NSG

GROUP

NSG Group
Results to 31 March 2010
and
CEO Designate Introduction

14 May 2010

2

Katsuji Fujimoto – CEO

Craig Naylor – CEO Designate

Mike Powell – Group Finance Director

3

Good afternoon ladies and gentlemen

Thank you very much for giving up time in your busy schedules to attend this meeting and for your interest in the NSG Group.

We will give a presentation on the results of the NSG Group for the year ending 31 March 2010 and prospects for FY2011.

We will also take this opportunity to introduce Craig Naylor, who joined the company on 1 May as CEO Designate as will succeed me as President and CEO after the shareholders’ meeting on 29 June.

I will ask GFD Mike Powell first to take you through the financial results for FY2010.

Then I will say a few words to sum up how I see last year’s performance and introduce Craig, who will tell you more about himself and his business philosophy and the prospects for FY2011.  Then we will have Q&A.

So, Mike, please can you begin.

## Key Points - April 09 to March 10

- Full-year results better than previous forecast
- Fourth-quarter results reflect stabilized markets and restructuring actions
- New President and CEO appointed
- Major restructuring program completed. Cost savings delivered
- Significant improvement in debt maturity profile achieved
- Continued profit improvement forecast for FY2011

4

Thank you Fujimoto san.

On slide 4, you can see the key points from today’s release of the FY2010 results.

Our profit numbers are better than prior guidance, with the 3 months of Quarter 4 confirming that our markets have stabilized, and that the restructuring benefits from our early actions are being delivered.

There have been two significant steps forward for the Group since we last met.

First, delivery of the debt refinancing, and secondly the appointment of our new President and CEO.

We are also in a position today to release next year’s forecast, which shows a continued profit improvement.

## NSG Group Year End Results

NSG GROUP

### Agenda

- Financial Results
  - Full Year Results
  - Q4 FY10 and Q4 FY09 Comparison
- Business Update
- CEO Designate Introduction
- FY2011 Outlook

5

So, let’s move straight into the numbers - starting on slide 6 with the financials.

## Consolidated Income Statement

NSG GROUP

| (JPY bn) | FY2010 | FY2009 | Change from FY2009 |
|---|---|---|---|
| **Revenue** | **588.4** | **739.4** | **-20%** ** |
| **Op.Income before amortization*** | **0.9** | **22.5** | |
| Amortization* | (18.1) | (20.6) | |
| **Operating Income** | **(17.2)** | **1.9** | |
| Non-operating items | (11.4) | (14.2) | |
| **Ordinary income** | **(28.6)** | **(12.3)** | |
| Extraordinary items | (13.8) | (1.2) | |
| **Pre-tax Income** | **(42.4)** | **(13.5)** | |
| **Net Income** | **(41.3)** | **(28.4)** | |
| EBITDA | 41.0 | 68.2 | -40% |

* Amortization arising from the acquisition of Pilkington plc only

** -14% based on constant exchange rates

**Reduced sales and profits in line with market conditions**

6

Here you see the consolidation income statement for the Group for the 12- month period ending March 31st 2010

NSG Group have delivered revenues of Y588bn, down some 20% from the previous 12 months figure of Y739bn

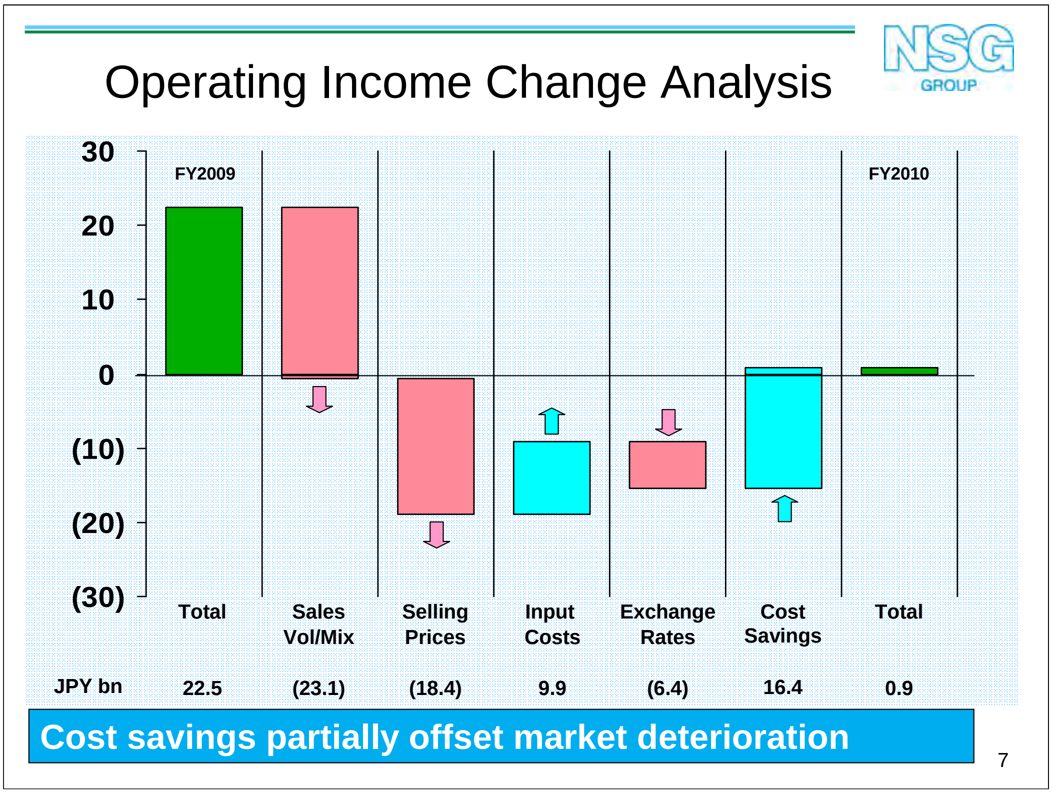
Operating income before amortization due to the acquisition of Pilkington plc, is a profit of Y0.9bn, compared to a profit of Y22.5bn in the prior year.

This result is ahead of previous guidance from the company.

Moving down the income statement, we take off the amortisation due to the acquisition, to give an operating income loss of Y17.2bn. We then deduct non-operating items of Y11.4bn to get to the Ordinary Income line of Y28.6bn loss versus a prior year loss of Y12.3bn.

After Extraordinary Items, Tax and Minorities, we have a bottom line Net Income with a loss of Y41.3bn, compared to a loss of Y28.4bn for FY10.

The year-on-year comparisons, clearly show the effect of the economic downturn and resultant reduced business activity, which is understood by all.




On slide 7 we can look in a little more detail at why the year-on-year operating income before amortization has changed. On the left you have the FY10 profit before amortisation of Y22.5bn and on the right you can see this year's profit of Y0.9bn.

The main factors you can see here are the first two big red, downward bars, reflecting the market conditions, with significant volume downturn across our two main business lines of Automotive and Building Products - Building Products being the most severe.

Building Products markets showed little signs of recovery throughout the year, though they do appear to have stabilized. Automotive did recover throughout the year, due in the main to government incentives, and finished the year strongly. Specialty Glass, whilst slow to start the year, had good levels of demand in the second half of the year.

The price-downs in the year were all in Building Products, though somewhat less severe than we at one stage imagined, due to the action we took, particularly in Europe in May 2009 to increase prices.

Some relief was afforded on input costs around energy and materials. Exchange damaged profits, on translation into yen, as the average rate of the yen strengthened.

And most importantly, the last blue bar on the right hand side, confirms the importance of the early action taken by ourselves on capacity and cost reduction. We have concluded the actions we announced in January and then subsequently in April 2009,  with a total of 6700 people having left the business as a result of this work.

# Non-operating Items

| | FY2010 (JPY bn) | FY2009 (JPY bn) |
|---|---|---|
| Interest and dividend income | 2.7 | 8.3 |
| Interest expenses | (14.3) | (20.0) |
| Joint ventures and associates | 2.4 | 1.6 |
| Other income and expenses | (2.2) | (4.1) |
| | (11.4) | (14.2) |

**Improving non-operating items**

8

The Non-operating items, as you are aware, mainly contain interest costs and joint venture and associate numbers.

Net interest, being the addition of the top two lines, is flat year-on-year.

