<Revised at June 20th>

Summary of Financial Results to March 2007

May 31, 2007
Nippon Sheet Glass Co., Ltd

(Here I will describe the contents of my oral presentation for today’s meeting.)

Agenda

- Review of FY07(Year to Mar.2007)
- FY07 Financial Results
- New structure of NSG Group
- Business Update
- Strategy Update
- Outlook of FY08(Year to Mar.2008)

These are the topics for today’s presentation.

Review of FY07 (year to March 2007)

1. Dramatic increase in scale of NSG Group operations with acquisition of Pilkington.
2. Announcement of three-phased long-term vision and Medium-term plan for coming four years.
3. Integration progressing – new global organisation in place from 1 April
4. Result forecast was revised due to various one-off extraordinary items as well as EU provisions.
5. Good result in Flat Glass sustained by strong demand in Europe and further operational improvements throughout.

Here, I will talk about the major business topics for the last fiscal year, ended in March 2007.

First, as a result of the successful completion of takeover procedures for the acquisition of Pilkington Group Limited in June last year, the scale of our business has dramatically expanded since the 2nd quarter of the same year, through the consolidation of the company’s accounts into our group accounts.

Second, in November last year, we announced our three-phased long-term corporate vision for the next 10 years, as well as our medium-term new business plan for the next four years.

Third, the program for organizational integration of the two business entities concerned has started to run as from April this year, in accordance with the initial schedule.

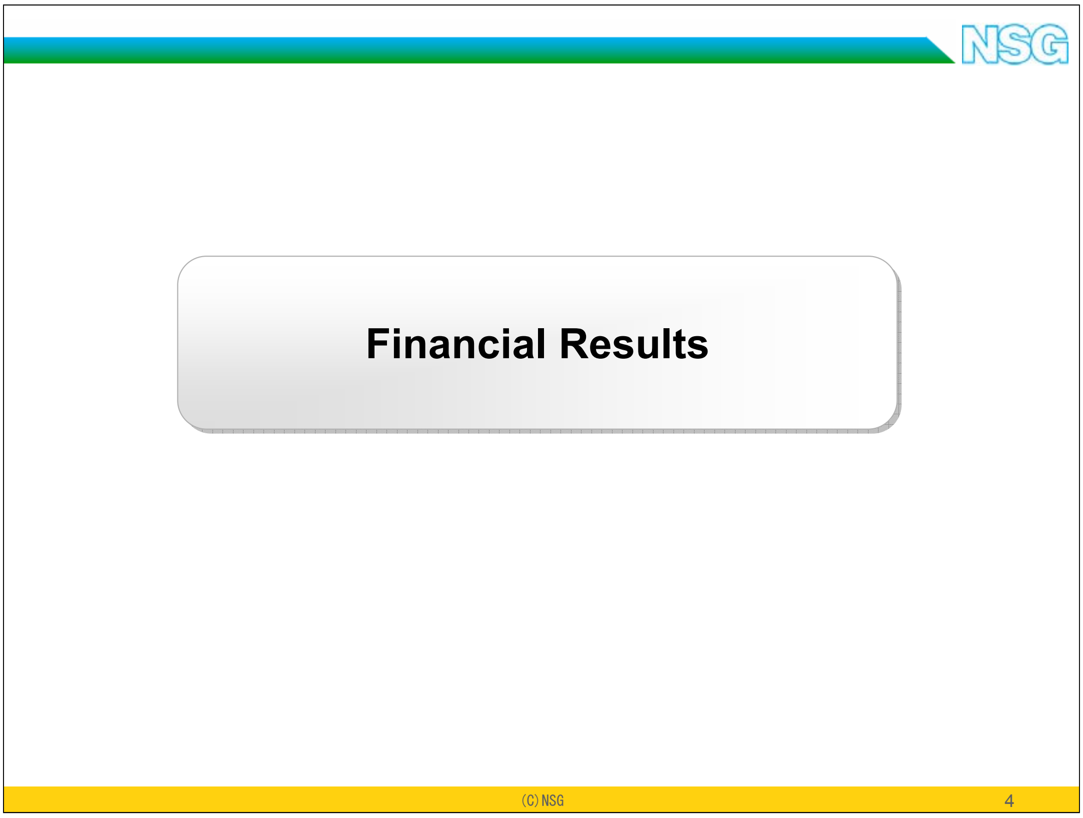
Fourth, an adjustment of our business forecasts has been made due to our incurrence of extraordinary profits and losses of a transitory nature, as well as to provision for a possible imposition of administrative fines by the EU Commission. For those, the management expresses its deep regret for the great inconvenience caused to our shareholders.

On this subject, a detailed explanation will later be given by Mr. Koshiba, our CFO.

And finally fifthly, the strong business growth and favorable business climate in the world-wide flat glass industry have been continuing.

Thus, despite the incurrence of the aforementioned transitory losses, our shareholders may rest assured of our good business performance into the future, thanks to the continuing favorable business climate.

A detailed explanation on this subject will be given later, together with our business outlook for the current fiscal year, after the summary of the financial statement for fiscal year to March 2007 is explained.



