



Notice of Convening

The 146th Ordinary General Meeting of Shareholders

Date and Time: 10:00 A.M., Thursday, 28 June 2012

Venue: Shinagawa Intercity Hall

15-4, Konan 2-Chome, Minato-ku, Tokyo

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Nippon Sheet Glass Company, Limited

Securities Code: 5202

6 June 2012

Keiji Yoshikawa, Director,

Nippon Sheet Glass Co., Ltd.

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

Notice of Convening the 146th Ordinary General Meeting of Shareholders

Dear Shareholder,

You are cordially invited to attend the 146th 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 2-4 no later than 27 June 2012 (Wed.), 5:45 p.m. (Japan time)

Note:

1. Date and Time: 10:00 A.M., Thursday, 28 June 2012

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 Independent Auditor and the Audit Committee on the Consolidated Financial Statements, for the 146th fiscal period from 1 April 2011 to 31 March 2012.
2. Reports of the Financial Statements for the 146th fiscal period from 1 April 2011 to 31 March 2012.

Matters to be Resolved

Proposal: Election of Nine 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 27 June 2012 (Wed.), 5:45 p.m. (Japan time)

(2) When exercising voting rights via the Internet

When exercising voting rights via the Internet, please carefully read "**Information concerning exercising voting rights via the Internet**" as shown below (pages 3-4) and then exercise the rights no later than 27 June 2012 (Wed.), 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 notified to you by mail, or via 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).

Information concerning Exercising Voting Right via the Internet

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

1. Website for exercising voting rights

- (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) Though voting rights may be exercised till 5:45 p.m. (Japan time) of 27 June (Wed.) 2012, it would be greatly appreciated if you could kindly exercise the rights earlier to facilitate early tabulation of the voting results.
- (3) The shareholder shall bear any connection fees of the service provider or telecommunication charges upon using the website for exercising voting rights.

2. Steps for exercising voting right via the Internet

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. Treatment of voting right exercised multiple times

- (1) 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.
- (2) When 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.

4. 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.)

5. 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, Sumitomo Mitsui Trust Bank, Limited

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 2011
To 31 March 2012

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

(1) Overview and Results of Business Activities

During the year to 31 March 2012, conditions in the Group's main markets continued to be challenging, reflecting low levels of consumer confidence. Volumes in the Group's building products markets were generally weak. Solar energy volumes continued to fall from previous quarters across each of the Group's main geographic markets. In automotive markets, volumes were also weak, as consumers postponed spending decisions against a difficult economic outlook. Specialty glass markets performed better, although also suffered from the general economic environment.

Most European building products markets were relatively weak during the year in line with the challenging economic environment. Automotive light vehicle build was below the previous year. Volumes in the third and fourth quarters were relatively weak, due primarily to falling sales in domestic markets, as a result of a negative economic outlook persuading vehicle drivers to postpone spending decisions. Light vehicle production continued to benefit from robust exports of premium vehicles by leading European manufacturers. Activity in the European automotive glass replacement (AGR) market fell from the previous year as high oil prices and the general economic environment generated a reduction in the number of miles driven. Volumes in the third and fourth quarters were impacted further by relatively mild weather conditions, with a resulting reduction in glass breakages. Volumes of glass cord fell in line with conditions in automotive markets.

In Japan, building products market volumes in the fourth quarter benefited from the transition to the new Eco-point program. Overall volumes though are still at a low level and new housing starts remain subdued. In Automotive markets, cumulative light vehicle build levels were slightly higher than the previous year, despite the impact of the March 2011 earthquake, as the recovery in production levels continued strongly into the fourth quarter. Vehicle production levels were affected by the floods in Thailand to only a limited extent. In the Group's specialty glass markets, underlying demand continued to be relatively strong in areas such as consumer electronics.

The North American economy continued to experience low levels of economic activity, although activity in the fourth quarter indicated a gradual recovery. Both residential housing starts and levels of commercial construction activity remain at historically low levels. The Group's North American Building Products assets mainly service value added product markets, which generally weakened during the fourth quarter. In Automotive, sales of new vehicles were above the previous year's levels, and the fourth quarter saw a further improvement in market volumes. The Group has a relatively high exposure to Japanese vehicle manufacturers, which were adversely affected by a slow recovery from the March 2011 Japan earthquake and the Thailand floods. As in Europe, volumes in the AGR market fell, as higher oil prices caused a reduction in the number of miles driven, and mild winter weather conditions contributed to a reduction in glass breakages.

In the rest of the world, the Group's building products markets in South America continued to grow, although the rate of growth slowed towards the end of the year. In Automotive markets, light vehicle build volumes for the full year were similar to the previous year and markets were stable during the fourth quarter. Market conditions in South East Asia were difficult, with weak volumes and a pricing environment impacted by significant over-capacity in China.

Consolidated Revenue	¥ 552,223m (down 4.3%)
Consolidated Operating Profits before Exceptional Items	¥ 7,716m
Consolidated Operating Profit	¥ 4,386m
Consolidated Loss before Taxation	¥ (4,822)m
Consolidated Loss for the Periods	¥ (1,749)m
Consolidated Loss Attributable to Owners of the Parent	¥ (2,815)m

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

Building Products (BP) Business

In the Building Products (BP) business, profitability fell from the previous year. Market conditions were generally stable during the fourth quarter at relatively low levels of activity in most regions. Cumulative dispatches of solar energy products were similar to the previous year, although the trend was negative during the third and fourth quarters. Volumes of other products fell. Increased input costs, particularly for energy and energy related materials were partly offset by higher price levels in some regions.

The cumulative profit for the previous year includes a gain of approximately ¥ 3,300 million, being the income statement effect of settling the Group's insurance claim arising from the February 2010 earthquake in Chile.

In Europe, representing 43 percent of the Group's BP sales, cumulative revenues were slightly below the previous year. Profits improved however, as cost savings and higher selling prices offset increased input costs. Sales prices declined during the quarter, as weakening demand contributed to increasing levels of over-capacity.

Revenues in Japan, representing 34 percent of BP sales, were also slightly below the previous year. Downstream revenues and volumes increased from the previous year. Upstream revenues and volumes declined due to reduced dispatches of solar energy products. Profits improved due to the higher downstream volumes.

In North America, representing 9 percent of BP sales, local currency cumulative revenues and profits were similar to the previous year. Dispatches of Solar energy products were higher than the previous year although demand from residential and commercial markets fell.

In the rest of the world, cumulative revenues increased, whilst underlying profits, excluding the effect of the previous year gain on settlement of an insurance claim in Chile, fell. Revenues and profits in South East Asia and China fell, with over-capacity in China contributing to a weak pricing environment. Results in South America were robust, with some volume growth experienced.

The Building Products business achieved sales of ¥ 239,440 million and an operating profit before exceptional items of ¥ 9,135 million.

Automotive Business

In the Automotive business, revenues and profits fell from the previous year due to the impact of the March 2011 Japan earthquake, strong increases in input costs of materials, and the high level of demand volatility during the year. The financial impact of the earthquake was less than previously expected, as many of the Group's customers were able to recover production levels more quickly than had been anticipated. The cumulative profit shortfall of ¥ 3,200 million, arising directly from the Japan earthquake, is approximately ¥ 2,000 million less than the Group had expected. The difference compared to expectations arises primarily in Japan.

