FY2009 Annual Consolidated Financial Results

20 May 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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Date of annual general shareholders meeting:		26 June 2009	
Submission of annual financial statements to MOF:		29 June 2009	
Payment of dividends starts from:		12 June 2009	

1. Consolidated business results for FY2009 (From 1 April 2008 to 31 March 2009)

Note: Fractional amounts for FY2009 rounded to nearest million yen

(1) Consolidated business results

Percentages indicate year-on-year change

	Sales		Operating income		Ordinary Income		Net Income	
	million JPY	%	million JPY	%	million JPY	%	million JPY	%
FY2009	739,365	(14.6)	1,908	(95.9)	(12,259)	-	(28,392)	-
FY2008	865,587	27.0	46,462	95.0	30,437	280.4	50,416	316.8

	Net income per share - basic	Net income per share - diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
FY2009	JPY (42.49)	JPY -	(9.4)%	(1.0)%	0.3%
FY2008	JPY 75.44	JPY 70.90	14.5%	2.2%	5.4%

Note: Income attributable to investments in affiliates

FY2009 JPY 1,585 million FY2008 JPY 10,257 million

(2) Changes in financial position

	Gross assets	Net assets	Equity ratio	Net assets per share
	million JPY	million JPY	%	JPY
FY2009	1,025,221	257,223	24.1	369.15
FY2008	1,319,290	371,998	27.2	536.37

Note: Total Equity

FY2009 JPY 246,648 million FY2008 JPY 358,434 million

(3) Consolidated statement of cash flow

	Net cash generated from operating activities	Net cash generated from (used in) investing activities	Net cash generated from (used in) financial activities	Cash and cash equivalents as of term-end
	million JPY	million JPY	million JPY	million JPY
FY2009	(32,597)	2,589	15,840	75,598
FY2008	49,394	29,471	(83,616)	103,293

2. Dividends

	Dividends per share					Dividends paid (annual)	Payout ratio	Dividends over net assets
	Q1	Q2	Q3	Q4	Total			
FY2008 (actual)	-	JPY 3.0	-	JPY 3.0	JPY 6.0	JPY 4,009m	7.9%	1.1%
FY2009 (actual)	-	JPY 3.0	-	JPY 3.0	JPY 6.0	JPY 4,009m	-	1.3%
FY2010 (forecast)	-	JPY 3.0	-	JPY 3.0	JPY 6.0	-	-	-

3. Forecast for FY2010 (From 1 April 2009 to 31 March 2010)

	Sales		Operating income		Ordinary Income		Net Income		Net income per share
	million JPY	%	million JPY	%	million JPY	%	million JPY	%	JPY
Half year	-	-	-	-	-	-	-	-	-
Full year	580,000	(21.6)	(30,000)	-	(47,000)	-	(50,000)	-	(74.83)

Note: Given the current uncertain economic outlook, the Group has not provided a half-year analysis of the forecast. A split of the half and full year forecast will be provided when available.

4. Others

(1) Changes in status of principal subsidiaries, “Tokutei-Kogaisya”, included in the consolidated accounts: Yes
Newly established: 1 (NSG Building Products Co., Ltd.); excluded: 0 (for further details, please refer to page 9)

(2) Changes in accounting policies, procedures, and presentation
1) Changes implemented due to newly adopted or amended regulations: Yes
2) Other changes: Yes (for further details, please refer to page 20)

(3) Number of issued ordinary shares
1) Number of ordinary shares, inclusive of treasury shares 669,550,999 (31 March 2008: 669,550,999)
2) Number of treasury shares 1,398,921 (31 March 2008: 1,290,932) (for further details, please refer to page 29)

Unconsolidated financial results of the parent company

1. Financial results of FY2009 (From 1 April 2008 to 31 March 2009)

(1) Stand-alone business results

	Sales		Operating income		Ordinary Income		Net income	
	million JPY	%	million JPY	%	million JPY	%	million JPY	%
FY2009	149,419	(11.9)	(1,949)	-	(5,923)	-	21,597	-
FY2008	169,514	(4.6)	(1,314)	-	(4,596)	-	(10,910)	-

	Net income per share		Diluted earnings per share	
FY2009	JPY	32.32	JPY	30.37
FY2008	JPY	(16.33)	JPY	(15.34)

(2) Stand-alone financial positions

	Gross assets	Net assets	Equity ratio	Net assets per share
	million JPY	million JPY	%	JPY
FY2009	554,839	280,829	50.5	419.57
FY2008	511,573	274,717	53.7	410.71

Note: shareholders equity

	million JPY
FY2009	280,336
FY2008	274,463

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 to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Europe, Japan, North and South America, and Asia), product supply/demand shifts, fluctuations in currency exchange and interest rates as well as price changes in primary fuels and raw materials.

2. From FY2009, figures in the financial statements have been changed to be presented in rounded values. Previously this was presented in rounded-down values. This change is made to improve comparability of financial information with other global companies.

1. Business Performance and Financial Standing

(1) Business performance

1) Background to Results

The Group's major markets have continued to experience recessionary conditions during the quarter. For the year as a whole, markets held up relatively well during the first six months, and then deteriorated quickly from the third quarter. Economic activity has remained at subdued levels during the final quarter as central banks and governments have attempted to stimulate demand through interest rate reductions and public spending initiatives. Although the rate of market deterioration appears to be slowing, the Group does not anticipate a significant recovery in the near-term. Against this market background, on 29 January 2009 the Group announced a program of initiatives to improve profitability and enhance operational efficiencies, involving restructuring, headcount reduction and further cost reductions. In a subsequent announcement on 7 April 2009, the Group highlighted the fact that the unprecedented drop in demand was particularly affecting Building Products Europe, requiring a consequential extension of the restructuring program and a further restructuring charge.

Western European economies remained firmly in recession during the fourth quarter. Building Products markets continued to be weak, with low levels of construction activity and residential house purchases. Sales of new cars remained at historically low levels, although in some territories government initiatives to stimulate demand, such as scrappage schemes, generated a positive response from consumers. The European Automotive Glass Replacement (AGR) market held up well, and continued to improve during the fourth quarter. Demand for glass cord remained at a low level consistent with the depressed market for new vehicles.

In Japan, market conditions continued to be difficult. Building Products sales were impacted by low consumer confidence, with housing starts typically down by approximately 25 percent on levels in the previous year. Vehicle production in Japan, which had earlier in the year held up better than in other developed economies, continued to decline in the fourth quarter. Exports suffered, due to weak export markets and a strong yen. Demand for Specialty Glass products was generally weak.

The North American economy remained challenging, with the Building Products market continuing to suffer from low levels of commercial and residential construction. Property prices continued to fall, although the rate of decline decreased in many areas. Sales of new vehicles remained poor, with well-publicized financial consequences for the large domestic producers. The AGR market held up at levels close to the previous year.

In the rest of the world, the emerging markets in which the Group operates performed relatively well compared to more developed markets.

Solar energy glass for the photovoltaic market continued to expand despite the global economic conditions, although the rate of expansion was lower than previously anticipated. Reductions in the availability of project finance contributed to slower growth, although funding is still available for suitable projects. The drive for renewable energy remains at the top of many governments' agendas.

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 18 February 2009 submitted an appeal to the European Court of the First Instance. Notwithstanding such appeal, the fine was paid on 6 March 2009, as required by EU law.

2) Review by Business Segment

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

Building Products, representing 48 percent of Group sales, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also includes glass for the growing solar energy sector.

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

Specialty Glass, representing 10 percent 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	
	FY2008	**FY2009**	**FY2008**	**FY2009**
Building Products	402,468	347,833	31,338	10,622
Automotive	364,818	299,096	23,939	1,292
Specialty Glass	83,589	75,397	9,029	3,758
Other Operations and Eliminations	14,712	17,039	(17,844)	(13,764)
Total	865,587	739,365	46,462	1,908

Building Products (BP) Business

The profit performance for Building Products (BP) for the year was lower than the previous year with the Group's businesses experiencing higher input costs and increasingly challenging market conditions.

In Europe, representing 51 percent of the Group's BP sales, revenue was lower than last year as a consequence of reduced prices and volumes in difficult markets. Profit performance was also lower than last year in most markets, with results impacted by rising input costs as well as reduced volumes and prices.

Revenues in Japan, representing 31 percent of BP sales, increased due to the inclusion of certain subsidiary companies for a 15-month accounting period. See note two on page 19 for further details. Excluding the effect of this change, revenues decreased in difficult market conditions, with lower volumes more than offsetting higher prices. Profits were higher than last year, with higher selling prices, an improving product mix, and the benefits of the restructuring offsetting rising input costs.

In North America, representing 8 percent of BP sales, dollar revenues were flat, 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 similar to last year. Profits reduced, as input costs increased. In South America, profits remain at satisfactory levels. Market conditions remained relatively robust for the first nine months of the year; but the fourth quarter saw a market decline. Profits in South East Asia declined.

The contribution from solar energy glass for photovoltaics increased as worldwide markets continued to expand, albeit at a slightly slower rate than anticipated.

The Building Products business achieved sales of ¥347,833 million and operating income of ¥10,622 million.