The improvement in Joint Ventures was mainly a second-half story, being delivered in the main from our South America and Chinese Joint Ventures

# Extraordinary Items

| | FY2010 (JPY bn) | FY2009 (JPY bn) |
|---|---|---|
| Gain from sale of securities | 4.1 | 7.7 |
| (Loss)/gain on disposal of subsidiaries and affiliates | (1.1) | 30.0 |
| Gain on disposal of fixed assets | 0.9 | 0.2 |
| Restructuring and asset impairments: | | |
| Measures announced January and April 2009 | (6.6) | (19.6) |
| Other measures | (8.7) | (7.1) |
| EC car glass fine | - | (7.8) |
| Others | (2.4) | (4.6) |
| | (13.8) | (1.2) |

**Major restructuring program complete**

9

Extraordinary Items - the top line- is the sale of marketable securities that was achieved in Q1.

The rest of the slide covers the restructuring of our business, which is in line with previous announcements

So that is the income statement covered in summary.

Let's now look at the Group's Cash Flows, on slide 10.

# Consolidated Cash Flow Summary

NSG GROUP

| | FY2010 (JPY bn) | FY2009 (JPY bn) |
|---|---|---|
| Income before income taxes and minority interests | (42) | (14) |
| Depreciation and amortization | 57 | 66 |
| Increase in working capital | 1 | (3) |
| Tax paid | (19) | (12) |
| Addback profit on disposal of subsidiaries/investments | (5) | (38) |
| Others | 5 | (32) |
| **Cash flow from operating activities** | (3) | (33) |
| Purchase of fixed assets | (16) | (43) |
| Disposal of subsidiaries/investments | 22 | 52 |
| Others | (12) | (6) |
| **Cash flow from investing activities** | (6) | 3 |
| **Cash flow before financing activities** | (9) | (30) |

**Controlled cash management**

10

Despite a significant deterioration in EBITDA due to difficult trading conditions, the Group continues to treat cash as a priority.

Capital expenditure was restricted at around 50% of depreciation, and we therefore had a cash flow before financing activities outflow of only Y9bn.

## Key Performance Indicators

| | 31-Mar-10 | 31-Mar-09 |
|---|---|---|
| Net Debt (JPY bn) | 315 | 331 |
| Net Debt/EBITDA | 7.7x | 4.9x |
| Net Debt/Equity Ratio | 1.3 | 1.3 |
| | **FY2010** | **FY2009** |
| EBITDA Interest Cover | 3.3x | 5.2x |
| Operating Return on Sales* | 0.2% | 3.0% |

* Before amortization arising from acquisition of Pilkington plc

**Ratios weaker on declining EBITDA**

11

Slide 11 shows the resultant ratios of the previous financials I have taken you through.

You can see that, whilst debt has been managed well, the ratios suffer from the weaker EBITDA.

This ratio is, of course, reducing quarter by quarter, as earnings of the operations improve.

# Debt Maturity

- A further ¥ 52 billion of new debt facilities maturing in September 2013 were signed 24 March 2010, and following the year end date, were used to prepay facilities maturing during financial year 2011 and to provide sufficient levels of headroom.
- Cumulative debt refinanced year to date of ¥ 164 billion
- After the actions above, the Group debt facilities maturity profile, including undrawn Revolving Credit Facilities, are:

| | |
|---|---|
| FY2011 | ¥ 20 billion |
| FY2012 | ¥ 49 billion |
| FY2013 | ¥ 87 billion |
| FY2014 onwards | ¥ 279 billion |

**Significant progress on debt refinancing achieved**

12

As I said earlier, one of the important steps forward this year has been the refinancing of large parts of our debt during the year.

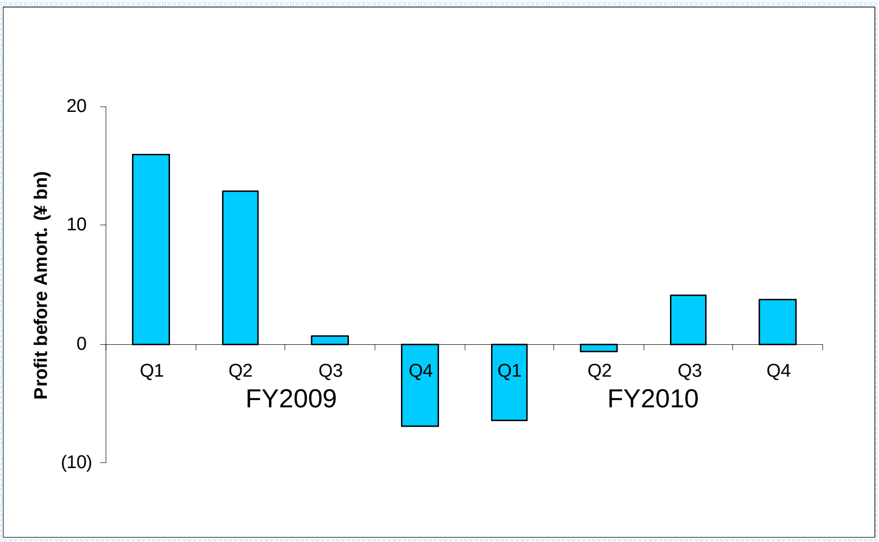
As already publicly announced, the final part of this was achieved in March 2010 with a Y52bn facility being signed.

The Group refinanced Y164bn during the year, as well as a Y30bn issuance of preference shares.

This means that the debt maturity profile going into the new financial year is significantly enhanced.

We have cash on hand to repay the FY11 balance when it becomes due later in the year.

## Quarterly Profit Trend




**Improving quarterly profit trend**

13

Slide 13 shows you the last 8 quarters profit for the NSG Group, and it is clear that the business trend is improving.

Q4, please remember, is of course usually seasonally weak, especially in Building Products.

Let us now look at the business performance for the last quarter - our Quarter 4 versus a year ago.

So to be clear, that’s the three months January to March 2010 versus the three months January to March 2009.

# Consolidated Income Statement Q4 FY10 v Q4 FY09

| (JPY bn) | Q4 FY10 | Q4 FY09 | Change from Q4 FY09 |
|---|---|---|---|
| **Sales** | **144.5** | **129.9**** | **+ 11%** |
| **Op.Income before amortization*** | **3.8** | **(7.1)** | |
| Amortization* | (4.4) | (4.4) | |
| **Operating Income** | **(0.6)** | **(11.5)** | |
| Non-operating items | (2.3) | (5.4) | |
| **Ordinary income** | **(2.9)** | **(16.9)** | |
| Extraordinary items | (7.0) | (27.0) | |
| **Pre-tax Income** | **(9.9)** | **(43.9)** | |
| **Net Income** | **(9.2)** | **(38.9)** | |
| EBITDA | 14.3 | 3.7 | + 286% |

* Amortization arising from the acquisition of Pilkington plc only

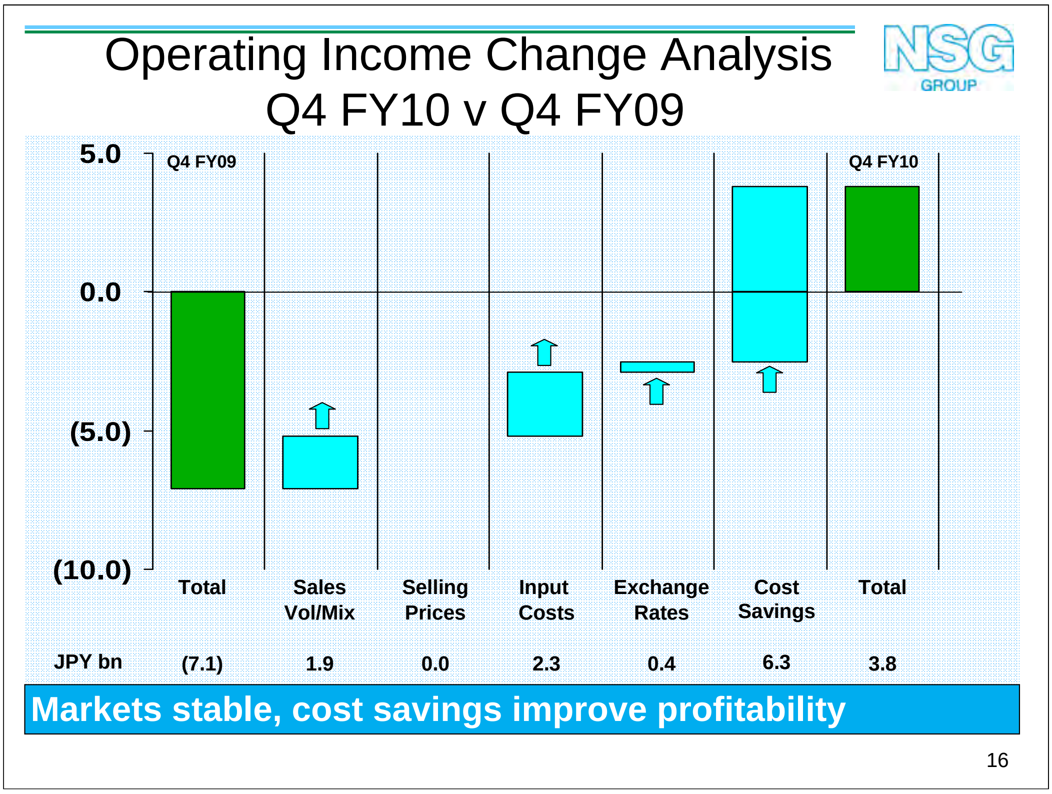
**Q4 FY09 excludes revenue adjustment for standardizing the FY2009 statutory year end

**Operating result demonstrates improvement in profitability**

15

Turning to the quarter-on-quarter income statement, we can see that Q4 revenues were 11% percent higher at Y145bn and that the operating loss before amortisation has improved from a loss of Y7.1bn to a profit of 3.8bn, representing a swing of some Y11bn.

