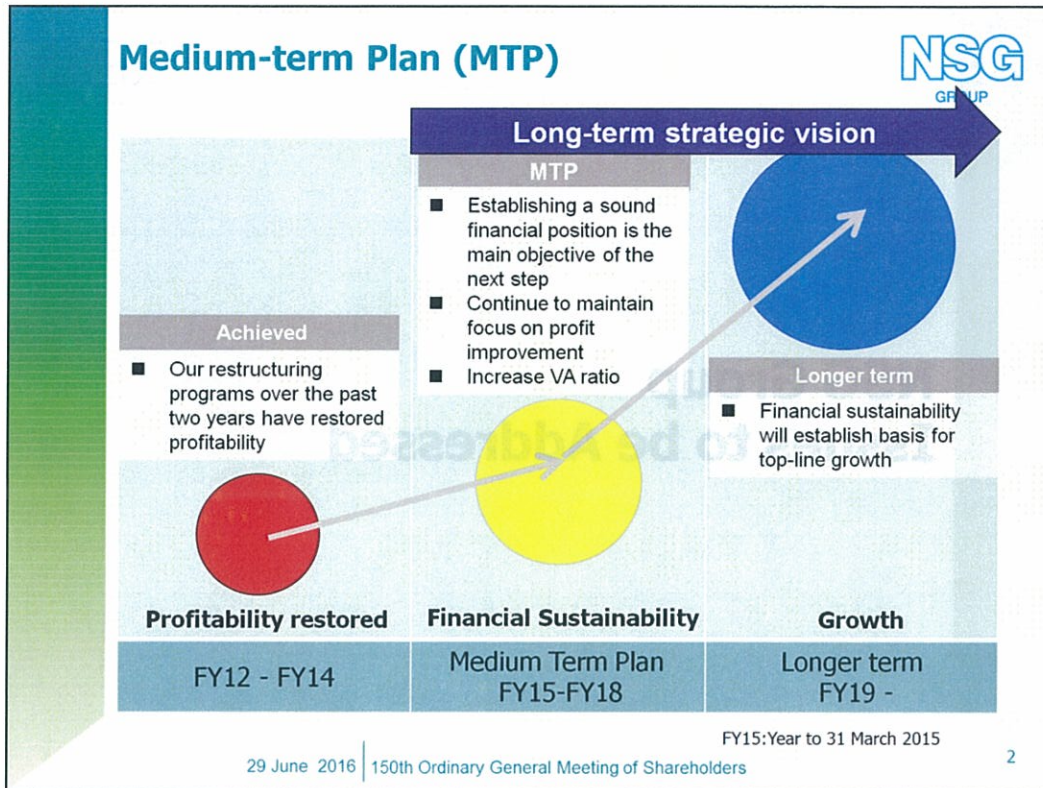


Presentation by Chairman (Mr. Mori)

Then I would like to explain the issues to be addressed by NSG Group.

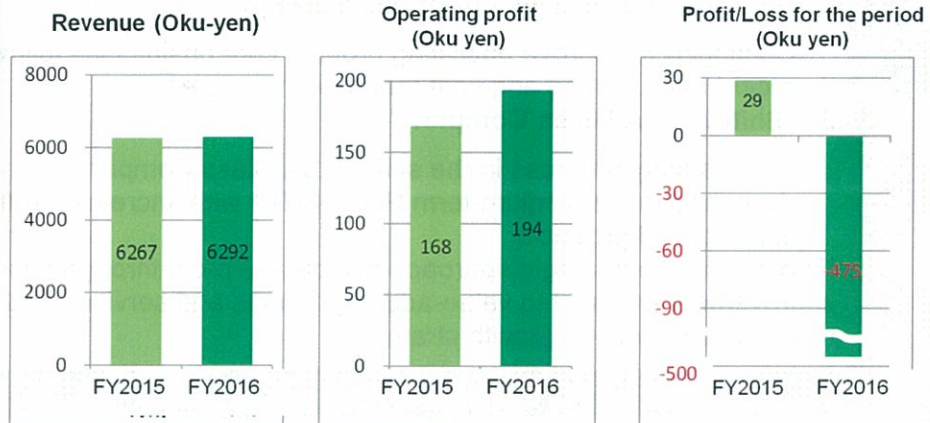


Since the Group's Long-term Strategic Vision and Medium-Term plan (MTP) was announced in May 2014, the Group has been focusing on the maximization of capacity utilization and growing its VA or value added product ratio as the core strategy within its MTP.

