Securities Code: 5202

7 June 2011

Craig Naylor, Director,

Nippon Sheet Glass Co., Ltd.

5-27, Mita 3-Chome, Minato-ku, Tokyo

Notice of Convening the 145th Ordinary General Meeting of Shareholders

Dear Shareholder,

First, we, NSG Group would like to extend our deepest condolences for those who lost their lives in the Tohoku Pacific Offshore Earthquake in Japan and convey our sincere sympathies to those who were affected in the disaster areas.

You are cordially invited to attend the 145th Ordinary General Meeting of Shareholders to be held as follows.

Should you be unable to attend the meeting in person on the day, you are entitled to exercise your voting rights in writing or via the Internet. Please review the Reference Material for the Meeting below, exercise your voting rights according to the guide, pages 2-3 no later than 28 June 2011 (Tue.), 5:45 p.m. (Japan time)

.

Note:

1. Date and Time: 10:00 A.M., Wednesday, 29 June 2011

2. Venue: Shinagawa Intercity Hall, 15-4, Konan 2-Chome, Minato-ku, Tokyo

(Please refer to the "Map of the Venue for the Ordinary General Meeting of Shareholders" attached at the end.)

3. Agenda

Matters to be Reported

1. Business Reports, Reports of the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements, for the 145th fiscal period from 1 April 2010 to 31 March 2011.
2. Reports of the Financial Statements for the 145th fiscal period from 1 April 2010 to 31 March 2011.

Matters to be Resolved

Proposal 1: Partial amendments to the Articles of Incorporation

Proposal 2: Election of 11 Directors

4. Online disclosure

Notes to the Consolidated Financial Statements and Notes to the Financial Statements are posted on the Company's website at www.nsg.com in accordance with the relevant law and ordinance, and article 14 of the Articles of Incorporation so that the both are not attached hereto.

5. Exercising Voting Rights

(1) When exercising voting rights by post

Indicate your approval or disapproval of the proposals in the enclosed voting rights exercising card and send it so that it reaches us no later than 28 June 2011 (Tue.), 5:45 p.m. (Japan time)

(2) When exercising voting rights via the Internet

When exercising voting rights via the Internet, please carefully read "*Steps for exercising voting rights via the Internet*" as shown below (pages 2-3) and then exercise the rights no later than 28 June 2011 (Tue.), 5:45 p.m. (Japan time)

- ➢ When attending the meeting on the day, please present the enclosed voting rights exercising card to the reception.
- ➢ If there are amendments to the reference material for the General Meeting of Shareholders, Business Reports, Unconsolidated Financial Statements and/or Consolidated Financial Statements, such amendments shall be mailed to you in writing, or be posted on the Company's website at www.nsg.com.
- ➢ Voting results of the meeting will be filed and shown via EDINET (http://info.edinet-fsa.go.jp/) in the form of an Extraordinary Report (in Japanese only), and also disclosed on the Company's website at www.nsg.com (in English) and at www.nsg.co.jp (in Japanese).

"*Steps for Exercising Voting Right via the Internet*"

Please note the following matters upon exercising voting rights via the Internet.

1. Exercising voting rights via the Internet can be carried out only through the following website specified by the Company: http://www.webdk.net (in Japanese only), which can also be accessed from mobile phones.
2. When exercising voting rights via the Internet, use voting rights code and password listed in the enclosed voting rights exercising card and follow the on-screen directions to indicate your approval or disapproval of the proposals.
3. Though voting rights may be exercised till 5:45 p.m. (Japan time) of 28 June (Tue.), 2011, it would be greatly appreciated if you could kindly exercise the rights earlier to facilitate early tabulation of the voting results.

4. When a shareholder exercises his or her voting right both in writing and via the Internet, the voting rights exercised via the Internet shall take precedence over the one in writing.
5. If a shareholder exercises his or her voting right multiple times via the Internet, the last valid exercise of voting rights via the Internet shall be considered as the shareholder's final vote.
6. The shareholder shall bear any connection fees of the service provider or telecommunication charges upon using the website for exercising voting rights.

"*System Requirements for Exercising Voting Rights via the Internet*"

The following system requirements are needed to use the voting rights exercise website

1. Internet Access.
2. Microsoft® Internet Explorer 6.0 or higher version thereof as an Internet browser software and appropriate hardware that can run the said Internet browser software, when using a computer to exercise voting rights.
3. Mobile phone capable of 128-bit SSL communication (encrypted communication), when using a mobile phone to exercise voting rights

   (The service is made available for telephones capable of 128-bit SSL communication alone in order to ensure security, and therefore the site may not be accessible using certain types of mobile phones. Voting rights can be exercised via full browser system of certain mobile devices including Smartphone, however, please be aware that it may not be available by the model)

   (Microsoft is the registered trademark of Microsoft Corporation in the U.S. and other countries.)

"*Inquiries regarding Exercising Voting Rights via the Internet*"

Please contact the following telephone number for any inquiries regarding the exercise of voting rights via the Internet.

- Transfer agent: Stock Transfer Agency Department, The Sumitomo Trust and Banking Co., Ltd.
- Direct: 0120-186-417 (from 9 a.m. to 9 p.m. Japan time, toll free in Japan)

For other information such as request for documents:

- 0120-176-417 (Weekdays from 9 a.m. to 5 p.m. Japan time, toll free in Japan)

Business Report

From 1 April 2010
To 31 March 2011

1. Matters Relating to the Current State of the Company’s Corporate Group

(1) Overview and Results of Business Activities

The Group’s major markets were relatively stable during the year, with gradual improvements in certain markets being experienced as the year progressed. Building products markets were better than last year, but developed market volumes are still significantly below pre-recession levels. Automotive markets demonstrated underlying improvements through the year although some softening of demand was experienced following the withdrawal of the few remaining government incentive schemes. Specialty Glass market conditions were relatively strong.

The NSG Group extends its most sincere condolences to the families and colleagues of people who lost their lives following the 11 March earthquake off North East Japan. The Group has confirmed that no NSG employees are missing following the earthquake and intends to provide support to those employees who have missing friends and relatives. Certain of the Group’s properties suffered some minor damage and there was also some loss of inventories although, in total, the physical damage sustained was relatively light. The most significant ongoing impact will be felt by the Group’s Automotive business, as customers restrict the volume of vehicles manufactured in response to difficulties sourcing component parts. The Group’s Building Products business in Japan experienced some temporary disruption to production following the earthquake but has since been manufacturing glass at full capacity, and intends fully to support the rebuilding of the affected areas. Certain of the Group’s Specialty Glass facilities in Japan also experienced disruption to production, but have again recommenced production successfully.

In Europe, building products market conditions were better than the previous year, with market prices gradually improving through the year. In automotive markets, cumulative light vehicle sales to European customers were slightly below previous years levels, which had been supported by incentive programs. Western European vehicle sales demonstrated some strengthening during the fourth quarter. The slight reduction in annual sales to European customers was more than offset by buoyant export markets, generating an increase in demand for the Group’s products. The European automotive glass replacement (AGR) market continued to prove resilient to the low level of general economic activity. Demand for glass cord was strong, consistent with conditions experienced in the automotive business line.

In Japan, conditions in construction markets were challenging for much of the year, although market conditions gradually improved during the third and fourth quarters of the year. New housing starts remain at low levels, but improved further during the quarter, aided by fiscal incentives. Headline prices were stable but continue to be below those of the previous year. Automotive market demand continued to fall in the quarter following the cessation, earlier in the year, of government incentives for purchasing environmentally-friendly vehicles. Demand was then further affected by the March earthquake as discussed above. Robust markets, particularly in areas such as consumer electronics, resulted in strong demand for the majority of the Groups' Specialty Glass products through the quarter, although, as with the Automotive business line, demand was impacted following the earthquake.

The North American economy continued to experience low levels of economic activity. In the building products market, both residential housing starts and levels of commercial construction activity remain at historically low levels. Sales of new cars continued to be above the previous year's levels. The AGR market continued to improve gradually.

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

Consolidated Sales	¥ 577,212m (down 1.9%)
Consolidated Operating Income	¥ 14,352m
Consolidated Ordinary Income	¥ 7,730m
Consolidated Net Income	¥ 1,661m

Business performance by segment for the fiscal year under review was as follows.

Building Products (BP) Business

In the Building Products (BP) business, the cumulative result represents an improvement on the previous year. Profitability improved due mainly to cost savings realized from previous restructuring actions, higher volumes, and improved prices.

In Europe, representing 44 percent of the Group’s BP sales, revenues in local currency were above the previous year. Volumes improved but were partially offset by the impact of previous year disposals and reduced engineering revenue. Profits also improved, due to the increased volumes and cost savings. Prices increased in the final quarter, mitigating rising headline energy costs, and for the year as a whole, average price levels were higher than the previous year. The Group restarted the second line at the Greengate site in the UK during the quarter, after this had previously been mothballed. This line will primarily produce the Group’s NSG TEC solar energy products.

Revenues in Japan, representing 34 percent of BP sales, were higher than in the previous year as markets continued to improve gradually from a low base. Profitability improved, as reduced prices were more than offset by increases in volumes and the continued realization of cost savings. The business suffered some disruption following the 11 March earthquake, but has since operated at maximum capacity.

In North America, representing 9 percent of BP sales, revenues in local currency were higher than the prior year. Domestic market conditions remain challenging. The reduction in domestic volumes was offset by increasing exports and sales of value-added products. Profits increased as a result of better asset utilization, cost savings, and an improving product mix.

In the rest of the world, revenues and profits improved strongly from the previous year, due mainly to increased market prices, and the consolidation of the Group’s rolled glass facility in China from the start of the current financial year. On 19 January 2011, the Group announced the re-commissioning of its VGI float glass facility in Vietnam to manufacture the Group’s NSG TEC solar energy products. On 17 March 2011, the Group announced that the Vidrios Lirquén float tank in Chile had resumed production after being repaired following the earthquake that struck the region in February 2010. The Solar Energy business continues to grow in both revenue and volume, in line with our expectations.

The Building Products business achieved sales of ¥ 244,792 million and an operating profit of ¥ 16,515 million.

Automotive Business

In the Automotive business, the cumulative result was significantly ahead of the previous year, due principally to strong demand across all of the Group’s main automotive markets.

Europe represents 47 percent of the Group's Automotive sales. In the European Original Equipment (OE) sector, local currency revenues increased strongly from last year's levels, due to robust volumes, with a consequent improvement in profits. Results in the fourth quarter were mixed, with improved volumes in the stronger Northern European markets offset by weakness in Southern regions. Local currency results in the Automotive Glass Replacement (AGR) business were similar to the levels of the previous year.

In Japan, representing 17 percent of the Group's Automotive sales, revenues were slightly above the previous year. Improved demand in the first two quarters was offset by reductions in volumes following the subsequent cessation of government incentives for purchasing environmentally-friendly vehicles, and then the earthquake of 11 March. Profits benefited from further cost savings and efficiency improvements. Results in the AGR business continued to improve.

In North America, representing 21 percent of the Group's Automotive sales, OE revenues were significantly above the previous year, again due to increased volumes. Profits also benefited from the continued realization of cost savings and efficiency gains. Fourth quarter results were positive, with increased demand from all major customers. AGR profitability was further improved from the previous year.

In the rest of the world, cumulative revenues and profits increased strongly from the previous year, with strong demand across each region.

The Automotive business recorded sales of ¥ 264,042 million and an operating profit of ¥ 18,672 million.

Specialty Glass Business

Revenues in Specialty Glass were below the previous year, as robust market conditions were more than offset by previous year disposals. Profits, however, were above the prior year, with most of the Groups' Specialty Glass businesses continuing to experience robust demand, particularly in sectors such as touch panel technology for mobile devices. Demand continued at satisfactory levels through the fourth quarter. Demand for the Group's Selfoc Lens Array (SLA) equipment used in multi-function printers started to recover from the middle of the previous financial year and this has continued through the current year. Sales of glass cord for engine timing belts were supported by robust vehicle production in Europe. Production at some of the Group's facilities was disrupted following the 11 March earthquake, but has since resumed with relatively little impact on the FY2011 results.

The Specialty Glass business recorded sales of ¥ 62,955 million and an operating profit of ¥ 7,523 million.

Other

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above, and the amortization of goodwill and other intangible assets related to the acquisition of Pilkington plc. Operating losses incurred in Other were below the previous year, due to a reduction in general corporate expenses and the translational effect of a strong Japanese Yen.

Consequently, this segment recorded sales of ¥ 5,423 million and an operating loss of ¥ 28,358 million.

(2) Capital Expenditure

The capital expenditure of the Group totaled ¥ 31,943 million during the fiscal year under review, broken down by segment as follows:

Building Products	¥ 13,629 m
Automotive	¥ 16,143 m
Specialty Glass	¥ 1,849 m
Other	¥ 322 m

(3) Financial situation

Net financial indebtedness decreased by ¥ 5,480 million from 31 March 2010 to ¥ 309,166 million at the period end. During the year the Group issued 234,000,000 new Common shares with net proceeds of ¥ 40,237 million. The Group also redeemed its Type A preferred shares during the year. On 1 October 2010, the Group acquired for cancellation 980,000 Type A preferred shares with an aggregate acquisition price of ¥ 10,081 million. On 18 February 2011, the Group acquired for cancellation 2,020,000 Type A preferred shares with an aggregate acquisition price of ¥ 20,542 million. Currency movements generated a reduction in net debt of approximately ¥ 6,500 million over the period. Gross debt was ¥ 370,072 million at the period end.