Non operating items improve mainly due to the performance of our joint ventures and associates, which means that ordinary income has improved by Y14bn to a loss of Y2.9bn.




Again, a simple pictorial view of why we have managed to move from Q4 last year on the left, to our FY10 Q4 position declared today.

The main message here is that the markets are better, but not affording us any complacency. The volume and mix is positive by approximately Y2bn, with Auto and Specialty Glass markets stronger than a year ago,  but Building Products markets still weak, partially due to the very harsh winter in the northern hemisphere.

Prices are flat year-on-year across all of the three business lines and input costs positive.

Again, as I said before, if you look at the right hand blue bar you can see the delivery of the cost savings, which occur in all business lines, really being the major drive of the profit movement. This remains important as we move into FY11, as Craig will explain later.

In the quarter just finished, all three of our business lines were profitable at this level.

## NSG Group Year End Results

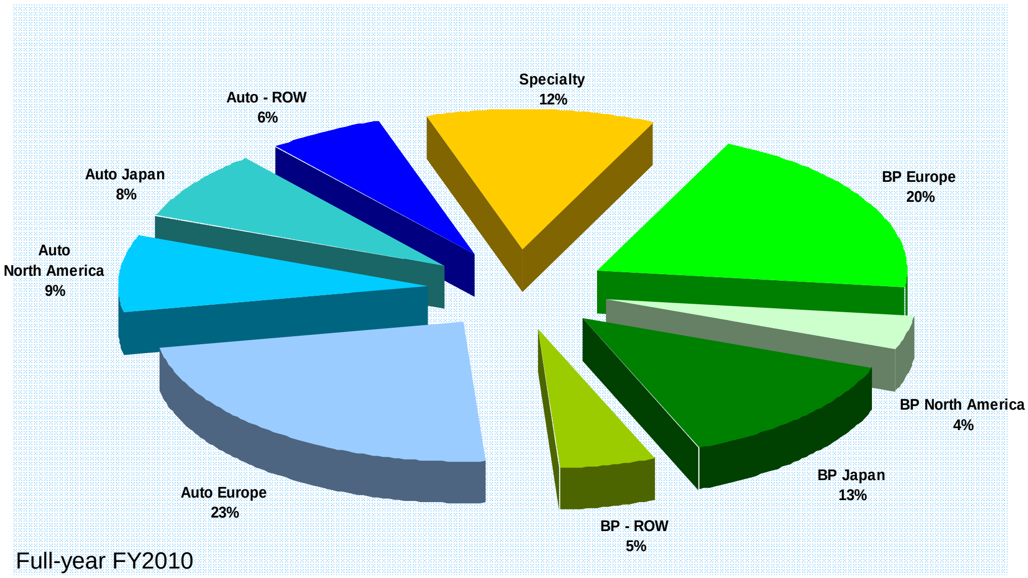
### Agenda

- Financial Results
- Business Update
  - Building Products
  - Automotive
  - Specialty Glass
- CEO Designate Introduction
- FY2011 Outlook

17

Now as usual, let me take you through a little more detail by business line.

## External Sales – Group Businesses

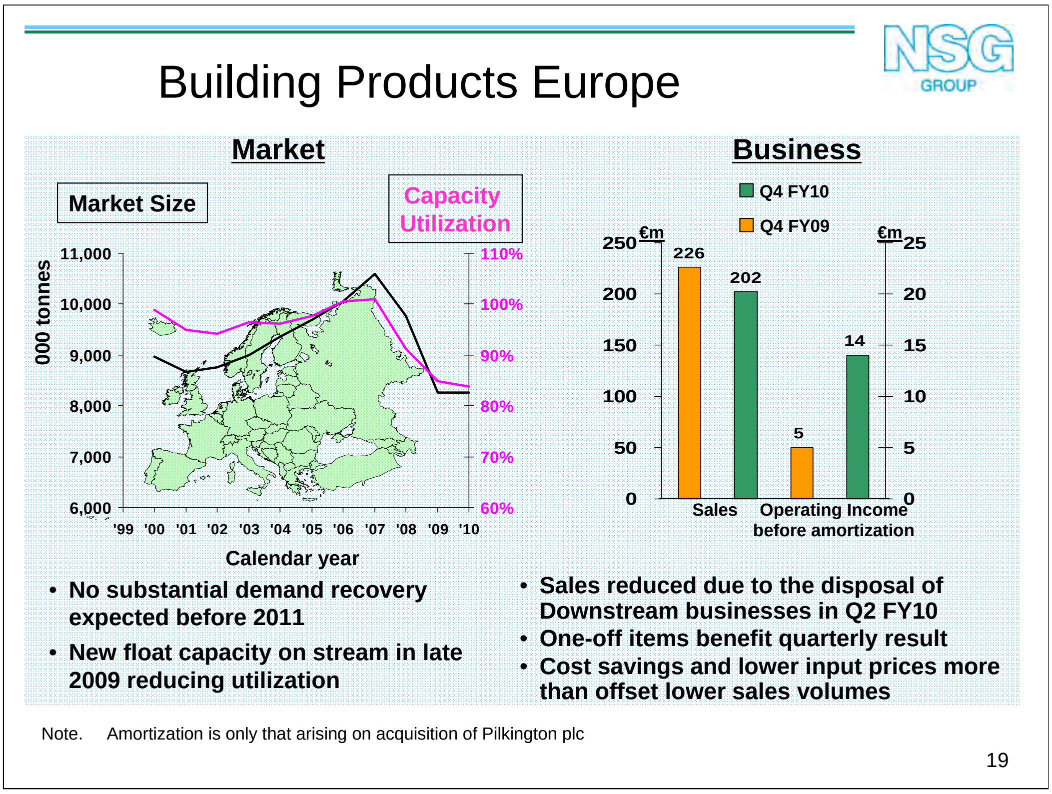



18

This is the breakdown of the sales turnover of our subsidiary businesses, by business line and by geography.

On the right, in green, are the four Building Products segments. The four blue segments are Automotive and at the top is our Specialty Glass business, representing 12% of Group sales.

So let's start with Building Products.




As there are nine of these types of chart, allow me to explain the chart, and then I will summarise the content.

On the left hand side in each case is the market picture, with demand in black and capacity utilisation in pink.

Then, on the right hand side is the NSG Group performance in the currency those businesses mainly operate in. We compare the sales and profits of the Quarter 4 period for FY10 versus the Quarter 4 period for FY09

So first of all BP Europe, representing 20 percent of the Group's sales.

On the left, for construction in Europe, you can see the significant decline in demand since the 2007 peak. We do not expect any substantial recovery in demand until 2011. However, we do not believe the market will decline further in volume terms. Manufacturers have taken out capacity in a number of different ways to adjust to the lower demand.

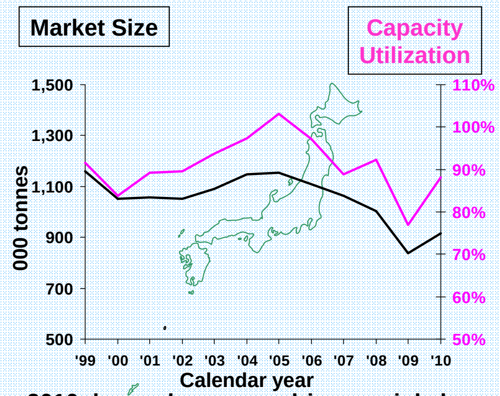
Moving to the right of the chart, sales declined mainly due to the disposals of our French and Swiss businesses earlier in the year, but also due to the harsh winter in Europe.