Now, I will start with a summary of the financial statement for the 2006 fiscal year ended in March 2007.

Assumptions for FY07 result

1. Pilkington has been consolidated from Q-2 in the income statement and from the end of Q-1 in the balance sheet. From FY08, it contributes to the group for the full year. (Refer to the Appendix.)
2. Resulting change in segmentation by business and region. (Refer to the Appendix.)
3. Through a fair value exercise after the acquisition, in tangible assets and goodwill has been recorded. The amortization charge has been calculated upon this base as well as the additional goodwill, which has been recognized due to the provision for the receipt of Statements of Objection from EU Commission based on the present value as at the acquisition closing in June 2006. (The detail follows.)
4. Because of the ongoing discussions for the possible sale of the group's Australian operations, the business has been classified as "held for sale" with net profit for the year reflected in one line in extra-ordinary items.
5. Change in the currency exchange rate for income statement

   (Previous) Interim, Q-3 result : The close rate at the last day of each period
   (Interim JPY221.25/GBP, Q-3 JPY233.7/GBP)
   (New) This full year result and for future period: The average rate for the period
   (The average rate for Jun.06 – Mar. 07 JPY225.7/GBP)
   Budget rate for FY07: JPY210/GBP. Budget rate for FY08: JPY215/GBP

Due to the occurrence of many unusual events that you are already well aware of, our accounts for FY2007 was greatly affected by the necessary conditions listed above.

(Jump to Page. 38 for detailed explanation.)

Consolidated Statement of Income

(JPY bil)	FY06	FY07	Change from FY06	FY07 Plan
Sales	265.9	681.5	256.3%	680.0
Ope.Income before amort	8.4	43.3	514.0%	43.2
(Ratio on Sales)	3.2%	6.4%	–	6.4%
Amortization	–	19.5	–	8.2
Operating Income	8.4	23.8	282.6%	35.0
(Ratio on Sales)	3.2%	3.5%	–	5.1%
Non-operating items	2.0	-15.8	-792.6%	-10.0
Income before extraordinary	10.4	8.0	76.7%	25.0
(Ratio on Sales)	3.9%	1.2%	–	3.7%
Extra-ordinary items	1.1	30.1	2707.7%	36.5
Pretax Income	11.5	38.1	329.9%	61.5
Net Income	7.8	12.1	155.8%	30.0
(Ratio on Sales)	2.9%	1.8%	–	4.4%
EBITDA	21.4	85.1	397.7%	–
EPS(JPY)	17.5	18.1	103.5%	–

1. Sales and Operating Income before amortization
Pilkington's performance has been consolidated in PL as equity method in Q-1 and full consolidation for Q-2 thru 4. After adjustment of Australian operation, the actual was at the same level to the plan.

2. Goodwill amortization - 9.1 bil
Intangible assets amortization -10.3 bil
Tax effect +3.1 bil

3. EBITDA
Significant increase from the previous year, as expected, just like the operating income before amortization.

Exchange rate
FY07(Plan) : JPY 210.0 / GBP
FY07(Actual): JPY 225.7 / GBP
FY08(Plan): JPY 215.0 / GBP

Non-operating, Extra-ordinary, Taxation

1. Non-operating income/loss - JPY15.8bil(5.8 negative vs.plan)

(1) Finance charge - 16.6 bil

(2) Income from equity method investment +2.4 bil（NH Techno had some production troubles in H1）

(3) Other income -1.8 bil（EU unwind discount -3.0 bil)

2. Extra-ordinary income/loss +JPY 30.1 bil (6.5 negative vs. plan)

(1) Gain from sale of securities +44.8 bil

(2) Expense for the acquisition -10.5 bil

(3) Write-off of fixed assets -7.3 bil (Software, etc.)

Consolidated Balance Sheets

(JPY bil)	FY06 Mar.2006	FY07 Mar. 2007
Current assets	288.7	465.8
(Cash & Cash equivalent)	(180.7)	(160.9)
Fixed assets	307.2	943.1
Total assets	596.0	1,409.0
Liabilities	354.4	1,058.4
(Interest-bearing debt)	(236.9)	(561.1)
Shareholders equity	238.3	350.6
Liability & Shareholders equity	596.0	1,409.0
Issued and outstanding shares(mil)	443.0	668.4
Shareholders' equity to total assets	40.0%	23.9%
BPS(JPY)	537.9	504.6
Dividend per share	6.0	6.0
ROE	3.3%	4.2%
ROA	2.0%	2.2%

ROA=(Income before extraordinary plus Interest paid)／Total assets

1. Pilkington's balance sheet was consolidated from the end of first quarter of FY 07.
2. CB : balance is JPY 23 billion. MSCB was fully converted.
3. Balance of Goodwill : JPY 204.9 billion. (Including the incremental 78.1 billion by EU provision)

Balance of intangible fixed assets : JPY 177.0 billion (converted by the FX rate 231.9 at the end of Mar. 2007)

Financial position and cash generation

- Financial position (Comparison between the end of FY07 against the end of June 2006 just after the acquisition.)
  - Net D/E ratio: 1.19 (vs. 1.93 at June 06)
  - Gross D/E ratio:1.66(vs. 2.51 at June06)
  - Net Borrowings – JPY400 bil (vs. JPY510 bil at June 06)
  - Gross Borrowings- JPY561 bil (vs. JPY664 bil at June 06)
- Cash generation:
  - EBITDA: JPY85.1 bil for FY07 (vs. JPY21.4 bil for FY06)

Improvement in financial position and cash generation

Now, there is a great improvement in financial positions in comparison with just after the acquisition.