Europe represents 47 percent of the Group's Automotive sales. In the European Original Equipment (OE) sector, revenues were slightly below the previous year, as improving demand generated from vehicle exports was offset by weak domestic demand. Profits declined due to increasing input costs, start-up costs on new facilities, and demand volatility, arising from the effects of the Japan earthquake on the availability of components to European car manufacturers. Demand stabilized following the effects of the earthquake, but then fell during the third and fourth quarters with declining levels of consumer confidence. Results in the Automotive Glass Replacement (AGR) business were relatively robust despite lower demand.

In Japan, representing 18 percent of the Group's Automotive sales, revenues were similar to the previous year, whilst profits increased. Demand recovered during the second quarter of the year as vehicle manufacturers returned to normal levels of production following the March 2011 earthquake, and has continued to improve since with relatively strong market conditions experienced during the fourth quarter.

In North America, representing 20 percent of the Group's Automotive sales, local currency revenues were similar to the previous year, although profits fell. Market conditions improved during the fourth quarter. Vehicle inventories held by manufacturers and dealers fell during the year, offsetting relatively strong consumer demand. In addition, the Group has a high relative exposure to Japanese manufacturers in the North American market. These vehicle manufacturers suffered disproportionately from component shortages, arising firstly from the Japan earthquake, and then secondly from the floods in Thailand. Consequently, these manufacturers had to restrict vehicle production levels during the period. Profits were also affected by increased input costs. AGR profitability was maintained, although demand was relatively weak.

In the rest of the world, revenues, expressed in US dollars, increased, with a growth in year-on-year volumes in South America. Results were impacted by high levels of demand volatility, increased input costs, and the start up of new lines in Brazil.

The Automotive business recorded sales of ¥ 251,229 million and an operating profit before exceptional items of ¥ 5,123 million.

Specialty Glass Business

Revenues and profits in Specialty Glass fell from the previous year. The Group experienced a growth in demand in sectors such as smart phones and tablet pc's, where the Group's UFF (Ultra Fine Flat) glass is used within the construction of touch panels, although there were some signs of market weakness during the fourth quarter. Volumes of components used in multi function printers, were similar to the previous year. Exporters of multi-function printers and similar products continued to suffer from the strength of the Japanese yen. Sales of glass cord for engine timing belts were slightly below the previous year in line with conditions experienced in the European automotive business.

The Specialty Glass business recorded sales of ¥ 60,167 million and an operating profit before exceptional items of ¥ 6,942 million.

Other

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above, and the amortization of intangible assets related to the acquisition of Pilkington plc. Operating costs incurred in this segment increased from the previous year, which included some non-recurring gains.

Consequently, this segment recorded sales of ¥ 1,387 million and operating costs of ¥ 13,484 million.

(2) Capital Expenditure

The capital expenditure of the Group totaled ¥ 34,681 million during the fiscal year under review, broken down by segment as follows:

Building Products	¥ 14,137 m
Automotive	¥ 18,818 m
Specialty Glass	¥ 1,532 m
Other	¥ 194 m

(3) Financial situation

Net financial indebtedness increased by ¥ 38,024 million from 31 March 2011 to ¥ 351,155 million at the period end. Increases in indebtedness were caused primarily by the low level of profitability in the period and increases in working capital. Cash outflows from operating activities were ¥ 9,914 million. Cash outflows from investing activities were ¥ 26,327 million, including capital expenditure on property, plant, and equipment of ¥ 27,896 million. As a result, total cash outflows before financing were ¥ 36,241 million. Currency movements generated a reduction in net debt of approximately ¥ 6,030 million over the period. Gross debt was ¥ 398,212 million at the period end.

As at 31 March 2012 the Group had un-drawn committed forward start facilities of ¥30,000 million, maturing in FY2019, which were arranged to refinance loans maturing in FY 2013. In addition, at 31 March 2012 the Group had access to committed un-drawn revolving credit facilities of ¥70,000 million, ¥40,000 of which mature in FY2015 and the remainder mature in FY 2016 and FY 2017.

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

While the operating performance in the first half of the year was in line with the Group's expectations, market conditions in many of the Group's main markets, particularly in Europe, became increasingly challenging during the third quarter and fourth quarters. Global economic uncertainty has led to a decline in volumes of many of the Group's core products. Consumers, faced with a deteriorating economic outlook, have increasingly sought to postpone significant spending decisions. Excess glass manufacturing capacity in China has resulted in exports from China into South East Asia and beyond, causing an erosion of price levels in those markets. Volumes of solar energy glass, whilst still growing over the medium-term, declined during the third and fourth quarters. The strong Japanese yen continues to have a negative translational impact on the Group's published results, as well as causing a reduction in demand for exports from Japan containing the Group's glass. The Group does not expect to experience a significant improvement in market conditions during the next financial year.

Increasing purchase prices, particularly with respect to energy costs, are continuing to affect the Group's financial results. The Group actively hedges the increases in such costs using 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.

On 18 April 2012, the Group announced the appointment of Keiji Yoshikawa as Representative Executive Officer, President and CEO of the NSG Group following the decision by Craig Naylor to tender his resignation. The Group also announced the appointment of Clemens Miller as Representative Executive Officer, Executive Vice President and Chief Operating Officer (COO). As COO, Clemens Miller will take direct responsibility for the day-to-day management of all of the Group's operations.

The immediate priority of the new senior management team is to accelerate the program of actions announced on 2 February 2012 to improve profitability and enhance operational efficiencies. These measures, which will include capacity rationalization and headcount reduction, are intended to protect the business in the short term and also to re-establish profit growth from FY2013 onwards. As announced on 2 February, the Group expects the cash cost of these measures to be ¥ 25,000 million with an expected annual cash benefit of ¥ 20,000 million.

On 4 November 2010, the Group issued details of its Strategic Management Plan, covering the financial years

FY2012 to FY2014. The long-term strategy set out in this plan is still valid, although in the short-term the Group will concentrate on recovering profitability of its existing operations.

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

Building products

The Group's building products businesses will focus on matching capacity to demand. This may involve further rationalization of the Group's capacity through the year to 31 March 2013 and beyond. Overhead costs will also be reduced where possible to improve profitability.

The drive to produce clean renewable energy will continue to fuel growth for the Group's Solar Energy products business over the long-term, although volumes in the year to 31 March 2013 are expected to reduce. 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

The Group expects to grow its Automotive business in emerging markets such as South America. During the year the Group has expanded its manufacturing capabilities in emerging markets such as Brazil, Mexico and Poland. 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.

During the year to 31 March 2012, the group's Automotive business was faced with significant input prices of energy and other raw materials. The nature of the Group's Automotive supply contracts means that it is not possible to pass a significant proportion of these costs onto the Groups Automotive customers in the short-term.

Over the longer-term as contracts are renegotiated, the Group expects to be able to mitigate an increasing proportion of the currently increased cost levels through higher selling prices.