The result benefited from some one-offs, but also some good cost reductions.

European float prices fell a small amount in the last quarter of our financial year; on average some 5% when compared to Quarter 3 average prices. As a result, we announced float price increases to our customers in late March 2010 for implementation thereafter. These increases vary market by market, as always, but average approximately 20%. So far these appear to be holding well.

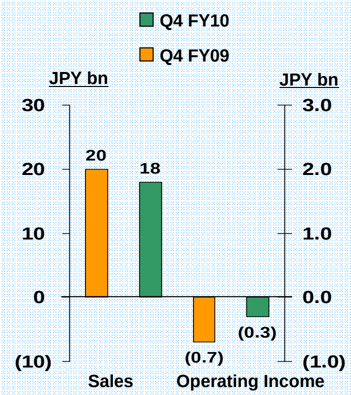
# Building Products Japan

## Market




- 2010 demand recovery driven mainly by Automotive and Specialty Glass
- Capacity reduction also supporting float utilization

## Business




- Sales decline due to lower prices and change in sales mix
- Cost reduction and lower input costs improve operating income

Note. Q4 FY09 sales excludes adjustment for standardizing the FY2009 statutory year end

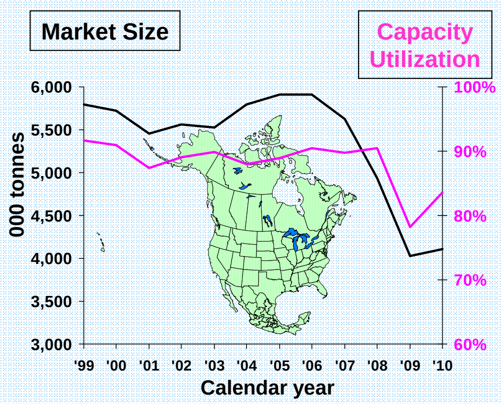
20

Industry demand in Japan is a similar story, with this year expected to be about 15% lower than 2007 - and more than 20% below the highs of 2005.

For NSG Group in the quarter, revenues were down, due to lower volumes and prices, though the profit improved due to cost reductions and lower input costs. Clearly the level of profitability remains too low.

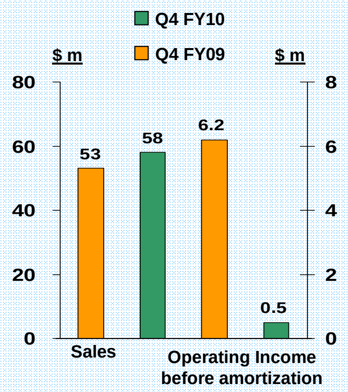
# Building Products North America

## Market




- Little demand recovery expected in 2010
- Industry capacity reductions driving improved utilization

## Business




- Sales increase due to higher export volumes
- Operating income flat after excluding one-off benefits in Q4 FY09

Note. Amortization is only that arising on acquisition of Pilkington plc

21

Building Products North America is 4% of the Group

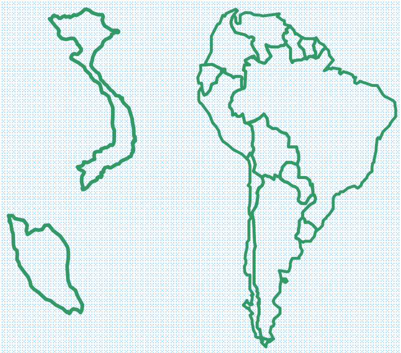
Residential demand has flattened, with some signs of an upturn, but the commercial market is still in decline. There is little sign of substantial demand recovery until 2011.

NSG Group sales were slightly improved from the prior year, due to exports into South America. However profits were still at low levels. Please remember that Q4 FY09 had a number of one-off gains in it, which means that the underlying result is flat.

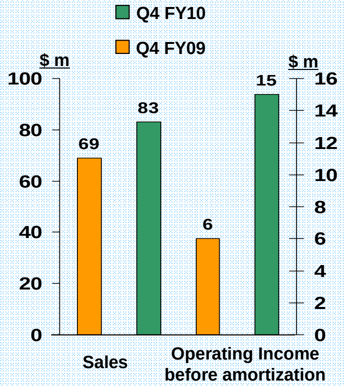
# Building Products Rest of World

NSG GROUP

## Market



## Business




- South American demand returned quickly to strong growth after short recession
- Vietnam currently showing strong demand

- In South America, strong demand delivers good profitability
- In South East Asia, higher prices and higher volumes improve operating income

Note. Amortization is only that arising on acquisition of Pilkington plc

22

Finally for Building Products, the Rest of the World comprises mainly South America, Malaysia and Vietnam, and collectively represents 5% of Group.

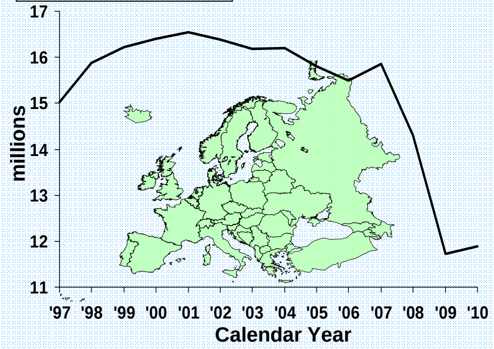
The South America market in particular has recovered well, avoiding significant recession. This area of our business continues to deliver good results.

# Automotive Europe

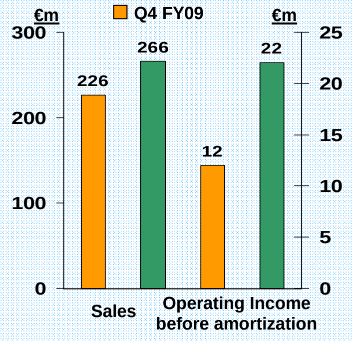
NSG GROUP

**Market**

W. Europe Light Vehicle Build




**Business**




- Scrappage schemes provided major boost from Q2 2009 onwards although softening expected as schemes conclude
- Benefits in some markets continuing into 2010
- AGR market continues to hold up well due to harsh winter and start of peak selling season

- Significant increases in OE volumes, still benefiting from scrappage schemes
- AGR sales relatively stable
- Profit driven mainly by volume increases, improved capacity utilisation, input cost reduction and restructuring benefits

Note. Amortization is only that arising on acquisition of Pilkington plc

23

Turning to the Automotive sectors and first to Europe.

Automotive Europe represents 23% of the Group and you can see on the left our expectations of build levels across the region.

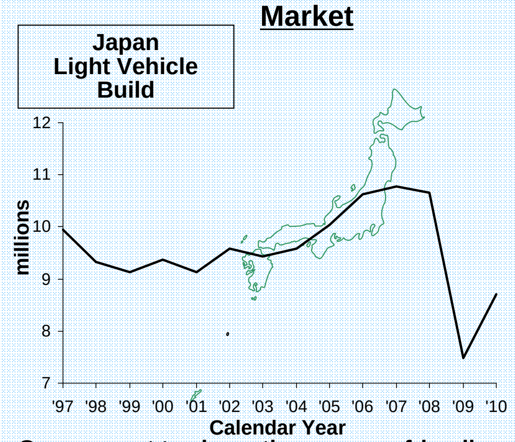
Significant declines in new car build started in September 2008. Many extended shutdowns of car plants took place to adjust stocks. This trend has reversed, with government incentives generating significant volumes from the middle of 2009. Some of these benefits will continue through at least the first half of 2010.

The NSG Group’s sales increased nearly 20% year on year. These volume increases, plus some good work on cost reduction and capacity realignment, lead to good profit improvements.

The Automotive Glass Replacement business performed well, with the harsh winter benefiting this business.

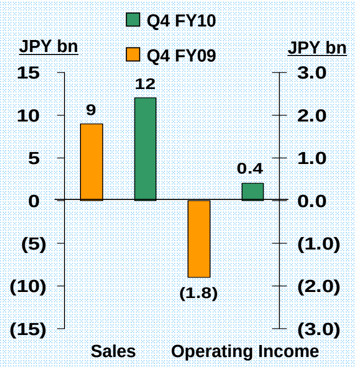
# Automotive Japan

**Market**




- Government tax incentives on eco-friendly vehicles boosted demand in late 2009
- Softening is expected in late 2010, following end of current tax incentive scheme
- Steady AGR market

**Business**




- Sales supported by scrappage incentives
- OE volume increases and operational improvements driving better profit

24

Automotive Japan is 8% of the Group in terms of revenues.

In Japan, the higher build levels in the last few years were supported by export markets, but these have declined sharply on top of a softer domestic sales market throughout 2009.

