

Nippon Sheet Glass Co., Ltd.
Consolidated Financial Statements for Half Year to September 2004

Consolidated Balance Sheets

(¥ million)

	Sep 30, 2004	Mar 31, 2004	Change	Sep 30, 2003
(ASSETS)				
Total current assets	167,942	165,785	2,157	171,625
Cash and deposits	61,810	55,968	5,841	53,614
Notes and accounts receivable: Trade	58,973	61,927	(2,953)	60,619
Inventories	38,080	36,184	1,896	38,930
Deferred income taxes	1,472	1,490	(17)	2,149
Other current assets	8,456	10,811	(2,355)	17,362
Allowance for doubtful accounts	(851)	(596)	(254)	(1,050)
Total fixed assets	262,409	276,378	(13,968)	291,220
Tangible fixed assets	120,653	126,271	(5,618)	141,334
Buildings and structures	43,029	45,445	(2,415)	51,275
Machinery and equipment	39,131	39,847	(716)	51,011
Tools & fixtures	4,169	4,094	75	4,244
Land	26,249	29,033	(2,784)	29,474
Construction in progress	8,073	7,850	222	5,329
Intangible fixed assets	4,096	3,999	96	5,504
Intangible fixed assets	4,096	3,999	96	5,504
Investments and other assets	137,660	146,107	(8,447)	144,381
Investments in securities	130,948	138,641	(7,693)	133,983
Long-term loans receivable and other assets	871	2,869	(1,998)	3,065
Long-term prepaid expense	1,743	1,990	(247)	2,119
Deferred income taxes	779	1,013	(233)	2,911
Other assets	4,053	4,196	(142)	4,754
Allowance for doubtful accounts	(735)	(2,602)	1,867	(2,453)
Total assets	430,352	442,163	(11,811)	462,846
(LIABILITIES)				
Current liabilities	113,096	136,219	(23,122)	149,307
Notes and accounts payable: Trade	37,316	41,939	(4,622)	38,937
Short-term bank borrowings	42,976	53,301	(10,324)	69,787
Current portion of bonds	9,600	19,791	(10,191)	19,791
Notes and accounts payable: Construction	3,776	3,409	366	3,389
Accrued income taxes	3,087	2,678	409	1,805
Accrued consumption taxes	396	605	(209)	609
Accrued expenses	5,443	5,094	349	3,888
Customers' deposits	4,421	4,403	18	4,804
Accrued bonus	2,461	2,314	147	2,579
Deferred income taxes	1,389	1,441	(51)	1,463
Other current liabilities	2,226	1,241	985	2,251
Long-term liabilities	112,384	99,483	12,900	109,543
Unsecured bonds	20,000	29,800	(9,800)	39,600
Convertible bonds	23,000	-	23,000	-
Long-term bank borrowings	33,583	31,211	2,372	35,285
Accrued retirement benefits to employees	12,999	13,181	(182)	12,715
Accrued retirement benefits to directors	781	989	(207)	880
Reserve for rebuilding furnaces	8,965	8,502	463	8,042
Consolidation goodwill	115	137	(22)	263
Deferred income taxes	11,522	14,246	(2,724)	10,844
Other long-term liabilities	1,415	1,413	1	1,910
(MINORITY INTERESTS)	2,875	5,898	(3,022)	9,541
Minority interests in consolidated subsidiaries	2,875	5,898	(3,022)	9,541
(SHAREHOLDERS' EQUITY)				
Common stock	41,060	41,060	-	41,060
Additional paid-in capital	50,373	50,371	-	50,371
Retained earnings	92,993	90,558	2,434	86,910
Unrealized holding gain on securities	25,477	28,751	(3,274)	21,800
Translation adjustments	(7,707)	(10,010)	2,303	(5,535)
Treasury stock, at cost	(200)	(170)	(29)	(153)
Total liabilities, minority interests and shareholders' equity	430,352	442,163	(11,811)	462,846

Consolidated Statements of Operations

(¥ million)