During the year, the Group refinanced external debt of approximately ¥ 33,000 million such that all remaining borrowings maturing in FY2012 have now been refinanced, and the Group has access to sufficient levels of surplus headroom for its forecasted needs during FY2012. As at 31 March 2011, the Group had unused committed financial facilities of ¥ 37,000 million maturing in September 2013, and ¥ 40,000 million maturing in November 2013.

Note:
The Group has adopted “Net Debt” (interest-bearing debt minus cash and cash equivalents) as a Key Performance Indicator for its financial performance.

(4) Issues to be addressed

The first half-year forecast reflects stable building products markets with continued difficulties in automotive markets, as the Group’s automotive customers reduce their production levels in response to difficulties in sourcing component parts, and certain specialty glass markets. During the second half of the year the Group expects automotive light vehicle build rates to gradually return to normal levels. In addition, the second half of the year will see the Group’s investments in value added production capacity increase their contribution to the Group’s results.

Increasing purchase prices, particularly with respect to energy costs, are likely to impact the Group’s results in FY2012. The Group actively hedges the increases in such costs through the use of derivatives, but these techniques cannot protect the Group from increased input costs indefinitely. The Group intends to mitigate the impact of increasing input costs with further improvements in efficiencies, and, where possible, increasing sales prices.

The long-term prospects for the Group’s businesses remain positive. The Group has identified geographical expansion into high-growth emerging markets and opportunities offered by the increasing demand for ‘environmental’ glass products utilizing its technology, as the two main drivers to support its future growth.

On 24 August 2010, the Group announced its intention to issue new Common shares in order to support its future growth strategy. Final net proceeds after fees etc. were ¥ 40,237 million. The proceeds were used partly for the repayment of preference shares and other indebtedness, and will partly be applied to capital expenditures supporting the twin growth themes of emerging markets and “environmental” products.

On 4 November 2010, the Group issued details of its strategic management plan, covering the financial years FY2012 to FY2014. The Group believes that the share issuance during the second quarter of FY2011 provides a firm financial foundation to support this Plan.

The Group has already commenced the various investments that support its strategic management plan:

- On 29 November 2010, the Group announced plans, together with Saint-Gobain, to build a new joint venture float glass plant in Bahia state, in North east Brazil.
- On 8 December 2010, the Group announced plans to expand and upgrade its Automotive glazing operations in Mexicali, Mexico.
- On 19 January 2011, the Group announced the re-commissioning of its VGI float line at My Xuan in Southern Vietnam. This line will primarily produce coated glass for photovoltaic applications.
- On 22 February 2011, the Group announced the commissioning of a new automotive laminating line in Caçapava, Brazil, representing a 50 percent increase in the Group's Brazilian automotive laminating capacity.
- On 10 March 2011, the Group announced that it was commencing the construction of a major new automotive facility at Chmielow, Poland.
- On 13 April 2011, the Group announced the construction of an off-line coating facility in St Helens, UK, to produce a range of high performance low-emissivity products for building products applications.

The above investments are expected to produce a significant, and increasing, contribution to the Group's profitability during the period covered by the strategic management plan.

The issues to be addressed by business segment are summarized as follows:

Building Products (BP) Business

The Group's building products business will continue to focus on matching capacity to demand but despite the challenging market conditions will address a variety of growth areas for value added products. The drive to produce clean renewable energy will continue to fuel growth for the Group's Solar Energy products business. Value added products, such as low-e glass designed to save energy in buildings, will become an increasingly important part of the Group's building products portfolio in emerging markets, particularly in China and South America.

The Building Products business produces a range of added value products that can greatly contribute to energy conservation in both residential and commercial buildings, together with products for the photovoltaic market that can be used in the process of producing renewable solar energy. The production process for these products is, however, energy intensive and the Group faces potential increases in its purchase price of energy during the coming year. The Group intends to mitigate such cost increases wherever possible, as set out above.

Automotive Business

The Group expects to grow its Automotive business in emerging markets such as South America. Technological advances in areas such as solar energy control and weight reduction will play an important part in the future of Automotive glazing, and the Group expects to be a key player in these areas. The Group also expects to grow its AGR business both through organic growth and, where appropriate, strategic acquisitions.

Specialty Glass Business

A variety of exciting opportunities are expected to continue to generate growth within the Group's Specialty Glass business, particularly in areas such as glass cord for engine timing belts, office equipment lens arrays, LCD touch-screen panels, and battery separators.

(5) Assets and Business Results (Consolidated)

(Millions of yen, except per-share figures)

	142nd period（FY 2008）	143rd period（FY 2009）	144th period (FY 2010)	145th period (FY 2011)
Sales	865,587	739,365	588,394	577,212
Operating Income	46,462	1,908	(17,183)	14,352
Ordinary Income	30,437	(12,259)	(28,552)	7,730
Net Income	50,416	(28,392)	(41,313)	1,661
Earnings Per Share (Yen)	75.44	(42.49)	(65.61)	0.13
Net Assets	371,998	257,223	239,931	226,874
Net Assets Per Share (Yen)	536.37	369.15	297.73	239.40
Total Assets	1,319,290	1,025,221	933,721	868,588

Note:

Earnings per share is calculated based on the profit attributable to ordinary shareholders divided by the average number of shares outstanding during the period. Net assets per share is calculated based on the closing net assets attributable to ordinary shareholders divided by the number of shares outstanding at the end of the period. Average treasury and preferred stocks held during the period are excluded from both of the calculations.

(6) Overview of Major Subsidiaries

Subsidiary undertakings	Country of operation and incorporation	Capital stock		% Ownership	Product or activity
Japan					
NSG Building Products Co Limited	Japan	JPY million	350	100	Glass processing
Thanx Corporation Co Limited	Japan	JPY million	300	92.5	Glass trading
Wintec Co Limited	Japan	JPY million	48	99.3 (0.2)	Glass trading
Nanox Co Limited	Japan	JPY million	490	100	Glass processing for LCD
Europe					
Pilkington United Kingdom Limited	UK	GBP thousand	179,978	100 (100)	Glass manufacturing and processing
Pilkington Automotive Limited	UK	GBP thousand	206,595	100 (100)	Safety glass
Pilkington Technology Management Limited	UK	GBP thousand	441,320	100 (100)	Technology management
Pilkington Deutschland AG	Germany	EUR thousand	69,290	96.3 (96.3)	Glass manufacturing and processing
Pilkington Automotive Deutschland GmbH	Germany	EUR thousand	18,996	100 (100)	Safety glass
Pilkington Austria GmbH	Austria	EUR thousand	8,721	100 (100)	Glass processing
Pilkington Norge AS	Norway	NKR thousand	95,000	100 (100)	Glass processing
Pilkington Floatglas AB	Sweden	SKR thousand	222,000	100 (100)	Glass manufacturing and processing
Pilkington Automotive Sweden AB	Sweden	SKR thousand	2,000	100 (100)	Safety glass
Pilkington Automotive Finland OY	Finland	EUR thousand	19,414	100 (100)	Safety glass
Pilkington Lahden Lasitehdas OY	Finland	EUR thousand	20,426	100 (100)	Glass manufacturing
Pilkington Danmark A/S	Denmark	DKR thousand	30,000	100 (100)	Glass processing
Pilkington International Glass Poland Sp. Z o.o.	Poland	Zloty thousand	506,500	100 (100)	Glass processing
Pilkington Polska Sp. Z o.o.	Poland	Zloty thousand	147,340	100 (100)	Glass manufacturing
Pilkington Italia SpA	Italy	EUR thousand	112,996	100 (100)	Glass manufacturing and safety glass
NSG UK Enterprises Limited	UK	GBP thousand	1,801,478	100 (100)	Holding company
NSG Holding (Europe) Limited	UK	GBP thousand	1,431,010	100	Holding company
Pilkington Group Limited	UK	GBP thousand	676,477	100 (100)	Holding company

Note:
Any above figure of % Ownership in parentheses stands for the percentage owned indirectly through the Company's subsidiary/subsidiaries.

(6) Overview of Major Subsidiaries (continued)

Subsidiary undertakings	Country of operation and incorporation	Capital stock		% Ownership	Product or activity
North America					
Pilkington North America Inc.	USA	USD	1	100 (100)	Glass manufacturing and safety glass
L-N Safety Glass SA de CV	Mexico	Mex.Peso thousand	225,481	100 (100)	Safety glass
Rest of the world					
Vidrieria Argentina S.A.	Argentina	Arg.Peso thousand	178,000	51.0 (51.0)	Glass manufacturing
Vidrios Lirquén S.A.	Chile	Chi.Peso thousand	25,239,572	51.6 (51.6)	Glass manufacturing
Pilkington Automotive Argentina S.A.	Argentina	Arg.Peso thousand	66,358	100 (100)	Safety glass
Pilkington Brasil Limitada	Brazil	Real thousand	86,532	100 (100)	Glass processing and safety glass
Guilin Pilkington Safety Glass Co Limited	China	RMB thousand	100,000	100 (100)	Safety glass
Changchun Pilkington Safety Glass Co Limited	China	RMB thousand	129,216	72.5 (72.5)	Safety glass
Pilkington Solar (Taicang), Limited	China	RMB thousand	305,151	100 (100)	Solar glass manufacturing
Suzhou NSG Electronics Co Limited	China	RMB thousand	371,689	100	Glass processing for LCD/optical devices
NSG Hong Kong Co Limited	China	HKD thousand	800	100 (100)	Glass trading
Malaysian Sheet Glass Sdn. Bhd.	Malaysia	MYR thousand	81,151	100	Glass manufacturing and safety glass
Vietnam Float Glass Co Limited	Vietnam	VND billion	512	55.0	Glass manufacturing
Vietnam Glass Industries Limited	Vietnam	VND billion	1,378	100 (100)	Solar glass manufacturing

Note:
Any above figure of % Ownership in parentheses stands for the percentage owned indirectly through the Company's subsidiary/subsidiaries.

(7) Major Businesses of the Group

Segment	Contents
Building Products	Building Products encompasses the Group's activities in manufacturing float glass and other processed products for use in new buildings, for refurbishment and for the solar energy sector. It has manufacturing and processing operations in 21 countries. The Business has a major presence in Europe, Japan, North America, South America, South East Asia and China, with downstream processing in Europe and Japan. The NSG Group has ownership or interests in 49 float plants worldwide, some of which are dedicated to Building Products.
Automotive	Automotive supplies Original Equipment (OE) and Automotive Glass Replacement (AGR) aftermarket glazing to the Light Vehicle and Specialized Transport sectors. It has principal fabrication facilities in 31 sites in 16 countries, and is one of the world's largest suppliers of automotive glazing products.
Specialty Glass	This business segment engages in the manufacturing, processing and sale of micro optics, fine glass, industrial glass, LCD, specialized glass fiber products, products and environmental protection equipment.
Other	This segment covers corporate costs and engineering income, but also includes small businesses not included in the segments covered above.

(8) Main Offices and Plants of the Group

The Company	Head Office	5-27, Mita 3-Chome, Minato-ku, Tokyo, Japan
	Branch Offices	Minato-ku, Tokyo; Chuo-ku, Tokyo ; Chuo-ku, Osaka-shi; Toyota-shi, Aichi; Minami-ku, Hiroshima-shi
	Plants	Ichihara-shi, Chiba; Sagamihara-shi, Kanagawa; Yokkaichi-shi, Mie; Tsu-shi, Mie; Tarui-cho, Fuwa-gun, Gifu; Minami-ku, Kyoto-shi; Maizuru-shi, Kyoto
Major Subsidiaries	Japan	Nanox Corp. (Fukushima-shi, Fukushima), Thanx Corp. (Setagaya-ku, Tokyo), NSG Building Products Co., Ltd (Ichihara-shi, Chiba), NSG Wintec Co., Ltd. (Suminoe-ku, Osaka-shi)
	Europe	Pilkington United Kingdom Limited (UK) Pilkington Automotive Limited (UK) Pilkington Technology Management Limited (UK) Pilkington Deutschland AG (Germany) Pilkington Automotive Deutschland GmbH (Germany) Pilkington Austria GmbH (Austria) Pilkington Norge AS (Norway) Pilkington Floatglas AB (Sweden) Pilkington Automotive Sweden AB (Sweden) Pilkington Automotive Finland OY (Finland) Pilkington Lahden Lasitehdas OY (Finland) Pilkington Danmark A/S (Denmark) Pilkington International Glass Poland Sp. Z o.o. (Poland) Pilkington Polska Sp. Z o.o. (Poland) Pilkington Italia SpA (Italy) NSG UK Enterprises Limited (UK) NSG Holding (Europe) Limited (UK) Pilkington Group Limited (UK)
	North America	Pilkington North America Inc. (USA) L-N Safety Glass SA de CV (Mexico)
	Rest of the World	Vidrieria Argentina S.A. (Argentina) Vidrios Lirquén S.A. (Chili) Pilkington Automotive Argentina S.A. (Argentina) Pilkington Brasil Limitada (Brazil) Guilin Pilkington Safety Glass Co Limited (China) Changchun Pilkington Safety Glass Co Limited (China) Pilkington Solar (Taicang), Limited (China) Suzhou NSG Electronics Co Limited (China) NSG Hong Kong Co Limited (China) Malaysian Sheet Glass Sdn. Bhd. (Malaysia) Vietnam Float Glass Co Limited (Vietnam) Vietnam Glass Industries Limited (Vietnam)

(9) Permanent Employees

Segments	Number of employees
Building Products	10,156
Automotive	14,439
Specialty Glass	3,951
Others	794
Total	29,340 (up by 1,002 year on year)

(10) Main Loan Creditors to the Group

Creditor	Amount (Millions of yen)
Development Bank of Japan	27,558
Japan Bank for International Cooperation	9,019
Sumitomo Trust and Banking Corporation	9,000
European Investment Bank	8,205
Shoko Chukin Bank	4,328
Sumitomo Life Insurance Company	3,000
Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000

Note:
In addition to above, NSG Group has syndicated loans of the total amount of ¥ 186,994 million, of which ¥ 82,270 million is underwritten by Sumitomo Mitsui Banking Corporation.