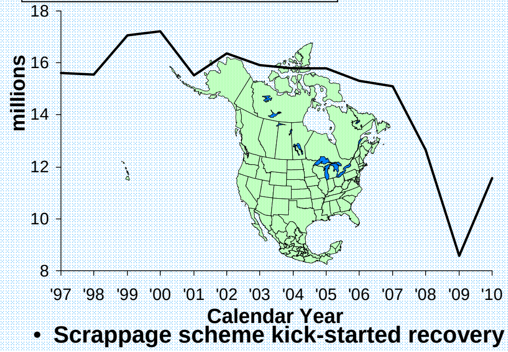
However, government tax incentives have increased demand more recently.

Our sales increased year-on-year and profits benefited from the increased volumes with continued operational improvements.

# Automotive North America

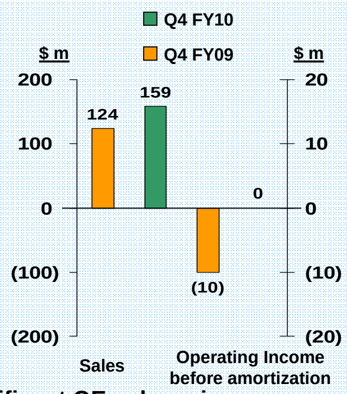
## Market

NAFTA Light Vehicle Build




- Scrappage scheme kick-started recovery during Q3 of 2009
- VMs' own incentives have helped drive demand into 2010
- Aftermarket holding up, harsh winter and start of peak selling season

## Business




- Significant OE volume increases
- AGR volume decline compensated by improved pricing
- Profit improvement reflects volume increases and continuing cost control

Note. Amortization is only that arising on acquisition of Pilkington plc

25

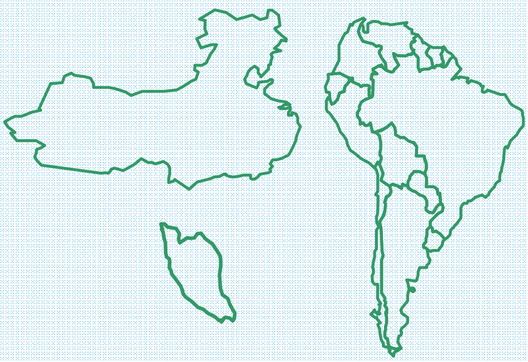
I believe the North American story is well known to you, but here are the build levels for the NAFTA region on the left.

The North America scrappage scheme was short lived, but demand is steadily rising, albeit from very low levels.

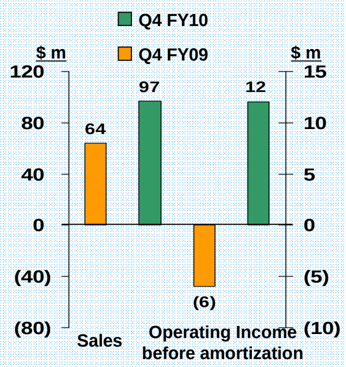
Our sales improved strongly quarter-on-quarter, with profits benefiting directly from this and cost reduction activities.

# Automotive Rest of World

## Market



## Rest of the World




- South American demand up on prior year
- Major growth in the Chinese market
- Strong AGR growth

- Strong OE market growth
- AGR markets continue to improve
- Profit increase due to volume increases, better capacity utilisation and operational performance

Note. Amortization is only that arising on acquisition of Pilkington plc

26

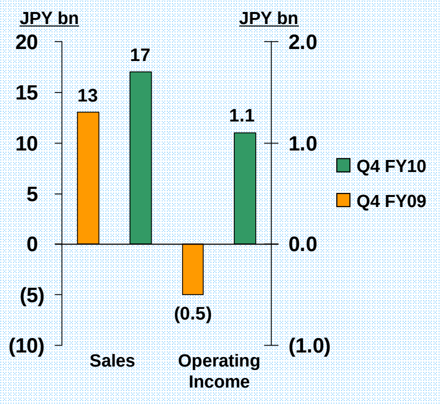
The Rest of the World for Automotive is 6% of Group and comprises mainly South America, China, and Malaysia.

The South American markets are growing and China has had a significant boost from government stimuli.

NSG Group sales and profits increased quarter-on-quarter, due to the increased volumes in these markets and improved operational efficiency.

# Specialty Glass

- Revenue and profit increasing due to improvement in consumer demand and benefits from cost saving initiatives
- Underlying demand for display components robust in most regions
- Increased demand in the glass cord and battery separator segments in conjunction with the upturn in the automotive market
- Higher sales volumes in printer and scanner products as consumer electronic demand strengthens



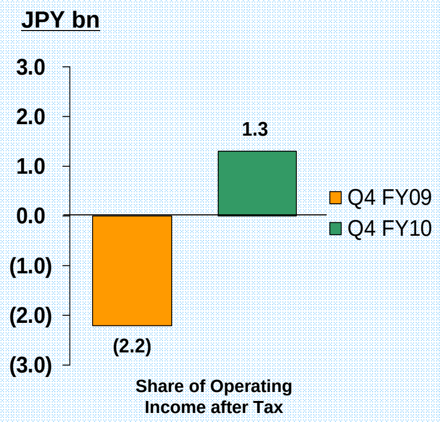

27

In Specialty Glass we see volumes improving in nearly all sectors.

Consumer demand for mobile devices and printers, along with the automotive demand increases, pushed our revenues up. This has translated through to profit improvement.

## Joint Ventures and Associates

- Cebrace (Building Products joint venture in Brazil) result reflects robust conditions in South America
- Improving performance from Chinese Building Products joint ventures and associates




**Underlying improvement in joint ventures and associates**

28

Now to joint ventures and associates.

Here we have a significant step change, where operating income after tax jumps from a loss to a profit.

This is in the main due to continued good performance in Cebrace in Brazil, plus improvement from our start-up in operations in China

That’s all from me, so I will now hand back to Fujimoto san.

## Summary

- Market conditions stabilized
- Major restructuring program completed with cost savings delivered
- Debt maturity profile significantly improved
- Group well positioned for profit growth in FY2011
- New CEO appointed to take Group forward

29

So, summarizing the main points. Market conditions have stabilized. Our major restructuring program was completed, with cost savings delivered as planned. The Group's debt maturity profile has significantly improved. The key objective for FY2011 is to continue improving manufacturing and quality performance while realizing benefits from restructuring programs. You will hear more about that shortly. The NSG Group is well positioned for profit growth in FY2011.

A new CEO has been appointed to take the Group forward. As you know, we made an announcement concerning senior management appointments on 15 April. Craig Naylor has been appointed to succeed me as President and CEO of the NSG Group.

Yozo Izuhara will stand down as Chairman of NSG Group and will assume the role of Soudan-yaku. I have been appointed to succeed him as Chairman of NSG Group. In this capacity, I will ensure that the Company is run in accordance with its long-term objectives and strategy and guiding Values and Principles. I will also provide support to the Executive in communicating with stakeholders, governments and other external organizations of importance to the Group.

Craig Naylor joined the Group on 1 May as CEO Designate. He is currently working with me on a transition of responsibilities. He will assume the role effective 29 June after the shareholder meeting. His business career and achievements suggest that there is an excellent fit with the qualities we looked for in a candidate during the selection process at the Nomination Committee, of which I am also a member. The selection criteria included international management experience and manufacturing industry experience. In addition, his five-year experience of having worked in Japan and readiness to move to live in Tokyo indicate that he has a strong fit for our group.

He is a man of integrity with an open and friendly personality. The Board is confident that he has all the qualities to lead the NSG Group into the next phase of its development. Now, over to you, Craig.

# NSG Group Year End Results

## Agenda

- Financial Results
- Business Update
- CEO Designate Introduction
- FY2011 Outlook

## Appointment

- Formally take over from Katsuji Fujimoto as President & CEO after shareholder meeting 29 June 2010
- From April, have been visiting Group operations and learning more about issues specific to glass and glazing

**Studying our business and our industries**

31

Good afternoon ladies and gentlemen. I'm delighted to have this opportunity to talk to this important gathering for the first time.

I attach great importance to good communications with the financial community, and we appreciate your interest in our company.

As Fujimoto san has said, I formally take over as President and CEO after the Company's shareholder meeting on June 29th.

Since the announcement, I've been visiting Group operations and learning more about the Company and the business of glass and glazing.

