

# Nippon Sheet Glass Co., Ltd.

## Consolidated Financial Statements for the Half Year Ended Sep. 2003

### Consolidated Statements of Operations

(Millions of yen)

	Half year ended Sep.2003	Half year ended Sep. 2002	Variance	Full year ended Mar. 2003
<b>Net sales</b>	132,029	140,155	(8,125)	280,100
Cost of sales	100,446	107,882	(7,435)	215,743
Selling, general and administrative expenses	29,394	31,622	(2,227)	60,055
<b>Operating income</b>	2,187	649	1,537	4,302
<b>Non-operating income</b>	3,266	2,456	809	4,191
<i>Interest and dividend income</i>	887	944	(57)	2,124
<i>Equity in earnings of affiliates</i>	135	22	112	
<i>Other income</i>	2,243	1,489	754	2,066
<b>Non-operating expenses</b>	5,447	5,147	299	10,066
<i>Interest expense</i>	1,779	1,873	(93)	3,769
<i>Equity in losses of affiliates</i>				391
<i>Other expenses</i>	3,667	3,274	393	5,905
<b>(Loss) income before extra-ordinary items</b>	6	(2,041)	2,048	(1,572)
<b>Extra-ordinary income</b>	8,851	2,930	5,920	15,353
<i>Gain on sales of property, plant and equipment</i>	296	307	(10)	349
<i>Gain on sales of investments in securities</i>	5,631	2,623	3,007	15,004
<i>Gain on sales of investments in subsidiaries</i>	1,663		1,663	
<i>Gain on elimination of future benefit obligations related to (Japanese) governmental welfare component of (company's) defined benefit pension plan</i>	1,259		1,259	
<b>Extra-ordinary losses</b>	5,391	2,213	3,177	12,311
<i>Loss on disposal of property, plant and equipment</i>	1,314		1,314	2,474
<i>Loss on revaluation of investments in securities</i>	24	361	(336)	1,651
<i>Loss on sale of investments in affiliates</i>	2,347	1,852	494	1,888
<i>Loss on liquidation of investments in affiliates</i>	1,705		1,705	1,727
<i>Additional retirement benefits</i>				302
<i>Loss on disposal of inventories</i>				4,266
<b>(Loss) income before income taxes and minority interests</b>	3,467	(1,323)	4,791	1,468
Income taxes :Current	1,870	1,635	234	3,426
Income taxes :Deferred	1,012	(1,749)	2,761	1,118
Minority interests in net income of consolidated subsidiaries	218	362	(144)	76
<b>Net (loss) income</b>	365	(1,573)	1,939	(3,152)

## Consolidated Balance Sheets

(Millions of yen)

ASSETS	Sep. 2003	Mar.2003	Variance	Sep. 2002
Total current assets	171,625	159,970	11,655	160,902
Cash and deposits	53,614	46,675	6,938	37,256
Notes and accounts receivable: Trade	60,619	64,421	(3,802)	65,441
Inventories	38,930	38,201	729	43,775
Deferred income taxes	2,149	2,574	(425)	5,303
Other current assets	17,362	10,444	6,917	11,498
Allowance for doubtful accounts	(1,050)	(2,348)	1,297	(2,372)
Total fixed assets	291,220	292,493	(1,272)	337,633
Tangible fixed assets	141,334	151,876	(10,541)	159,884
<i>Buildings and structures</i>	51,275	55,258	(3,982)	56,664
<i>Machinery and equipment</i>	51,011	57,638	(6,627)	60,395
<i>Tools &amp; fixtures</i>	4,244	4,637	(392)	4,903
<i>Land</i>	29,474	30,075	(601)	30,101
<i>Construction in progress</i>	5,329	4,266	1,063	7,821
Intangible fixed assets	5,504	5,537	(32)	6,982
Investments and other assets	144,381	135,079	9,301	170,765
<i>Investments in securities</i>	133,983	125,906	8,076	160,108
<i>Long-term loans receivable and other assets</i>	3,065	3,266	(200)	1,806
<i>Long-term prepaid expense</i>	2,119	2,298	(179)	1,065
<i>Deferred income taxes</i>	2,911	1,411	1,499	3,394
<i>Other assets</i>	4,754	4,856	(101)	5,543
<i>Allowance for doubtful accounts</i>	(2,453)	(2,660)	207	(1,152)
Total assets	462,846	452,463	10,382	498,536