2. Matters Related to the Company's Shares

(1) Authorized number of shares to be issued:

A) In total:	1,775,000,000 shares
B) By class	
Common shares:	1,775,000,000 shares
Type A preferred shares:	3,000,000 shares

Note:
Authorized number of Type A preferred shares will be cancelled on condition that the partial amendments to the Articles of Incorporation is approved by the 145th Ordinary General Meeting of Shareholders, which eliminates all of the provisions relating to the Type A preferred shares therein including the said authorized number of shares to be issued.

(2) Total number of shares issued:

Common shares:	903,550,999 shares
(Of which treasury shares:	1,404,087 shares)
Type A preferred shares:	—

(3) Number of shareholders

Common shares:	64,386
Type A preferred shares:	—

(4) Top 10 shareholders

Shareholders	Number of Shares (thousand)	Class of Shares	Percentage of Shares
Japan Trustee Services Bank, Ltd. (Trust Account)	82,199	Common	9.11
The Master Trust Bank of Japan, Ltd. (Trust Account)	55,779	Common	6.18
Japan Trustee Services Bank, Ltd. (Trust Account 9)	36,433	Common	4.04
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	15,772	Common	1.75
The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	15,583	Common	1.73
Japan Trustee Services Bank, Ltd. (Trust Account 4)	15,015	Common	1.66
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	14,466	Common	1.60
State Street Bank and Trust Company 505225	13,648	Common	1.51
JPMBLSA Offshore Lending JASDEC Account	11,345	Common	1.26
Barclays Bank Plc Sub-account Barclays Capital Securities Limited SBL/PB	10,101	Common	1.12

Note:
Where the percentage of shares is calculated, treasury shares are excluded from the total number of issued shares.

3. Policy on return of our profits to shareholders

The Group policy is to secure stable dividend payments to our shareholders based on stable business results. The Group decided to distribute a year end dividend of ¥ 3 per share to Common shareholders. The full year dividend payment to our Common shareholders will be ¥ 6 per share including the interim dividend of ¥ 3 per share.

4. Matters Related to the Company's Stock Acquisition Rights, etc

(1) Stock acquisition rights (stock options) owned by Directors, Executive Directors as of the end of fiscal year

Category	Name	Issue Price	Exercise Price	Exercise Period	No. of Stock Acquisition Rights	Type and Number of Shares to be Issued with the Exercise of Stock Acquisition Rights	No. of Holders
The Company's Directors (Excluding External Directors)	Stock acquisition rights (No. 1)	Free	¥ 418 per share	From 1 July 2006 to 28 June, 2014	103	103,000 Common shares (1,000 Common shares per right)	3
	Stock acquisition rights (No. 2)	Free	¥ 466 per share	From 1 July 2007 to 28 June 2015	111	111,000 Common shares (1,000 Common shares per right)	3
	Stock acquisition rights (No. 3)	Free	¥ 578 per share	From 1 July 2008 to 28 June 2016	72	72,000 Common shares (1,000 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2007 (Stock-compensation type)	¥ 666.31 per share	¥ 1 per share	From 29 Sep. 2007 to 28 Sep. 2037	55	55,000 Common shares (1,000 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2008 (Stock-compensation type)	¥ 497.51 per share	¥ 1 per share	From 28 Sep 2008 to 27 Sep 2038	111	111,000 Common shares (1,000 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2009 (Stock-compensation type)	¥ 255.12 per share	¥ 1 per share	From 1 Oct 2009 to 30 Sep 2039	220	220,000 Common shares (1,000 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2010 (Stock-compensation type)	¥ 139.42 per share	¥ 1 per share	From 1 Oct 2010 to 30 Sep 2040	188	188,000 Common shares (1,000 Common shares per right)	3
Total	—	—	—	—	860	860,000 Common shares	3

(2) Stock acquisition rights (stock options) issued to Executive Officers during the fiscal year

Category	Name	Issue Price	Exercise Price	Exercise Period	No. of Stock Acquisition Rights	Type and Number of Shares to be Issued with the Exercise of Stock Acquisition Rights	No. of Holders
Executive Officers	Stock acquisition rights issued in Sep. 2010 (Stock-compensation type)	¥ 139.42 per share	¥ 1 per share	From 1 Oct 2010 to 30 Sep 2040	206	206,000 Common shares (1,000 Common shares per right)	9

(3) Other important matters related to stock acquisition rights, etc.

Category	Yen-denominated Convertible Bond-type Bond with Warrant Due 2011 (Issued on 13 May 2004)
Date of Board Resolution of Issuance	26 April 2004
No. of Stock Acquisition Rights	4,600
Type and Number of Shares to be Issued with the Exercise of Stock Acquisition Rights	42,435,424 Common shares
Issue Price of Stock Acquisition Rights	Free
Exercise Price	¥ 542
Outstanding Amount of Bond with Stock Acquisition Rights	¥ 23 billion

5. Matters Related to Directors and Executive Directors of the Company

(1) Name etc. of Directors and Executive Directors

A) Directors

Name	Non-executive position		Material concurrent office
Katsuji Fujimoto	Director, Chairman of NSG Group	Chairman of the Nomination Committee, and a member of Audit Committee	—
Tomoaki Abe	Director, Vice Chairman	Chairman of the Audit Committee, a member of the Nomination Committee, and Compensation Committee	—
Craig Naylor	Director	A member of Nomination Committee and Compensation Committee	—
Mike Powell	Director	—	—
Mark Lyons	Director	—	—
Mike Fallon	Director	—	—
Keiji Yoshikawa	Director	—	—
Isao Uchigasaki	Director	A member of the Nomination Committee	—
George Olcott	Director	Chairman of the Compensation Committee, and a member of the Nomination Committee and Audit Committee	➢ Senior Fellow, Judge Business School, University of Cambridge ➢ Director, NKSJ Holdings, Inc.
Sumitaka Fujita	Director	A member of the Nomination Committee, Audit Committee, and Compensation Committee	➢ Director, The Furukawa Electronic, Co., Ltd. ➢ Director, NKSJ Holdings, Inc.
Seiichi Asaka	Director	A member of the Nomination Committee and Compensation Committee	➢ Director, Chairman of NSK Ltd. ➢ Director, NKSJ Holdings, Inc.
Hiroshi Komiya	Director	A member of the Nomination Committee and Audit Committee	➢ President & Representative Director, General Imaging Co., Ltd.

Notes:

1. Messrs. Isao Uchigasaki, George Olcott, Sumitaka Fujita, Seiichi Asaka, and Hiroshi Komiya are External Directors as stipulated in Article 2 Clause 15 of the Companies Act and notified to Tokyo Stock Exchange and Osaka Securities Exchange as Independent Directors.
2. A member of Audit Committee, Mr. Sumitaka Fujita has specialized knowledge particularly on finance and accounting to a respectable degree with his career of Chief Financial Officer at ITOCHU Corporation for seven years.

B) **Executive Directors**

Name	Executive position		Material concurrent office
Craig Naylor	Representative Executive Director	President and CEO	—
Mike Powell	Executive Director	Group Finance Director	—
Mark Lyons	Executive Director	Head of Building Products Worldwide	—
Mike Fallon	Executive Director	Head of Automotive Worldwide	—
Keiji Yoshikawa	Executive Director	Head of Specialty Glass Worldwide	—

(2) Compensation for Directors, Executive Directors

A) Principles of Compensation for Directors, and Executive Directors

(i) Organization & Responsibilities

The Compensation Committee was established following the Shareholders' Meeting in June 2008. Its membership consists of the three External Directors of NSG Group, one of the Group's Internal Non-Executive Directors and the Representative Executive Director. The current chairman is Mr. G C Olcott, an External Director. No member of the Committee is allowed to be present when matters relating to his specific compensation are being discussed. The Committee is supported by a secretariat from the Human Resources function and may use information from specialist external advisers when necessary. During the year 2010/11, the Committee met on five occasions.

The Committee is responsible for:

- Determining the policy on individual compensation and other perquisites payable to the Directors and Executive Directors of the Company
- Determining individual compensation and other perquisites payable to the Directors and Executive Directors of the Company

The Committee also notes decisions made on the compensation of Executive Officers and Senior Managers in the Group.

(ii) Compensation Policy for Executive Directors

NSG Group is a global business, operating in 29 countries worldwide. The objectives of the compensation policy are to ensure that packages of employment terms and conditions are market competitive and designed in such a way as to attract, retain and motivate executive directors of the highest calibre on a worldwide basis in an international business.

The policy aims to ensure that each individual's basic salary and incentives are aligned with the performance of the Group and the interests of shareholders as well as reflecting the commitment and achievements of the individuals concerned. While some of the elements of the packages of the Executive Directors will vary depending on the market conditions in the countries in which they are directly employed, annual bonus and long-term incentive plans follow a global policy and are structured, designed and co-ordinated at Group level.

Salary and benefit packages are set at market competitive levels and annual performance-related payments are assessed against the achievement of key targets which are mainly financial.

The salaries of Executive Directors are reviewed annually. The policy is to broadly align salaries with market medians for a global business. In determining what are the appropriate market rates, account is taken of turnover, market capitalization and the complexity and breadth of internationalization. In reviewing salaries, account is also taken of the scope and responsibilities of the role, the performance of the individual, the progress the Company is making against its targets and plans and of salary increases planned for other managers.

Each Executive Director participates in an annual performance-related incentive scheme. The Committee establishes the performance criteria and sets the appropriate bonus parameters. The incentive plans are based mainly on challenging financial performance targets relating to the annual budget which is approved by the Board. No bonus is paid to the Executive Directors if a minimum entry level of performance is not achieved.

Each Executive Director may be invited to participate in a Long Term Incentive Plan (LTIP). These plans are designed to reward the achievement of the Group's longer term objectives over a three year period. An LTIP may be issued annually. Therefore at any point in time there may be up to three overlapping plans in operation. The performance criteria for these plans are in the main financial targets. Payments from these plans are in cash.

(iii) Compensation Policy for External and Non-Executive Directors

The role of Non-Executive Directors is to supervise all Group business as members of the Board of Directors. In order for them to fulfill this role adequately and effectively, and for the Group to retain individuals with the capability and experience required, the appropriate compensation level of Non-Executive Directors is set based on comparisons with other companies using benchmark data provided by specialist external advisers.

Internal Non-Executive Directors receive a salary and are eligible for Stock Compensation-type Stock Options. They are not eligible for performance-related bonuses or awards under long-term incentive plans.

External Directors receive fees for the performance of their duties. They are not eligible for performance-related bonuses or awards under long-term incentive plans.

B) Amount of Compensation for Directors and Executive Directors

(i) Amount of Compensation for Directors and Executive Directors Paid by NSG

Category	Headcount	Compensation (Millions of yen)		
		Basic Salary	Bonus	Other Benefits
Non-Executive Directors	9	224	—	196
of which External Directors	6	64	—	2
Executive Directors	3	140	120	40

Notes:

1. In addition to the amounts shown in this table which are amounts either paid or reimbursed by NSG, additional amounts were paid to certain Executive Directors by Pilkington Group Limited (PGL), the wholly owned subsidiary of the Company, and these are shown in a separate table (ii) below. Payments to Executive Directors, as shown in this table, were payments earned by Yoshikawa, and payment or reimbursement of costs for Naylor and Powell.
2. Amounts shown relate to the periods for which the office of Director was held.
3. The data for Non-Executive Directors includes those who retired as of the end of the 144th Ordinary General Meeting of Shareholders and those who were appointed from that time. The amount shown under Other Benefits for Non-Executive Directors includes an amount of ¥ 170 million for retirement allowances to a Non-Executive Director (internal Director) and an amount of ¥ 2 million for the same to an External Director.
4. The amounts shown as Bonus payments in the table are those earned by three eligible individuals for the year from April 2010 to March 2011 (which will be paid in the year from April 2011). A payment was earned with respect to Annual Bonus for this period. No payment was earned in respect of the Long Term Incentive Plan covering the three financial years from April 2008 to March 2011.
5. Other Benefits for Non-Executive Directors include an amount of ¥ 21 million for Stock Options awarded to two Non-Executive Directors (internal Directors), which is the Stock Compensation-type Stock Option introduced as a retirement saving plan in accordance with the abolishment of director's retirement allowance scheme in 2007 under Japanese employment terms.
6. Other Benefits for Executive Directors include an amount of ¥ 5 million for Stock Options awarded to an Executive Director, which is the Stock Compensation-type Stock Option introduced as a retirement saving plan in accordance with the abolishment of director's retirement allowance scheme in 2007 under Japanese employment terms.
7. Other Benefits include pension fund contributions, healthcare provision, transport and accommodation costs.
8. Where amounts in UK sterling and US dollar have been converted to Japanese Yen these have been done at an average exchange rate for the year of GBP1: 133JPY, and USD1: 86JPY respectively.

