 47,100 million over the period. Gross debt was ¥ 347,685 million at the period end.

Cash inflows from operations were ¥ 17,951 million. Cash inflows from investment activities were ¥ 9,746 million, due mainly to the proceeds from the sale of NH Techno Glass Co., Ltd.

3. Prospects

The forecast of operating income, ordinary income and net income was amended as per the Group's announcement on 29 January, as set out on page 1.

The reduction in operating income arises mainly as a result of the unprecedented, challenging market conditions being experienced in the Group's major markets. The decline in market demand for each of the Group's business lines has been particularly severe during the third quarter. On 29 January, the Group announced a series of measures designed to address the economic downturn and improve profitability going forward. The Group is rationalizing capacity to meet global demand in which ¥ 22 billion will be invested over the next two years. As a result of this, the Group will have reduced overall headcount by approximately 5,800 employees by March 2010 with around 3,000 of these employees leaving the Group by the end of the current financial year. Capital investment initiatives were also announced with expenditure being contained to 70 per cent of depreciation through FY2010. The Group remains committed to investment in the solar generation sector, which continues to be a key area for expansion. The challenging market conditions are anticipated to continue during the remainder of the financial year.

The additional reduction in net income (over and above the ordinary income shortfall) is due to extraordinary restructuring costs anticipated to be charged to the income statement in the current financial year. The majority of these costs will be provided during the current financial year, following local announcements of the detailed restructuring plans. The majority of the cash expenditure required to facilitate the restructuring will be realized during the year to 31 March 2010.

4. Others (Changes in accounting policies, etc.)

(1) 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.

(2) 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 that had been computed in the previous year.

<2> Calculations for the ending balance of inventories

The Company and consolidated subsidiaries calculate the closing balance of inventories based on the amounts recorded in the relevant inventory and accounting systems at 31 December 2008. Inventory counts conducted at 30 September 2008, the results of which are included within the opening inventory balance of the current accounting period, are not generally repeated at quarter-end dates.

<3> 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 that 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 third quarter, based on the effective annual tax rates that have been practically evaluated.

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

(3) 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 ¥ 57 million during the Quarter 3 of the current financial year.

3) Changes in the depreciation method of fixed assets

From the first quarter of this financial year, 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.
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.

Due to this change, operating income increased by ¥ 1,531 million, ordinary income and net income before taxation increased by ¥ 1,608 million during the first three quarters 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 ¥ 296 million, ordinary income and net income before taxation decreased by ¥ 302 million during the first three quarters of the current financial year.

4) Application of accounting standard for leased assets

From the beginning of this financial year, 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). Finance lease transactions in which ownership is not transferred, previously accounted for as operating leases, are now being accounted for as 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 a residual amount of zero. The effect of this application on the income statement is minimal.

5. Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(¥ millions)

	Quarter 3 FY 09 As of 31 December 2008	FY 08 (Abbreviated) As of 31 March 2008
Assets		
Current assets		
Cash and deposits	71,732	127,928
Notes and accounts receivable – trade	104,766	145,560
Merchandise and finished goods	69,701	68,772
Work in process	11,903	14,653
Raw materials and supplies	35,572	36,062
Other current assets	32,173	33,788
Allowance for doubtful accounts	(4,373)	(4,830)
Total: Current assets	**321,476**	**421,935**
Non-current assets		
Property, plant and equipment		
Buildings and structures	145,798	157,260
Accumulated depreciation	(77,983)	(76,559)
Buildings and structures, net	67,815	80,700
Machinery, equipment and vehicles	353,654	389,523
Accumulated depreciation	(171,500)	(172,112)
Machinery, equipment and vehicles, net	182,153	217,410
Tools, furniture and fixtures	39,881	42,190
Accumulated depreciation	(23,761)	(22,279)
Tools, furniture and fixtures, net	16,119	19,910
Land	45,206	54,041
Lease assets	8,418	-
Accumulated depreciation	(2,801)	-
Lease assets, net	5,616	-
Construction in progress	4,506	3,410
Total: Property, plant and equipment	321,419	375,474
Intangible assets		
Goodwill	128,342	181,167
Other intangible assets	127,175	171,506
Total: intangible assets	255,518	352,674
Investments and other assets		
Joint ventures, associates and other investments	57,252	99,867
Others	65,187	70,325
Allowance for doubtful accounts	(1,350)	(987)
Total: Investments and other assets	121,088	169,205
Total: Non-current assets	**698,026**	**897,354**
Total: Assets	**1,019,502**	**1,319,290**

(1) Quarterly consolidated balance sheets (continued)

(¥ millions)