Automotive Business

In the European Original Equipment (OE) and AGR sectors, representing 51 percent of the Group's Automotive sales, cumulative revenues were below last year, due to significantly lower demand from OE customers during the third and fourth quarters. AGR demand was less severely impacted. Profits were also below the previous year, especially within OE during the third and fourth quarters where it was not possible to reduce capacity and costs quickly enough to match the lower sales.

In North America, representing 21 percent of the Group's Automotive sales, AGR sales and profits were similar to last year. Sales in OE continue to be down on last year, driven by accelerated lower market demand in the third and fourth quarters. This, coupled with higher energy costs during the year and costs associated with a float re-build, has significantly affected business performance.

Japan represents 16 percent of the Group's Automotive sales. During the first three quarters of the year, improvements in manufacturing and operational performance led to increased profitability. Demand declined rapidly in the fourth quarter as vehicle manufacturers cut production to address reductions in sales into both domestic and export markets. Revenues and profit were severely impacted as a result.

In the rest of the world, revenues were relatively strong as the markets proved more resistant to recession than the more developed markets. The rate of growth, however, has slowed sharply during the third and fourth quarters. Profits fell as increasing input costs offset cost reduction improvements.

The Automotive business recorded sales of ¥299,096 million and operating income of ¥1,292 million.

Specialty Glass Business

The Specialty Glass division started the year promisingly, but from the third quarter has been increasingly affected by deteriorating market conditions. Some Specialty Glass markets show signs of recovery but are still at low levels. The recent weakening of the Yen against the US dollar slightly helped exports from Japan of components for printers and scanners.

The Specialty Glass business recorded overall sales of ¥75,397 million and an operating profit of ¥3,758 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 ¥17,039 million and an operating loss of ¥13,764 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, from 1 April 2008 up to the date of disposal, the results of this company are excluded from the Group's share of earnings of joint ventures and associates. The Group's share of underlying post-tax profit of its joint ventures and associates was below the previous year. Cebrace, the Group's joint venture company in Brazil, performed strongly during the period, with profits similar to prior year levels. Pilkington Glass LLC, the Group's joint venture company in Russia, experienced particularly difficult trading conditions towards the end of the year with a consequent reduction in profitability.

3) Prospects

The forecast of operating income, ordinary income and net income is set out on page 2. Given the current uncertain economic outlook, the Group has not provided a half-year analysis of this forecast. It is however, anticipated that the result for the first half of the year will reflect the current economic difficulties, whilst the results in the second half of the year will increasingly benefit from the restructuring actions detailed below.

The deterioration in economic conditions experienced during the third and fourth quarters appears largely to have stabilized in most of the Group's major markets. The Group does not anticipate a significant near-term recovery, although the long-term prospects for the Group's businesses remains promising.

For the NSG Group, FY2010 will be a year of restructuring. On 29 January and 7 April 2009, the Group announced a series of measures designed to address the economic downturn and improve profitability going forward. The total income statement change for the restructuring will be around ¥25 billion over the next two years, with an expected annualized payback of ¥16 billion.

The above measures will result in a reduction in overall headcount in the Group of approximately 6,700 people by March 2010, representing over 15 percent of the total global headcount compared with 30 June 2008. Around 4,500 of these employees had already left the Group by 31 March 2009.

In addition, the Group has reviewed its investment plans, with the aim to sharpen its focus consistent with the Group's growth strategy. The Group is reducing overall investment in the short term, but will be increasing the share of the reduced total for investment in the solar energy sector, which the Group continues to identify as a key area for expansion. Through such measures, the NSG Group is planning to contain investment across its businesses to below 60 percent of depreciation for the next two financial years.

The Group has made substantial progress over the past three years on its key targets – integration and debt reduction, providing a robust platform for future development. Historically, growth in demand for glass has exceeded economic growth with the Group's products crucial to a number of key industries, notably construction, automotive, printers, and mobile phones. In the long term, the Group does not expect that to change fundamentally. The Group is in a very strong position to supply the emerging solar energy sector and despite the current economic disruption, the Group's Solar Energy business has held up well. Although some customers have slowed down their plans, they still clearly share the Group's view that solar energy is set to make an important contribution in the short and long term.

The Group's forecasts and projections, taking into account a prudent and conservative view of changes in trading performance, show that the Group is able to continue to operate within existing financial facilities. The Group will enter renewal negotiations with its providers of finance before such facilities fall due. In discussions with its bankers on future borrowing requirements, no matters have been drawn to the Group's attention to suggest that renewal would not be forthcoming on acceptable terms.

After making enquiries, the directors have reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to apply the going concern basis in preparing these financial statements.

(2) Financial condition

Total assets at 31 March 2009 were ¥ 1,025,221 million, representing a decrease of ¥ 294,069 million from the end of March 2008. Of this decrease, approximately ¥ 262,000 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
FY2007 Quarter 1	30 June 2006	514,097
FY2007 Full year	31 March 2007	400,203
FY2008 Full year	31 March 2008	328,479
FY2009 Full year	31 March 2009	331,343

Net debt increased by ¥ 2,864 million from 31 March 2008 to ¥ 331,343 million at 31 March 2009. Reductions in net debt were generated by the sale of the NH Techno Glass Co and exchange differences. The payment of the European Commission competition compliance fine increased indebtedness. Included in net debt at 31 March 2009 are financial lease creditors of ¥ 7,981 million. This represents a change in definition during the current financial year. Excluding this change, net debt decreased by ¥ 5,117 million during the period. Currency movements generated a decrease in net debt of approximately ¥ 41,100 million over the period. Gross debt was ¥ 426,322 million at the period end.

Cash outflows from operations were ¥ 32,597 million, due mainly to the payment of the European Commission competition compliance fine. Cash inflows from investment activities were ¥ 2,589 million, due mainly to the proceeds from the sale of NH Techno Glass Co., Ltd.

Cash flow indices

	FY2006	FY2007	FY2008	FY2009
Equity ratio	40.0%	23.9%	27.2%	24.1%
Equity ratio based on market value	48.8%	29.3%	22.3%	15.8%
Interest-bearing debts over net cash provided by operating activities	15.3	7.4	9.2	(13.1)
Interest coverage ratio	9.0	3.9	1.8	(1.7)

Notes:
Formulas for the computation of indices
Equity ratio: (Net assets – Minority interest – Stock options) / Total assets
Equity ratio based on market value: Total market capitalization / Total assets
Interest-bearing debts over net cash provided by operating activities: Gross financial indebtedness / Net cash provided by operating activities
Interest coverage ratio: Operating cash flows / Interest payment

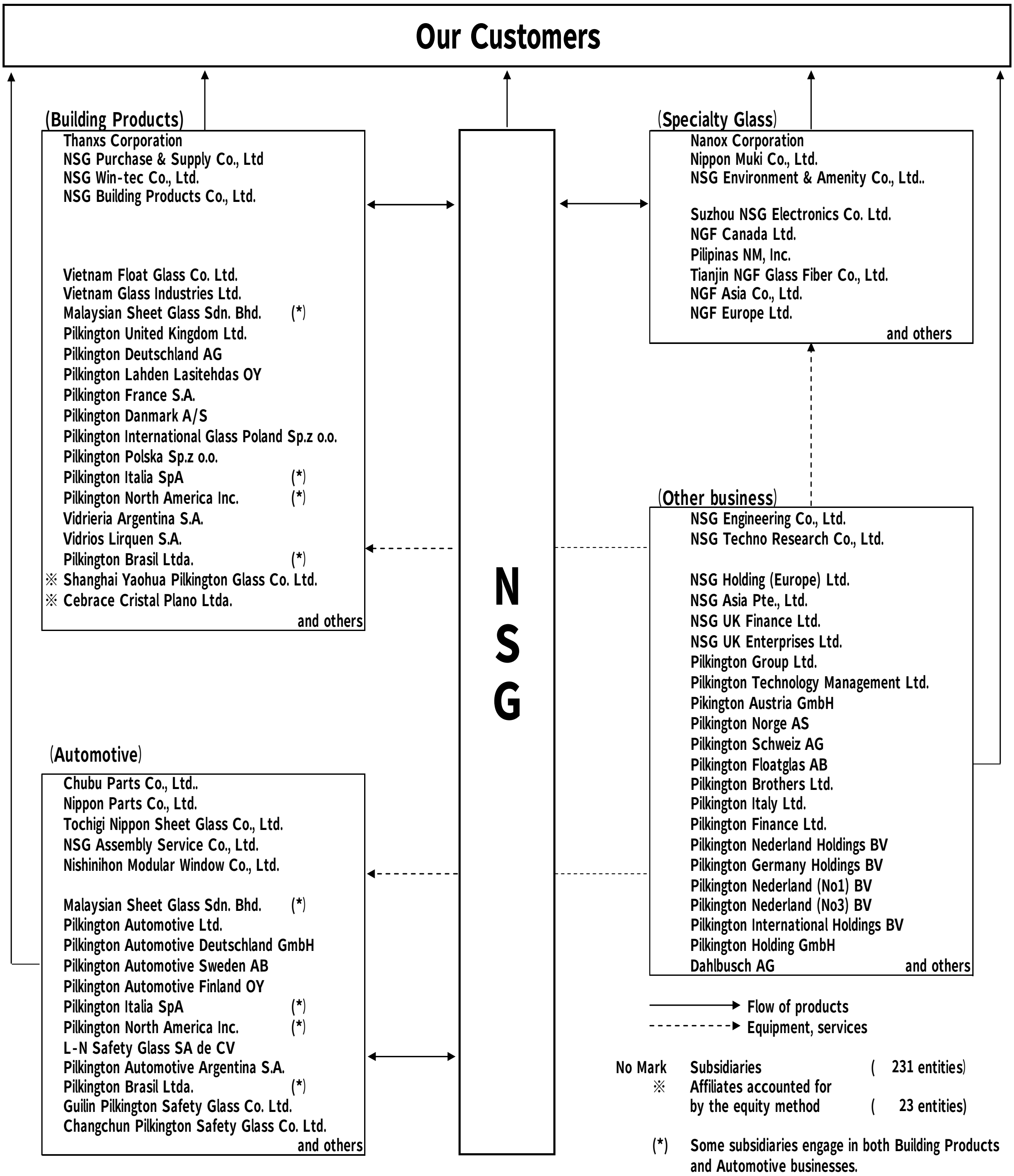
1. All of the indices presented above are calculated based on consolidated financial figures.