(ii) Amount of Compensation for Executive Directors Paid by PGL

Category	Headcount	Compensation (Millions of yen)		
		Basic salary	Bonus	Other Benefits
Executive Directors	3	135	107	34

Notes:

1. The amounts shown include all compensation paid to Lyons and Fallon as Executive Directors and those amounts paid to Powell as an Executive Director not included under NSG in Table (i).
2. The amounts shown as Bonus payments in the table are those earned by three eligible individuals for the year from April 2010 to March 2011 (which will be paid in the year from April 2011). A payment was earned with respect to Annual Bonus for this period. No payment was earned in respect of the Long Term Incentive Plan covering the three financial years from April 2008 to March 2011.
3. Other Benefits include pension fund contributions, healthcare provision and transport costs.
4. Where amounts in UK sterling have been converted to Japanese Yen this has been done at an average exchange rate for the year of GBP1:133JPY.

(3) Matters related to External Directors

A) Material concurrent office of External Directors (in case that the External director has also executive positions such as an Executive Director and Executive Officer or is an External Director or Auditor of other organizations)

Name	Concurrent Position
George Olcott	➢ External Director, NKSJ Holdings, Inc.
Sumitaka Fujita	➢ External Director, The Furukawa Electronic, Co., Ltd. ➢ External Director, NKSJ Holdings, Inc.
Seiichi Asaka	➢ External Director, NKSJ Holdings, Inc.
Hiroshi Komiya	➢ President & Representative Director, General Imaging Co., Ltd.

Note:

NSG does not have any special relationship in business with NKSJ Holdings, Inc., The Furukawa Electronic, Co., Ltd., and General Imaging Co., Ltd.

B) Major activities of External Directors during fiscal year

Name	Major Activities
Isao Uchigasaki	Attended all the 14 Board of Directors meetings, all the three Nomination Committee meetings, held during the fiscal year under review, and all the five Audit Committee meetings, all the two Compensation Committee meetings, held during his tenure within the fiscal year under review as a member of both Committees, which ended on 29 June 2010, and made statements as necessary from a specialized viewpoint of an experienced business manager.
George Olcott	Attended 12 of the 14 Board of Directors meetings, all the three Nomination Committee meetings, 12 of the 13 Audit Committee meetings, and all the five Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an academic expert and an experienced business manager.
Sumitaka Fujita	Attended 13 of the 14 Board of Directors meetings, two of the three Nomination Committee meetings, 12 of the 13 Audit Committee meetings, and four of the five Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.
Seiichi Asaka	Attended all the 10 Board of Directors meetings, all and only the one Nomination Committee meeting, and all the three Compensation Committee meetings held after his assumption of the office of Director on 29 June 2010, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.
Hiroshi Komiya	Attended nine of the 10 Board of Directors meetings, all and only the one Nomination Committee meeting, and all the eight Audit Committee meetings held after his assumption of the office of Director on 29 June 2010, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.

C) Outline of an agreement on liability limitation

An agreement is concluded between the Company and each of the External Directors, to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence be limited to the amount as stipulated by law.

6. Independent Auditor

(1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

(2) Fees, etc, to accounting auditor with respect to fiscal year

Fees, etc., to Independent Auditor for Fiscal Year under Review	¥ 172 million
Monetary and/or other property benefits payable by the Company and its subsidiaries to Independent Auditor	¥ 221 million

Notes:

1. The audit contract between the Company and the Independent Auditor does not differentiate fees related to auditing as Independent Auditor pursuant to the Companies Act and fees related to auditing pursuant to the Financial Instruments and Exchange Act. It is not practically possible to differentiate them, either. As such, the Fees, etc., to Independent Auditor for Fiscal Year in the above table are the combined sum for these services.
2. Ernst & Young are the Group companies' principal auditors.
3. The Company paid the fees for the Independent Auditor in consideration for its rendering of consultation or other services on financial matters in addition to those for such services performed by it as prescribed in Article 2.1 of the Certified Public Accountants Act.

(3) Policies on dismissal or non-reappointment of independent auditor

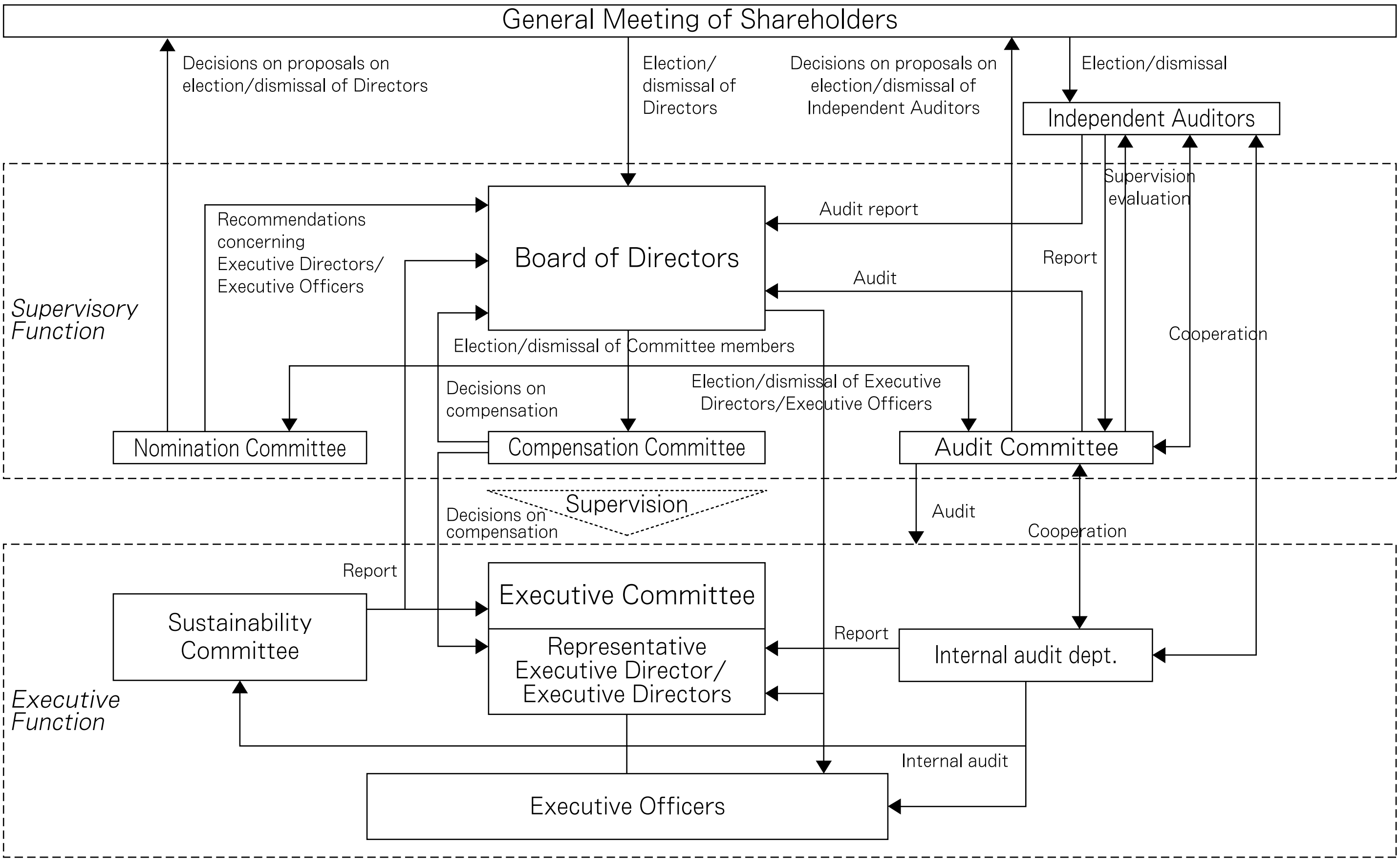
In addition to the dismissal of the independent auditor by the Audit Committee pursuant to stipulations in Article 340.1of the Companies Act, the Audit Committee shall, in principle, propose an agenda for dismissal or non-reappointment of the accounting auditor to the General Meeting of Shareholders when the Audit Committee judges that the independent auditor is unable to perform its duties properly, due to violation of law by the independent auditor or other matters impairing eligibility or independence as the auditor.

7. Status of corporate governance

(1) Policy and structure

The Group adopts a Company with Committees structure, under which we intend and seek to introduce additional safeguards for shareholders, increase the transparency of management, and enhance corporate governance by separating the functions of execution and oversight, with the role of the external directors strengthened.

(2) Management system



A) Board of Directors decides or approves matters delegated to it by resolution of the General Meeting of Shareholders as well as especially important matters on the execution of the Company’s business, in addition to the matters provided by laws and ordinances or by the Articles of Incorporation, and supervises the duties of Directors and Executive Directors.

B) Nomination Committee decides the details of the agenda items on appointment and removal of directors to be submitted to the General Meeting of Shareholders, and give recommendation or advice on candidates for Executive Directors and Executive Officers to the Board of Directors.

C) Audit Committee conducts audits of the execution of duties by directors and executive directors, prepares audit reports, and decides the details of agenda items on the appointment and removal of independent auditors, as well as their non-reappointment.

D) Compensation Committee makes decisions about individual compensation of executive/non-executive directors as well as the principle on these.

E) Executive Committee has the responsibility of effectively fulfilling the goals and policies of the NSG Group established by the Board of Directors.

F) Sustainability Committee reviews strategy and coordinates all Sustainability activities in the NSG Group and ensures effective communication of these matters with our stakeholders.

(3) Systems to Ensure Execution of Duties by Executive Directors are Compliant with Laws and Articles of Incorporation and to Secure Appropriateness of Operations, etc.

A) Matters regarding Directors and/or Employees who support the execution of duties by the Audit Committee

The Company has established an Audit Committee Office to assist the Audit Committee and a requisite number of staff is assigned to it.

B) Matters pertaining to the independence of the above Directors and/or Employees

Matters pertaining to the staff of the Audit Committee Office are required to be notified to and agreed by the Audit Committee in advance.

C) System for reporting by Executive Directors and employees to the Audit Committee and other systems concerning reporting to the Audit Committee

Executive Directors and other directors, officers and employees are required to report the following to the Audit Committee.

a) When an individual discovers any fact that has the potential to cause substantial damage to the NSG Group.

b) When any director, officer or employee performs any act in violation of any law, ordinance or the Articles of Incorporation, or is considered to have possibly performed those acts.

c) Matters requested to be reported by the Audit Committee and other matters considered helpful for audit.

D) Other system to ensure effective audit by the Audit Committee

a) Members appointed by Audit Committee have the right to attend Executive Committee meetings or other important meetings

b) The Audit Committee interviews, as required, the directors, officers and employees to obtain information required for audits and receives periodic reports regarding the risk status of the Group from the relevant functions responsible for management of their respective risks.

c) The Audit Committee may inspect material internal documents such as information materials for the Executive Committee meetings and requisition proposals.

d) The Audit Committee receives explanations from the Executive Director in charge concerning the settlement of accounts at the end of fiscal year as well as quarterly settlement of accounts prior to approval by the Board of Directors.

e) The Audit Committee meets regularly with the Internal Audit Function and Independent Auditor to gather information as required.

E) System for ensuring that the performance of duties by Executive Directors and employees complies with laws and regulations, and the Articles of Incorporation

The Group ensures strict compliance with laws and regulations, and the Articles of Incorporation and upholds corporate ethics in accordance with the "Values and Principles" and actively fulfills corporate social responsibilities.

The Group communicates and promotes the "NSG Group Code of Conduct" (regarding business ethics and compliance with laws/ regulations/ internal rules) established under the "Values and Principles" and internal rules (the Group's policies, procedures and guidelines) to the directors, officers and employees of the Group through its internal communication network and implements education and training programs.

Functions responsible for laws, regulations and internal rules are required to monitor the status of compliance in coordination with the Internal Audit Function and report it to the Audit Committee.

A Reporting of Concerns Procedure has been established to provide a framework through which the directors, officers and employees of the Group may report or seek counsel on matters related to compliance.

F) System for retaining and managing information pertaining to Executive Directors' performance of duties

Executive Directors retain and/or manage documents and any other information regarding their duties, pursuant to the applicable laws and internal rules.

G) Rules and system pertaining to Risk Management

Accurate financial reporting as well as proper and prompt information disclosure is ensured.

To cope with the risks that accompany corporate activities, the risks faced by the Group are comprehensively identified and managed. Further, the responsible functions have established appropriate internal regulations to manage the respective risks in such areas as compliance, environment, safety, disaster management, product quality, information security, fund management, materials procurement, research and development and credit control.