	Quarter 3 FY 09 As of 31 December 2008	FY 08 (Abbreviated) As of 31 March 2008
Liabilities		
Current liabilities		
Notes and accounts payable – trade	63,501	98,955
Short-term loans payable	40,483	92,956
Bonds payable	-	10,000
Lease obligations	3,089	-
Income taxes payable	26,312	16,732
Provision arising from alleged violation of Competition Law of the European Union	46,940	49,992
Other provisions	9,173	22,508
Other current liabilities	81,355	98,630
Total: Current liabilities	**270,856**	**389,775**
Non-current liabilities		
Bonds payable	58,000	33,000
Long-term loans payable	240,392	320,452
Lease obligations	5,721	-
Provision for retirement benefits	60,622	75,026
Other provisions	16,609	17,447
Other non-current liabilities	81,393	111,589
Total: Non-current liabilities	**462,739**	**557,516**
Total: Liabilities	**733,595**	**947,291**
Net assets		
Shareholders' equity		
Capital stock	96,147	96,147
Capital surplus	105,289	105,292
Retained earnings	157,091	152,097
Treasury stock	(582)	(541)
Total: Shareholders' equity	**357,945**	**352,995**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,916	9,194
Deferred gains or losses on hedges	(9,795)	(127)
Foreign currency translation adjustment	(75,071)	(3,626)
Total: Valuation and translation adjustments	**(81,949)**	**5,439**
Subscription rights to shares	492	253
Minority interests	9,417	13,310
Total: Net assets	**285,906**	**371,998**
Total: Liabilities and net assets	**1,019,502**	**1,319,290**

(2) Consolidated income statement

(¥ millions)

	Quarter 3 FY 09 For the period 1 April 2008 to 31 December 2008
Net sales	**586,437**
Cost of sales	418,484
Gross profit	**167,953**
Selling, general and administrative expenses	154,533
Operating income	**13,420**
Non-operating income	
Interest income	4,214
Dividends income	1,032
Equity in earnings of affiliates	3,836
Other non-operating income	1,843
Total: Non-operating income	10,927
Non-operating expenses	
Interest expenses	15,957
Other non-operating expenses	3,808
Total: Non-operating expenses	19,765
Ordinary income	**4,581**
Extraordinary income	
Gain on sales of fixed assets	820
Gain on sales of investment securities	7,719
Gain on sales of investments in affiliates	30,028
Other extraordinary income	517
Total: Extraordinary income	39,086
Extraordinary loss	
Impairment loss	1,240
Restructuring expenditure	2,093
Loss arising on notification of EU car glass fine	8,438
Other extraordinary losses	1,520
Total: Extraordinary losses	13,293
Income before income taxes and minority interests	**30,374**
Income taxes	17,726
Minority interests	2,104
Net income	**10,543**

(3) Consolidated statement of cash-flow

(¥ millions)

	Quarter 3 FY 09 For the period 1 April 2008 to 31 December 2008
Net cash provided by operating activities	
Income before income taxes and minority interests	30,374
Adjustments for:	
Depreciation and amortization	44,324
Impairment Loss	1,240
Amortization of goodwill	6,740
Increase in allowance for doubtful accounts	312
Decrease in provision for retirement benefits	(15,824)
Increase in provision for furnace repairs	294
Increase in EU car glass provision	19,818
Net gain on sales and disposals of fixed assets	156
Net gain on sales and valuation of investment securities	(7,640)
Net gain on sales of investments in affiliates	(30,028)
Interest and dividends income	(5,247)
Interest expenses	15,957
Equity in earnings of affiliates	(3,836)
Decrease in notes and accounts receivable – trade	25,218
Increase in inventories	(15,486)
Decrease in notes and accounts payable – trade	(26,340)
Other, net	(5,044)
Subtotal	**34,987**
Interest and dividends income received	11,021
Interest expenses paid	(19,199)
Income taxes paid	(8,858)
Net cash provided by operating activities	**17,951**
Net cash provided by investment activities	
Purchase of property, plant and equipment	(34,229)
Proceeds from sales of property, plant and equipment	2,146
Purchase of intangible assets	(296)
Purchase of investment securities	(663)
Proceeds from sales of investment securities	9,647
Purchase of investments in subsidiaries and affiliates	(2,606)
Proceeds from sales of stocks of subsidiaries and affiliates	42,655
Decrease in short-term loans receivable	(6,938)
Payments of long-term loans receivable	(61)
Other, net	94
Net cash provided by investment activities	**9,746**

(3) Consolidated statement of cash flow (continued)

(¥ millions)

	Quarter 3 FY 09 For the period 1 April 2008 to 31 December 2008
Net cash used in financing activities	
Net decrease in short-term loans payable	(30,936)
Proceeds from long-term loans payable	1,285
Repayment of long-term loans payable	(43,207)
Proceeds from issuance of bonds	24,847
Redemption of Bonds	(10,000)
Cash dividends paid	(4,026)
Cash dividends paid to minority shareholders	(2,386)
Repayments of finance lease obligations	(2,840)
Other, net	(43)
Net cash used in financing activities	**(67,308)**
Effect of exchange rate change on cash and cash equivalents	**(14,444)**
Net increase in cash and cash equivalents	**(54,055)**
Cash and cash equivalents at beginning of period	**103,293**
Increase in cash and cash equivalents resulting from change of scope of consolidation	**2,181**
Cash and cash equivalents at end of period	**51,420**

