2 August 2012

FY2013 QUARTER 1 RESULTS

(From 1 April 2012 to 30 June 2012)

- **Market conditions significantly worse than previously anticipated**
- **Downward revision of forecast reflects the current level of business performance**
- **Restructuring programs and efficiency enhancements continuing and accelerating**
- **Cash improvement initiatives progressing to plan**
- **Near-term strategic focus on profit improvement. Value-added products key to longer-term growth plans**

Market conditions significantly worse than previously anticipated
- Cumulative Group revenues ¥ 131.2bn, 10% below previous year (Q1 FY12: ¥ 145.2bn), 3% below the previous year at constant exchange rates
- Headline operating profit, before amortization and exceptional costs, of ¥ 0.6bn (Q1 FY12: ¥ 5.6bn profit) reflects challenging market conditions, particularly in Europe
- Q1 FY13 Architectural revenue ¥ 52.3bn (Q1 FY12: ¥ 63.7bn) and losses of ¥ 3.3bn (Q1 FY12: ¥ 4.2bn profit).
- Q1 FY13 Automotive revenue ¥ 63.2bn (Q1 FY12: ¥ 66.2bn) and profits of ¥ 2.6bn (Q1 FY12: ¥ 2.0bn)
- Q1 FY13 Technical Glass revenue ¥ 15.1bn (Q1 FY12: ¥ 14.9bn) and profits of ¥ 1.5bn (Q1 FY12: ¥ 1.6bn)
- Exceptional costs of ¥ 7.4bn include restructuring activities (¥ 4.7bn) and assets impairments (¥ 3.3bn)

Downward revision of forecast reflects the current level of business performance
- Significant deterioration in the Group's core markets, particularly in Europe
- Architectural and Automotive volumes below expectations
- South American markets slowing
- Solar markets continue to be weak
- Joint ventures and associates experiencing challenging architectural markets
- No significant improvement in market conditions expected during the rest of FY2013
- Cost savings from restructuring will increasingly benefit profitability through the year

Restructuring programs and efficiency enhancements continuing and accelerating
- Targeted annual benefits from restructuring now ¥ 25bn, being ¥ 5.0bn higher than previously advised
- Restructuring costs still expected to be ¥ 25bn, non-cash impairment charges now expected to be ¥ 9.0bn
- Focus on three key elements of restructuring being; capacity reduction, overhead reductions, and operational improvements
- Capacity reduction - Architectural capacity actions already announced of 30 percent in Europe and 25 percent in North America
- Overhead reductions – 3,500 people to leave the Group by end of FY2014, 1,350 already left at 30 June 2012
- Operational improvements - manufacturing initiatives heavily focused on reductions of quality losses and costs, and key materials and energy usage

Cash improvement initiatives progressing to plan
- Improved management of working capital
- Capital expenditure to be held below depreciation for two years
- Selective disposal of non-core assets to be pursued where appropriate

Near-term strategic focus on profit improvement. Value-added products key to longer-term growth plans
- Clear plan to achieve improvement in financial position and results
- Restructured NSG will be well positioned to take advantage of future market upturns
- Longer-term growth opportunities identified, with focus on value-added product segments

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Extract from NSG Group FY2013 Quarter 1 financial results presentation, 2 August 2012.

Consolidated Income Statement

(JPY bn)	Q1 FY2013	Q1 FY2012	Change from Q1 FY12
Revenue	**131.2**	**145.2**	**-10%*** *
Operating profit before amortization	**0.6**	**5.6**	
Amortization*	(1.7)	(2.0)	
Operating profit before exceptional items	**(1.1)**	**3.6**	
Exceptional items	**(7.4)**	**-**	
Operating profit	**(8.5)**	**3.6**	
Finance expenses (net)	**(3.1)**	**(3.7)**	
Share of JVs and associates	**(0.1)**	**2.0**	
Profit/(loss) before taxation	**(11.7)**	**1.9**	
Profit/(loss) for the period	**(10.6)**	**1.9**	
Profit/(loss) attributable to owners of the parent	**(10.7)**	**1.6**	
EBITDA	7.9	13.8	-43%

* Amortization arising from the acquisition of Pilkington plc only

** -3% based on constant exchange rates

Results reflect significant deterioration in market conditions

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