Specialty glass

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)

	143rd period (FY 2009)	144th period (FY 2010)	145th period (FY 2011)		146th period (FY 2012)
			JGAAP	IFRS	IFRS
Revenue	739,365	588,394	577,212	577,069	552,223
Operating Profit	1,908	(17,183)	14,352	22,867	4,386
Ordinary Profit	(12,259)	(28,552)	7,730	—	—
Profit/(loss) before taxation	—	—	—	15,306	(4,822)
Net Income/(loss) or Profit/(loss) for the period	(28,392)	(41,313)	1,661	15,815	(1,749)
Profit/(loss) Attributable to Owners of Parent	—	—	—	12,430	(2,815)
Basic Earnings per Share or Earnings per Share Attributable to Owners of the Parent (Yen)	(42.49)	(65.61)	0.13	15.65	(3.12)
Net Assets or Total Shareholders' Equity	257,223	239,931	226,874	216,232	161,313
Net Assets per Share or Total Shareholders' Equity per Share (Yen)	369.15	297.73	239.40	239.69	178.77
Total Assets	1,025,221	933,721	868,588	889,420	848,752

Notes:

1. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) from the 146th financial year. The results of 145th financial year in accordance with IFRS are also presented.
2. Basic earnings per share (or basic earnings per share attributable to owners of the parent) is calculated by dividing the profit for the period (or the profit attributable to owners of the parent) by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.
3. Net assets per share (or total shareholders' equity per share) is calculated by dividing the net assets (or total shareholders' equity) by the number of ordinary shares in issue as at the end of the financial year excluding ordinary shares purchased by the company and held as treasury shares.

(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	Building Products business
Thanx Corporation Co Limited	Japan	JPY million 300	92.5	Building Products business
Wintec Co Limited	Japan	JPY million 48	99.3 (0.2)	Building Products business
Nanox Co Limited	Japan	JPY million 490	100	Specialty Glass business
Europe				
Pilkington United Kingdom Limited	UK	GBP thousand 179,978	100 (100)	Building Products business and Other Operations
Pilkington Automotive Limited	UK	EUR thousand 206,595	100 (100)	Automotive business
Pilkington Technology Management Limited	UK	GBP thousand 441,320	100 (100)	Building Products business and Automotive business
Pilkington Deutschland AG	Germany	EUR thousand 69,290	96.3 (96.3)	Building Products business and Other Operations
Pilkington Automotive Deutschland GmbH	Germany	EUR thousand 18,996	100 (100)	Automotive business
Pilkington Austria GmbH	Austria	EUR thousand 8,721	100 (100)	Building Products business
Pilkington Norge AS	Norway	NKR thousand 95,000	100 (100)	Building Products business
Pilkington Floatglas AB	Sweden	SKR thousand 222,000	100 (100)	Building Products business
Pilkington Automotive Sweden AB	Sweden	SKR thousand 2,000	100 (100)	Automotive business
Pilkington Automotive Finland OY	Finland	EUR thousand 19,414	100 (100)	Automotive business
Pilkington Lahden Lasitehdas OY	Finland	EUR thousand 20,426	100 (100)	Automotive business
Pilkington Danmark A/S	Denmark	DKR thousand 30,000	100 (100)	Building Products business and Automotive business
Pilkington International Glass Poland Sp. Z o.o.	Poland	Zloty thousand 507	100 (100)	Building Products business
Pilkington Polska Sp. Z o.o.	Poland	Zloty thousand 147,340	100 (100)	Building Products business
Pilkington Italia SpA	Italy	EUR thousand 112,996	100 (100)	Building Products business and Automotive business
NSG UK Enterprises Limited	UK	GBP thousand 1,801,478	100 (100)	Other Operations
NSG Holding (Europe) Limited	UK	GBP thousand 1,431,010	100	Other Operations
Pilkington Group Limited	UK	GBP thousand 676,477	100 (100)	Other Operations

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 thousand	1	100 (100)	Building Products business, Automotive business, and Other Operations
L-N Safety Glass SA de CV	Mexico	Mex.Peso thousand	225,481	100 (100)	Automotive business
Rest of the world					
Vidrieria Argentina S.A.	Argentina	Arg.Peso thousand	178,000	51.0 (51.0)	Building Products business
Vidrios Lirquén S.A.	Chile	Chi.Peso thousand	25,870,561	51.6 (51.6)	Building Products business
Pilkington Automotive Argentina S.A.	Argentina	Arg.Peso thousand	66,358	100 (100)	Automotive business
Pilkington Brasil Limitada	Brazil	Real thousand	86,532	100 (100)	Building Products business, Automotive business, and Other Operations
Guilin Pilkington Safety Glass Co Limited	China	RMB thousand	100,000	100 (100)	Automotive business
Changchun Pilkington Safety Glass Co Limited	China	RMB thousand	129,216	72.5 (72.5)	Automotive business
Pilkington Solar (Taicang), Limited	China	RMB thousand	305,151	100 (100)	Building Products business
Suzhou NSG Electronics Co Limited	China	RMB thousand	371,689	100	Specialty Glass Business
NSG Hong Kong Co Limited	China	HKD thousand	800	100 (100)	Specialty Glass business
Malaysian Sheet Glass Sdn. Bhd.	Malaysia	MYR thousand	81,151	100	Building Products business and Automotive business
Vietnam Float Glass Co Limited	Vietnam	VND billion	512	55.0	Building Products business
NSG Vietnam Glass Industries Limited	Vietnam	VND billion	1,378	100 (100)	Building Products business

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

Segments	Contents
Building Products	Building Products, representing 43 percent of cumulative Group sales includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also supplies glass for the Solar Energy sector
Automotive	Automotive, with 46 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.
Specialty Glass	Specialty Glass, representing 11 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.
Other	This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above, and the amortization of intangible assets related to the acquisition of Pilkington plc.

(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, 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	NSG Building Products Co Limited (Ichihara-shi, Chiba), Thanx Corporation Co Limited (Edogawa-ku, Tokyo), , Wintec Co Limited (Chuo-ku, Osaka-shi), Nanox Co Limited (Fukushima-shi, Fukushima)
	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) NSG Vietnam Glass Industries Limited (Vietnam)

(9) Permanent Employees

Segments	Number of employees
Building Products	10,280
Automotive	14,852
Specialty Glass	3,807
Others	763
Total	29,702 (up by 362 year on year)

(10) Main Loan Creditors to the Group

Creditors	Amount (Millions of yen)
Development Bank of Japan	25,405
Japan Bank for International Cooperation	10,530
Sumitomo Mitsui Banking Corporation	8,761
European Investment Bank	7,621
Sumitomo Trust and Banking Corporation	7,500
Shoko Chukin Bank	4,258
Bayerische Landesbank	3,821
Sumitomo Life Insurance Company	3,000
Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000

Note:

1. In addition to above, NSG Group has syndicated loans of the total amount of ¥ 183,301 million, of which ¥ 76,607 million is underwritten by Sumitomo Mitsui Banking Corporation.
2. Sumitomo Trust and Banking Corporation became Sumitomo Mitsui Trust Bank, Limited as at 1 April 2012 by the merger with the Chuo Mitsui Trust and Banking Company Limited and Chuo Mitsui Asset Trust Banking Co., Ltd.