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

Quarter 3 FY 09 (For the period 1 April 2008 to 31 December 2008)

(¥ millions)

	Building products	Automotive	Specialty glass	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	270,614	245,269	58,117	12,436	586,437	-	586,437
(2) Inter-segment sales	1,754	3,063	742	3,874	9,435	(9,435)	-
Net sales	272,368	248,333	58,859	16,311	595,872	(9,435)	586,437
Operating income	12,147	5,459	4,340	(8,590)	13,357	62	13,420

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

Quarter 3 FY 09 (For the period 1 April 2008 to 31 December 2008)

(¥ millions)

	Japan	Europe	North America	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	149,713	288,291	77,326	71,106	586,437	-	586,437
(2) Inter-segment sales	17,688	165,764	20,174	18,608	222,236	(222,236)	-
Net sales	167,402	454,055	97,501	89,715	808,674	(222,236)	586,437
Operating income	2,101	8,582	(3,769)	6,363	13,277	142	13,420

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

Quarter 3 FY 09 (For the period 1 April 2008 to 31 December 2008)

(¥ millions)

	Europe	North America	Asia	Other	Total
a. Overseas sales	277,198	75,267	48,983	50,101	451,550
b. Consolidated sales					586,437
c. Overseas sales as a percentage of consolidated net sales	47.3%	12.8%	8.4%	8.5%	77.0%

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 shareholders' equity

Not applicable

[Attachments]

Consolidated financial statements of Q3 FY 2008

(1) Quarterly consolidated income statement

(¥ millions)

	Quarter 3 FY 08 For the period 1 April 2007 to 31 December 2007
Net sales	**648,654**
Cost of sales	441,939
Gross Income	206,715
Selling, general and administrative expenses	165,893
Operating income	**40,821**
Non-operating Income	16,135
Non-operating expenses	27,977
Income before extraordinary items	**28,978**
Extra-ordinary Income	50,594
Extra-ordinary loss	2,048
Income before income taxes and minority interests	**77,525**
Income taxes – current	8,843
Income taxes – deferred	5,993
Minority interests	1,887
Net income	**60,801**

(2) Quarterly consolidated statement of cash-flow

(¥ millions)

	Quarter 3 FY 08 For the period 1 April 2007 to 31 December 2007
Cash flows from operating activities:	
Income before income taxes and minority interests	77,525
Adjustments for:	
Depreciation and amortization	48,025
Amortization of goodwill	7,829
Loss on impairment of fixed assets	189
Decrease in notes and accounts receivable	12,403
Increase in inventories	(9,620)
Decrease in notes and accounts payable	(20,960)
Other, net	(34,040)
Subtotal	**81,351**
Interest and dividends income received	10,201
Interest expenses paid	(23,573)
Income taxes paid	(31,854)
Net cash provided by operating activities	**36,124**
Cash Flows from investing activities:	
Acquisition of property, plant and equipment	(33,574)
Proceeds from sale of property, plant and equipment	2,519
Acquisition of investments in securities	(7,353)
Proceeds from sale of investments in securities	83,897
Other, net	(159)
Net cash provided by investment activities	**45,329**

(2) Quarterly consolidated statement of cash flow (continued)

(¥ millions)

	Quarter 3 FY 08 For the period 1 April 2007 to 31 December 2007
Cash flows from financing activities:	
Decrease in short-term borrowings	(1,921)
Decrease in long-term loans payable	(70,087)
Cash dividends paid	(5,994)
Other, net	(411)
Net cash used in financing activities	**(78,415)**
Effect of exchange rate change on cash and cash equivalents	**(887)**
Net increase in cash and cash equivalents	**2,151**
Cash and cash equivalents at beginning of period	**159,762**
Decrease in cash and cash equivalents resulting from change of scope of consolidation	**(38,711)**
Cash and cash equivalents at end of period	**123,201**

(3) Segmental information

By Business Line

Quarter 3 FY 08 (For the period 1 April 2007 to 31 December 2007)

(¥ millions)

	Building products	Automotive	Specialty glass	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	305,479	271,927	61,546	9,701	648,654	-	648,654
(2) Inter-segment sales	2,954	2,978	845	1,938	8,717	(8,717)	-
Total sales	308,433	274,906	62,392	11,640	657,372	(8,717)	648,654
Operating expenses	280,592	257,384	55,480	22,920	616,378	(8,545)	607,833
Operating income	27,840	17,522	6,911	(11,280)	40,993	(172)	40,821

By Geography

Quarter 3 FY 08 (For the period 1 April 2007 to 31 December 2007)

(¥ millions)

	Japan	Europe	North America	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	156,288	332,182	88,494	71,689	648,654	-	648,654
(2) Inter-segment sales	19,667	191,402	14,522	17,088	242,680	(242,680)	-
Total sales	175,956	523,584	103,016	88,778	891,335	(242,680)	648,654
Operating expenses	172,834	494,035	103,242	80,507	850,619	(242,785)	607,833
Operating income	3,121	29,549	(226)	8,271	40,716	105	40,821