2. Total market capitalization is calculated based on the number of outstanding shares after the deduction of treasury stocks.
3. Operating cash flows represent net cash provided by operating activities in the cash flow statement.
4. Interest bearing debts represent all debts on the consolidated balance sheet for which interest is paid.

(3) Dividend Policy

The Group's policy is to secure stable dividend payments based on stable business results. The Group intends to distribute a year end dividend of ¥3 per share. The full-year dividend payment will be ¥6 per share including the interim dividend of ¥3 per share.

2. Status of group



3. Management Policy and Long-Term Mission and Strategy

The fundamental principles of the Company's basic management policy are ensuring open and fair business dealings, adhering to corporate ethical standards, and contributing to the resolution of global environmental issues; all aimed at establishing a company with a spirit of innovation and a global presence, and maximizing Group company value for all stakeholders.

The mission of the NSG Group is to be the global leader in the manufacture and supply of glass products through the best use of our people and technology, and by the pursuit of innovation. The Company is organized around three business lines: Building Products, Automotive, and Specialty Glass.

The Company is following a 10-year, 3-Phase strategy, published in July 2006. This remains central to the Group's long term vision and the basic objectives remain in place. However, the Medium-term Plan targets set for the halfway stage (2011) are under review as a result of the global market downturn, and we expect to revisit these later in the year.

The immediate operational focus is firmly on the restructuring program and on achieving the objectives of Phase 1; integrating the business and strengthening competitiveness, improving financial strength and preparing for future growth. Good progress has been made in meeting Phase 1 objectives, with the new integrated global organization now established, and operational synergies realized. Group organization has been simplified and changes to the composition of the Board and in corporate governance announced. Net debt has been reduced by ¥183 billion (36 percent) since the acquisition of Pilkington in June 2006, with the target level of ¥350 billion achieved one year earlier than planned. The ground is being prepared in emerging markets for future growth, with the creation of joint ventures and on-the-ground investment to ready the businesses for expansion in regions such as Eastern Europe, South America, India and China.

Phase 1 was originally planned for four years. At first the Group anticipated delivery of the target results ahead of schedule. It is now clear that, with the impact of the economic downturn, the full four years will be required. As announced in January 2009, the Group has carefully reviewed its investment plans, to sharpen focus consistent with the growth strategy. Overall investment is being reduced in the short term, but with an increasing share of the reduced total being earmarked for investment in the solar energy sector, which the Group continues to identify as a key area for expansion.

In Phase 2, the intention is to achieve aggressive growth in the flat glass business, expanding geographically, particularly into emerging markets. The aim is to improve competitiveness, launch major new products, improve R&D and foster our key technologies.

In Phase 3, the Group will be exploring new areas for further growth, as well as exploring new businesses by leveraging both its customer base and its technical and operational competencies, pursuing acquisitions, mergers, and alliances in adjacent areas.

4. Consolidated financial statements

(1) Balance sheet

	FY2008	FY2009
	JPY million	JPY million
ASSETS		
Current assets		
Cash and deposits	127,928	94,979
Notes and account receivables – trade	145,560	94,291
Inventories	119,488	-
Merchandise and finished goods	-	69,335
Work in Process	-	10,352
Raw materials and supplies	-	34,139
Deferred tax assets (current)	7,375	974
Other current assets	26,412	24,977
Allowance for doubtful accounts	(4,830)	(3,815)
Total: Current assets	421,935	325,231
Fixed assets		
Tangible assets		
Buildings and structures	157,260	147,014
Accumulated depreciation	(76,559)	(79,334)
Buildings and structures – net	80,700	67,679
Machinery and vehicles	389,523	366,197
Accumulated depreciation	(172,112)	(188,927)
Machinery and vehicles – net	217,410	177,270
Tools and dies	42,190	41,603
Accumulated depreciation	(22,279)	(25,200)
Tools and dies – net	19,910	16,403
Land	54,041	46,483
Leased assets	-	8,089
Accumulated depreciation	-	(3,136)
Leased assets - net	-	4,953
Construction in progress	3,410	4,690
Total: Tangible fixed assets	375,474	317,478
Intangible assets		
Goodwill	181,167	132,882
Other intangible assets	171,506	127,283
Total: Intangible fixed assets	352,674	260,165
Investments and other assets		
Investments	99,867	55,935
Loan receivable (non-current)	9,083	-
Prepaid expenses (non-current)	2,193	-
Deferred tax assets (non-current)	51,431	48,363
Other non-current assets	7,616	19,382
Allowance for doubtful accounts	(987)	(1,334)
Total: Investments and other assets	169,205	122,347
Total: Fixed assets	897,354	699,989
Total : Assets	**1,319,290**	**1,025,221**

Balance sheet (continued)

	FY2008	FY2009
	JPY million	JPY million
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	98,955	61,902
Short-term bank borrowings	92,956	84,784
Bonds maturing within one year	10,000	-
Accounts payable (construction and other)	22,788	-
Accrued Japanese consumption tax	672	-
Accrued expenses	36,893	-
Deposits from customers	3,793	-
Lease obligations	-	3,038
Accrued income tax	16,732	19,369
Deferred tax liabilities (current)	2	3
Provision for employees' bonuses	2,530	2,458
Provision for directors' bonuses	135	8
Provision for losses incurring from enhanced early retirement program	12,519	245
Provision arising from alleged violation of competition law of the European Union	49,992	-
Provision for Netherland fine	-	2,590
Provision for warranties and claims	7,322	4,968
Provision for restructuring expenditure	-	10,941
Provision for German minority interest	-	3,192
Other current liabilities	34,480	75,817
Total: Current liabilities	389,775	269,315
Non-current liabilities		
Bonds	33,000	60,000
Long-term bank borrowings	320,452	273,557
Lease obligations	-	4,943
Deferred tax liabilities (non-current)	90,413	62,271
Accrued retirement benefits for employees	75,026	62,808
Accrued retirement benefits for directors	436	183
Provision for rebuilding furnaces	9,763	10,159
Environmental provision	7,247	6,531
Other non-current liabilities	21,176	18,232
Total: Non-current liabilities	557,516	498,683
Total : Liabilities	**947,291**	**767,998**
NET ASSETS		
Shareholders' Equity		
Common stock	96,147	96,147
Capital surplus	105,292	105,287
Retained earnings	152,097	118,159
Treasury stocks - at cost	(541)	(585)
Total: Shareholders' equity	352,995	319,009
Valuation and translation adjustments		
Unrealized holding gain on securities	9,194	2,339
Net unrealized loss on derivative instruments	(127)	(10,756)
Foreign currency translation adjustments	(3,626)	(63,944)

Total: Valuation and translation adjustments	5,439	(72,361)
Stock Options	253	493
Minority interests in consolidated subsidiaries	13,310	10,082
Total: Net assets	**371,998**	**257,223**
Total: Liabilities and Net Assets	**1,319,290**	**1,025,221**

(2) Income statement

	FY2008		**FY2009**	
	JPY million		JPY million	
Net sales		865,587		739,365
Cost of sales		594,379		537,269
Gross Income		271,208		202,095
Selling, general and administrative expenses		224,746		200,187
Operating income		46,462		1,908
Non-operating income				
Interest and dividend income	9,645		-	
Interest income	-		6,787	
Dividend income	-		1,471	
Equity in earnings of affiliates	10,257		1,585	
Other non-operating income	1,785	21,688	1,526	11,369
Non-operating expense				
Interest expense	25,497		19,956	
Foreign exchange loss	-		2,807	
Other non-operating expense	12,216	37,713	2,773	25,537
Ordinary income/(loss)		30,437		(12,259)

Income statement (continued)