2. Matters Related to the Company's Shares

(1) Authorized number of shares to be issued:

1,775,000,000 shares

(2) Total number of shares issued:

903,550,999 shares

(Of which treasury shares:

1,200,613 shares)

(3) Number of shareholders

88,228

(4) Top 10 shareholders

Shareholders	Number of Shares (thousand)	Percentage of Shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	36,524	4.05%
Japan Trustee Services Bank, Ltd. (Trust Account)	35,365	3.92%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	32,959	3.65%
Barclays Capital Securities Limited	21,790	2.41%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	13,690	1.52%
SSBT OD05 Omnibus Account – Treaty Clients	10,921	1.21%
Toyota Motor Corporation	9,610	1.07%
Trust & Custody Services Bank, Ltd. (Pension Trust Account)	9,560	1.06%
Sumitomo Life Insurance Company	9,148	1.01%
Japan Trustee Services Bank, Ltd. (Retirement Benefit Trust Account of Sumitomo Trust and Banking Corporation)	8,769	0.97%

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's dividend policy is to secure dividend payments based on sustainable business results. As a consequence of the deterioration in performance during the year to 31 March 2012, the directors have recommended a reduction in the final dividend to ¥ 1.50 per share. Including an interim dividend of ¥3.00 per share paid earlier in the year, the full year dividend payable in respect of the year to 31 March 2012, is therefore ¥ 4.50 per share. The Group expects to record a loss in the year to 31 March 2013, and consequently the Group anticipates that a dividend will not be paid with respect to this financial year. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

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

(1) Stock acquisition rights (stock options) owned by 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
	Stock acquisition rights issued in Oct. 2011 (Stock-compensation type)	¥ 126.28 per share	¥ 1 per share	From 15 Oct 2011 to 14 Oct 2041	218	218,000 Common shares (1,000 Common shares per right)	3
Total	—	—	—	—	1,078	1,078,000 Common shares	3

(2) Stock acquisition rights (stock options) issued to Corporate 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
Corporate Officers	Stock acquisition rights issued in Oct. 2011 (Stock-compensation type)	¥ 126.28 per share	¥ 1 per share	From 15 Oct 2011 to 14 Oct 2041	310	310,000 Common shares (1,000 Common shares per right)	10

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

(1) Name etc. of Directors and Executive Officers

A) Directors (As of 31 March 2012)

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	—
Keiji Yoshikawa	Director	—	—
Mark Lyons	Director	—	—
Mike Fallon	Director	—	➤ Director, Sappi Limited
Clemens Miller	Director	—	—
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. ➤ Project Professor of Research Center for Advanced Science and Technology of The University of Tokyo
Sumitaka Fujita	Director	A member of the Nomination Committee, Audit Committee, and Compensation Committee	➤ Director, The Furukawa Electronic, Co., Ltd. ➤ Director, NKSJ Holdings, Inc.
Seichi Asaka	Director	A member of the Nomination Committee, Audit Committee and Compensation Committee	➤ Director, NKSJ Holdings, Inc.
Hiroshi Komiya	Director	A member of the Nomination Committee and Audit Committee	➤ President and Representative Director, General Imaging Japan

Notes:

- Messrs. Isao Uchigasaki, George Olcott, Sumitaka Fujita, Seichi 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 (hereinafter collectively referred to as the Exchanges) as Independent Directors. In addition to such criteria set by the Exchanges, the Company originally has more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which all four External Directors also meet.
- 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.

3. Following changes in the position of the Directors were made on 18 April 2012.

Name	New position	Previous position
Keiji Yoshikawa	A member of the Nomination Committee and Compensation Committee	—
Craig Naylor	—	A member of the Nomination Committee and Compensation Committee

B) Executive Officers (As of 31 March 2012)

Name	Executive position		Material concurrent office
Craig Naylor	Representative Officer	Executive President and CEO	—
Keiji Yoshikawa	Representative Officer	Executive Vice President, Chief Projects Management Officer (CPMO)	—
Mark Lyons	Executive Officer	CFO	—
Mike Fallon	Executive Officer	Special Projects	➤ Director, Sappi Limited
Clemens Miller	Executive Officer	Head of Architectural Glass SBU and Head of Technical Glass SBU	—

Notes:

1. Following changes in the position of the Executive Officers have been made during the fiscal year (limited to the period from the day following the day of 145th Ordinary General Meeting of Shareholders).

Name	New position	Previous position	Timing of the Changes
Mike Fallon	Executive Officer, Special Projects	Executive Officer, Head of Automotive Worldwide	December 2011
Keiji Yoshikawa	Representative Executive Officer, Executive Vice President and CPMO	Executive Officer, Head of Specialty Glass Worldwide	February 2012
Clemens Miller	Executive Officer, Head of Architectural Glass SBU Head of Technical Glass SBU	Executive Officer, Head of Building Products Worldwide	February 2012

2. Following changes in the position of the Executive Officers were made after the end of the financial period

Name	New position	Previous position	Timing of the changes
Keiji Yoshikawa	Representative Executive Officer President and CEO	Representative Executive Officer, Executive Vice President and CPMO	18 April 2012
Clemens Miller	Representative Executive Officer, Executive Vice President and COO, Head of Architectural Glass SBU and Technical Glass SBU	Executive Officer, Head of Architectural Glass SBU and Technical Glass SBU	18 April 2012
	Representative Executive Officer, Executive Vice President and COO	Representative Executive Officer, Executive Vice President and COO, Head of Architectural Glass SBU and Technical Glass SBU	1 June 2012
Mark Lyons	Representative Executive Officer, CFO	Executive Officer, CFO	18 April 2012
Craig Naylor	Executive Officer	Representative Executive Officer, President and CEO	18 April 2012

(2) Compensation for Directors and Executive Officers

A) Principles of Compensation for Directors, and Executive Officers

(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 a Director who concurrently serves as Representative Executive Officer. 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 2011/12, 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 Officers of the Company
- Determining individual compensation and other perquisites payable to the Directors and Executive Officers of the Company

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

(ii) Compensation Policy for Executive Officers

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 Officers of the highest caliber 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 Officers 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 Officers 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 Officer 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 Officers if a minimum entry level of performance is not achieved.

Each Executive Officer 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 measures. No payment is made if the entry point is not met. Payments from these plans are in cash. In order to align Executive Officers with shareholders, cash payments earned from these plans are factored up or down according to the share price movement during each three year plan period.

(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 Officers

(i) Amount of Compensation for Directors and Executive Officers Paid by the Company

Category	Headcount	Compensation (Millions of yen)		
		Basic Salary	Bonus	Other Benefits
Directors who do not concurrently serve as Executive Officers	7	196	—	24
of which External Directors	5	57	—	—
Executive Officers	2	129	0	29

Notes:

- 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 Officers by subsidiaries of the Company, and these are shown in a separate table 2 below. Payments to Executive Officers, as shown in this table, were payments earned by Yoshikawa, and payment or reimbursement of costs for Naylor.
- Amounts shown relate to the periods for which the office of Director was held.
- The data for Directors who do not concurrently serve as Executive Officers (hereinafter referred to as Director(s)) includes those who retired as of the end of the 145th AGM.
- No payment was earned in respect of the Annual Bonus for the year from April 2011 to March 2012. No payment was earned in respect of the Long Term Incentive Plan covering the three financial years from April 2009 to March 2012.
- Other Benefits for Directors include an amount of 22 Million Yen for Stock Options awarded to two 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.
- Other Benefits for Executive Officers include an amount of 6 Million Yen for Stock Options awarded to an Executive Officer, 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.
- Other Benefits include pension fund contributions, healthcare provision, transport and accommodation costs.
- Where amounts in US dollar have been converted to Japanese Yen these have been done at an average exchange rate for the year of USD1:79JPY.