The Group arranges risk diversification and insurance as needed.

To manage major incidents, the Group prepares rules and takes actions accordingly.

H) System for ensuring the efficient performance of Executive Directors' duties

The Group manages consistent policies by specifying the Executive Directors annual objectives based on the long-term plan.

The duties and authority of Executive Directors, officers and employees, through resolutions by the Board of Directors, are clearly established and operated in accordance with internal rules on the division of duties and delegation of authority. Management decisions are made in accordance with the Terms of Reference of the Executive Committee and other rules on internal meetings, as well as the applicable criteria for submitting proposals for deliberation. Furthermore, utilizing information technology, the Company is developing systems to enhance further the efficiency of operations.

I) System for ensuring proper operation of corporate activities by the Group comprising the Company and its subsidiaries

The "NSG Group Values and Principles," "NSG Group Code of Conduct" and internal rules are communicated throughout the Group. Each Business Line and Group Function has defined rules and authority within its responsible area and provides guidance to ensure that internal control systems are properly implemented.

Transactions among the Group Companies must be conducted properly, in compliance with all applicable laws and regulations, accounting principles, and other social norms.

The Internal Audit Function evaluates and examines the effectiveness of the Group's internal controls, and makes proposals for improvement and efficiency of the Group's business operation.

The above reports are prepared by:

1. Rounding off any fraction of one million yen to the nearest one million yen except for the figures with respect to the business results before (including) FY2008 in which any fraction of one million yen is rounded down to one million yen. ; and

2. Rounding down any fraction of 1,000 shares to the nearest 1,000 shares.

End

Consolidated Balance Sheet (English translation)

As of 31 March 2011

(Millions of yen)

ASSETS	
Current assets	**274,866**
Cash and deposits	60,906
Notes and account receivables-trade	95,640
Products and goods	55,183
Work in process	14,019
Raw materials	31,574
Deferred tax assets	1,022
Other current assets	20,966
Allowance for doubtful accounts	(4,444)
Fixed assets	**593,722**
Tangible assets	**271,287**
Buildings and structures	59,643
Machinery and vehicles	153,178
Tools and dies	16,990
Land	36,922
Leased assets	3,349
Construction in progress	1,205
Intangible assets	**202,973**
Goodwill	107,690
Other intangible assets	95,283
Investments and other assets	**119,462**
JV& assoc. and other investments	62,712
Deferred tax assets	43,121
Other non-current assets	15,109
Allowance for doubtful accounts	(1,480)
Total: Assets	**868,588**

LIABILITIES	
Current liabilities	**201,450**
Notes and accounts payable – trade	73,927
Short-term bank borrowings	14,925
Current portion of Long-term bank borrowings	13,932
Current portion of bonds	25,000
Lease obligations	1,694
Accounts income tax	2,172
Provision for employees' bonuses	5,146
Provision for directors' bonuses	17
Provision for Netherlands fine	912
Provision for warranties and claims	5,097
Provision for restructuring expenditure	2,232
Provision for German minority interests	339
Provision for loss on disasters	133
Deferred tax liabilities	1,035
Other current liabilities	54,889
Fixed liabilities	**440,264**
Bonds	49,000
Long-term bank borrowings	264,342
Lease obligations	1,179
Accrued retirement benefits for employees	52,065
Provision for rebuilding furnaces	10,961
Environmental provision	6,071
Asset retirement obligations	664
Deferred tax liabilities	40,998
Other fixed liabilities	14,984
Total: Liabilities	**641,714**
NET ASSETS	
Shareholders' equity	**307,605**
Common stock	116,449
Capital surplus	125,587
Retained earnings	66,132
Treasury stock-at cost	(563)
Accumulated other comprehensive income	**(91,629)**
Unrealized holding gain on securities	660
Net unrealized holding loss on derivatives	(894)
Foreign currency translation adjustments	(91,395)
Stock options	**681**
Minority interests	**10,217**
Total: Net assets	**226,874**
Total: Liabilities and net assets	**868,588**

Consolidated Income Statement (English translation)

For the period of 1 April 2010 to 31 March 2011

(Millions of yen)

Net sales	577,212
Cost of sales	420,931
Gross income	156,281
Selling, general and administrative expenses	141,929
Operating income	14,352
Non-operating income	
Interest income	1,887
Dividend income	672
Equity in earnings	8,107
Other income	656
Total: Non-operating income	11,322
Non-operating expense	
Interest expense	13,292
Foreign exchange loss	1,972
Other expense	2,680
Total: Non-operating expense	17,944
Ordinary income	7,730
Extraordinary income	
Gain from sale of fixed assets	1,128
Gain on reversal of impairment in fixed assets	679
Gain on sale of investments in affiliates	733
Gain on reversal of impairment in investments in affiliates	1,020
Other extraordinary income	409
Total: Extraordinary income	3,969
Extraordinary loss	
Loss from sale of fixed assets	447
Impairment of fixed assets	1,851
Loss from restructuring expenditure	3,444
Loss from disasters	1,043
Other extraordinary loss	1,554
Total: Extraordinary loss	8,339
Net income before taxation	3,360
Income tax: current	5,130
Income tax: deferred	(6,812)
Total: Taxation	(1,682)
Net income before minority interest	5,042
Minority interest in net income of subsidiaries	3,381
Net income	1,661

Consolidated Statement of Comprehensive Income (English translation)

For the period of 1 April 2010 to 31 March 2011 - Reference only -

	(Millions of yen)
Income before minority interests	5,042
Other comprehensive income, net of tax	
Valuation difference on available for sale securities	(176)
Deferred gains or losses on hedges	4,132
Foreign currency translation adjustments	(22,771)
Share of other comprehensive income of affiliates accounted for using equity method	(1,433)
Total: Other comprehensive income, net of tax	(20,248)
Total comprehensive income	(15,206)
Total comprehensive income attributable to:	
Owners of the parent	(17,729)
Minority interests	2,523

Consolidated statement of changes in net assets (English translation)

For the period of 1 April 2010 to 31 March 2011

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Sub-total
Balance: as of 31 March 2010	96,147	135,290	71,696	(589)	302,544
Changes during the period:					
Issuance of new shares	20,302	20,302			40,604
Changes in shareholders' equity due to exercise of stock options				44	44
Dividends paid			(7,029)		(7,029)
Net income			1,661		1,661
Purchase of treasury stock				(30,643)	(30,643)
Disposal of treasury stock		12		2	14
Cancellation of treasury stock		(30,623)		30,623	—
Increase in retained earnings due to new consolidation of subsidiaries			420		420
Transfer of retained earnings to capital surplus		606	(606)		—
Other			(11)		(11)
Changes in unrealized holding gain, hedges, etc.					—
Total	20,302	(9,703)	(5,565)	26	5,060
Balance: as of 31 March 2011	116,449	125,587	66,132	(563)	307,605

	Accumulated other comprehensive income				Stock options	Minority interests	Total
	Unrealized holding gain on securities	Net unrealized holding loss on derivatives	Foreign currency translation adjustments	Sub-total			
Balance: as of 31 March 2010	836	(5,026)	(68,048)	(72,238)	684	8,942	239,931
Changes during the period:							
Issuance of new shares				—			40,604
Changes in shareholders' equity due to exercise of stock options				—			44
Dividends paid				—			(7,029)
Net income				—			1,661
Purchase of treasury stock				—			(30,643)
Disposal of treasury stock				—			14
Cancellation of treasury stock				—			—
Increase in retained earnings due to new consolidation of subsidiaries				—			420
Transfer of retained earnings to capital surplus				—			—
Other							(11)
Changes in unrealized holding gain, hedges, etc.	(176)	4,132	(23,347)	(19,391)	(3)	1,275	(18,119)
Total	(176)	4,132	(23,347)	(19,391)	(3)	1,275	(13,059)
Balance: as of 31 March 2011	660	(894)	(91,395)	(91,629)	681	10,217	226,874

NIPPON SHEET GLASS CO. LTD.

Balance Sheet (English translation)

As of 31 March 2011

			(Millions of yen)
ASSETS		**LIABILITIES**	
Current assets	**109,071**	**Current liabilities**	**74,453**
Cash and cash deposits	10,640	Accounts payable - trade	15,915
Notes receivable	2,745	Current portion of Long-term borrowings	9,938
Accounts receivable-trade	22,055	Current portion of bonds	25,000
Products and goods	13,564	Lease obligations	1,052
Work in process	2,356	Accounts payable - non-trade	11,145
Raw materials	6,509	Accrued income tax	205
Short term loan receivable	42,922	Accrued expenses	1,740
Other current assets	10,502	Customers' deposits	7,207
Allowance for doubtful accounts	(2,222)	Provision for employees' bonuses	1,090
Fixed assets	**497,363**	Provision for directors' bonuses	17
Tangible assets	**49,564**	Provision for warranties and claims	844
Buildings	18,046	Provision for loss on disasters	75
Structures	1,613	Other current liabilities	225
Machinery & Equipment	15,011	**Fixed liabilities**	**229,146**
Vehicles	16	Bonds	49,000
Tools & Fixtures	3,202	Long-term bank borrowings	162,956
Land	10,060	Lease obligations	156
Leased assets	631	Accrued retirement benefits	3,012
Construction in progress	985	Provision for rebuilding furnaces	10,961
Intangible assets	**5,133**	Environmental provision	224
Computer software	3,875	Asset retirement obligations	628
Leased assets	680	Deferred tax liabilities	1,708
Other intangible assets	578	Other fixed liabilities	501
Investments and other assets	**442,666**	**Total: Liabilities**	**303,599**
Investments in securities	3,490	**NET ASSETS**	
Investments in subs. & affiliates	345,777	**Shareholders' equity**	**300,919**
Long-term loan receivable	91,471	Common stock	116,449
Long-term prepaid expenses	577	Capital surplus	124,772
Other assets	1,417	Capital surplus	124,772
Allowance for doubtful accounts	(66)	Retained earnings	60,261
Total: Assets	**606,434**	Earned surplus	6,377
		Other retained earnings	53,884
		Reserve for advanced depreciation	*2,795*
		General reserve	44,977
		Retained earnings carried forward	*6,112*
		Treasury stocks – at cost	(563)
		Valuation and translation adjustments	**1,235**
		Unrealized holding gain on securities	326
		Net unrealized holding gain on derivatives	909
		Stock options	**681**
		Net Assets	**302,835**
		Total: Liabilities and net assets	**606,434**

NIPPON SHEET GLASS CO. LTD.

Income Statement (English translation)

For the period of 1 April 2010 to 31 March 2011

	(Millions of yen)
Net sales	**114,278**
Cost of sales	83,773
Gross income	**30,505**
Selling, general and administrative expenses	27,182
Operating income	**3,323**
Non-operating income	
Interest and dividend income	5,079
Other income	485
Total: Non-operating income	**5,564**
Non-operating expense	
Interest expense	4,652
Other expense	1,360
Total: Non-operating expense	**6,012**
Ordinary income	**2,875**
Extraordinary income	
Gain from sale of fixed assets	618
Other	131
Total: Extraordinary income	**749**
Extraordinary loss	
Loss on sale of fixed assets	81
Loss on impairment of tangible fixed assets	677
Loss on disasters	800
Loss on liquidation of subsidiaries	1,593
Loss on revaluation of investments in subsidiaries	553
Other	917
Total: Extraordinary loss	**4,621**
Net loss before tax	**(997)**
Taxation	
Income tax: Current	(542)
Income tax: Deferred	(747)
Total: Taxation	(1,289)
Net income	**292**

Statement of changes in net assets (English translation)

For the period of 1 April 2010 to 31 March 2011

(Millions of yen)

	Shareholders' equity											
		Capital surplus			Retained earnings							
						Other retained earnings						
	Common stock	Capital surplus	Other capital surplus	Sub-total	Earned surplus	for special account for advanced	Reserve for advanced depreciation	General reserve	Retained earnings carried forward	Sub-total	Treasury shares	Sub-total
Balance: as of 31 March 2010	**96,147**	**104,470**	**30,005**	**134,474**	**6,377**	—	**3,134**	**44,977**	**13,116**	**67,604**	**(589)**	**297,637**
Changes during the period:												
Issuance of new shares	20,302	20,302		20,302								40,604
Reversal of reserve for deferred gain on fixed assets							(339)		339	—		—
Dividends									(7,029)	(7,029)		(7,029)
Net income									292	292		292
Exercise of stock options											44	44
Acquisition of treasury shares											(30,643)	(30,643)
Disposal of treasury shares			12	12							2	14
Cancellation of treasury shares			(30,623)	(30,623)							30,623	—
Transfer of retained earnings to capital surplus			606	606					(606)	(606)		—
Changes in unrealized holding gain, hedges, etc.												—
Total	20,302	20,302	(30,005)	(9,703)	—	—	(339)	—	(7,004)	(7,343)	26	3,282
Balance: as of 31 March 2011	**116,449**	**124,772**	—	**124,772**	**6,377**	—	**2,795**	**44,977**	**6,112**	**60,261**	**(563)**	**300,919**

	Unrealized holding gain, etc.			Stock options	**Total**
	Unrealized holding gain on securities	Net unrealized holding gain on derivatives	Sub-total		
Balance: as of 31 March 2010	**592**	**(651)**	**(59)**	**684**	**298,261**
Changes during the period:					
Issuance of new shares					40,604
Reversal of reserve for deferred gain on fixed assets					—
Dividends					(7,029)
Net income					292
Exercise of stock options					44
Acquisition of treasury shares					(30,643)
Disposal of treasury shares					14
Cancellation of treasury shares					—
Transfer of retained earnings to capital surplus					—
Changes in unrealized holding gain, hedges, etc.	(266)	1,560	1,294	(3)	1,291
Total	(266)	1,560	1,294	(3)	4,573
Balance: as of 31 March 2011	**326**	**909**	**1,235**	**681**	**302,835**

Reference materials for proposals at General Meeting of Shareholders

Proposal 1- Partial amendments to the Articles of Incorporation

1. Objective

This is to propose to eliminate the provisions in relation to Type A Preferred Shares from the Articles of Incorporation in accordance with the acquisition and cancellation of all of the issued Type A Preferred Shares implemented by the Company during the fiscal year under review and make some adjustments to the expression of certain terms therein related thereto where necessary.