	FY2008		FY2009	
	JPY million		JPY million	
Extraordinary income				
Gain from sale of fixed assets	2,679		1,337	
Gain from sale of investments in securities	13,414		7,720	
Gain from sale of investments in subsidiaries and affiliates	12		30,023	
Gain from sale of discontinued operation	30,831		-	
Income from discontinued operations	497		-	
Insurance income	1,761		-	
Gain incurred from prior year adjustments	2,072		-	
Other	-	51,268	813	39,893
Extraordinary loss				
Loss on sales and retirement of non current assets	1,574		-	
Loss on retirement of non current assets	-		1,106	
Loss on sales of non current assets	-		714	
Impairment of fixed assets	1,699		9,899	
Revaluation of investments in securities	474		1,388	
Loss from sale of investments in securities	3		-	
Revaluation of investments in subsidiaries and affiliates	1,206		-	
Liquidation of investments in subsidiaries and affiliates	58		-	
Loss from revaluation and sale of golf playing rights	164		-	
Special support for early retirees	614		-	
Provision for loss deriving from enhanced early retirement program	12,519		-	
Loss from revaluation of inventories	843		-	
Loss incurred due to withdrawal of business	288		-	
Loss arising on notification of EC fine	-		7,773	
Restructuring expenditure	-		15,375	
Other	-	19,447	4,895	41,149
Net income/(loss) before taxation and minority interest		62,258		(13,515)
Income tax - current	13,800		17,999	
Previous year tax adjustments	1,195		-	
Income tax - deferred	(5,411)	9,584	(5,167)	12,833
Minority interest in net income of subsidiaries		2,256		2,044
Net income/(loss)		50,416		(28,392)

(3) Movement in net assets

	FY2008 JPY million	FY2009 JPY million
Shareholders' equity		
Capital stock		
Balance at the end of previous period	96,147	96,147
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	**96,147**	**96,147**
Capital surplus		
Balance at the end of previous period	105,289	105,292
Changes of items during the period		
Disposal of treasury stock	2	-5
Total changes of items during the period	2	-5
Balance at the end of current period	**105,292**	**105,287**
Retained earnings		
Balance at the end of previous period	105,914	152,097
Changes of items during the period		
Dividends from surplus	-4,010	-4,009
Net income/(loss)	50,416	-28,392
New inclusion of a subsidiary	-223	-1,537
Total changes of items during the period	46,183	-33,939
Balance at the end of current period	**152,097**	**118,159**
Treasury stock		
Balance at the end of previous period	-450	-541
Changes of items during the period		
Purchase of treasury stock	-99	-67
Disposal of treasury stock	8	24
Total changes of items during the period	-91	-43
Balance at the end of current period	**-541**	**-585**
Total shareholders' equity		
Balance at the end of previous period	306,900	352,995
Changes of items during the period		
Dividends from surplus	-4,010	-4,009
Net income/(loss)	50,416	-28,392
Purchase of treasury stock	-99	-67
Disposal of treasury stock	10	19
New inclusion of a subsidiary	-223	-1,537
Total changes of items during the period	46,094	-33,986
Balance at the end of current period	**352,995**	**319,009**

	FY2008 JPY million	FY2009 JPY million
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	25,881	9,194
Changes of items during the period		
Net changes of items other than shareholders' equity	-16,687	-6,855
Total changes of items during the period	-16,687	-6,855
Balance at the end of current period	**9,194**	**2,339**
Deferred gains or losses on hedges		
Balance at the end of previous period	-3,048	-127
Changes of items during the period		
Net changes of items other than shareholders' equity	2,920	-10,628
Total changes of items during the period	2,920	-10,628
Balance at the end of current period	**-127**	**-10,756**
Foreign currency translation adjustment		
Balance at the end of previous period	7,507	-3,626
Changes of items during the period		
Net changes of items other than shareholders' equity	-11,134	-60,318
Total changes of items during the period	-11,134	-60,318
Balance at the end of current period	**-3,626**	**-63,944**
Total valuation and translation adjustments		
Balance at the end of previous period	30,340	5,439
Changes of items during the period		
Net changes of items other than shareholders' equity	-24,901	-77,801
Total changes of items during the period	-24,901	-77,801
Balance at the end of current period	**5,439**	**-72,361**
Subscription rights to shares		
Balance at the end of previous period	26	253
Changes of items during the period		
Net changes of items other than shareholders' equity	227	239
Total changes of items during the period	227	239
Balance at the end of current period	**253**	**493**
Minority interests		
Balance at the end of previous period	13,357	13,310
Changes of items during the period		
Net changes of items other than shareholders' equity	-47	-3,228
Total changes of items during the period	-47	-3,228
Balance at the end of current period	**13,310**	**10,082**

	FY2008 JPY million	FY2009 JPY million
Total net assets		
Balance at the end of previous period	350,625	371,998
Changes of items during the period		
Dividends from surplus	-4,010	-4,009
Net income/(loss)	50,416	-28,392
Purchase of treasury stock	-99	-67
Disposal of treasury stock	10	19
New inclusion of a subsidiary	-223	-1,537
Net changes of items other than shareholders' equity	-24,721	-80,789
Total changes of items during the period	21,373	-114,776
Balance at the end of current period	**371,998**	**257,223**

(4) Cash flow statement

	FY2008	FY2009
	JPY million	JPY million
Cash flows from operating activities:		
Income/(loss) before income taxes and minority interests	62,258	(13,515)
Adjustments for:		
Depreciation and amortization (excluding goodwill)	63,615	57,772
Amortization of goodwill	10,330	8,486
Loss on impairment of fixed assets	1,699	9,899
Allowance for doubtful debts	(236)	(198)
Provision for bonuses	124	-
Accrued retirement benefits	6,052	(16,682)
Provision for repairs	-	395
EC automotive glass provision	-	(43,448)
German minority interest provision	-	3,967
Netherland fine provision	-	3,219
Restructuring expenditure provision	-	13,296
(Gain)/loss on retirement of non current assets	-	483
(Gain)/loss on sale of investments in securities	(13,414)	(7,662)
(Gain)/loss on valuation of investment securities	-	1,388
(Gain)/loss on sale of discontinuing operations	(30,831)	-
(Gain)/loss on sale of stocks of subsidiaries and affiliates	-	(30,023)
Profits from discontinued operations	-	(1,585)
Interest and dividend income	(9,645)	(8,258)
Interest expense	25,497	19,956
(Increase) decrease of note and account receivable	(4,023)	37,271
(Increase) decrease of inventories	(9,263)	(9,971)
Increase (decrease) of note and account payable	9,872	(30,290)
Other, net	(14,494)	(6,820)
Sub total	97,541	(12,321)
Interest and dividend income received	12,927	10,861
Interest paid	(27,100)	(19,518)
Income taxes paid	(33,974)	(11,619)
Net cash provided by operating activities	49,394	(32,597)
Cash flows from investing activities:		
Payments into time deposits	-	(196)
Withdrawals from time deposits	-	994
Purchase of investment securities	(49)	(671)
Sales of investment securities	15,463	9,705
Acquisition of investments in subsidiaries and affiliates	(7,231)	(2,559)
Sale of investments in subsidiaries and affiliates	43	42,639
Proceeds from sale of discontinued operations	66,105	-
Purchase of non current assets	(46,636)	-
Purchase of property, plant and equipment	-	(42,635)
Sales of property, plant and equipment	3,965	3,722
Purchase of intangible assets	-	(473)
Movement in short term loans receivable	-	(6,727)
Payments of long term loans receivable	-	(115)
Other, net	(2,190)	(1,095)
Net cash provided by (used in) investing activities	29,471	2,589
Cash flows from financing activities:		
Increase / (Decrease) in short-term borrowings	1,385	(22,902)
Proceeds from long-term loan payable	25,177	98,160

Repayment of long-term loan payable	(104,071)	(65,858)
Repayment of finance lease obligations	-	(3,847)
Proceeds from issuance of bonds	-	26,828
Redemption of bonds	-	(10,000)
Cash dividends paid	(4,026)	(4,009)
Cash dividends paid to minority shareholders	-	(2,465)
Other, net	(2,081)	(68)
Net cash provided by (used in) financing activities	(83,616)	15,840
Effect of foreign exchange rate on cash and cash equivalents	(13,101)	(15,709)
Net decrease in cash and cash equivalents	(17,852)	(29,878)
Opening cash and cash equivalents at 1 April	159,762	103,293
Decrease due to change in scope of cash and cash equivalents	(38,711)	-
Increase due to change in scope of consolidation	96	2,182
Closing cash and cash equivalents at 31 March	103,293	75,598

Substantial doubts regarding the ability to remain as a going concern

There are no significant doubts regarding the ability of the Group to continue as a going concern.

Summary of significant accounting policies

1. Scope of consolidation

	Count	Notes
(1) Consolidated subsidiaries as of 31 March 2009	231	35 located in Japan, 196 located outside of Japan
(2) Subsidiaries not included in the consolidation	23	None are accounted for by the equity-method
(3) Joint ventures and affiliates	38	23 are accounted for by the equity-method
(4) Changes in scope of consolidation		
Newly added to the group in the period	12	Vietnam Glass Industries Ltd. and others
Removed from the group in the period	7	NSG Kansai Co., Ltd. and others
Affiliates newly accounted by equity-method	0	N/A
Affiliates ceased to be accounted by equity method	5	MAG Co., Ltd. and others

2. Balance sheet dates of consolidated subsidiaries

During the year, certain subsidiaries that were previously consolidated as at a balance sheet date of 31 December each year were included in the income statement for a 15-month period such that they are now consolidated with a balance sheet date of 31 March. This amendment applied to 18 subsidiaries located in Japan and five subsidiaries located overseas. Following this change, all consolidated subsidiaries are consolidated using a balance sheet date of 31 March each year.