## Personal Background

- Spent 36 years at DuPont, a US company with an international profile very similar to the NSG Group
- Have been based in Europe, China and Japan.
- Particularly pleased that this job brings me back to Japan and to Tokyo
- Familiar with most aspects of Japanese business culture

**International background with Japan experience**

32

Just a few words of introduction. I spent 36 years at DuPont, which you may have heard of. It's a US company with an international profile very similar to the NSG Group.

During my career so far, I've been based in Europe, China and Japan.

And I'm particularly pleased that this job brings me back to Japan and to Tokyo.

I'm familiar with Japanese business culture and I'm brushing up on my Japanese!

## Experience and Skills

NSG GROUP

- Excited and honored to have been invited to lead the Company into the next stage of its development
- NSG Group has an excellent fit with personal business experience and skills
- Have held positions in engineering, production management, manufacturing, product development, sales and marketing and global business management

**Unique opportunity in a global Japanese company**

33

Needless to say, I'm both excited and honored to have been invited to lead a global Japanese company.

In my career to date, I've held positions in engineering, production management, manufacturing, product development, sales and marketing and global business management.

So I see this appointment a good fit with my international business experience and skills.

## Business Philosophy

- Highest standards of integrity
- A safe working environment
- Sustainability
- Strong market and customer focus
- Innovation culture
- Competitive cost structure
- Open dialogue at all levels
- Committed employees

**My formula for a successful business**

34

My formula for a successful business is fairly simple.

I expect the highest standards of integrity, a safe working environment for all our people and Sustainability.

I attach importance to a strong market and customer focus, an innovation culture, and a competitive cost structure.

And open dialogue at all levels leads to committed employees

## Group Progress to Date

NSG GROUP

- Over the past four years, NSG Group transformed from a regional Japanese company into a global group
- Good progress on Key Performance Indicators, interrupted by global business downturn
- Recent restructuring has helped adjust the Group's profile to the new market conditions

**Progress on integration, debt and competitiveness**

35

In the past four years, the NSG Group has been transformed from a regional Japanese company into a truly international global group.

The good progress on key objectives such as integration and debt reduction was interrupted by the global business downturn.

Over the past calendar year, the restructuring program has helped adjust the Group's profile to the new market conditions.

Going forward, competitiveness is the key.

## Competitiveness

- We operate in very competitive sectors, particularly construction and automotive
- We face a relentless challenge from competitors with lower cost bases than ours
- To succeed, we must maintain constant pressure on our own costs and overheads

**Competitiveness the key to future success**

36

We operate in very competitive sectors, particularly construction and automotive.

We face a relentless challenge from competitors with lower cost bases than ours.

To succeed, we must maintain relentless pressure on our own costs and overheads – and that's what we're going to do.

At the same time, we're fully committed to sustainability.

## Sustainability

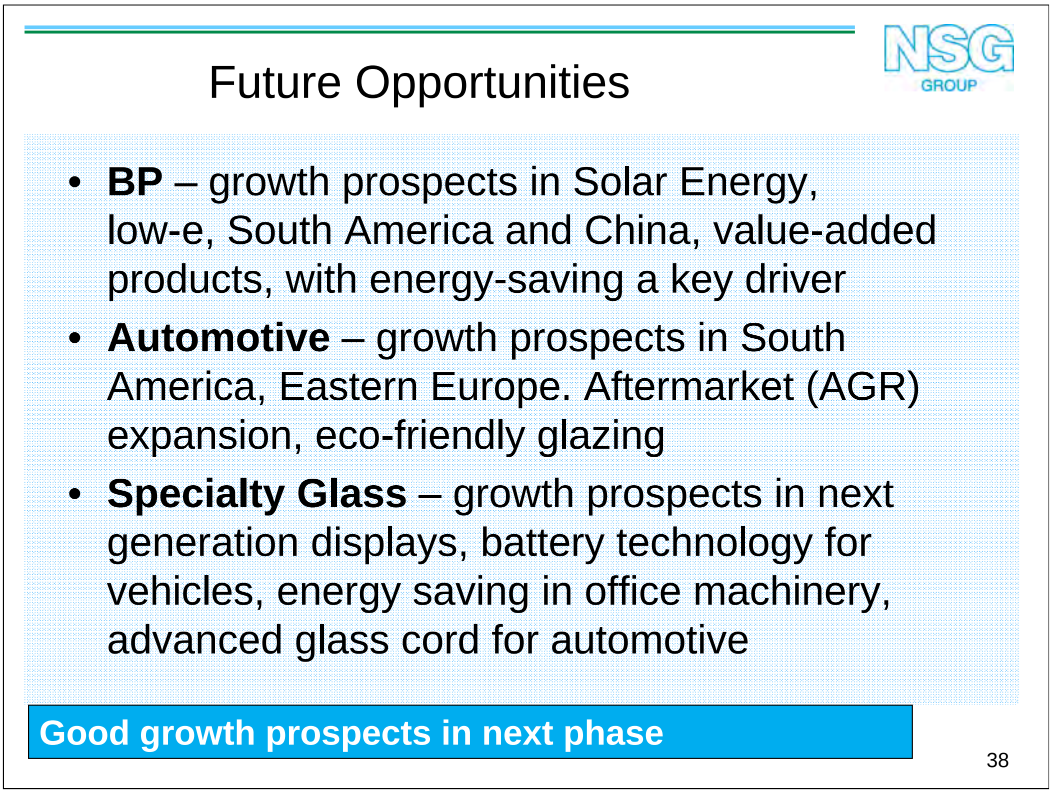
- The NSG Group is fully committed to sustainability
- Our policies underline the unique contribution our products can make to addressing climate change and the challenges we face in improving our own energy usage and resource management


**Environmental agenda offers commercial opportunities**

37

Our products can make a unique contribution to addressing climate change, by conserving and generating energy.

And of course, we're focusing on our own energy usage and resource management




In Building Products, energy-saving is a key driver and we see growth in Solar Energy, low-e and other value-added products.

South America and China are important markets for us.

In Automotive, we see good growth prospects in South America and Eastern Europe – following our customers.

Also in ‘eco-friendly’ products, such as solar control glazing

The NSG Group is the world leader in the Automotive glazing aftermarket. We want to retain this leadership and grow the business.

Our Specialty Glass business operates in a number of attractive sectors.

We see growth prospects in touch screen for displays, battery technology for vehicles, energy- saving in office machinery and advanced glass cord for automotive timing belts.

# Building Glass Growth
## Energy-saving

- Glazing fitted in buildings is becoming increasingly complex
- Multiple functionality can be combined, e.g. with self-cleaning, energy-saving and solar control in one unit


**Increased complexity and functionality**

39

Focusing on some of these key growth trends.

You have only to look around to see that architects are using more glass in buildings.

But not only that. Glazing fitted in buildings is becoming increasingly complex and more value-added.

Multiple functionality can be combined, for example with self-cleaning, energy-saving and solar control in one unit.

## Building Glass Growth
## Solar Energy

**NSG Group well placed in leading technologies**

40

In Solar Energy we're well placed to supply all three of the leading technologies and particularly Thin Film.  Photovoltaics has good potential for growth.

## Automotive Glass Growth

- Shift to EV and plug-in hybrids signals new era in the Automotive industry, with $CO_2$ emission reductions being the major focus

- "Eco-innovation" will drive glazing advances in:

  - solar energy control
  - weight reduction
  - energy saving

**Group well placed to meet changing OE requirements**

41

Glass in vehicles is also growing, both in the amount of glass used in windshields and other apertures, but also in complexity and value-added.

The Automotive industry is entering a new era, with the shift to electric and hybrid vehicles.

The need to save energy means focus on keeping vehicles cool inside and reducing component weight.

Our Automotive business is at the forefront of innovation and development in all these areas.

# Specialty Glass Growth

Glass cord for engine timing belts

LCD Touch screen

Office equipment lens arrays


Battery separator technology

42

In Specialty Glass, our ultra thin float is used in mobile and other devices, with touch screen a growth area. We have innovative lenses and light guides for printers and faxes and our work on battery development is well advanced.

## Immediate Priority

- It remains to be seen how deep and prolonged the world recession will be
- I have joined this company because I think we have great potential to succeed
- We have good people, processes and products and aim is to harness these for future success
- Immediate priority is to realize full gains from restructuring, with return to profitability the first step to future growth

**Very optimistic for the future of NSG Group**

43

It remains to be seen how deep and prolonged the world recession will be.

But I've joined this company because I think we have great potential to succeed.

We have good people, processes and products.  My aim is to harness these strengths for future success

My immediate priority is to realize full gains from the restructuring.

A return to profitability is our first step to future growth.