Summary of FY2016



- Continued to improve trading profit of core businesses following recent restructuring and cost reduction measures
- Posted a significant amount of one-off losses due to reducing loss-making activities. Mitigated the risk of volatility in the emerging market



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In terms of the progress regarding FY2016, we continued to improve the trading profit of core businesses following recent restructuring and cost reduction measures.

We posted, however, a significant amount of one-off losses due to reducing loss-making activities. As a result the loss for the period was JPY47.5 billion for FY2016 although it mitigated the risk of volatility in the emerging market in future.

FY2016 Management Review



1. Not responding to changes in the environment in an adequate manner

Posted a significant amount of one-off losses, reflecting intensified competitive market situation in Display, and demand downturns in emerging markets

2. Continued improvement of operating profit

Continued to improve operating profit of core businesses following recent restructuring and cost reduction measures

3. Shift to “VA Glass Company”

Made steady progress in the shift to “VA Glass Company” as described in the Medium-term Plan, (MTP) with increased ratio of value-added products

To maintain the strategic approach to increase profit through business improvement and shift to value-added products and services and to focus on accelerating growth strategies.

Strategic approach to remain unchanged to improve profit in FY2017

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I would like to reflect our performance in FY2016, which can be summarized in the following three points.

Firstly, we have posted significant losses due to intensified market conditions in Display and demand downturns in emerging markets. This is largely because in some business areas, the Group could not respond to the changes in the environment in a fully adequate manner. Going forward in our business management, the Group will respond to the changing business environment more quickly and will ensure an improved anticipation and stricter management of future risks.

Secondly, the Group continued to improve trading profit following recent restructuring and cost reduction measures and this represents a steady recovery in the robustness of the Group’s core businesses.

Further, the Group made steady progress in the shift to “VA Glass Company” as described in the Medium-term Plan, (MTP) with an increased ratio of value-added products including glass for thin film solar applications and various functional products in the Architectural business.

Building on these developments, the Group will maintain the strategic

approach of the Medium-term Plan (MTP) to increase profit through business improvement in the financial years to 31 March 2017. We will continue the shift to value-added products and services and focus on accelerating growth strategies each business has been implementing.

FY2017 Forecast and Actions



- Europe: Gradual recovery in both Architectural and Automotive markets
 - Further reduction of cost base and operational improvement in low-profit facilities, and drive an increase in the VA ratio
- Japan: Architectural markets stable, and Automotive markets to be slightly weaker
 - Increased sales of VA products
- North America: Robust Architectural and Automotive markets
 - Automotive to focus on operational improvement and AGR recovery
- South America: Architectural markets remain at same level, Automotive markets expected to be at a low level
 - Effect of restructuring in Automotive to be realized
- South East Asia: VA products to remain strong
- Technical Glass: Display continues to be sluggish, lenses expected to be impacted by strong Japanese Yen, while other businesses expected to increase sales
- Joint ventures and Associates: Brazilian market to remain at same level

Necessary actions to be taken for each market

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Next, I would like to explain the outlook of the markets and our actions in FY2017.

Both Architectural and Automotive markets in Europe will show continuous recovery. We will promote further reduction in cost base and operational improvement, and drive to increase the VA ratio.

In Japan, we expect Architectural markets to be stable but Automotive markets to be slightly weaker compared to the current level, and we will focus on the expansion of sales of our value-added products and services.

North American Architectural and Automotive markets are expected to show a steady improvement. In Automotive, we will focus on operational improvement, and recovery in AGR profitability.

In South America, we are expecting Architectural markets to be stable, while Automotive markets remain at low level. We expect the effect of the restructuring initiatives will be realized.

In South East Asia, our demand of VA products remains robust.