2. Details

(1) Amendments to the provisions as follows:

Current Version	Amended Version
CHAPTER 1 GENERAL PROVISIONS Article 1 through Article 5 (Omitted)	**CHAPTER 1 GENERAL PROVISIONS** Article 1 through Article 5 (Same as Current Version)
CHAPTER 2 COMPANY STOCK	**CHAPTER 2 COMPANY STOCK**
Article 6. Total number of shares authorized to be issued <u>and total number of shares authorized to be issued by class</u>	Article 6. Total number of shares authorized to be issued
The total number of shares of the Company authorized to be issued shall be 1,775,000,000 shares. <u>The total number of shares of the Company authorized to be issued by class shall be as follows:</u> <u>Common shares</u> <u>1,775,000,000 shares</u> <u>Type A Preferred Shares</u> <u>3,000,000 shares</u>	The total number of shares of the Company authorized to be issued shall be 1,775,000,000 shares. (Deleted)
Article 7. Number of shares <u>of common stock</u> comprising one (1) unit	Article 7. Number of shares comprising one (1) unit
The number of shares <u>of common stock</u> comprising one (1) unit (hereinafter referred to as “Unit”) shall be 1,000 shares.	The number of shares comprising one (1) unit (hereinafter referred to as “Unit”) shall be 1,000 shares.

(2) Elimination of the following provisions

Current Version
CHAPTER 2-2 TYPE A PREFERRED SHARES Article 10-2 Type A Preferred Dividends 1. If the Company is to distribute any surplus (excluding the Type A Preferred Interim Dividend defined in paragraph 5), the Company will distribute the amount of surplus per share of the Type A Preferred Shares set out in the following paragraph (the "Type A Preferred Dividend") to the shareholders of the Type A Preferred Shares (the "Type A Preferred Shareholders"), and the registered pledgees of shares of the Type A Preferred Shares (the "Registered Pledgees of Type A Preferred Shares"), listed or recorded in the latest register of shareholders as of the record date for the distribution of surplus before making any such distribution to the shareholders of common shares (the "Common Shareholders") or the registered pledgees of common shares (the "Registered Pledgees of Common Shares"). However, if all or part of the Type A Preferred Dividend (excluding the distribution of the Accumulated Unpaid Type A Preferred Dividend defined in paragraph 3 and including the Type A Preferred Interim Dividend defined in paragraph 5) has already been paid based on a record date that falls in the fiscal year of the record date for the distribution of surplus, the accumulated amount of the distribution shall be deducted from the amount of surplus. If the Company acquires the Type A Preferred Shares in the period from the record date of the distribution of surplus to the distribution of surplus, the distribution of surplus with respect to the record date above for the Type A Preferred Shares will not be required. 2. The amount of the Type A Preferred Dividend will be JPY 925 per share (the amount of the Type A Preferred Dividend with a record date that falls in the fiscal year ending on March 31, 2010 will be JPY 842 per share). However, if the aggregate of the amounts of surplus per share to be distributed to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares (excluding the distribution of the Accumulated Unpaid Type A Preferred Dividend defined in the following paragraph and including the Type A Preferred Interim Dividend defined in paragraph 5) in a fiscal year (the "Fiscal Year Before Amendment for Type A Preferred Dividend") and the immediately preceding fiscal year does not reach the amount of the Type A Preferred Dividend relating to those fiscal years for 2 consecutive years, the amount of the Type A Preferred Dividends will, starting from the fiscal year immediately after the Fiscal Year Before Amendment for Type A Preferred Dividend (the "Fiscal Year After Amendment for Type A Preferred Dividend"), be amended to JPY 1,225 per share (the "Amendment of Type A Preferred Dividend"). 3. If the aggregate of the amount of surplus per share to be distributed to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares based on a record date that falls in a fiscal year (excluding the distribution of the Accumulated Unpaid Type A Preferred Dividend defined in the following paragraph) does not reach the amount of the Type A Preferred Dividend for that fiscal year, the shortfall will accumulate and be carried over to the following and subsequent fiscal years, and the accumulated shortfall (the "Accumulated Unpaid Type A Preferred Dividend") will be paid to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares before making the Type A Preferred Dividend, the Type A Preferred Interim Dividend defined in paragraph 5 and any distribution to the Common Shareholders or the Registered Pledgees of Common Shares. 4. No surplus in excess of the Type A Preferred Dividend will be distributed to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares. 5. If the Company is to distribute any surplus based on a record date of September 30 on any given year, the Company will distribute the amount of surplus per share of the Type A Preferred Shares equal to one-half of the amount of the Type A Preferred Dividend in the fiscal year of the record date (rounded up to the nearest whole yen) (the "Type A Preferred Interim Dividend") to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares, listed or recorded in the latest register of shareholders as of September 30 of that year before making any such distribution to the Common Shareholders or the Registered Pledgees of Common Shares. The amount of the Type A Preferred Interim Dividend with a record date that falls on September 30, 2009 will be JPY 381 per share.

Current Version

Article 10-3 Distribution of Residual Assets

1. If the Company is to distribute residual assets, the Company will pay the base acquisition price set out in Article 10-5, Paragraph 2, as the residual assets distribution amount per share of the Type A Preferred Shares to the Type A Preferred Shareholders and the Registered Pledgees of Type A Preferred Shares prior to the Common Shareholders or the Registered Pledgees of Common Shares.

2. In the case of the distribution of residual assets set out in the preceding paragraph, the base acquisition price will be calculated by reading the “Acquisition Date” in the calculation of the base acquisition price set out in Article 10-5, Paragraph 2, as meaning the “date on which the residual assets are distributed”.

3. No residual assets other than those provided for in paragraph 1 will be distributed to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares.

Article 10-4 Voting Rights

Unless otherwise provided by law or regulation, the Type A Preferred Shareholders do not have voting rights at general meetings of shareholders.

Article 10-5 The Preferred Shareholders’ Right to Request Acquisition of Type A Preferred Shares with Cash Consideration

1. The Type A Preferred Shareholders may, at any time on and after July 2, 2009, request the Company to pay cash amount in exchange for the Company’s acquiring all or part of the Type A Preferred Shares. Upon receiving that request, the Company shall implement the acquisition of all or part of the Type A Preferred Shares as set out below on the effective date of the request within the limit of the distributable reserve stipulated in Article 461, Paragraph 2, of the Companies Act as of the effective date to the extent permitted by law or regulation (the date on which the shares are acquired, the “Acquisition Date”). However, if the Type A Preferred Shareholders request to acquire the shares in excess of the distributable reserve, the shares of the Type A Preferred Shares to be acquired will be determined by pro rata allotment in proportion to the number of the shares requested.

2. The acquisition price per share of the Type A Preferred Shares will be calculated according to each case set out below. The acquisition price per share of the Type A Preferred Shares calculated in accordance with the formula below is referred to as the “Base Acquisition Price.” The “Business Day” below means any day other than the days stipulated as bank holidays in Japan under the Banking Law (Law No. 59 of 1981, as amended).

(1) In the case the Type A Preferred Dividend is not amended

Base Acquisition Price Formula

Base Acquisition Price = JPY 10,000 × (1 + 0.0925)m × (1 + 0.0925)n

In the Base Acquisition Price Formula, “m” is

(a) if the Acquisition Date falls in the period between the payment date to the date immediately preceding the first anniversary of such payment date—zero, or

(b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the payment date to the Immediately Preceding Payment Anniversary.

Each anniversary of the payment date is referred to as a “Payment Anniversary,” and the “Immediately Preceding Payment Anniversary” means the Payment Anniversary immediately preceding the Acquisition Date (if the Acquisition Date occurs on the same date as a Payment Anniversary, the Acquisition Date will be considered the Immediately Preceding Payment Anniversary).

In the Base Acquisition Price Formula, “n” will be calculated by dividing the “Number of Remaining Days” (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The “Number of Remaining Days” means the actual number of days from the date (inclusive) immediately following the payment date to the Acquisition Date (inclusive) in the case of (a) above or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Payment Anniversary to the Acquisition Date (inclusive) in the case of (b) above.

Notwithstanding the formula above, if the Type A Preferred Dividend (including the Accumulated Unpaid Type A Preferred Dividend; the same applies in this paragraph) is paid before the Acquisition Date (inclusive) (the Type A Preferred Dividend paid before the Acquisition Date is referred to as the “Paid Type A Preferred Dividend”), the Acquisition Price per share of the Type A Preferred Shares will be adjusted by deducting the price calculated in accordance with the following formula from the Base Acquisition Price. If the Type A Preferred Dividend is paid multiple times, the deduction price will be calculated for each of the Paid Type A Preferred Dividend and deducted from the Base Acquisition Price.

Current Version
Deduction Price Formula Deduction Price = Paid Type A Preferred Dividend × (1 + 0.0925)x× (1 + 0.0925)y In the Deduction Price Formula, "x" is (a) if the Acquisition Date falls on any day between the date on which the Paid Type A Preferred Dividend is paid (the "Preferred Dividend Payment Date") (inclusive) and the date immediately preceding the anniversary of the Preferred Dividend Payment Date—zero, or (b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the Preferred Dividend Payment Date to the Immediately Preceding Preferred Dividend Payment Anniversary. Each anniversary of the Preferred Dividend Payment Date is referred to as a "Preferred Dividend Payment Anniversary", and the "Immediately Preceding Preferred Dividend Payment Anniversary" means the Preferred Dividend Payment Anniversary immediately preceding the Acquisition Date (if the Acquisition Date occurs on the same date as a Preferred Dividend Payment Anniversary, the Acquisition Date will be considered the Immediately Preceding Preferred Dividend Payment Anniversary). In the Deduction Price Formula, "y" is calculated by dividing the "Number of Remaining Days" (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The "Number of Remaining Days" means the actual number of days from the date (inclusive) immediately following the Preferred Dividend Payment Date to the Acquisition Date (inclusive) in the case of (a) above, or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Preferred Dividend Payment Anniversary to the Acquisition Date (inclusive) in the case of (b) above. (2) In the case the Type A Preferred Dividend is amended Base Acquisition Price Formula After Amendment of Type A Preferred Dividend Base Acquisition Price After Amendment of Type A Preferred Dividend = Amended Calculation Date Acquisition Price ×（1＋0.1225）p×(1＋0.1225)q If the Acquisition Date falls on the last day of the Fiscal Year Before Amendment for Type A Preferred Dividend (the "Calculation Date"), the "Amended Calculation Date Acquisition Price" means the Acquisition Price calculated in accordance with the preceding item. In the Base Acquisition Price Formula After Amendment of Type A Preferred Dividend, "p" is (a) if the Acquisition Date falls in the period between the Calculation Date to the date immediately preceding the first anniversary of such Calculation Date—zero, or (b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the Calculation Date to the Immediately Preceding Anniversary Date, . Each anniversary of the Calculation Date is referred to as a Calculation Anniversary," and the "Immediately Preceding Calculation Anniversary" means the Calculation Anniversary immediately preceding the Acquisition Date, (if the Acquisition Date occurs on the same date as a Calculation Anniversary, the Acquisition Date will be considered the Immediately Preceding Calculation Anniversary). In the Base Acquisition Price Formula After Amendment of Type A Preferred Dividend, "q" will be calculated by dividing the "Number of Remaining Days" (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The "Number of Remaining Days" means the actual number of days from the date (inclusive) immediately following the Calculation Date to the Acquisition Date (inclusive) in the case of (a) above or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Calculation Anniversary to the Acquisition Date (inclusive) in the case of (b) above. Notwithstanding the formula above, if the Type A Preferred Dividend is paid between the date immediately following the Calculation Date to the Acquisition Date (including such date) (the Type A Preferred Dividend paid between the date immediately following the Calculation to the Acquisition Date shall be referred to as the "Paid Type A Preferred Dividend After Amendment"), the Acquisition Price per share of the Type A Preferred Shares will be arranged by deducting the price calculated in accordance with the following formula from the Base Acquisition Price After Amendment of Type A Preferred Dividend. If the Type A Preferred Dividend is paid in multiple times, the deduction price will be calculated for each of the Paid Type A Preferred Dividend After Amendment and deducted from the Base Acquisition Price. Deduction Price Formula After Amendment of Type A Preferred Dividend Deduction Price After Amendment of Type A Preferred Dividend = Paid Type A Preferred Dividend × 0.1225）r×（1＋0.1225）s In the Deduction Price Formula After Amendment of Type A Preferred Dividend, "r" and "s" are calculated similarly in accordance with "x" and "y" in the Deduction Price Formula mentioned above. In such case, the Deduction Price After Amendment of Type A Preferred Dividend will be calculated by reading the "Paid Type A Preferred Dividend" in the calculation as meaning the "Paid Type A Preferred