3. Accounting policies and practices

(1) Valuation method of assets

1) Securities

- Marketable securities
  Marketable securities are stated at fair value. Changes in unrealized holding gain or loss charged directly to net assets.
- Non-marketable securities
  Stated at cost determined by the moving-average method

2) Derivatives

Derivatives are stated at their fair market value

3) Inventories

- Parent company and subsidiaries in Japan:
  Principally stated at the lower of cost and net realizable value determined by the moving-average method
- Subsidiaries located outside Japan:
  Principally stated at the lower of cost and net realizable value, determined by the first-in, first-out (FIFO) method.

[Changes in accounting principles]

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 a provision to reduce the balance in the event that the net realizable value decreases). Inventories of the Company and its domestic subsidiaries were previously stated at cost determined by the moving-average method. The operating profit has decreased by ¥ 185 million, and ordinary loss and net loss before taxation have increased by ¥ 185 million due to this change during the financial year.

(2) Change in accounting principles

1) Tangible fixed assets

- Parent company and subsidiaries in Japan:

Depreciation is calculated by the straight-line method.
The estimated useful lives applied are principally as follows:

Buildings and structures	3-50 years
Machinery, equipment and vehicles	3-9 years

- Subsidiaries located outside Japan:

Depreciation is calculated by the straight-line method. The estimated useful lives adopted are as follows:

Buildings and structures	20-50 years
Machinery, equipment and vehicles	5-25 years

[Changes in accounting policies]

From 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. The Company has been preparing to implement a uniform set of accounting policies which is essential for the establishment of a global management system, after the acquisition of Pilkington in June 2006. 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, given that glass manufacturing facilities are generally operated in stable economic conditions during their useful life. Due to this change, operating profit increased by ¥ 2,093 million, and ordinary loss and net loss before taxation have decreased by ¥ 2,196 million during the financial year.

[Additional information]

From the beginning of this financial year, the estimated useful life of machinery and equipment owned by the Company has been changed to be within the range of 3 to 9 years, which was previously 3 to 15 years. This change has been made after the Company's review of expected useful life of its machinery and equipment in light of the recent amendment of Corporate Tax Code of Japan. Due to this change, operating profit decreased by ¥385 million, ordinary loss and net loss before taxation have increased by ¥389 million during the financial year.

2) Intangible fixed assets

Amortization is calculated by the straight-line method. For computer software used in the parent company and subsidiaries within Japan, the estimated useful lives are determined within a period of five years. Intangible assets recognized upon acquisition of Pilkington, such as relationships with customers, brand, and developed technology, have depreciation periods not exceeding 20 years.

3) Leased assets

Leased assets procured by finance lease transactions in which ownership are not transferred to lessees Is depreciated by the straight-line method to residual value of zero.

(3) Provisions

1) Allowance for doubtful accounts

Allowance for doubtful accounts is calculated based on the historical experience with bad debts plus an estimate of certain uncollectible amounts determined after an analysis of specific individual receivables.

2) Provision for bonuses to employees

Provision for bonuses to employees is calculated based on accrual for the financial year of expected amount to be paid to the employees

3) Provision for bonuses to directors

Provision for bonuses to directors is calculated based on accrual for the financial year of expected amount to be paid to the directors

4) Provision for loss incurring from the enhanced early retirement program

Due to the implementation of the enhanced voluntary retirement program, the Company has set a provision for loss which may incur from payments of retirement benefits and other related expenses.

5) Provision for warranties and claims

Calculated based on expected future financial risk incurring from warranties and claims of products sold.

6) Provision for retirement benefit for employees

Provision for retirement benefit for employees is provided at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets. Actuarial gain or loss is Amortized, commencing the year following the year in which the gain or loss is recognized, by the straight-line method over a period of five years, which is shorter than the average remaining years of service of the eligible employees.

7) Retirement benefits for directors

Subsidiaries located in Japan have unfunded retirement benefit plans for directors. The funding required under these plans has been fully accrued in accordance with respective internal regulations.

8) Reserve for rebuilding furnaces

In order to prepare for periodic large-scale repairs to furnaces, the reserve for rebuilding furnaces is calculated in consideration of the estimated cost of scheduled repairs and the number of hours of operation prior to the next repair date.

9) Environmental provision

Calculated based on future financial risk relating to environmental preservation

10) Provision for restructuring expenditure

The company has created a provision for restructuring expenditure. This provision covers the future costs associated with initiatives not yet enacted at the balance sheet date.

11) Provision for German minority interests

The provision is calculated based on additional payments of principal and interest expected to be paid to former minority interest shareholders of Dahlbusch AG, a German subsidiary of the Group.

12) Provision for Netherlands fine

The Company has created a provision for potential future payments following an investigation undertaken by the Netherlands Competition Commission. The amount is calculated based on guidelines within Netherlands law.

(4) Hedge accounting

Parent company and subsidiaries in Japan:

1) Hedge accounting methods

The recognition of gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged item is recognized. Interest rate swaps that meet certain conditions are accounted for as if the interest rates applied to the swaps had originally applied to the underlying debt.

2) Hedging instruments and hedged items

Hedging instruments: Forward foreign exchange contracts
Hedged items: Accounts receivable and accounts payable denominated in foreign currencies and forecast transactions denominated in foreign currencies
Hedging instruments: Interest rate swaps
Hedged items: Interest on loans

3) Hedging policy

The Company and its domestic consolidated subsidiaries utilize derivative financial instruments to hedge the risks associated with fluctuations in 1) foreign exchange rates and 2) interest rates of interest expenses in accordance with internal rules.

4) Assessment method of hedge effectiveness

The Company and its consolidated subsidiaries evaluate the effectiveness of their hedging activities by comparing the latest valuations and projections of hedged items with the hedges currently in place on a semi-annual basis.

Subsidiaries located outside Japan:

The relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions, are documented at the inception of the transaction.

5) Fair value hedge

Changes in the fair value of derivatives, designated and qualifying as fair value hedges, are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability, attributable to the hedged risk.

6) Cash flow hedge

The effective portion of changes in the fair value of derivatives, designated and qualifying as cash flow hedges, is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

7) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in equity.

8) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instruments not qualifying for hedge accounting are recognized immediately in the income statement.

(5) Other important policies for the preparation of the financial statements

1) Accounting for consumption tax

All accounts are presented net of consumption tax.

2) Treatment of deferred assets

Expenses incurred upon issuance of corporate bonds are charged to the income statement

3) Difference of accounting policies between the parent company and overseas subsidiaries

Financial statements of overseas subsidiaries are prepared based on accounting principles which are generally accepted in each respective country or region.

The Company applied Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No.18, Issued: 17 May 2006), and for those items stated in this PITF, necessary adjustments are made upon consolidation.

4. Valuation of assets and liabilities of the consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are measured at fair value upon consolidation.

5. Amortization of goodwill

Goodwill is amortized by straight-line method within the period of 20 years.

6. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, deposits with banks redeemable on demand, and short-term investments, which are readily convertible to cash subject to an insignificant risk of any change in their value and which were purchased with an original maturity of three months or less.

Change in accounting principles

Application of accounting standards for lease transactions

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), and finance lease transactions in which ownership are not transferred, previously accounted for as operating leases, are now being accounted for based on purchase transactions which are recognized as lease assets on the balance sheet. Leased assets, in which operating lease accounting had been previously applied, are depreciated by the straight-line method to residual amount of zero. The effect to the income statement due to this application is minimal.

Amendments to the basis of preparation

(Consolidated balance sheet)

1. The Company has applied the Supplementary Provision 7-1-5 under the "Amendment of Regulations Concerning Terminology, Forms, and Method of Financial Statement. Based on this, FY2009 financial year's accounts, "Merchandise and finished goods", "Work in process" and "Raw materials and supplies" are presented separately. In last year's accounts, these had been presented in one line as "Inventories". Inventories in last years accounts consist of "Merchandise and finished goods" at ¥68,772 million, "Work in process" of ¥14,653 million and "Raw materials and supplies" of ¥36,062 million.

2. "Loan receivable (non-current)" and "Prepaid expenses (non-current)", which were previously presented separately, are presented in one line at "Other non-current assets" in "Investments and other assets" section from the financial year. "Accounts payable-non-trade", "Accrued consumption tax", "Accrued expenses" and "Deposits from customers", which were previously presented separately also, are presented in one line at "Other current liabilities" in "Current liabilities" section from the current financial year. The balances of "Loan receivable (non-current)" ,"Prepaid expenses (non-current)", "Accounts payable-non-trade", "Accrued consumption tax", "Accrued expenses" and "Deposits from customers" in the current year accounts are ¥10,175 million, ¥4,390 million, ¥16,663 million, ¥291 million, ¥29,069 million and ¥3,998 million, respectively.

3. "Provision for German minority interests", which was previously included in "Other current liabilities", is presented separately due to its increased materiality from the financial year. The balance of "Provision for German minority interests" in the prior year accounts was ¥2,162 million.

(Consolidated income statement)

1. "Foreign exchange loss", which was included in "Other expenses" in "Non-operating expense" section, is presented separately due to its increased materiality from the financial year. The amount of "Foreign exchange loss" in the prior year accounts was ¥447 million.