We expect the Technical Glass business will continue to be affected by the market conditions in Display's commodity glass area, and we will respond to this with an initiative to increase sales of glanova, our new composition glass. Our office printer segment will be affected by the strengthening Japanese yen,

but other segments are expected to increase their sales.

As for Joint Ventures and Associates, losses are expected to be eliminated from our joint ventures and affiliates, where impairments were posted in FY2016. Brazilian markets are expected to be flat, but we may be impacted by exchange movements.

We were affected by three cold repairs in FY2016, one of each in Europe, South America and South East Asia, but we only plan to have one in North America in FY2017.

Across the Group, operating profitability is expected to benefit from relatively low energy costs and the Group's continued efforts to reduce its cost base. Amortization costs arising on the acquisition of Pilkington plc will fall to approximately half the level of FY2016.

Taking account of the above factors, the Group expects to record an improvement in operating profitability in FY2017.

Long-term Strategic Vision



Transformation into a VA Glass Company

Move from a traditional commodity business model towards one increasingly focused on value-added products and services

Our aim is to:

Not only increase VA ratio in our products mix but also transform the whole Group into VA Company.

For this:

- ◆ Consolidate our trusted reputation as a glass specialist
- ◆ Work closely with our customers in a range of global industries to deliver values required by our customers through our products and services
- ◆ Transform our flat glass business, moving from a traditional commodity business model towards one increasingly focused on value-added products and services

Pursue business with focus on value-added products and services

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It is the Group's Long-term Strategic Vision to be "VA Glass Company".

Specifically, it means not only to increase the VA ratio in our products mix but also to transform the organization and culture of whole Group into VA.

For this,

Firstly, we consolidate our trusted reputation as a glass specialist through our outstanding capacity of R&D and engineering.

Secondly, we work closely with our customers in a range of global industries to deliver values required by our customers through our products and services. In other words, we will operate business focusing each individual market feature, understanding and respecting the diversity of regions.

And we will transform our flat glass business, moving from a traditional commodity business model towards one increasingly focused on value-added products and services.

For example, day-to-day business will be delegated to the competent local people while the headquarter will take leadership on strategy, allocation of resources for totally optimized business operation.

MTP – Target and Action Plan



- Target
 - Achieve financial sustainability
 - Start transformation into a VA Glass Company
- Financial Target (FY2018)
 - Net debt / EBITDA : 3x
 - ROS: 8%*
- Action Plans to achieve targets
 - Increase in value-added product share
 - Maximize utilization of existing assets
- Approach
 - Architectural + Automotive : improve profitability
 - Technical Glass: grow with existing businesses and new products, focus on R&D

*Operating Profit before amortization and exceptionals

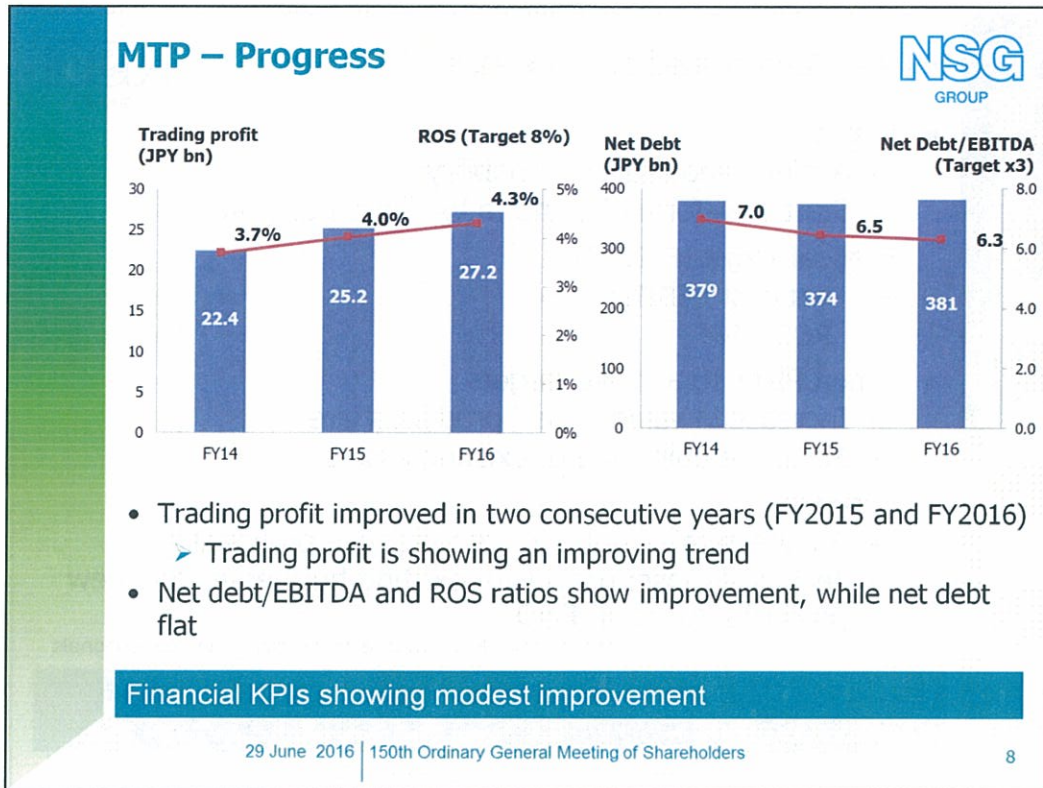
Establish financial sustainability and start transformation into VA Glass Company

