

**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
<b>(ASSETS)</b>			
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)
<b>Total assets</b>	<b>463,912</b>	<b>442,163</b>	<b>21,748</b>
<b>(LIABILITIES)</b>			
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
<b>Total liabilities</b>	<b>255,567</b>	<b>235,702</b>	<b>19,864</b>
<b>(MINORITY INTERESTS)</b>			
Minority interests in consolidated subsidiaries	6,068	5,898	170
<b>(SHAREHOLDERS' EQUITY)</b>			
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)
<b>Total shareholders' equity</b>	<b>202,276</b>	<b>200,562</b>	<b>1,713</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>463,912</b>	<b>442,163</b>	<b>21,748</b>

**Consolidated Statements of Operations**

(¥ million)

	Quarter to June 2004	Year to March 2004
<b>Net sales</b>	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
<b>Operating income</b>	<b>2,576</b>	<b>10,025</b>
Non-operating income	2,637	6,472
Non-operating expenses	1,689	8,740
<b>Income before extra-ordinary items</b>	<b>3,524</b>	<b>7,757</b>
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
<b>Net income</b>	<b>2,822</b>	<b>3,207</b>

**Consolidated Statements of Cash Flows**

(¥ million)

	Quarter to June 2004	Year to March 2004
<b>Cash flows from operating activities:</b>		
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)
<b>Net cash provided by operating activities</b>	<b>2,181</b>	<b>17,603</b>
<b>Cash flows from investing activities:</b>		
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)
<b>Net cash provided by investing activities</b>	<b>(552)</b>	<b>9,641</b>
<b>Cash flows from financing activities:</b>		
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)
<b>Net cash provided by (used in) financing activities</b>	<b>20,815</b>	<b>(16,623)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>221</b>	<b>(1,045)</b>
<b>Net increase in cash and cash equivalents</b>	<b>22,665</b>	<b>9,575</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>55,356</b>	<b>45,781</b>
<b>Effect of change in scope of consolidation</b>	<b>(21)</b>	<b>-</b>
<b>Cash and cash equivalents at end of the quarter</b>	<b>78,001</b>	<b>55,356</b>