2. "Interest income" and "Dividend income", which were previously presented in one line at "Interest and dividend income", were presented separately from the financial year. "Interest income" and "Dividend income" in the prior year accounts were ¥8,112 million and ¥1,532 million, respectively.

3. "Loss on retirement of non current assets" and "Loss on sales of non current assets", which were previously included in one line at "Loss from sale and disposal of fixed assets", were presented separately from the financial year. "Loss on retirement of non current assets" and "Loss on sales of non current assets" in the prior year accounts were ¥1,311 million and ¥262 million, respectively.

(Consolidated cash flow statement)

1. "Provision for repairs", "Loss(gain) on sales and retirement of non current assets", "Loss(gain) on valuation of investments in securities", "Loss(gain) on sales of stocks of subsidiaries and affiliates" and "Equity in earnings of affiliates", which were previously included in "Other, net" of "Cash flows from operating activities" section, were presented separately from the financial year. "Provision for repairs", "Loss(gain) on sales and retirement of non current assets", "Loss(gain) on valuation of investments in securities", "Loss(gain) on sales of stocks of subsidiaries and affiliates" and "Equity in earnings of affiliates" in the prior year accounts were ¥526 million, ¥(1,117 million), ¥1,680 million, ¥(12 million) and ¥(10,257 million), respectively.

2. "Provision for employees' bonuses", which was previously presented separately, is included in "Other, net" of "Cash flows from operating activities" section from the current financial year. "Provision for employees' bonuses" for the current financial year was ¥(416 million).

3. "Payments into time deposits", "Withdrawals from time deposits", "Movement in short term loans receivable" and "Payments of long term loans receivable", which were previously included in "Other, net" of "Cash flows from financing

activities" section, are presented separately from the financial year. "Payments into time deposits", "Withdrawals from time deposits", "Movement in short term loans receivable" and "Payments of long term loans receivable" in the prior year accounts were ¥ (1,299 million), ¥ 1,105 million, ¥ (2,311 million) and ¥ (535 million), respectively.

4. "Purchase of property, plant and equipment" and "Purchase of intangible assets", which were previously included in "Acquisition of property, plant and equipment", were presented separately from the financial year. "Purchase of property, plant and equipment" and "Purchase of intangible assets" in the prior year accounts were ¥ (40,542 million) and ¥ (6,093 million), respectively. "Sales of property, plant and equipment" , which was previously presented at "Proceeds from sale of property, plant and equipment (including sale of intangible assets)", were presented separately from the financial year. "Sales of property, plant and equipment" in the prior year accounts were ¥ 3,828 million.

5. "Cash dividends paid to minority shareholders", which was previously included in "Other, net" of "Cash flows from financing activities" section, is presented separately from the current financial year. "Cash dividends paid to minority shareholders" was ¥ (1,993 million) in the prior year accounts.

Segmental information

By Business Line

FY2008 (1 April 2007 to 31 March 2008) (JPY million)

	Building Products	Automotive	Specialty Glass	Other Operations	Total	Eliminations	Consolidated
Sales and operating income							
Sales							
(1) Sales to customers	402,468	364,818	83,589	14,712	865,587	-	865,587
(2) Inter-segmental sales	4,112	4,283	1,102	2,515	12,013	(12,013)	-
Total sales	406,580	369,102	84,691	17,227	877,601	(12,013)	865,587
Operating expenses	375,242	345,162	75,661	34,900	830,967	(11,841)	819,125
Operating income	31,338	23,939	9,029	(17,673)	46,634	(171)	46,462
Total assets	519,865	499,180	104,557	555,059	1,678,663	(359,372)	1,319,290
Depreciation and amortization	30,841	34,853	4,775	3,714	74,185	(238)	73,946
Asset impairment charges	1,361	233	58	45	1,699	-	1,699
Capital expenditures	19,262	21,203	2,853	4,469	47,789	(20)	47,769

FY2009 (1 April 2008 to 31 March 2009) (JPY million)

	Building Products	Automotive	Specialty Glass	Other Operations	Total	Eliminations	Consolidated
Sales and operating income							
Sales							
(1) Sales to customers	347,833	299,096	75,397	17,039	739,365	-	739,365
(2) Inter-segmental sales	2,461	3,895	972	4,782	12,110	(12,110)	-
Total sales	350,294	302,991	76,370	21,821	751,475	(12,110)	739,365
Operating expenses	339,671	301,698	72,612	35,714	749,696	(12,240)	737,456
Operating income	10,622	1,292	3,758	(13,893)	1,779	129	1,908
Total assets	388,339	385,259	93,465	158,158	1,025,221	-	1,025,221
Depreciation and amortization	28,086	30,111	4,118	4,046	66,361	(103)	66,258
Asset impairment charges	1,381	8,518	-	-	9,899	-	9,899
Capital expenditures	20,990	15,574	3,788	1,791	42,143	(20)	42,123

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) for building materials, and solar energy glass
Automotive:	Processed glass related to automotive and transportation applications
Specialty glass:	Micro optics, fine glass, industrial glass, LCD, specialized glass fiber products
Other:	Engineering and general corporate expenses

3. Depreciation, amortization and capital expenditure amounts include those with respect to non-current prepaid expenses.

4. Effects due to changes in method of accounting.

Accounting standard for the valuation of inventories

As presented in the "Summary of significant accounting policies", the Company and consolidated subsidiaries have applied the "Accounting Standards for Valuation of Inventories" (Accounting Standard No.9, issued on 5 July 2006) from this financial year. Due to the application of this new standard, operating income for the "Building products" business decreased by ¥38 million, "Automotive" business decreased by ¥104 million and "Specialty glass" business decreased by ¥42 million, respectively during the financial year, compared to the previous application.

Depreciation method for tangible fixed assets

As presented in the "Summary of significant accounting policies", the Company and consolidated subsidiaries have changed the depreciation method for tangible fixed assets to the straight-line method from the declining balance method from this financial year. Due to the change of depreciation method, operating income for the "Building products" business increased by ¥478 million, "Automotive" business increased by ¥844 million, "Specialty glass" business increased by ¥684 million, and "Others" increased by ¥87 million, respectively during the financial year, compared to the previous application.

Depreciation method for tangible fixed assets

As presented in the "Summary of significant accounting policies", the Company has changed the estimated useful life of machinery and equipment to be within the range of 3 to 9 years, which was previously 3 to 15 years, from this financial year. Due to the change of depreciation method, operating income for the "Building products" business decreased by ¥ 166 million, "Automotive" business decreased by ¥ 44 million, and "Specialty glass" business decreased by ¥ 174 million, respectively during the financial year, compared to the previous application.

Accounting standard for lease transactions

From the beginning of this financial year, the Company has 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). The impact on the operating income of the Company's businesses is minimal.

By Geography

FY2008 (1 April 2007 to 31 March 2008)

(JPY million)

	Japan	Europe	North America	Rest of World	Total	Eliminations	Consolidated
Sales and operating income							
Sales							
(1) Sales to customers	214,141	440,241	115,312	95,892	865,587	-	865,587
(2) Inter-segmental sales	25,464	256,614	19,420	21,997	323,497	(323,497)	-
Total sales	239,606	696,856	134,732	117,890	1,189,085	(323,497)	865,587
Operating expenses	237,587	661,603	135,869	107,598	1,142,658	(323,533)	819,125
Operating income	2,019	35,252	(1,137)	10,292	46,426	36	46,462
Total assets	552,002	765,318	190,216	168,057	1,675,594	(356,304)	1,319,290

FY2009 (1 April 2008 to 31 March 2009)

(JPY million)

	Japan	Europe	North America	Rest of World	Total	Eliminations	Consolidated
Sales and operating income							
Sales							
(1) Sales to customers	206,795	348,283	94,122	90,164	739,365	-	739,365
(2) Inter-segmental sales	20,574	197,152	24,797	22,506	265,029	(265,029)	-
Total sales	227,369	545,436	118,919	112,670	1,004,394	(265,029)	739,365
Operating expenses	228,794	543,166	124,095	106,760	1,002,814	(265,358)	737,456
Operating income	(1,424)	2,270	(5,176)	5,910	1,580	329	1,908
Total assets	216,251	559,220	118,640	131,110	1,025,221	-	1,025,221

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
Rest of World: Brazil, Argentina, Chile, China, Malaysia and others

3. Effect due to changes in method of accounting

<u>Accounting standard for the valuation of inventories</u>

As presented in the "Summary of significant accounting policies", the Company and consolidated subsidiaries have applied the "Accounting Standards for Valuation of Inventories" (Accounting Standard No.9, issued on 5 July 2006) from this financial year. Due to the application of this new standard, operating income for "Japan" decreased by ¥ 185 million during the financial year, compared to the previous application.

<u>Depreciation method for the tangible fixed assets</u>

As presented in the "Summary of significant accounting policies", the Company and consolidated subsidiaries have changed the depreciation method for tangible fixed assets to the straight-line method from the financial year. Due to the change of depreciation method, operating income for "Japan" business increased by ¥ 2,093 million during the financial year, compared to the previous application.

Depreciation method for the tangible fixed assets
As presented in the "Summary of significant accounting policies", the Company has changed the estimated useful life of machinery and equipment to be within the range of 3 to 9 years, which was previously 3 to 15 years, from this financial year. Due to the change of depreciation method, operating income for "Japan" decreased by ¥ 385 million during the financial year, compared to the previous application.