## Strategic Direction

- With the senior team, I am taking a close look at everything we do and the way we do it
- I am particularly interested in how we can work more effectively and more efficiently
- I do not expect us to move away from the general direction of our current strategy
- I may be challenging certain aspects, and of course I aim to make a personal contribution with ideas of my own
- We will be working on the update of the new Medium Term Plan, which we will announce in November 2010 at the time of Q2 results

**Medium Term Plan update to market November 2010**

44

With the senior team, I’m taking a close look at everything we do and the way we do it.

I’m particularly interested in how we can work more effectively and more efficiently.

I don’t expect us to move away from the general direction of our current strategy.

I may be challenging certain aspects, and of course I aim to make a personal contribution with ideas of my own.

We will be working on the update of the new Medium Term Plan, which we will announce to the market in November 2010 at the time of our Quarter 2 results

## NSG Group Year End Results

### Agenda

- Financial Results
- Business Update
- CEO Designate Introduction
- FY2011 Outlook

45

Looking now at prospects for FY2011

## Income Statement Outlook

| JPY bn | H1 FY11 | FY2011 | FY2010 |
|---|---|---|---|
| **Revenue** | **300** | **600** | **588** |
| **Op. income before amortization*** | **13** | **28** | **1** |
| Amortization* | (9) | (18) | (18) |
| **Operating Income** | **4** | **10** | **(17)** |
| Non-operating items | (3) | (6) | (11) |
| **Ordinary Income** | **1** | **4** | **(28)** |
| **Net Income** | **(3)** | **(4)** | **(41)** |

* Amortization is only that arising on acquisition of Pilkington plc

46

The income statement on this slide shows our financial projections for the first half of FY2011 and then also for the full year FY2011. The right hand column is a reminder of the FY2010 income statement that Mike explained earlier.

As you can see, we expect markets to be fairly stable through the year without a great deal of difference between the first and second halves of the year.

When you compare the headline operating profit before amortization for FY2011 with the FY2010 profits, you can see that we expect our headline operating income to improve by JPY 27billion to a total of JPY28 billion. I'll explain the main reasons for this shortly, but as you can see from the relatively flat sales we don't expect a dramatic improvement in conditions in our main markets.

Non-operating items improve mainly due to improved profits within our joint ventures and associated companies.

## Business Outlook

- The outlook for the global economy remains generally uncertain, tentative growth anticipated in various regions
- Markets appear more stable than the previous 12 months
- All three business lines will improve profitability and record positive post-amortization operating income

47

We remain cautious on the outlook for the global economy in FY2011 but we do anticipate some tentative growth in certain markets.

The business environment does now appear to be more stable than we have experienced during the previous year.

Operating profitability should improve in each business line compared to FY2010 and we expect that each business line will generate positive operating profits after accounting for the amortization arising from the acquisition of Pilkington.

## Commercial Assumptions

- Confidence in global automotive markets in particular emerging markets such as South America
- Building products will look to continue improving selling prices where possible which commenced in European markets from April 2010
- Specialty Glass profit outlook positive as selling price pressure more than offset by improving volumes from further electronic consumer goods demand

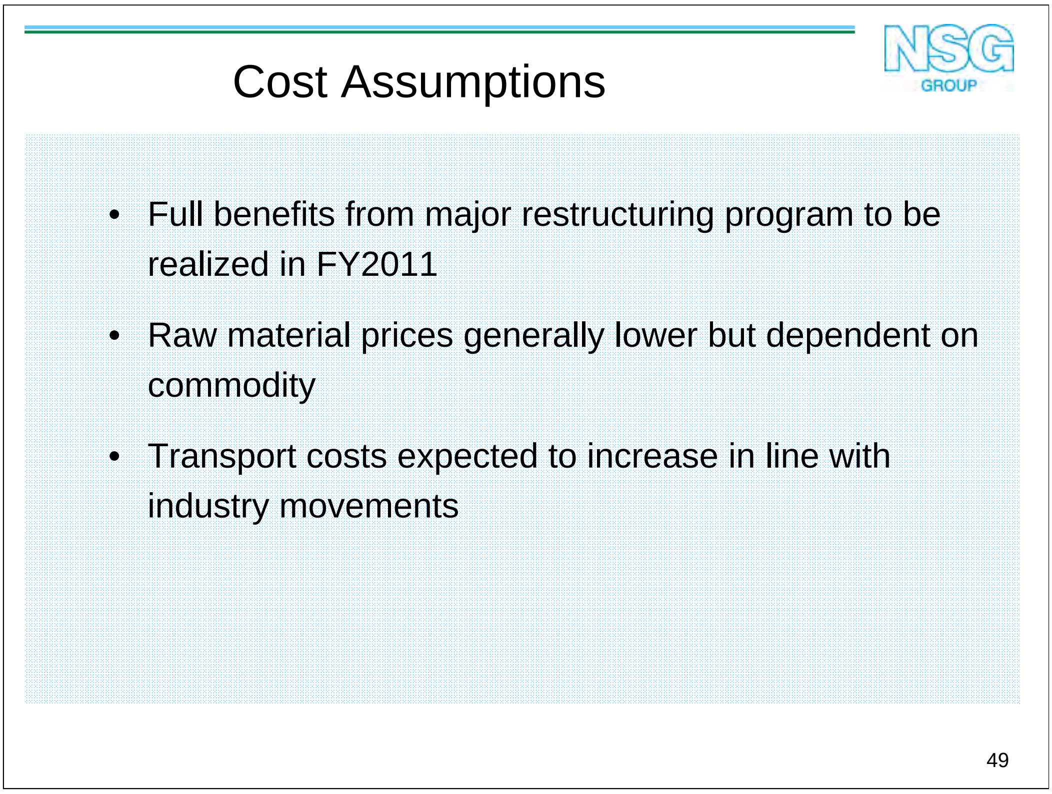
48

Turning to the commercial outlook for each business line and starting with Automotive, we expect Automotive markets to be stable with some growth in emerging markets such as South America.

Of course, uncertainty exists about the impact of government incentive schemes coming to an end, and this will be dependent on consumer confidence in each market.

In Building Products, we intend to continue to continue our efforts to maintain prices especially in Europe which is our largest Building Products region.

The outlook for Specialty Glass markets is positive and we expect the recovery of volumes experienced recently to continue.




In FY2011 we will benefit from a full year of costs savings generated from the restructuring actions that were taken last year and of course we will continue to drive costs out of the business wherever possible.

As I mentioned just before, cost reductions will be the main driver behind our improved profitability in FY2011.

We are also likely to benefit from some degree of reduced raw material prices, but this will not apply to all of our cost areas and we do expect increases in transport costs for example.

## FY2011Outlook

NSG GROUP

- Strong improvement in operating, ordinary, and net profitability from FY2010
- Business lines will increasingly benefit from past restructuring actions
- Market conditions have stabilized and volumes anticipated to recover in various regions
- Key objective for FY2011 is to continue improving manufacturing and quality performance while realizing benefits from restructuring programs

50

We expect to see a strong improvement in our operating, ordinary and net profitability from FY2010.

All our business lines will increasingly benefit from the past restructuring actions.

Market conditions in our sectors have stabilized.

And I repeat, my immediate priority is to make sure that we realize full gains from the recent restructuring. It’s been tough for everyone in the Group, but it was necessary and worth it and we intend to build on it.

Our return to profitability will be the first step to future growth.

Thank you.

NSG
GROUP

# Notice

The projections contained in this document are based on information currently available to us and certain assumptions that we consider to be reasonable. Hence the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Europe, Japan, the U.S. and Asia), product supply/demand shifts, and currency exchange fluctuations.

Nippon Sheet Glass Co., Ltd.