(ii) Amount of Compensation for Executive Officers Paid by Subsidiaries

Category	Headcount	Compensation (Millions of yen)		
		Basic salary	Bonus	Other Benefits
Executive Officers	4	153	0	59

Notes:

1. The amounts shown include all compensation paid to Lyons, Fallon, Miller and Powell as Executive Officers. Powell retired therefrom as of the end of the board of directors meeting held immediately after the end of the 145th Ordinary General Meeting of Shareholders.
2. Amounts shown relate to the periods for which the office of Executive Officer was held.
3. No payment was earned in respect of the Annual Bonus for the year from April 2011 to March 2012. No payment was earned in respect of the Long Term Incentive Plan covering the three financial years from April 2009 to March 2012.
4. Other Benefits include pension fund contributions, healthcare provision, transport costs and leaver payments to Powell.
5. Where amounts in UK sterling and EURO have been converted to Japanese Yen this has been done at an average exchange rate for the year of GBP1:126 JPY and EUR1:109 JPY respectively.

(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 and Representative Director, General Imaging Japan

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
George Olcott	Attended all the 11 Board of Directors meetings, all the seven Nomination Committee meetings, 11 of the 12 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 all the 11 Board of Directors meetings, all the seven Nomination Committee meetings, 11 of the 12 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 experienced business manager.
Seiichi Asaka	Attended 10 of the 11 Board of Directors meetings, all the seven Nomination Committee meeting, and all the five Compensation Committee meetings held during the fiscal year under review and eight of the nine Audit Committee meetings held after his assumption of the office of Audit Committee on 29 June 2011, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.
Hiroshi Komiya	Attended all the 11 Board of Directors meetings, all the seven Nomination Committee meeting, and 11 of the 12 Audit Committee meetings held during the fiscal year under review, 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 Independent Auditor with respect to fiscal year

Fees, etc., to Independent Auditor for Fiscal Year under Review	¥ 157 million
Monetary and/or other property benefits payable by the Company and its subsidiaries to Independent Auditor	¥ 162 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

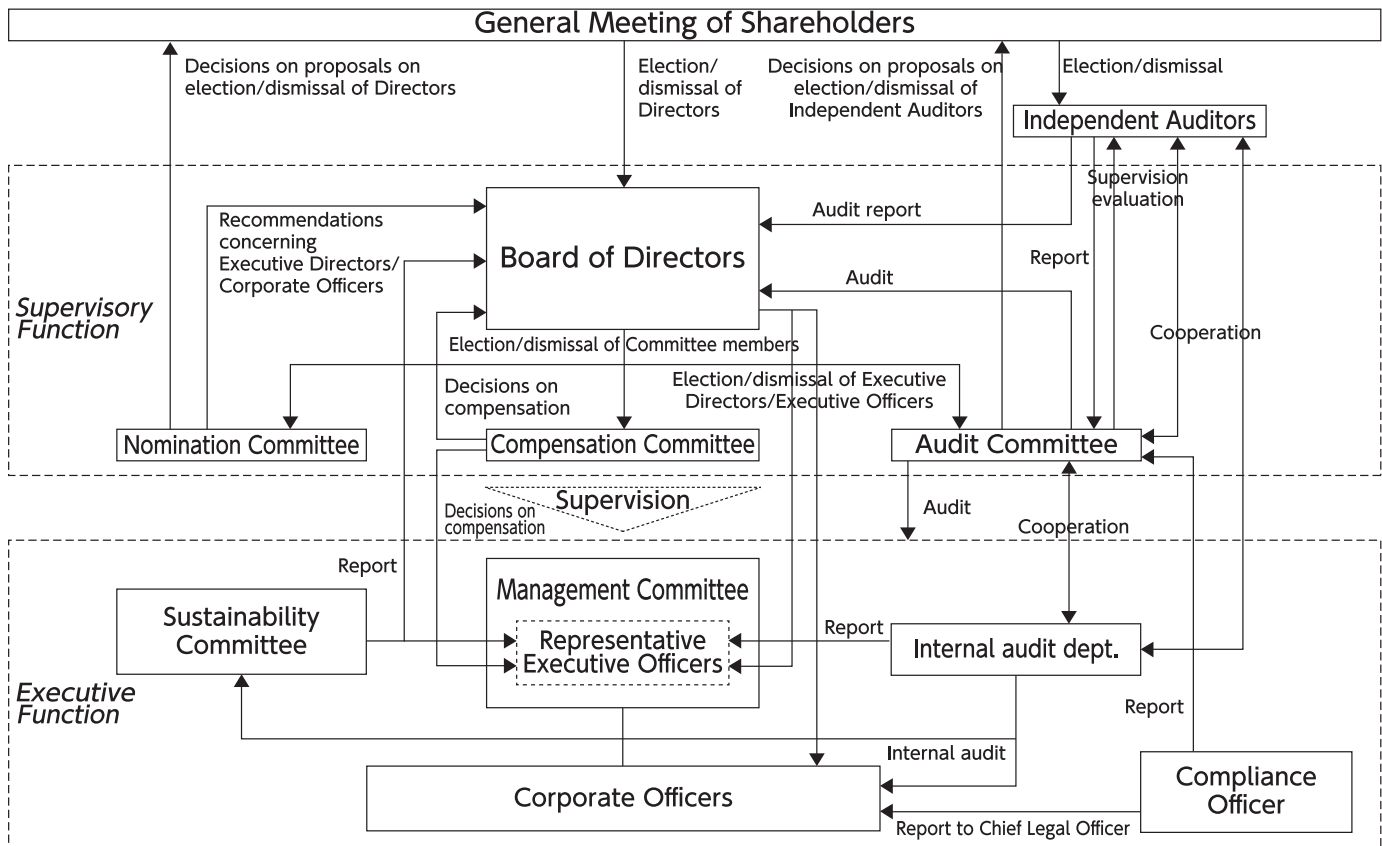
In addition to the dismissal of the independent auditor by the Audit Committee pursuant to stipulations in Article 340.1 of the Companies Act, the Audit Committee shall, in principle, propose an agenda for dismissal or non-reappointment of the accounting auditor to the General Meeting of Shareholders 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 Officers.
- 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 Officers and Corporate Officers to the Board of Directors.
- C) Audit Committee** conducts audits of the execution of duties by Directors and Executive Officers, 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 on principles with respect to determination on compensations for Directors and Executive Officers, and thereunder individual compensations of Directors and Executive Officers.
- E) Management Committee** guides management operations of the Group and monitor implementation of development of such management operations.
- 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 Officers 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 Officers and employees to the Audit Committee and other systems concerning reporting to the Audit Committee

Executive Officers and other 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 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 important meetings and requisition proposals.
- d) The Audit Committee receives explanations from the Executive Officer 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 Officers 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 Officers' performance of duties

Executive Officers 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 Officers' duties

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

The duties and authority of Executive Officers and other 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 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. ; and
2. Rounding down any fraction of 1,000 shares to the nearest 1,000 shares.