Accounting standard for lease transactions
From the beginning of this financial year, the Company has 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).
The impact on the operating income of the Company's businesses is minimal.

Overseas sales

FY2008 (1 April 2007 to 31 March 2008)

(JPY million)

	Europe	North America	Asia	Rest of World	Total
Overseas sales	431,535	110,411	48,800	66,162	656,909
Consolidated sales					865,587
Percentage of overseas sales to consolidated sales	49.9%	12.8%	5.6%	7.6%	75.9%

FY2009 (April 2008 to 31 March 2009)

(JPY million)

	Europe	North America	Asia	Rest of World	Total
Overseas sales	330,691	91,972	63,733	62,034	548,430
Consolidated sales					739,365
Percentage of overseas sales to consolidated sales	44.7%	12.4%	8.6%	8.4%	74.2%

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
Rest of World: Brazil, Argentina, Chile and others

Omission Disclosure

To improve the clarity of the 'Tanshin' report, explanatory notes to the balance sheet, income statement, cash flow statement, and statement of changes in net assets have been omitted. Such notes are included in the Group's annual 'Yuho' filing.

Per Share Information

(JPY)

	FY2008	FY2009
Net assets per share	536.37	369.15
Net income (loss) per share	75.44	(42.49)
Diluted earnings per share	70.90	(Diluted net income per share is not disclosed as a net loss was recorded during the period)

Basis for the computation of amounts per share

	FY2008	FY2009
Net income per share		
Net income (loss) for the period	¥50,416 million	¥(28,392 million)
Income (loss)attributable not to ordinary shareholders	-	-
Income (loss) attributable to ordinary shareholders	¥50,416 million	¥(28,392 million)
Average volume of issued shares (No. of shares: in '000s)*	668,318	668,203
Diluted earnings per share		
Common stock Bonds with stock options (No. of shares: in '000s)	42,435	-
Stock options (No. of shares: in '000s)	383	-
Summary of equity instruments which were not included in the basis for calculating diluted net income per share as they are anti-dilutive	-	First stock subscription rights:(455) Second stock subscription rights: (495) Third stock subscription rights: (345)

Post balance sheet events

Sale of investments in securities

The Company disposed of certain investments in securities during April and May 2009. The gain on the sale of investments in securities was ¥ 4,079 million.

Issuance of preferred shares

The Board of Directors (the Board) of the Company at its meeting held on 20 May 2009, resolved to issue preferred shares through a third-party allotment. The Board also adopted a resolution to submit to its 143rd General Meeting of Shareholders, scheduled to be held on 26 June 2009, a proposal concerning the partial amendment to the Articles of Incorporation of the Company which enables the issuance of the preferred shares.

The purpose of the proposed transaction is to reduce existing debt, together with an improvement in the equity capital base of the Company. This will reinforce the Company's financial strength and facilitate improved access to debt markets in the future. The transaction proceeds will be ¥ 30 billion, of which around ¥ 23 billion is to be used for the early repayment of existing borrowings and the balance for general corporate purposes. The Board believes that the issuance of preferred shares is the most appropriate method of providing flexible and stable reinforcement of the Company's current equity capital requirements. The allottees are UDS Corporate Mezzanine Limited Partnership and UDS Corporate Mezzanine No. 3 Limited Partnership (established by the Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation (SMBC) and Sumitomo Mitsui Finance & Leasing Co., Ltd). The proposed date of issue is 1 July 2009.

1. Type of shares: The First Series Type A Preferred Shares
2. Number of shares to be issued through this capital increase: 3,000,000
3. Issue price per share: ¥ 10,000
4. Aggregate amount to be paid: ¥ 30,000,000,000
5. Amount per share to Capital and Capital surplus:
   Capitalized amount to Capital: ¥ 5,000
   Capitalized amount to Capital surplus: ¥ 5,000
6. Aggregate amount to Capital and Capital surplus:
   Aggregate capitalized amount to Capital: ¥ 15 billion
   Aggregate capitalized amount to Capital surplus: ¥ 15 billion
7. Method of issuance
   The preferred shares will be issued to UDS Corporate Mezzanine Limited Partnership and UDS Corporate Mezzanine No. 3 Limited Partnership through a third-party allotment.
8. Dividend rate
   The preferred shares have an annual dividend rate of 9.25 percent with a 1.5 percent additional dividend in the first year after issuance.
9. Put option rights granted to allottees
   The allottees can require repayment of the preferred shares after more than seven years from the date of issuance. An earlier repayment could be required if the Group does not meet certain financial conditions.
10. Call option retained by the company
    The Company can buy back the preferred shares at any time upon payment of principal plus accrued dividends with a two percent premium if the buy back occurs within one year of issuance.
11. Voting rights
    The preferred shares carry no voting rights.
12. Time line
    20 May 2009: The Board approval
    26 June 2009: Annual General Meeting of Shareholders

1 July 2009: Closing day

1 July 2009: Expected payment deadline

13. Use of proceeds:

￥23 billion repayment of existing borrowings and ￥7 billion for general corporate purposes.

Reduction of capital and capital surplus

The Board of Directors of the Company at its meeting held on 20 May 2009 resolved to reduce capital and capital surplus by the equivalent amount of the increase in capital and capital surplus attributable to the transfer of the proceeds from issuance of the Preferred Shares.

1. Purpose: to ensure that the issuance of preferred shares does not result in a decrease of distributable reserves
2. Method of capital and capital surplus reduction
   Method stipulated in Article 447, Paragraph 3 and Article 448, Paragraph 3 of the Company Law
3. Amount of capital and capital surplus to be reduced
   Amount of capital to be reduced: ￥15 billion
   Amount of capital surplus to be reduced: ￥15 billion
4. Time line
   20 May 2009: The Board approval
   29 May 2009: Legal notice
   30 June 2009: Deadline for creditors to submit dissents
   1 July 2009: Effective date

5. Unconsolidated financial statements of the parent company

(1) Balance sheet

	FY2008	FY2009
	JPY million	JPY million
ASSETS		
Current assets		
Cash and deposits	5,070	34,784
Note receivables – trade	2,977	2,262
Account receivable – trade	35,387	28,891
Finished goods	13,199	18,073
Work in process	3,288	3,155
Raw materials and supplies	-	6,595
Raw materials	2,458	-
Supplies	4,151	-
Account receivable – other	2,934	4,270
Loan receivable to subsidiaries and affiliates	12,529	19,133
Deferred tax asset (current)	4,620	-
Other	2,144	857
Allowance for doubtful accounts	(1,478)	(2,186)
Total: Current assets	87,285	115,834
Fixed assets		
Tangible assets		
Buildings	71,380	70,397
Accumulated Depreciation	(50,154)	(50,403)
Buildings – net	21,225	19,993
Structures	10,881	11,054
Accumulated Depreciation	(9,063)	(9,139)
Structures – net	1,818	1,915
Machinery and equipment	115,981	114,886
Accumulated Depreciation	(96,932)	(97,605)
Machinery and equipment – net	19,048	17,280
Vehicles	342	325
Accumulated Depreciation	(308)	(296)
Vehicles – net	34	29
Tools and dies	14,413	14,817
Accumulated Depreciation	(11,502)	(11,576)
Tools and dies – net	2,911	3,241
Land	10,772	10,298
Leased assets	-	2,189
Accumulated Depreciation	-	(1,237)
Leased assets – net	-	952
Construction in progress	2,291	2,949
Total: Tangible fixed assets	58,101	56,657

Balance sheet (continued)

	FY2008	FY2009
	JPY million	JPY million
Intangible assets		
Goodwill	12	0
Patents	94	76
Leasehold rights	7	8
Right of using facilities	485	451
Software	9,542	4,131
Lease assets	-	2,513
Other intangible assets	56	54
Total: Intangible fixed assets	10,199	7,234
Investments and other assets		
Investments in securities	21,257	9,230
Investments in subsidiaries and affiliates	331,772	354,673
Loan receivable from outside of the group	18	15
Loan receivable from employees	28	18
Loan receivable from subsidiaries and affiliates	461	8,971
Prepaid expenses (non-current)	1,408	1,060
Other	1,349	1,300
Allowance for doubtful accounts	(308)	(153)
Total: Investments and other assets	355,987	375,114
Total: Fixed assets	424,288	439,005
Total : Assets	**511,573**	**554,839**

Balance sheet (continued)

	FY2008	FY2009
	JPY million	JPY million
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	24,197	16,063
Short-term bank borrowings	25,775	-
Long-term bank borrowings for repayment within one year	8,678	33,215
Bonds maturing within one year	10,000	-
Lease obligations	-	2,038
Accounts payable (construction and other)	4,884	5,727
Accrued income tax	1,187	7,301
Accrued Japanese consumption tax	342	-
Accrued expenses	6,248	4,571
Deferred tax liabilities	-	35
Deposits from customers	10,335	13,292
Provision for employees' bonuses	1,477	1,177
Provision for directors' bonuses	124	-
Provision for losses incurring from enhanced early retirement program	12,519	245
Provision for restructuring expenditure	-	797
Deposits from employees	201	339
Other current liabilities	417	4,527
Total: Current liabilities	106,389	89,328
Non-current liabilities		
Bonds	33,000	60,000
Long-term bank borrowings	68,435	103,421
Lease obligations	-	2,354
Deferred tax liabilities	8,430	3,929
Accrued retirement benefits for employees	6,021	3,515
Provision for rebuilding furnaces	9,757	10,159
Other non-current liabilities	4,820	1,303
Total: Non-current liabilities	130,466	184,682
Total : Liabilities	**236,856**	**274,010**