# Appendices

# Revenue by Business – FY2010

| (JPY bn) | Japan | Europe | North America | Rest of World | Total |
|---|---|---|---|---|---|
| Building Products | 75.5 | 116.5 | 22.3 | 30.0 | 244.3 |
| Automotive | 44.4 | 131.8 | 54.9 | 33.9 | 265.0 |
| Specialty | 40.1 | 5.9 | 1.2 | 18.9 | 66.1 |
| Others | 7.3 | 4.5 | 0.0 | 1.2 | 13.0 |
| | | | | | |
| Total | 167.3 | 258.7 | 78.4 | 84.0 | 588.4 |

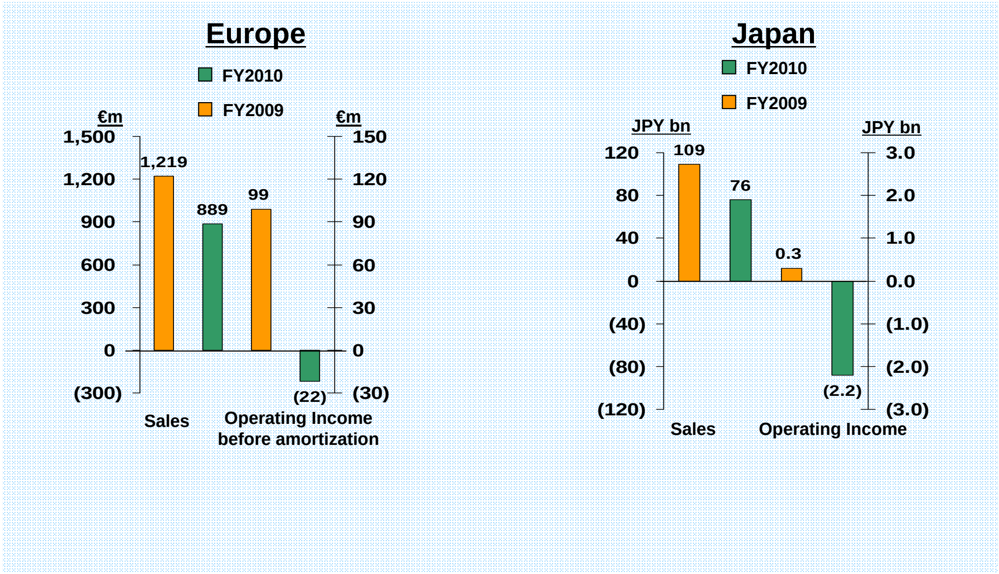
# Operating Income before Amortization – FY2010

| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|---|---|---|---|---|---|---|
| Building Products | (2.2) | (2.8) | 0.4 | 3.3 | (1.3) | -1% |
| Automotive | (0.8) | 8.6 | (2.7) | 4.8 | 9.9 | 4% |
| Specialty | 1.4 | 0.4 | 0.1 | 1.7 | 3.6 | 5% |
| Others | (2.5) | (7.5) | (1.3) | 0.0 | (11.3) | |
| | | | | | | |
| Total | (4.1) | (1.3) | (3.5) | 9.8 | 0.9 | 0% |
| Ratio on Sales | -2% | -1% | -4% | 12% | 0% | |

# Operating Income after Amortization – FY2010

| (JPY bn) | Japan | Europe | North America | Rest of World | Total | Ratio on Sales |
|---|---|---|---|---|---|---|
| Building Products | (2.2) | (9.1) | (0.8) | 2.5 | (9.6) | -4% |
| Automotive | (0.8) | 2.6 | (4.7) | 3.1 | 0.2 | 0% |
| Specialty | 1.4 | 0.4 | 0.1 | 1.7 | 3.6 | 5% |
| Others | (2.5) | (7.6) | (1.3) | 0.0 | (11.4) | |
| | | | | | | |
| Total | (4.1) | (13.7) | (6.7) | 7.3 | (17.2) | -3% |
| Ratio on Sales | -2% | -5% | -9% | 9% | -3% | |

## Building Products

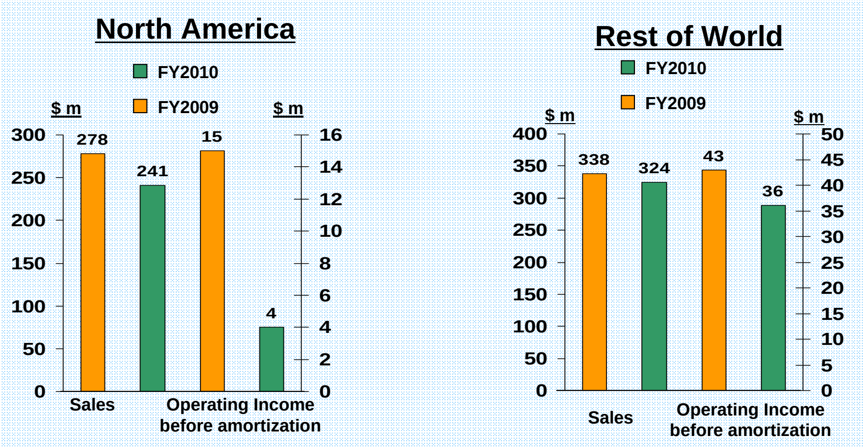



Note. Amortization is only that arising on acquisition of Pilkington plc

57

Please note the capacity utilization is based on no imports adjustment and expected managed capacity reduction.

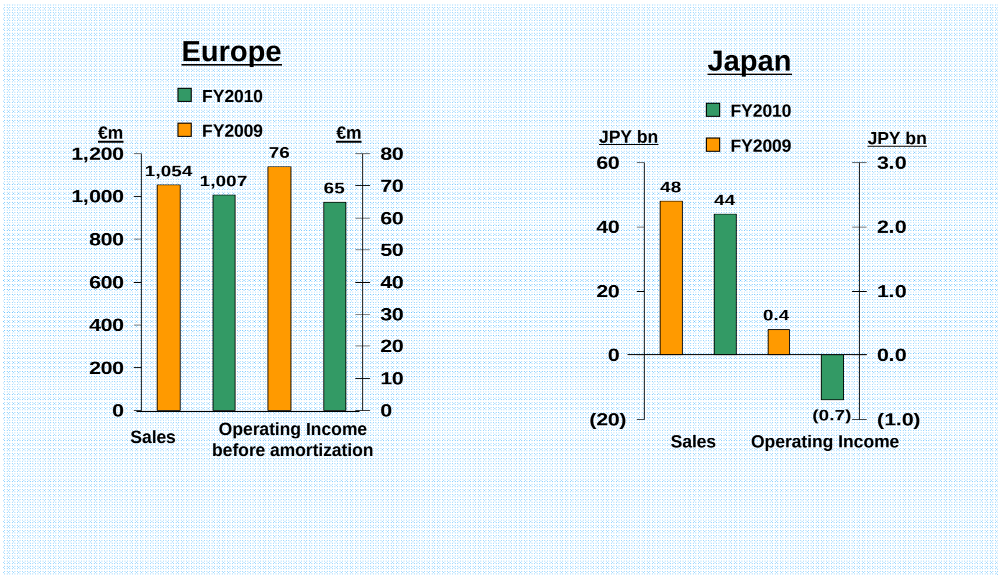
# Building Products




Note. Amortization is only that arising on acquisition of Pilkington plc

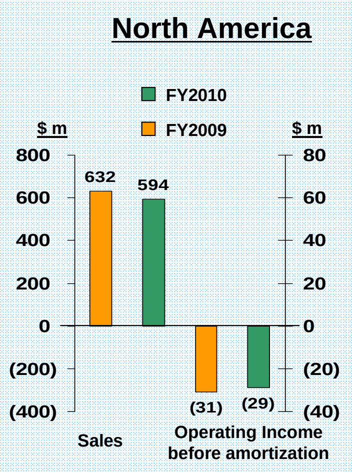
58

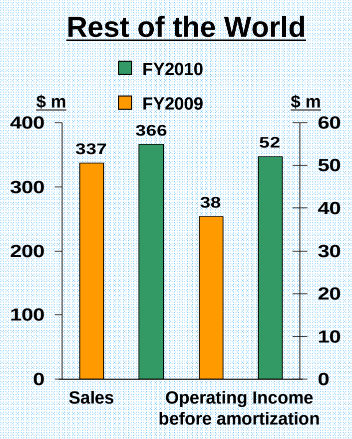
# Automotive




Note. Amortization is only that arising on acquisition of Pilkington plc

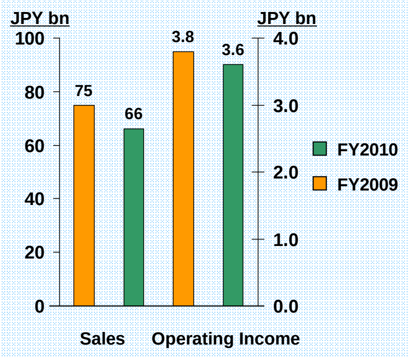
# Automotive




Note. Amortization is only that arising on acquisition of Pilkington plc

# Specialty Glass



# Exchange Rate Assumptions

| | Q4 FY10 | Q4 FY09 | FY11 Forecast |
|---|---|---|---|
| Average rates used: | | | |
| JPY/GBP | 148 | 174 | 145 |
| JPY/EUR | 131 | 145 | 130 |
| JPY/USD | 93 | 101 | 92 |
| Closing rates used: | | | |
| JPY/GBP | 140 | 140 | |
| JPY/EUR | 125 | 130 | |
| JPY/USD | 93 | 98 | |

NSG
GROUP