Consolidated Balance Sheet (as of 31 March 2012)

(in JPY millions)

ASSETS		LIABILITIES	
Non-current assets	583,690	Current liabilities	242,873
Goodwill	105,018	Financial liabilities:	
Intangible assets	87,475	- Borrowings	110,375
Property, plant and equipment	260,597	- Derivative financial instruments	2,363
Investment property	675	Trade and other payables	109,269
Investments accounted for using the equity method	50,359	Taxation liabilities	3,477
Trade and other receivables	6,676	Provisions	14,896
Financial assets:		Deferred income	2,493
- Available-for-sale investments	9,156		
- Derivative financial instruments	1,356	Non-current liabilities	435,344
Deferred tax assets	61,248	Financial liabilities	
Tax receivables	1,130	- Borrowings	283,565
		- Derivative financial instruments	1,909
		Trade and other payables	1,151
		Deferred tax liabilities	37,849
		Taxation liabilities	1,600
		Retirement benefit obligations	87,306
		Provisions	15,733
		Deferred income	6,231
		Total: Liabilities	678,217
Current assets	265,062	EQUITY	
Inventories	106,112	Capital and reserves attributable to the Company's equity shareholders	161,313
Construction work-in-progress	576	Called up share capital	116,449
Trade and other receivables	109,493	Capital surplus	127,511
Financial assets:		Treasury stock	(475)
- Available-for-sale investments	3	Stock subscription rights	657
- Derivative financial instruments	2,354	Retained earnings	30,793
Cash and cash equivalents	43,346	Retained earnings (Translation adjustment at the IFRS translation date)	(68,048)
Tax receivables	2,090	Accumulated other comprehensive income	(45,574)
		Non-controlling interests	9,222
		Total: Equity	170,535
		Total: Liabilities and equity	848,752
Total: Assets	848,752		

Consolidated Income Statement (for the period of 1 April 2011 to 31 March 2012)

(in JPY millions)

Net sales	552,223
Cost of sales	(420,033)
Gross profit	132,190
Other income	7,932
Distribution costs	(49,457)
Administrative expenses	(66,156)
Other expenses	(16,793)
Operating profit before exceptional items	7,716
Exceptional items	(3,330)
Operating profit	4,386
Finance income	2,423
Finance expenses	(16,746)
Share of post-tax profit of joint ventures and associates	5,115
Loss before taxation	(4,822)
Taxation	3,073
Loss for the period	(1,749)
Profit attributable to non-controlling interests	1,066
Loss attributable to owners of the parent	(2,815)
Loss for the period	(1,749)

Consolidated Statement of Comprehensive Income (Reference only)
 (for the period of 1 April 2011 to 31 March 2012)

	(in JPY millions)
Loss for the period	(1,749)
Other comprehensive income:	
Foreign currency translation adjustments	(18,707)
Post-retirement benefits, net of taxation	(24,454)
Revaluation of available-for-sale investments, net of taxation	313
Cash flow hedges – fair value gains, net of taxation	(1,432)
Share of other comprehensive income of affiliates	(2,909)
Total: Other comprehensive income for the period, net of taxation	(47,189)
Total comprehensive income for the period	(48,938)
Attributable to non-controlling interests	633
Attributable to owners of the parent	(49,571)
	(48,938)

Consolidated statement of changes in equity

(for the period of 1 April 2011 to 31 March 2012)

(in JPY millions)

	Equity attributable to the company's shareholders					
	Called up share capital	Capital surplus	Treasury stock	Stock subscription rights	Retained earnings	Retained earnings (Transition adjustment at the IFRS transition date)
Balance: as of 1 April 2011	116,449	127,510	(563)	681	63,475	(68,048)
Comprehensive income for the year:						
Profit / (loss) for the year					(2,815)	
Other comprehensive income					(24,454)	
Total comprehensive income for the year	-	-	-	-	(27,269)	-
Transactions with owners:						
Purchase of treasury stock			(6)			
Disposal of treasury stock		1	3			
Dividends paid					(5,413)	
Share based payments			91	(24)		
Transfer of retained earnings to capital surplus		0			(0)	
Other						
Total transactions with owners	-	1	88	(24)	(5,413)	-
Balance: as of 31 March 2012	116,449	127,511	(475)	657	30,793	(68,048)

	Equity attributable to the company's shareholders					Non controlling interests	Total equity
	Exchange translation reserve	Fair value reserve	Hedging reserve	Total other comprehensive income	Total equity attributable to the company's shareholders		
Balance: as of 1 April 2011	(22,445)	738	(1,565)	(23,272)	216,232	10,345	226,577
Comprehensive income for the year:							
Profit / (loss) for the year					(2,815)	1,066	(1,749)
Other comprehensive income	(21,183)	313	(1,432)	(22,302)	(46,756)	(433)	(47,189)
Total comprehensive income for the year	(21,183)	313	(1,432)	(22,302)	(49,571)	633	(48,938)
Transactions with owners:							
Purchase of treasury stock					(6)		(6)
Disposal of treasury stock					4		4
Dividends paid					(5,413)	(1,811)	(7,224)
Share based payments					67		67
Transfer of retained earnings to capital surplus					-		-
Other						55	55
Total transactions with owners	-	-	-	-	(5,348)	(1,756)	(7,104)
Balance: as of 31 March 2012	(43,628)	1,051	(2,997)	(45,574)	161,313	9,222	170,535

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Balance Sheet (as of 31 March 2012)

(in JPY millions)

ASSETS		LIABILITIES	
Current assets	101,357	Current liabilities	116,138
Cash and cash deposits	4,998	Accounts payable - trade	15,283
Notes receivable	2,770	Current portion of Long-term borrowings	73,499
Accounts receivable-trade	23,561	Lease obligations	127
Products and goods	11,307	Accounts payable - non-trade	12,540
Work in process	2,700	Accrued income tax	239
Raw materials and consumables	6,740	Accrued expenses	2,252
Short term loan receivable	38,851	Customers' deposits	10,481
Other current assets	12,085	Provision for employees' bonuses	1,106
Allowance for doubtful accounts	(1,655)	Provision for warranties	292
		Other current liabilities	319
Fixed assets	497,982	Fixed liabilities	186,681
Tangible assets	46,895	Bonds	84,000
Buildings	15,673	Long-term bank borrowings	89,247
Structures	1,494	Lease obligations	29
Machinery & Equipment	14,345	Accrued retirement benefits	2,682
Vehicles	9	Provision for rebuilding furnaces	8,459
Tools & Fixtures	2,968	Environmental provision	224
Land	10,002	Asset retirement obligations	602
Leased assets	268	Deferred tax liabilities	1,137
Construction in progress	2,136	Other fixed liabilities	301
Intangible assets	4,584	Total: Liabilities	302,819
Computer software	4,097	NET ASSETS	
Other intangible assets	487	Shareholders' equity	294,766
Investments and other assets	446,503	Common stock	116,449
Investments in securities	3,338	Capital surplus	124,772
Investments in subs. & affiliates	345,934	<i>Capital surplus</i>	<i>124,772</i>
Long-term loan receivable	94,877	Retained earnings	54,020
Long-term prepaid expenses	919	Earned surplus	6,377
Other assets	1,453	Other retained earnings	47,643
Allowance for doubtful accounts	(18)	Reserve for adv'ed depreciation.	2,691
		General reserve	34,977
		Retained earnings carried forward	9,975
		Treasury stocks - at cost	(475)
		Valuation and translation adjustments	1,097
		Unrealized holding gain on securities	267
		Net unrealized holding gain on derivatives	830
		Stock subscription rights	657
Total: Assets	599,339	Net Assets	296,520
		Total: Liabilities and net assets	599,339

Income Statement (for the period of 1 April 2011 to 31 March 2012)

(in JPY millions)