	Half year to Sep 2004	Half year to Sep 2003	Change	Year to Mar 2004
Net sales	129,663	132,029	(2,365)	269,149
Cost of sales	94,589	100,446	(5,857)	200,973
Selling, general and administrative expenses	29,759	29,394	364	58,150
Operating income	5,314	2,187	3,126	10,025
Non-operating income	4,026	3,266	760	6,472
Interest and dividend income	938	887	50	1,693
Equity in earnings of affiliates	2,366	135	2,230	1,210
Other income	722	2,243	(1,520)	3,569
Non-operating expenses	3,516	5,447	(1,930)	8,740
Interest expense	1,064	1,779	(714)	3,100
Other expenses	2,452	3,667	(1,215)	5,639
Income before extra-ordinary items	5,824	6	5,817	7,757
Extra-ordinary income	1,823	8,851	(7,028)	15,053
Gain on sales of property, plant and equipment	512	296	215	1,260
Gain on sales of investments in securities	1,310	5,631	(4,980)	10,738
Gain on sales of investment in affiliates	-	1,663	(1,663)	1,795
Gain on elimination of future benefit obligations related to Japanese governmental welfare component of company's defined benefit pension plan	-	1,259	(1,259)	1,259
Extra-ordinary losses	1,250	5,391	(4,141)	13,249
Loss on disposal of property, plant and equipment	269	1,314	(1,044)	4,026
Loss on revaluation of investment in securities	10	24	(14)	93
Loss on liquidation of investments in affiliates	-	1,705	(1,705)	1,954
Loss on sales of investments in affiliates	969	2,347	(1,377)	6,508
Loss on redemption of bonds	-	-	-	666
Income before income taxes and minority interests	6,397	3,467	2,930	9,562
Income taxes : Current	2,660	1,870	790	3,998
Income taxes : Deferred	(402)	1,012	(1,415)	2,121
Minority interests in net income of consolidated subsidiaries	222	218	4	234
Net income	3,917	365	3,551	3,207

Consolidated Statements of Cash Flows

(¥ million)

	Half year to Sep 2004	Half year to Sep 2003	Year to Mar 2004
Cash flows from operating activities:			
Income before income taxes and minority interests	6,397	3,467	9,562
Depreciation and amortization	6,158	7,895	14,875
(Decrease) increase in accrued retirement benefits	327	(1,091)	(515)
Gain on sales of investments in securities	(341)	(4,948)	(10,738)
Interest and dividend income	(938)	(887)	(1,693)
Interest expense	1,064	1,779	3,100
Decrease (increase) in notes and accounts receivable	232	1,086	1,166
Decrease (increase) in inventories	(2,819)	(2,122)	(429)
(Decrease) increase in notes and accounts payable	(2,969)	1,259	2,096
Other, net	475	(1,040)	2,437
Subtotal	7,587	5,398	19,861
Interest and dividend income received	3,104	2,557	4,139
Interest paid	(1,067)	(1,758)	(3,144)
Income taxes paid	(2,230)	(1,475)	(3,252)
Net cash provided by operating activities	7,393	4,721	17,603
Cash flows from investing activities:			
Purchases of property, plant and equipment	(6,350)	(7,231)	(13,126)
Proceeds from sales of property, plant and equipment	1,043	916	3,703
Purchases of investments in securities	(865)	(346)	(5,531)
Proceeds from sales of investments in securities	3,861	7,517	25,046
Proceeds from sales of investments in affiliates	-	(2,102)	-
Other, net	(440)	(1,635)	(451)
Net cash provided by (used in) investing activities	(2,752)	(2,882)	9,641
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings	(2,670)	3,273	817
Issuance of long-term indebtedness	5,518	2,966	9,306
Repayment of long-term indebtedness	(4,018)	(9,174)	(24,610)
Issuance of bonds	23,000	20,000	20,000
Redemption of bonds	(19,791)	(9,900)	(20,566)
Cash dividends paid	(1,330)	(1,330)	(1,330)
Other, net	(53)	292	(240)
Net cash provided by (used in) financing activities	654	6,128	(16,623)
Effect of exchange rate changes on cash and cash equivalents	545	(1,449)	(1,045)
Net increase in cash and cash equivalents	5,841	6,518	9,575
Cash and cash equivalents at beginning of the year	55,356	45,781	45,781
Effect of change in scope of consolidation	(119)	-	-
Cash and cash equivalents at end of the quarter	61,078	52,300	55,356