

13th February, 2009

NSG Group Quarter 3 Financial Results Presentation Q&A summary

1 . Reduction in production capacity

1) How much reduction in Automotive glass production capacity in North America and Europe are you planning?

- A-1) In terms of Automotive, the resultant reduction is somewhere in the region of about 15 percent.

2) Concerning the 15 percent reduction in the rest of the world outside Europe, what specific reductions are you planning?

- A-2) In Building Products, we are closing some of existing floats or converting them to Solar capability. Where we have float lines under repair or coming up for repair, we may consider taking them down and leaving them down until such time as the market improves.

3) What is the significance of the 15 percent figure? What is your thinking behind capacity going forward?

- A-3) The 15 percent is a reflection of expected sales demand from our customers and our capacity.

2 . Cost reduction

1) You state on slide 30 that you expect 8 billion yen in savings to be realized in FY10 (the Fiscal Year ending in March 2010) and 15 billion annualized savings from April 2010. Might you improve on this?

- A-1) The figures refer to expected savings to be delivered through headcount reduction. We also expect to achieve other cost savings.

3 . Balance sheet

1) If you look at the balance sheet, there have been considerable changes in net assets. Could you give more detail of where these have come from?

- A-1) Around 80 percent of those assets and liabilities are non yen denominated, in terms of normal business assets. Consequently, any yen strengthening against all of those currencies goes straight through to the reserves, through foreign currency translation account.

2) Is there any risk of deterioration in goodwill impairment?

- A-2) As of today, we do not believe we have any significant issues there.

- 3) Considering glass price erosion as a negative factor, is the evaluation loss of the stock going to be captured in the fourth quarter?

- A-3) We do not anticipate any stock to be written off.

4 . Forecast

- 1) Based on the quarterly future trend of your performance, the 4Q operating profit is forecast to 13B yen deficit. When do you expect to see a bottoming out and a move into positive territory?

- A-1) Next year will be a restructuring year. We will give you the projection for next year in our May results presentation. However, in terms of timing, under almost any scenario, we expect that the Group's FY11 (the Fiscal Year ending in March 2011) performance will be very significantly better than this full year. This does not reflect a market recovery, but our business relying on our own cost reduction measures.

5 . Cash flow

- 1) As you have explained, you will be spending a large proportion of the restructuring costs next year. This suggests that cash flow for next year will be very tough. How do you intend to address this issue?

-A-1) With CAPEX being constrained to around 70 percent and through efforts to push that even harder, we will be managing our cash very actively.

End