Balance sheet (continued)

	FY2008	FY2009
	JPY million	JPY million
NET ASSETS		
Shareholders' Equity		
Common stock	96,147	96,147
Capital surplus		
Additional paid-in capital	104,469	104,470
Other	6	2
Total: Capital surplus	104,476	104,472
Retained earnings		
Earned surplus	6,376	6,377
Other retained earnings		
Reserve for deferred gain on fixed assets	3,776	3,464
Special reserve for advanced depreciation on fixed assets	-	137
General reserve	44,977	44,977
Retained earnings carried forward	10,384	28,149
Total: Other retained earnings	65,515	83,103
Treasury stocks - at cost	(541)	(585)
Total: Shareholders' equity	265,597	283,137
Valuation and translation adjustments		
Unrealized holding gain on securities	8,593	2,165
Net unrealized holding loss on derivative instruments	272	(4,966)
Total: Valuation and translation adjustments	8,866	(2,801)
Stock Options	253	493
Total: Net assets	**274,717**	**280,829**
Total: Liabilities and Net Assets	**511,573**	**554,839**

(2) Income statement

	FY2008		FY2009	
	JPY million		JPY million	
Net sales		169,514		149,419
Cost of sales		132,194		118,821
Gross Income		37,319		30,598
Selling, general and administrative expenses		38,634		32,547
Operating loss		(1,314)		(1,949)
Non-operating income				
Interest income	205		335	
Dividend income	2,745		2,324	
Rent income	853		-	
Gain on sale of goods	51		-	
Other non-operating income	824	4,680	1,436	4,095
Non-operating expense				
Interest expense	1,528		2,169	
Interest on bonds	295		662	
Labor difference	1,360		1,135	
Disposal of obsolescent inventory	652		33	
Warranties and compensations	1,339		1,062	
Other non-operating expense	2,786	7,962	3,009	8,069
Ordinary loss		(4,596)		(5,923)

Income statement (continued)

	FY2008		FY2009	
	JPY million		JPY million	
Extraordinary income				
Gain from sale of fixed assets	2,088		831	
Gain from sale of investments in securities	13,341		7,401	
Gain from sale of investments in subsidiaries and affiliates	-		40,660	
Gain incurred from prior year adjustments	1,016		-	
Other	-	16,446	173	49,065
Extraordinary loss				
Loss from disposal of fixed assets	579		626	
Loss from sale of fixed assets	211		-	
Impairment of fixed assets	308		123	
Loss from revaluation of investments in securities	328		10	
Loss on redemption of investment securities	-		7,881	
Loss from revaluation of investments in subsidiaries and affiliates	1,808		605	
Loss from liquidation of subsidiaries and affiliates	58		-	
Loss from disposal of inventories	843		-	
Loss from revaluation and sale of golf playing rights	126		-	
Loss incurred due to withdrawal of business	10		-	
Business structure improvement costs	-		797	
Special support for early retirees	614		-	
Provision for loss deriving from enhanced early retirement program	12,519		-	
Other	-	17,410	36	10,079
Net income (loss) before taxation and minority interest		(5,560)		33,063
Income tax - current	196		6,791	
Previous year tax adjustments	709		-	
Income tax - deferred	4,444	5,350	4,675	11,466
Net income (loss)		(10,910)		21,597

(3) Statement of changes in net assets

	FY2008 JPY million	FY2009 JPY million
Shareholders' equity		
Capital stock		
Balance at the end of previous period	96,147	96,147
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	**96,147**	**96,147**
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	104,469	104,469
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	**104,469**	**104,470**
Other capital surplus		
Balance at the end of previous period	4	6
Changes of items during the period		
Disposal of treasury stock	2	-5
Total changes of items during the period	2	-5
Balance at the end of current period	**6**	**2**
Total capital surplus		
Balance at the end of previous period	104,474	104,476
Changes of items during the period		
Disposal of treasury stock	2	-5
Total changes of items during the period	2	-5
Balance at the end of current period	**104,476**	**104,472**
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	6,376	6,376
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	**6,376**	**6,377**

	FY2008 JPY million	FY2009 JPY million
Other retained earnings		
Reserve for special account for advanced depreciation of non current assets		
Balance at the end of previous period	892	-
Changes of items during the period		
Provision of reserve for special account for advanced depreciation of non current assets	-	137
Reversal of reserve for special account for advanced depreciation of non current assets	-892	-
Total changes of items during the period	-892	137
Balance at the end of current period	**-**	**137**
Reserve for advanced depreciation of non current assets		
Balance at the end of previous period	3,830	3,776
Changes of items during the period		
Provision of reserve for advanced depreciation of non current assets	376	245
Reversal of reserve for advanced depreciation of non current assets	-430	-558
Total changes of items during the period	-53	-313
Balance at the end of current period	**3,776**	**3,464**
Special reserve		
Balance at the end of previous period	44,977	44,977
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	**44,977**	**44,977**
Retained earnings brought forward		
Balance at the end of previous period	24,359	10,384
Changes of items during the period		
Provision of reserve for special account for advanced depreciation of non current assets	-	-137
Reversal of reserve for special account for advanced depreciation of non current assets	892	-
Provision of reserve for advanced depreciation of non current assets	-376	-245
Reversal of reserve for advanced depreciation of non current assets	430	558
Dividends from surplus	-4,010	-4,009
Net (loss)/profit	-10,910	21,597
Total changes of items during the period	-13,974	17,764
Balance at the end of current period	**10,384**	**28,149**

	FY2008 JPY million	FY2009 JPY million
Total retained earnings		
Balance at the end of previous period	80,435	65,515
Changes of items during the period		
Reserve for special account for advanced depreciation of non current assets	-	-
Provision of reserve for advance depreciation of non current assets	-	-
Reversal of reserve for advanced depreciation of non current assets	-	-
Dividends from surplus	-4,010	-4,009
Net (loss)/profit	-10,910	21,597
Total changes of items during the period	-14,920	17,588
Balance at the end of current period	**65,515**	**83,103**
Treasury stock		
Balance at the end of previous period	-450	-541
Changes of items during the period		
Purchase of treasury stock	-99	-67
Disposal of treasury stock	8	24
Total changes of items during the period	-91	-43
Balance at the end of current period	**-541**	**-585**
Total shareholders' equity		
Balance at the end of previous period	280,606	265,597
Changes of items during the period		
Reserve for special account for advanced depreciation of non current assets	-	-
Provision of reserve for advance depreciation of non current assets	-	-
Reversal of reserve for advanced depreciation of non current assets	-	-
Dividends from surplus	-4,010	-4,009
Net (loss)/profit	-10,910	21,597
Purchase of treasury stock	-99	-67
Disposal of treasury stock	10	19
Total changes of items during the period	-15,009	17,540
Balance at the end of current period	**265,597**	**283,137**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	25,099	8,593
Changes of items during the period		
Net changes of items other than shareholders' equity	-16,506	-6,429
Total changes of items during the period	-16,506	-6,429
Balance at the end of current period	**8,593**	**2,165**
Deferred gains or losses on hedges		
Balance at the end of previous period	166	272
Changes of items during the period		

	FY2008	FY2009
Net changes of items other than shareholders' equity	106	-5,238
Total changes of items during the period	106	-5,238
Balance at the end of current period	**272**	**-4,966**
Total valuation and translation adjustments		
Balance at the end of previous period	25,266	8,866
Changes of items during the period		
Net changes of items other than shareholders' equity	-16,399	-11,668
Total changes of items during the period	-16,399	-11,668
Balance at the end of current period	**8,866**	**-2,801**
Subscription rights to shares		
Balance at the end of previous period	26	253
Changes of items during the period		
Net changes of items other than shareholders' equity	227	239
Total changes of items during the period	227	239
Balance at the end of current period	**253**	**493**
Total net assets		
Balance at the end of previous period	305,899	274,717
Changes of items during the period		
Reserve for special account for advanced depreciation of non current assets	-	-
Provision of reserve for advance depreciation of non current assets	-	-
Reversal of reserve for advanced depreciation of non current assets	-	-
Dividends from surplus	-4,010	-4,009
Net (loss)/profit	-10,910	-21,597
Purchase of treasury stock	-99	-67
Disposal of treasury stock	10	19
Net changes of items other than shareholders' equity	-16,172	-11,428
Total changes of items during the period	-31,181	6,112
Balance at the end of current period	**274,717**	**280,829**

Substantial doubts regarding the ability to remain as a going concern

There are no significant doubts regarding the ability of the Company to continue as a going concern.

Amendments to the basis of preparation

(Income statement)

“Rental income” and “Gain on sales of goods”, which were presented separately in the prior year accounts, were included in “Miscellaneous income” of “Non-operating income” section from the financial year. “Rental income” and “Gain on sales of goods” in the financial year are ¥839 million and ¥29 million respectively.