LIABILITIES AND SHAREHOLDERS' EQUITY	Sep. 2003	Mar.2003	Variance	Sep. 2002
Current liabilities	149,307	141,693	7,614	140,298
Notes and accounts payable: Trade	38,937	39,469	(532)	38,763
Short-term bank borrowings	69,787	69,770	16	64,455
Current portion of bonds	19,791	9,900	9,891	12,381
Notes and accounts payable: Construction	3,389	5,276	(1,886)	5,769
Accrued income taxes	1,805	1,461	343	1,668
Accrued consumption taxes	609	815	(205)	569
Accrued expenses	3,888	5,724	(1,836)	6,382
Customers' deposits	4,804	4,449	355	4,620
Accrued bonus	2,579	2,690	(110)	4,023
Deferred income taxes	1,463	501	961	214
Other current liabilities	2,251	1,633	617	1,448
Long-term liabilities	109,543	110,206	(663)	137,696
Unsecured bonds	39,600	39,391	209	39,441
Long-term bank borrowings	35,285	40,936	(5,650)	51,917
Accrued retirement benefits to employees	12,715	14,060	(1,345)	14,144
Accrued retirement benefits to directors	880	986	(105)	811
Reserve for rebuilding furnaces	8,042	7,588	453	8,183
Consolidation goodwill	263	798	(534)	786
Deferred income taxes	10,844	3,986	6,858	19,609
Other long-term liabilities	1,910	2,458	(547)	2,800
Minority interests in consolidated subsidiaries	9,541	9,649	(108)	9,928
Shareholders' equity	194,454	190,913	3,540	210,613
Common stock:	41,060	41,060		41,060
Additional paid-in capital	50,371	50,371		50,371
Retained earnings	86,910	88,047	(1,137)	89,655
Unrealized holding gain on securities	21,800	13,396	8,404	31,653
Translation adjustments	(5,535)	(1,822)	(3,712)	(2,067)
Treasury stock, at cost	(153)	(139)	(14)	(60)
	462,846	452,463	10,382	498,536

## Consolidated Statements of Cash Flows

(Millions of yen)

	Half year ended Sep.2003	Half year ended Sep. 2002	Full year ended Mar. 2003
<b>Cash flows from operating activities:</b>			
(Loss) income before income taxes and minority interests	3,467	(1,323)	1,468
Depreciation and amortization	7,895	8,464	17,753
Increase in accrued retirement benefits	(1,091)	(556)	(494)
Gain on sales of investments in securities	(4,948)	(771)	(15,004)
Interest and dividend income	(887)	(944)	(2,124)
Interest expense	1,779	1,873	3,769
Decrease in notes and accounts receivable	1,086	2,133	3,170
(Decrease) increase in inventories	(2,122)	3,530	9,076
(Decrease) increase in notes and accounts payable	1,259	(2,598)	(1,867)
Other, net	(1,040)	(1,492)	4,458
<b>Subtotal</b>	<b>5,398</b>	<b>8,314</b>	<b>20,207</b>
Interest and dividend income received	2,557	2,605	4,614
Interest paid	(1,758)	(1,873)	(3,761)
Income taxes paid	(1,475)	(1,558)	(3,330)
<b>Net cash provided by operating activities</b>	<b>4,721</b>	<b>7,489</b>	<b>17,730</b>
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(7,231)	(6,552)	(12,546)
Proceeds from sales of property, plant and equipment	916	417	2,343
Purchases of investments in securities	(347)	(843)	(945)
Proceeds from sales of investments in securities	7,517	8,873	22,486
Increase in accounts receivable from sales of investments in affiliates	(2,102)		
Other, net	(1,635)	81	361
<b>Net cash provided by (used in) investing activities</b>	<b>(2,882)</b>	<b>1,975</b>	<b>11,698</b>
<b>Cash flows from financing activities:</b>			
(Decrease) increase in short-term borrowings	3,273	(3,908)	(5,033)
Issuance of long-term indebtedness	2,966	8,815	10,175
Repayment of long-term indebtedness	(9,174)	(9,174)	(17,450)
Issuance of bonds	20,000		
Redemption of bonds	(9,900)		(2,531)
Cash dividends paid	(1,330)	(1,331)	(1,331)
Other, net	292	(281)	(357)
<b>Net cash provided by (used in) financing activities</b>	<b>6,128</b>	<b>(5,880)</b>	<b>(16,527)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(1,449)</b>	<b>(1,973)</b>	<b>(1,881)</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,518</b>	<b>1,611</b>	<b>11,019</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>45,781</b>	<b>33,799</b>	<b>33,799</b>
<b>Effect of change in scope of consolidation</b>		<b>960</b>	<b>962</b>
<b>Cash and cash equivalents at end of the year</b>	<b>52,300</b>	<b>36,370</b>	<b>45,781</b>