Current Version
Dividend After Amendment”. Article 10-6 The Company’s Right to Acquire Type A Preferred Shares with Cash Consideration 1. The Company may acquire all or part of the Type A Preferred Shares, on a date separately determined by the Board of Directors of the Company, to the extent permitted under the applicable law or regulation, in exchange for the amount of cash irrespective of the intention of the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares (the date of the acquisition, the “Date of Acquisition by Right of Acquisition with Cash Consideration”). If the Company is to acquire part of the Type A Preferred Shares, it shall do so pro rata or in a reasonable manner determined by the Board of Directors of the Company. 2. The acquisition price per Type A Preferred Share will be (a) if the Date of Acquisition by Right of Acquisition with Cash Consideration falls within the period from the subscription date to the day immediately before its first anniversary—the amount equal to the Base Acquisition Price set out in Article 10-5, Paragraph 2, multiplied by 1.02, or (b) if the Date of Acquisition by Right of Acquisition with Cash Consideration falls in any subsequent day—the amount equal to the Base Acquisition Price set out in Article 10-5, Paragraph 2. When the above Base Acquisition Price being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Article 10-5, Paragraph 2, as meaning the “Date of Acquisition by Right of Acquisition with Cash Consideration”. Article 10-7 Right to Request Acquisition of Type A Preferred Shares by the Company with Common Shares for Consideration 1. A Type A Preferred Shareholder may request the Company, under the conditions set out in Paragraph 3 below, to deliver the common shares in exchange for the Company’s acquiring the Type A Preferred Shares during the period in which the Type A Preferred Shareholder is entitled to request acquisition provided for Paragraph 2 below. 2. The period in which the Type A Preferred Shareholders are entitled to request acquisition of the Type A Preferred Shares is any time on and after July 2, 2009. 3. The Type A Preferred Shareholders may cause the Company to acquire the Type A Preferred Shares in exchange for delivery of the common shares of the Company under the following conditions (the date of acquisition, the “Acquisition Date with Common Share Consideration”). When the number of common shares to be delivered to the Type A Preferred Shareholders are being calculated, any fraction of a share is to be rounded down to the nearest one share, and the monetary adjustment set out in Paragraph 3 of Article 167 of the Companies Act will not be performed. Formula: The number of common shares to be delivered in exchange for acquisition = A ÷ B A = Aggregate Base Acquisition Price set out in Article 10-5, Paragraph 2, of the Type A Preferred Shares that the Type A Preferred Shareholders request the Company to acquire B = Exchange price When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Article 10-5, Paragraph 2, as meaning the “Acquisition Date with Common Share Consideration.” (1) The Initial Exchange Price is 291.7 yen. (2) The Exchange Price will be revised on January 15 and July 15 (each date, the “Exchange Price Revision Date”) each year after January 15, 2010, to the amount (the “Revised Exchange Price”) equal to 90% of the current market price as of the Exchange Price Revision Date. However, if the Revised Exchange Price is less than 65% of the Initial Exchange Price (the “Minimum Exchange Price”), the Revised Exchange Price will be the Minimum Exchange Price. If the Exchange Price is adjusted in accordance with Item (3) below, the Minimum Exchange Price will be adjusted accordingly. The “current market price” used above means the average daily closing price (including displayed quotes) of the common shares of the Company in regular trading as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding trading days on which no closing price is reported) commencing on the 45th trading day before the Exchange Price Revision Date, and the calculation is to be made to the two decimal place denominated in yen and then rounded down to the one decimal place. (3) (a) If the number of common shares changes or is likely to change due to any of the events listed in Item (b) below after the issue of the Type A Preferred Shares, the Company shall adjust the Exchange Price (including the Exchange Price after revision as set out in Item (2) above) in accordance with the following formula (the “Exchange Price Adjustment Formula”).

Current Version

Formula:

Exchange price after adjustment = A X (B + C X D ÷ E) ÷ (B + C)

A = Exchange price before adjustment

B = Number of common shares outstanding

C = Number of common shares to be delivered

D = Subscription price per share

E = Current market price per share

The "number of common shares outstanding" used in the Exchange Price Adjustment Formula means the number of outstanding common shares of the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, the date 1 month before the date on which the adjusted Exchange Price becomes effective less the number of common shares held by the Company as of that date. The "number of common shares to be delivered" used in the Exchange Price Adjustment Formula means, in the case of a stock split of common shares, the number of common shares increased due to the stock split (excluding the number of common shares increased with respect to the common shares held by the Company as of the record date). In the case of a stock consolidation, the number of common shares decreased due to the stock consolidation (excluding the number of common shares decreased with respect to the common shares held by the Company as of the effective date) will be used in the Exchange Price Adjustment Formula as a negative number. The "subscription price per share" used in the Exchange Price Adjustment Formula means

(i) in the case of Item (b)(i) below, the relevant subscription price (or, in the case of subscription for contribution of non-monetary properties, the fair value, or in the case of gratuitous allotment, zero yen),

(ii) in the case of Items (b)(ii) and (b)(iv) below, zero yen, or

(iii) in the case of Item (b)(iii) below, the price as set out in Item (b)(v) below.

(b) The adjustment of the Exchange Price of the Type A Preferred Shares in accordance with the Exchange Price Adjustment Formula, and the time when the adjusted Exchange Price becomes effective, are as set out below.

(i) If the Company delivers (including by gratuitous allotment) the common shares at a subscription price that is less than the current market price set out in Item (c)(ii) below (except for the case where the Company delivers the common shares in exchange for acquisition of acquirable shares, shares with claim for acquisition, or acquirable stock acquisition rights (including those attached to bonds with stock acquisition rights; the same applies in this (3)), or upon conversion, exchange or exercise of the stock acquisition rights (including those attached to the bonds with stock acquisition rights; the same applies in this (3)) or other securities or rights that may demand delivery of the common shares), then the adjusted Exchange Price will become effective as of the day immediately following the payment date (or, if the payment period is set in the offering, the last day of that payment period; the same applies hereinafter), or the day immediately following the date on which the gratuitous allotment takes effect. However, if the record date on which a right to receive an allotment of offered shares is granted to the Common Shareholders of the Company or on which gratuitous allotment is executed is set, the adjusted Exchange Price will become effective as of the day immediately following that record date.

(ii) In the case of stock split of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the record date of the stock split.

(iii) If the Company delivers (including by gratuitous allotment)

- shares with claims for acquisition, acquirable shares or acquirable stock acquisition rights and the delivery of the common shares in exchange for acquisition of acquirable shares, shares with claims for acquisition, or acquirable stock acquisition rights is set at a Price (as defined below) that is less than the current market price set out in Item (c)(ii) below, or
- stock acquisition rights or other securities or rights that allow their holders to demand delivery of common shares at a Price that is less than the current market price set out in Item (c)(ii) below,

then the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula assuming that the common shares are delivered in such a way that all of the shares with claim for acquisition, acquirable shares, or acquirable stock acquisition rights, or the stock acquisition rights or other securities or rights (the "Shares with Claim for Acquisition, Etc.") to be delivered are acquired, converted, exchanged or exercised on the initial conditions, and
- become effective as of the day immediately following the delivery date or the effective date of gratuitous allotment.

However, if there is a record date on which a right to receive an allotment of the Shares with Claim for Acquisition, Etc. is granted to the Common Shareholders or on which gratuitous allotment is executed, the adjusted Exchange Price will become effective as of the day immediately following that record date.

Notwithstanding the foregoing, if the price of the common shares to be delivered upon acquisition, conversion, exchange or exercise is not settled at the time described above, the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula assuming that the common shares are delivered in such a way that all of the Shares with Claim for Acquisition, Etc. that have been delivered at the time of settlement of the price are

Current Version
acquired, converted, exchanged or exercised on the conditions at the time of the settlement of the price, and • become effective as of the day immediately following the date on which the price is settled. (iv) In the case of a stock consolidation of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the record date of the stock consolidation. (v) The "Price" referred to in Item (iii) above means the amount calculated by dividing (a) the amount paid upon delivery of the Shares with Claim for Acquisition, Etc. and other payments in the nature of consideration (in the case of the stock acquisition rights that allow their holders to demand delivery of the common shares at a price that is less than the current market price, the total of the stock acquisition rights paid upon their delivery and the amount of property to be contributed upon their exercise) less the amount of property other than the common shares to be delivered to holders of the Shares with Claim for Acquisition, Etc. upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc., by (b) the number of common shares to be delivered upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc. (c) (i) The calculation in accordance with the Exchange Price Adjustment Formula will be made to the two decimal place denominated in yen and then rounded down to the one decimal place. (ii) The current market price used in the Exchange Price Adjustment Formula is the average daily closing price (including displayed quotes) of the common shares in regular trading as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding trading days on which no closing price is reported) commencing on the 45th trading day before the date on which the adjusted Exchange Price becomes effective. The calculation will be made to the two decimal place denominated in yen and then rounded to the nearest one decimal place. (d) In addition to the events necessary to adjust the Exchange Price as set out in Item (b) above, if the Board of Directors of the Company reasonably determines that any of the following events applies, the Company shall adjust the Exchange Price as necessary: (i) if it is necessary to adjust the Exchange Price for the purpose of a merger in which the Company is the surviving company, assumption of all or part of the rights and obligations of another company as a result of an absorption-type merger performed by that other company, or acquisition of all outstanding shares of a stock company as a result of a share exchange performed by that other stock company; (ii) if two or more events necessary to adjust the Exchange Price occur almost simultaneously, and it is necessary to consider the effect that one event has on the current market price to be used for calculation of the Exchange Price after adjustment based on another event; or (iii) if it is otherwise necessary to adjust the Exchange Price as a result of any event that changes or may change the number of outstanding common shares of the Company occurs. (e) As long as the difference between the Exchange Price after adjustment calculated in accordance with the Exchange Price Adjustment Formula and the Exchange Price before adjustment is only less than 1 yen, the Exchange Price will not be adjusted. However, adjustments considered unnecessary under this item are to be carried forward and taken into consideration in calculating the subsequent adjustment. (f) If the Exchange Price is adjusted in accordance with any of the items in Items (a) through (e), the Company shall give prior written notice to each Type A Preferred Shareholder recorded in the register of shareholders indicating the fact that the adjustment was made, the Exchange Price before adjustment, the Exchange Price after adjustment, the date on which the Exchange Price becomes effective, and other necessary matters. However, if the Company is unable to give the notice by the day immediately prior to the date on which the Exchange Price becomes effective, the Company shall promptly give such notice on and after the date on which the Exchange Price becomes effective. Article 10-8. Consolidation or split of shares, allotment of offered shares etc. Unless otherwise provided for by law or regulation, the Company will not consolidate or split the Type A Preferred Shares. The Company will not grant the Type A Preferred Shareholders the right to receive an allotment of offered shares or the right to receive an allotment of offered stock acquisition rights and will not carry out a gratis allotment of shares or a gratis allotment of stock acquisition rights. Article 16-2. Meeting of class shareholders The provisions of Article 13 through 16 apply with the necessary changes to meetings of class shareholders.