Net sales	108,801
Cost of sales	(83,555)
Gross income	25,246
Selling, general and administrative expenses	(26,504)
Operating loss	(1,258)
Non-operating income	
Interest and dividend income	4,718
Other income	1,037
Total: Non-operating income	5,755
Non-operating expense	
Interest expense	(4,907)
Other expense	(1,056)
Total: Non-operating expense	(5,963)
Ordinary loss	(1,466)
Extraordinary income	
Gain from sale of fixed assets	120
Gain from reversal of provisions for warranties	489
Other	67
Total: Extraordinary income	676
Extraordinary loss	
Loss on sale of fixed assets	(35)
Loss on scrapping of fixed assets	(251)
Loss on impairment of tangible fixed assets	(1,003)
Loss on disasters	(461)
Other	(24)
Total: Extraordinary loss	(1,774)
Net loss before tax	(2,564)
Taxation	
Income tax: Current	838
Income tax: Deferred	899
Total: Taxation	1,737
Net loss	(827)

Statement of changes in net assets (for the period of 1 April 2011 to 31 March 2012)

(in JPY millions)

	Shareholders' equity										
	Common stock	Capital surplus			Earned surplus	Retained earnings				Treasury shares	Sub-total
		Capital surplus	Other capital surplus	Sub-total		Other retained earnings			Sub-total		
					Reserve for advanced depreciation	General reserve	Retained earnings carried forward				
Balance: as of 1 April 2011	116,449	124,772	-	124,772	6,377	2,795	44,977	6,112	60,261	△563	300,919
Changes during the period:											
Reversal of reserve for deferred gain on fixed assets						△104		104	-		-
Reversal of general reserve							△10,000	10,000	-		-
Dividends								△5,413	△5,413		△5,413
Net loss								△827	△827		△827
Exercise of stock subscription rights										90	90
Acquisition of treasury shares										△6	△6
Disposal of treasury shares			△0	△0						3	3
Transfer of retained earnings to capital surplus			0	0				△0	△0		-
Changes in unrealized holding gain, hedges, etc.											
Total	-	-	-	-	-	△104	△10,000	3,864	△6,240	87	△6,153
Balance: as of 31 March 2012	116,449	124,772	-	124,772	6,377	2,691	34,977	9,975	54,020	△475	294,766

	Unrealized holding gain, etc.			Stock options	Total
	Unrealized holding gain on securities	Net unrealized holding gain on derivatives	Sub-total		
Balance: as of 1 April 2011	326	909	1,235	681	302,835
Changes during the period:					
Reversal of reserve for deferred gain on fixed assets					-
Reversal of general reserve					-
Dividends					△5,413
Net loss					△827
Exercise of stock subscription rights					90
Acquisition of treasury shares					△6
Disposal of treasury shares					3
Transfer of retained earnings to capital surplus					-
Changes in unrealized holding gain, hedges, etc.	△59	△79	△138	△24	△162
Total	△59	△79	△138	△24	△6,315
Balance: as of 31 March 2012	267	830	1,097	657	296,520

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Reference materials for proposals at General Meeting of Shareholders

Proposal: Election of Nine Directors

The term of office of all the eleven Directors shall expire as of the end of this Ordinary General Meeting of Shareholders. It is therefore proposed that the following nine 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 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 Representative Director, President & CEO Jun. 2008 Director, Chairman of NSG Group Oct. 2009 Director, Representative Executive Officer, President & CEO Jun. 2010 Director, Chairman of NSG Group (Current position)	142,000 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)	85,000 shares

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number of the Company's Shares Owned
3	Keiji Yoshikawa (6 Jul. 1950)	<p>Apr. 1973 Joined the Company</p> <p>Apr. 2003 General Manager of Information & Telecommunication Device Division, Information Technology Company</p> <p>Oct. 2003 General Manager of Information & Telecommunication Device Division, Information Technology Company & Plant Manager of SAGAMIHARA Plant</p> <p>Jun. 2004 Corporate Officer, General Manager of Information & Telecommunication Device Division, Information Technology Company & Plant Manager of SAGAMIHARA Plant</p> <p>Jun. 2006 Corporate Officer, President of Information Technology Company, General Manager of Information & Telecommunication Device Division and General Manager of Planning Department</p> <p>Sep. 2006 Corporate Officer, President of Information Technology Company, and General Manager of Planning Department</p> <p>Apr. 2007 Corporate Officer, General Manager of IT Business Line, and General Manager of Planning Department</p> <p>Jan. 2008 Corporate Officer, General Manager of IT Business Line</p> <p>Jun. 2008 Director, Executive Officer, Head of Specialty Glass Worldwide</p> <p>Feb. 2012 Director, Representative Executive Officer, Executive Vice President and CPMO</p> <p>Apr. 2012 Director, Representative Executive Officer, President and CEO (Current position)</p>	58,000 shares

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number of the Company's Shares Owned
4	Clemens Miller (21 Feb. 1959)	<p>Jul. 1992 Joined Flachglas AG (currently Pilkington Deutschland AG)</p> <p>Dec.2002 Head of Business Planning, Building Products Europe Managing Director, Fire Protection, BP Europe</p> <p>Jun. 2005 Managing Director, Building Products Fire Protection & Coatings</p> <p>Apr. 007 Managing Director, Solar Energy Business Managing Director, Building Products Fire Protection & Coatings</p> <p>Aug. 2007 Managing Director, Building Products Europe Managing Director, Building Products Fire Protection & Coatings</p> <p>Jun. 2008 Senior Corporate Officer, NSG Group Head of Building Products Europe</p> <p>Apr. 2010 Senior Corporate Officer, NSG Group Vice President of Commercial and Solar Energy Products</p> <p>Jun.2011 Director, Executive Officer, NSG Group Head of Building Products Worldwide</p> <p>Feb. 2012 Director, Executive Officer, NSG Group Head of Architectural glass SBU and Technical Glass SBU</p> <p>Apr. 2012 Director, Representative Executive Officer, Executive Vice President and COO, NSG Group Head of Architectural glass SBU and Technical Glass SBU</p> <p>Jun. 2012 Director, Representative Executive Officer, Executive Vice President and COO, NSG Group (Current Position)</p>	—

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number of the Company's Shares Owned
5	Mark Lyons (31 Oct. 1962)	<p>Apr. 1990 Joined Pilkington plc (Currently Pilkington Group Limited)</p> <p>Jan. 2003 CFO, Building Products Worldwide</p> <p>Mar. 2005 President, Building Products Europe</p> <p>Apr. 2007 General Manager, BP Regional Operations, NSG Group Managing Director, Building Products Europe,</p> <p>Jun. 2007 Senior Corporate Officer, NSG Group General Manager, BP Regional Operations Managing Director, Building Products Europe</p> <p>Oct. 2007 Senior Corporate Officer, NSG Group Head of Building Products Worldwide</p> <p>Jun. 2008 Director, Executive Officer, NSG Group Head of Building Products Worldwide</p> <p>Jun. 2011 Director, Executive Officer, CFO, NSG Group</p> <p>Apr. 2012 Director, Representative Executive Officer, CFO, NSG Group (Current position)</p>	—
6	George Olcott (7 May. 1955)	<p>Jul. 1986 Joined S.G. Warburg & Co., Ltd</p> <p>Nov. 1991 Director of S.G. Warburg & Co., Ltd</p> <p>Sep 1993 Executive Director, Equity Capital Market Group, S.G. Warburg Securities London</p> <p>Apr. 1997 Head of Tokyo branch, SBC Warburg</p> <p>Apr. 1998 Vice President, LTCB-UBS-Brinson Asset Management</p> <p>Feb. 1999 President, UBS Asset Management (Japan) President, Japan UBS Brinson</p> <p>Jun. 2000 Managing Director, Equity Capital Market, UBS Warburg Tokyo</p> <p>Sep. 2001 Judge Business School, University of Cambridge</p> <p>Mar. 2005 FME Teaching Fellow, Judge Business School, University of Cambridge</p> <p>Mar. 2008 Senior Fellow, Judge Business School, University of Cambridge (Current position)</p> <p>Jun. 2008 Director, NSG Group (Current position)</p> <p>Apr. 2010 Director, NKSJ Holdings, Inc. (Current position)</p> <p>Sep. 2010 Project Professor of Research Center for Advanced Science and Technology of The University of Tokyo (Current position)</p> <p>(Material concurrent positions)</p> <ul style="list-style-type: none"> ➢ Senior Fellow, Judge Business School, University of Cambridge ➢ Director, NKSJ Holdings, Inc ➢ Project Professor of Research Center for Advanced Science and Technology of The University of Tokyo 	—