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Under the MTP, we aim to achieve financial sustainability and start transformation into a VA Glass Company.

The key performance indicators are net debt / EBITDA and return on sales ratio, with the targets of 3 times and 8 per cent respectively.



With regard to the progress of the KPIs to date,

Trading profit improved in the first two years of MTP continuously and showing a clear trend of improvement. On the other hand the rate of improvement is relatively modest.

The financial KPIs, net debt / EBITDA and ROS also improved modestly, while net debt remained flat.

NSG
GROUP

Upsides and Downsides against MTP

**Down
sides**

- Market Assumptions :
 - Lower volume & prices in Europe and South America
 - More challenging Display glass market with new entrants
- Cost: Slower operational efficiency improvement in Automotive North America and Europe

**Up
sides**

- VA Ratio: Architectural Glass on plan but delayed in Display. Overall on plan
 - FY14: about 33% => FY16: slightly below 40%
- Market: North America Architectural markets robust
- Input cost: Significantly lower energy cost

Downturns in some markets and delays in efficiency improvement but VA shift on schedule; benefits from lower energy cost

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As a background for the Group's progress, there have been upsides and downsides against the original assumptions of MTP.

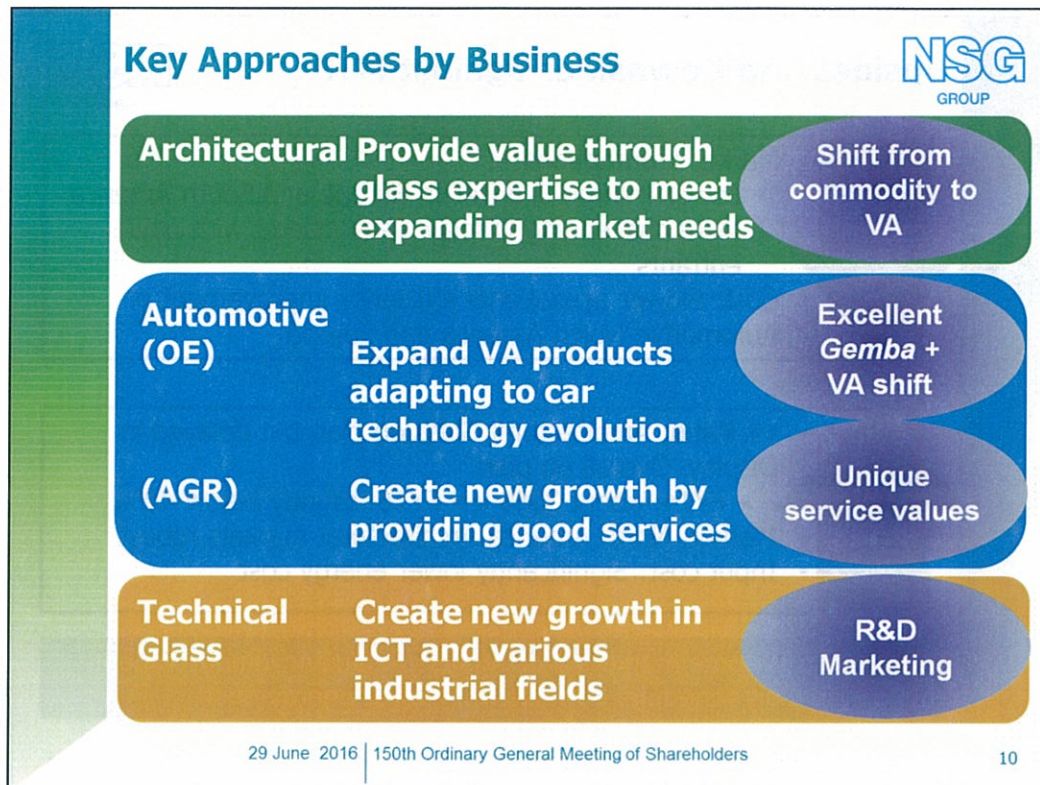
As external factors for downturn, there were the slow recovery of Europe and downturn in South America and challenging market for display glass as the competition intensified with new entrants.