Proposal 2- Election of Eleven Directors

The term of office of all the twelve Directors shall expire as of the end of this Ordinary General Meeting of Shareholders. It is therefore proposed that the following eleven Directors be elected. Details of the Director candidates are as follows:

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
1	Katsuji Fujimoto (28 Jul. 1943)	Apr. 1968 Joined the Company Jun. 1998 Director Jun. 2002 Managing Director Jun. 2004 Representative Director, President Oct. 2007 President & CEO Jun. 2008 Director, Chairman of NSG Group Oct .2009 Representative Executive Director, President & CEO Jun. 2010 Director, Chairman of NSG Group (Current position)	122,000 Common shares
2	Tomoaki Abe (25 Mar. 1941)	Apr. 1963 Joined the Company Jun. 1992 Director Jun. 1998 Managing Director Jun. 2000 Senior Managing Director Jun. 2002 Vice President, Representative Director Jun. 2004 Vice Chairman, Representative Director Jun. 2007 Director Vice Chairman (Current position)	78,000 Common shares

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations		Number/Class of the Company's Shares Owned
3	Craig Naylor (24 Nov. 1948)	Jun. 1970	Joined E. I. du Pont de Nemours and Company (DuPont)	—
		Aug. 1987	Regional Director DuPont Automotive, Asia Pacific (Japan)	
		Mar. 1991	Products Director, Engineering Polymers (USA)	
		Aug. 1992	Global Business Director, Nylon Resins (Switzerland)	
		Dec. 1996	Vice President & General Manager, Engineering Polymers (Switzerland)	
		Jun. 2000	Group Vice President & General Manager, Engineering Polymers, Fluoroproducts and Packaging & Industrial Polymers (Switzerland)	
		Jun. 2002	Group Vice President DuPont Performance Materials (USA)	
		Jan, 2004	Group Vice President Asia Pacific (China)	
		Jun. 2004	Group Vice President DuPont Electronic & Communication Technologies (USA)	
		Feb. 2005	Non-executive director, Delphi Corporation (Retired in Sep. 2009)	
		Jun. 2010	Representative Executive Director, President & CEO, NSG Group (Current position)	
4	Mark Lyons (31 Oct. 1962)	Apr. 1990	Joined Pilkington plc (Currently Pilkington Group Limited)	—
		Jan. 2003	CFO, Building Products Worldwide	
		Mar. 2005	President, Building Products Europe	
		Apr. 2007	General Manager, BP Regional Operations, NSG Group Managing Director, Building Products Europe,	
		Jun. 2007	Senior Executive Officer, NSG Group General Manager, BP Regional Operations Managing Director, Building Products Europe	
		Oct. 2007	Senior Executive Officer, NSG Group Head of Building Products Worldwide (Current position)	
		Jun. 2008	Executive Director, NSG Group (Current position)	

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
5	Mike Fallon (27 Feb. 1958)	Aug. 1979 Joined Pilkington plc (Currently Pilkington Group Limited) Jan. 1990 Production Manager Triplex Safety Glass Dec. 1991 Works Manager Triplex Safety Glass Jan. 1994 Sales & Marketing Director Triplex Safety Glass Mar. 1996 Customer Development Director OE, Pilkington Automotive Aug.1997 Director of Operations AGR Europe & Chairman of Pilkington Finland Apr. 2004 Vice President AGR Europe Sep. 2006 Vice President AGR South America Sep. 2007 Vice President Global AGR Jun. 2008 Executive Officer, NSG Group Sep. 2008 Head of Automotive Worldwide (Current position) Jun. 2009 Executive Director, NSG Group (Current position)	—
6	Keiji Yoshikawa (6 Jul. 1950)	Apr. 1973 Joined the Company Apr. 2003 General Manager of Information & Telecommunication Device Division, Information Technology Company Oct. 2003 General Manager of Information & Telecommunication Device Division, Information Technology Company & Plant Manager of SAGAMIHARA Plant Jun. 2004 Executive Officer, General Manager of Information & Telecommunication Device Division, Information Technology Company & Plant Manager of SAGAMIHARA Plant Jun. 2006 Executive Officer, President of Information Technology Company, General Manager of Information & Telecommunication Device Division, Information Technology Company, and General Manager of Planning Department Sep. 2006 Executive Officer, President of Information Technology Company, and General Manager of Planning Department Apr. 2007 Executive Officer, General Manager of IT Business Line, and General Manager of Planning Department Jan. 2008 Executive Officer, General Manager of IT Business Line Jun. 2008 Executive Director, Head of Specialty Glass Worldwide (Current position)	54,000 Common shares

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
7	Clemens Miller (21 Feb. 1959)	Jul. 1992 Joined Flachglas AG (currently Pilkington Deutschland AG） Aug.1997 Managing Director, Building Products Germany Nov.1998 Operations & Planning Supply Director, Building Products Europe Dec.2002 Head of Business Planning, Building Products Europe Managing Director, Fire Protection, Building Products Europe Jun. 2005 Managing Director, Building Products Fire Protection & Coatings Apr. 2007 Managing Director, Solar Energy Business Managing Director, Building Products Fire Protection & Coatings Aug. 2007 Managing Director, Building Products Europe Managing Director, Building Products Fire Protection & Coatings Jun. 2008 Senior Executive Officer, NSG Group (Current position) Head of BP Europe Apr. 2010 Vice President of Commercial and Solar Energy Products (Current position)	—
8	George Olcott (7 May. 1955)	Jul. 1986 Joined S.G. Warburg & Co., Ltd Nov. 1991 Director of S.G. Warburg & Co., Ltd Sep 1993 Executive Director, Equity Capital Market Group, S.G. Warburg Securities London Apr. 1997 Head of Tokyo branch, SBC Warburg Apr. 1998 Vice President, LTCB-UBS-Brinson Asset Management Feb. 1999 President, UBS Asset Management (Japan) President, Japan UBS Brinson Jun. 2000 Managing Director, Equity Capital Market, UBS Warburg Tokyo Sep. 2001 Judge Business School, University of Cambridge Mar. 2005 FME Teaching Fellow, Judge Business School, University of Cambridge Mar. 2008 Senior Fellow, Judge Business School, University of Cambridge (Current position) Jun. 2008 Director, NSG Group (Current position) Apr. 2010 Director, NKSJ Holdings, Inc. (Current position) (Material concurrent positions) ➢ Senior Fellow, Judge Business School, University of Cambridge ➢ Director, NKSJ Holdings, Inc	—

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
9	Sumitaka Fujita (24 Dec. 1942)	Apr. 1965 Joined ITOCHU Corporation Jun. 1995 Executive Director, ITOCHU Corporation Apr. 1997 Senior Executive Director, ITOCHU Corporation Apr. 1998 Senior Executive Director Representative Director, ITOCHU Corporation Apr. 1999 Chief Financial Officer, Chief Executive Director, Representative Director ,ITOCHU Corporation Apr. 2001 Chief Financial Officer, Vice President, Representative Director, ITOCHU Corporation Apr. 2003 Vice President, Representative Director, Chief Financial Officer, Chief Compliance Officer Apr. 2006 Vice Chairman, Representative Director, ITOCHU Corporation Jun. 2006 Vice Chairman, ITOCHU Corporation Jun. 2007 Director, Orient Corporation (Retired in Jun. 2010) Jun. 2008 Senior Advisor, ITOCHU Corporation (Current position) Director, The Furukawa Electric, Co., Ltd. (Current position) Auditor, NIPPONKOA Insurance Company, Limited Jun. 2009 Director, NSG Group （Current position） Auditor, NIPPONKOA Insurance Company, Limited Apr. 2010 Director, NKSJ Holdings, Inc. （Current position） （Material concurrent office） ➢ Director, The Furukawa Electric, Co., Ltd. ➢ Director, NKSJ Holdings, Inc.	10,000 Common Shares
10	Seiichi Asaka (24 Dec.1942)	Apr. 1965 Joined NSK Ltd. Jun. 1994 Director Jun. 1997 Managing Director Apr. 2000 Representative Director, Senior Managing Officer Jun. 2002 Representative Director, President Jun. 2004 Director, President & Representative Chief Executive Officer Jun. 2009 Director, Chairman (Current position) Apr. 2010 Director, NKSJ Holdings, Inc. （Current position） Jun. 2010 Director, NSG Group (Current position) (Material concurrent office) ➢ Director, Chairman, NSK Ltd. ➢ Director, NKSJ Holdings, Inc.	—

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
11	Hiroshi Komiya (7 Apr. 1942)	Apr. 1965 Joined Bridgestone Corporation Apr. 1989 General Manager, North American Business Division Apr. 1991 Director, Bridgestone Firestone Inc. Aug. 1994 Joined Olympus Corporation as General Manager, Corporate Planning Division Jun. 1997 Director Jun. 1999 Managing Director Jun. 2004 Senior Managing Director Jan. 2007 Chairman & CEO, General Imaging Inc. Mar. 2009 Chairman, General Imaging Inc. President & Representative Director, General Imaging Co., Ltd. (Current position) Jun. 2010 Director, NSG Group (Current position) (Material concurrent office) ➢ President & Representative Director, General Imaging Co., Ltd.	—

(Notes)

1. Messrs. George Olcott, Sumitaka Fujita, Seiichi Asaka, and Hiroshi Komiya are candidates for the External Directors stipulated in Article 2 Clause 15 of the Companies Act. In addition, all of them have been notified to Tokyo Stock Exchange and Osaka Securities Exchange as Independent Directors.

2. Particulars of the candidates for the External Directors are as follows:

(1) Reasons for recommendation as the External Directors

Messrs. Sumitaka Fujita, Seiichi Asaka, and Hiroshi Komiya have rich experience and wide-ranging insight as a manager, which management believes can be utilized for improvement of the Company's operations.

Mr. George Olcott has considerable experience and broad insight as an academic and as a manager, which management believes should contribute to the Company's operations.

(2) Violation of laws, ordinances or the articles of incorporation, or other unlawful conducts in business execution in the companies where the candidates for the External Directors were Directors, Executive Officers or Auditors over the past five years (those occurred during their term of office)

A. When Mr. Sumitaka Fujita was a Director of ITOCHU Corporation it was found that the former employee of the said company had been engaged in fraudulent accounting with regard to transactions of drinkable ethanol produced overseas. Further, it was also found that in relation to a tripartite transaction where the company imported certain heavy machinery and materials from a foreign state for forwarding (on-transfer of) the same to the ultimate user located in Mongolia, while those transactions were in essence accounted for as sale and purchase transaction, there were effectively transactions of rendering financial assistance without involving any aspect of transfer of goods. Mr. Sumitaka Fujita was not involved in either of those transactions and focused his attention and efforts on strengthened compliance actions and internal control during such time as he retained the office of Director for the company.

B. He was elected as External Director of the Furukawa Electric in June 2008 and in August of the same year it was found that in relation to a part of plate/tube products made from alloy of copper and iron the company in question calculated the performance criteria with regard to product quality by conduct of the test as different from that required by JIS qualification and it was subsequently subject to cancellation of JIS mark certification (qualified on 9 April 2009 again).

In addition, during the period of his office above, on 30 March 2009 The JFTC issued cease and desist order, and surcharge payment order to the Furukawa Electric for the violation of the Anti-Monopoly Act in connection with cross-linked high-foaming polyethylene sheets business during the period to February 2007.

Albeit he had not known the facts above until these were revealed, on a daily basis Mr. Fujita put forward various proposals from the viewpoint of legal compliance and brought to the attention of the management in this regard and particularly from revelation of this occurrence he has been also seeking to ensure (by taking the occasion of the board meetings or otherwise) that the Company should be sufficiently mindful of compliance needs and spirit and should take appropriate measures for prevention of any such further case.

C. He assumed the office of External Auditor of NIPPONKOA Insurance Company. On 23 October 2009 during his incumbency of such office, Financial Services Agency issued operational improvement order to NIPPONKOA in connection with some cases of delay in insurance payments caused by inadequate and inappropriate activities.

He significantly contributed to business improvement of NIPPONKOA Insurance Company in terms of fact-finding process and appropriate action for prevention of recurrence of the cases like above by giving the Board of Directors and Board of Auditors of the company valuable comments and advice on broad issues based on his experiences and insights as business manager at other major companies in different industries.

(3) Terms of office to date as External Director

A. Mr. George Olcott will have been the External Director for three years as of the end of this General Meeting of Shareholders.

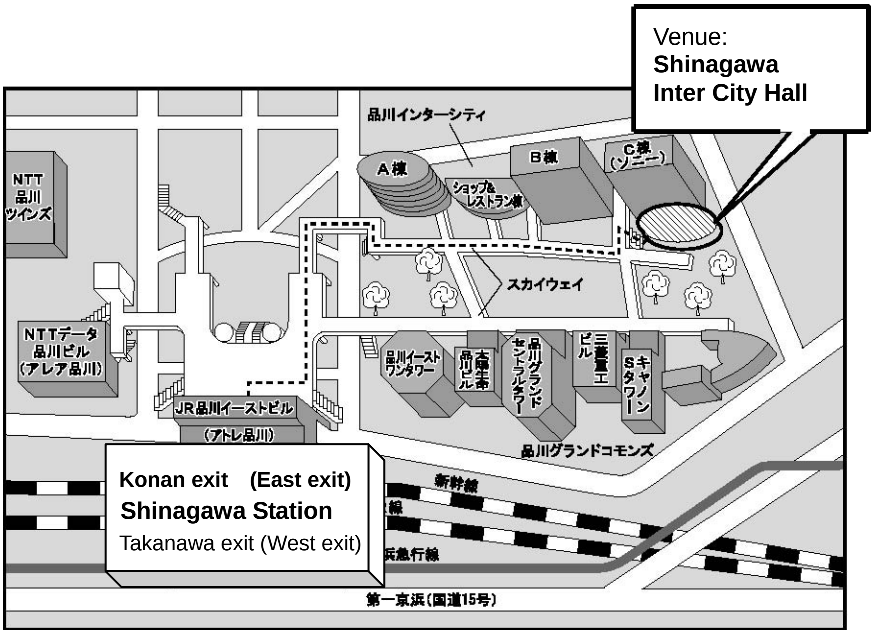
B. Mr. Sumitaka Fujita will have been the External Director for two years as of the end of this General Meeting of Shareholders.

C. Messrs. Seiichi Asaka and Hiroshi Komiya will have been the External Directors for one year as of the end of this General Meeting of Shareholders.

(4) Agreement on liability limitation with External Directors

The Company concluded an agreement with Messrs. George Olcott, Sumitaka Fujita, Seiichi Asaka, and Hiroshi Komiya respectively to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence be limited to the amount permissible by law.

Map of the Venue for the Ordinary General Meeting of Shareholders



Venue: Shinagawa Inter City Hall, 15-4, Konan 2-Chome, Minato-ku, Tokyo

Access: 8 minute-walk from JR Shinagawa Station, Konan exit (East exit)