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number of the Company's Shares Owned
7	Sumitaka Fujita (24 Dec. 1942)	<p>Apr. 1965 Joined ITOCHU Corporation</p> <p>Jun. 1995 Executive Director, ITOCHU Corporation</p> <p>Apr. 1997 Senior Executive Director, ITOCHU Corporation</p> <p>Apr. 1998 Senior Executive Director, Representative Director, ITOCHU Corporation</p> <p>Apr. 1999 Representative Director, Chief Executive Director, Chief Financial Officer ,ITOCHU Corporation</p> <p>Apr. 2001 Representative Director, Vice President, Chief Financial Officer, ITOCHU Corporation</p> <p>Apr. 2003 Representative Director, Vice President, Chief Financial Officer, Chief Compliance Officer</p> <p>Apr. 2006 Representative Director, Vice Chairman, ITOCHU Corporation</p> <p>Jun. 2006 Director, Vice Chairman, ITOCHU Corporation</p> <p>Jun. 2007 Director, Orient Corporation (Retired in Jun. 2010)</p> <p>Jun. 2008 Senior Advisor, ITOCHU Corporation Director, The Furukawa Electric, Co., Ltd. (Current position) Auditor, NIPPONKO Insurance Company, Limited</p> <p>Jun. 2009 Senior Advisor, ITOCHU Corporation Director, NSG Group (Current position) Auditor, NIPPONKOA Insurance Company, Limited</p> <p>Apr. 2010 Senior Advisor, ITOCHU Corporation Director, NKSJ Holdings, Inc. (Current position)</p> <p>Jul. 2010 <i>Riji</i>, ITOCHU Corporation (current position)</p> <p>Apr. 2012 Director, Olympus Corporation (Current position)</p> <p>(Material concurrent of i e)</p> <ul style="list-style-type: none"> ➢ Director, The Furukawa Electric, Co., Ltd. ➢ Director, NKSJ Holdings, Inc. ➢ Director, Olympus Corporation 	10,000 Shares
8	Seiichi Asaka (24 Dec.1942)	<p>Apr. 1965 Joined NSK Ltd.</p> <p>Jun. 1994 Director, NSK Ltd.</p> <p>Jun. 1997 Ma aging Director, NSK Ltd.</p> <p>Jun. 2000 Representative Director, Senior Managing Officer, NSK Ltd.</p> <p>Jun. 2002 Representative Director, President, NSK Ltd.</p> <p>Jun. 2004 Director, President & Representative Chief Executive Officer, NSK Ltd.</p> <p>Jun. 2009 Director, Chairman, NSK Ltd.</p> <p>Apr. 2010 Director, Chairman, NSK Ltd. Director, NKSJ Holdings, Inc. (Current position)</p> <p>Jun. 2010 Director, Chairman, NSK Ltd. Director, NSG Group (Current position)</p> <p>Jun. 2011 Honorary Chairman, NSK Ltd. (Current position)</p> <p>(Material concurrent office)</p> <ul style="list-style-type: none"> ➢ Director, NKSJ Holdings, Inc. 	—

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

(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. Furthermore, the Company originally has more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which all four candidates for External Directors also meet.

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

(1) Reasons for recommendation as External Directors

Messrs. Sumitaka Fujita, Seiichi Asaka, and Hiroshi Komiya have rich experience and wide-ranging insight as a manager, which the board believes can be utilized for improvement of the Group business.

Mr. George Olcott has considerable experience and broad insight as an academic and as a manager, which the board believes should contribute to the Group business.

(2) Violation of laws, ordinances or the articles of incorporation, or other unlawful conducts in business execution in the companies where the candidates for 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 Japan Fair Trade Commission (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.

D. Mr. Seiichi Asaka assumed office of a director of NSK Ltd. for the period from June 1994 to June 2011. NSK Ltd. was subjected to the on-site investigation on suspicion of violations of the Anti-monopoly Act by JFTC in July 2011 in connection with trading of bearing products. In November 2011, its sales subsidiary in Germany was subjected to the on-the-spot inspection by the European Commission as suspected of violations of EU Competition Law, and a subsidiary thereof in the United States receives a summons by the United States Department of Justice to demand it to provide information relating to certain trading of bearing products. Furthermore, NSK Ltd. was searched by The Tokyo District Public Prosecutors Offices and JFTC for the suspicious conducts which might have breached the Anti-monopoly Act. There is a possibility that business operations of NSK Ltd. and its subsidiaries in question during the period of his tenure of office above might be subject to such suspicions.

(3) Terms of office to date as External Director

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

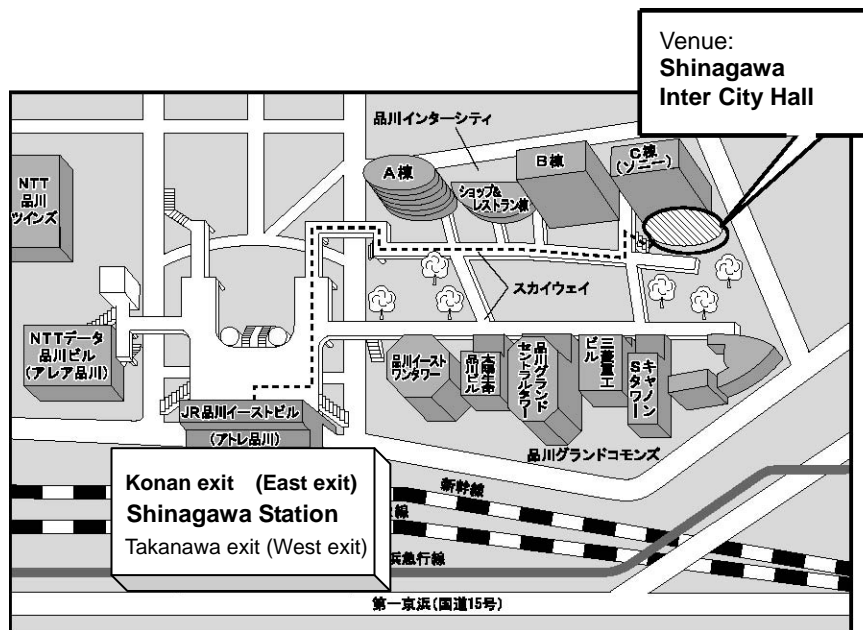
B. Mr. Sumitaka Fujita will have been the External Director for three years as of the end of this General Meeting of Shareholders.

C. Messrs. Seiichi Asaka and Hiroshi Komiya will have been the External Directors for two years 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)