We have still room for improvement in the operational efficiency in Automotive business in North America and Europe, in comparison with the MTP.

On the other hand, there have been upsides.

The VA shift has been progressing steadily from the one third of our sales at the beginning of MTP to slightly lower than 40 percent with efforts made by all of our businesses in the last two years.

The robust architectural glass market in North America and significant fall in energy prices have been a tailwind.



Our Group's businesses have different characteristics and we have identified the best suitable approach for each one and focusing on the acceleration of each strategy.

In the Architectural glass business, we are aiming to shift from the commodity business model to more value-added one in order to provide more value through glass expertise to meet expanding market needs.

In the Automotive business, we have different approaches for OE and replacement market.

In the OE area, we will focus on operational excellence and VA shift to expand VA products and adapt to car technology evolution.

In the AGR area, we will provide unique service values to create new growth.

In the Technical Glass business, we will focus on R&D and marketing to create new growth in information and communication technology and other various applications.

MTP – Strategic Direction



- Preparing for the growth phase by VA shift acceleration and reinforced R&D by “selection and focus”
- Expediting productivity improvement
- Overhead cost reduction in coming two years
- Steady reduction of net debt and finance cost with asset liquidation, solid management of working capital and capital expenditure, and operating cash flow increase.

No change to strategic direction

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As of now, we believe our strategic direction remains valid for the Group and no change is needed.

Going forward, we will preparing for the growth phase by accelerating the VA shift and reinforcing R&D by “selection and focus”

Specifically, we will roll out successful VA shift in some Architectural glass businesses across the Group.

In the display business we will accelerate the glanova’s qualification process at customers

In the automotive business, we will establish technical excellence in lightweight glass, responding to requirements of automated driving and advanced information technology.

We will also expediting productivity improvement to recover profitability in Automotive business in Europe and North America.

In terms of the cost base, we will continue to reduce our manufacturing and put more focus on overhead cost reduction.

In order to achieve financial sustainability, we aim to reduce steadily net debt and finance cost with asset liquidation, solid management of working capital and capital expenditure and operating cash flow increase.

MTP – Next Steps



- Financial KPIs showing modest improvement
- Acceleration is necessary
- The Group will perform an assessment of its performance against its MTP and consider any actions that now need to be taken to ensure that the Group continues to move towards achievement of its MTP objectives
- The results of this assessment are expected to be communicated alongside the Group's second quarter results for FY2017

More specific explanation at FY2017 Q2 announcement

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While we are making progress with our financial KPIs but its rate is relatively. Therefore, we must accelerate.

The Group will perform an assessment of its performance against its MTP and consider any actions that now need to be taken to ensure that the Group continues to move towards achievement of its MTP objectives.

We expect to communicate the results of this assessment alongside the Group's second quarter results for FY2017.