Net Sales and Operating Income

NSG

Sales

(JPY bil)

(JPY bil)		Japan	Europe	N.A.	Other	Total
BP		109.9	152.2	25.3	32.9	320.4
AUTO		59.9	127.3	61.2	19.8	268.2
Other	IT	–	–	–	–	45.3
	GF	–	–	–	–	33.3
	Other	–	–	–	–	14.3
		56.2	14.7	1.1	21.0	92.9
Total		226.1	294.2	87.6	73.7	681.5

Operating Income

(JPY bil)

(JPY bil)		Japan	Europe	N.A.	Other	Total	Ratio on Sales
BP		0.9	22.5	0.9	5.3	16.5	5.1%
AUTO						13.0	4.9%
Other	IT	–	–	–	–	2.5	5.5%
	GF	–	–	–	–	3.6	10.9%
	Other	–	–	–	–	−11.8	−82.8%
		−0.5	−6.8	0.0	1.6	−5.7	−6.1%
Total		0.4	15.7	0.9	6.9	23.8	3.5%
Ratio on Sales		0.2%	5.3%	1.0%	9.3%	3.5%	

Note: Amortization of goodwill and intangible assets has been charged on each segment by business and region.

This is a matrix of sales and Operating Profit by business and region.

Note: The amortization of goodwill and intangible fixes assets is already charged at the operating profit level of each region and business segment.

This is all for the financial result of FY07.

New Structure of NSG Group

(C) NSG

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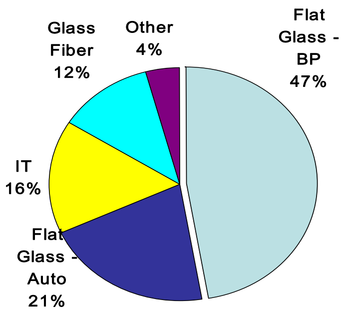
Now, I would like to speak about the profile of the new NSG group which has dramatically changed since the consolidation, which may have already been known to some shareholders.

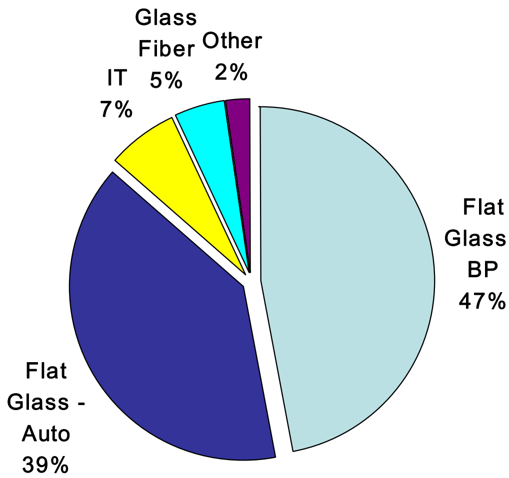
NSG

Impact of acquisition - sales by sector

FY06/07 Sales (JPY 681.5 bil)

FY05/06 Sales
(JPY 265.9 bil)



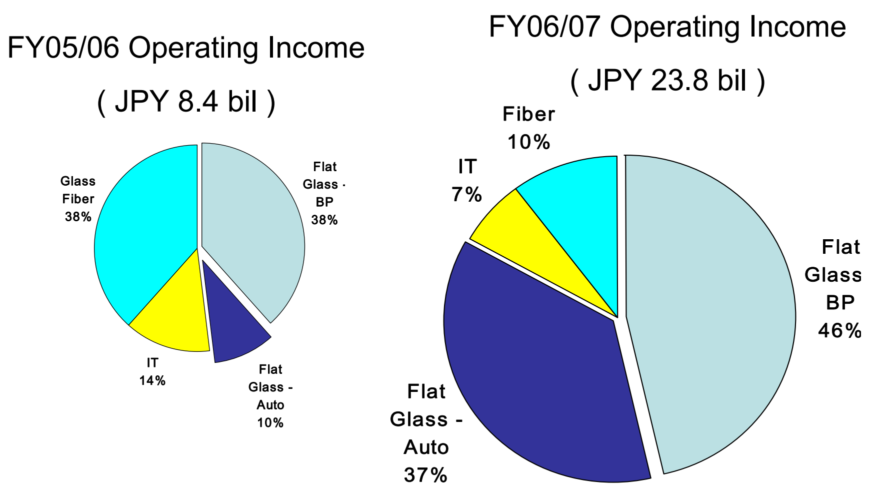


Further focus on Flat Glass

(C) NSG 12

Sales performance in the current fiscal year following the acquisition has dramatically changed from that in the previous year in terms of sales and composition of their divisional breakdown, where the gravity of flat-glass sales in BP and Automotive has greatly increased.

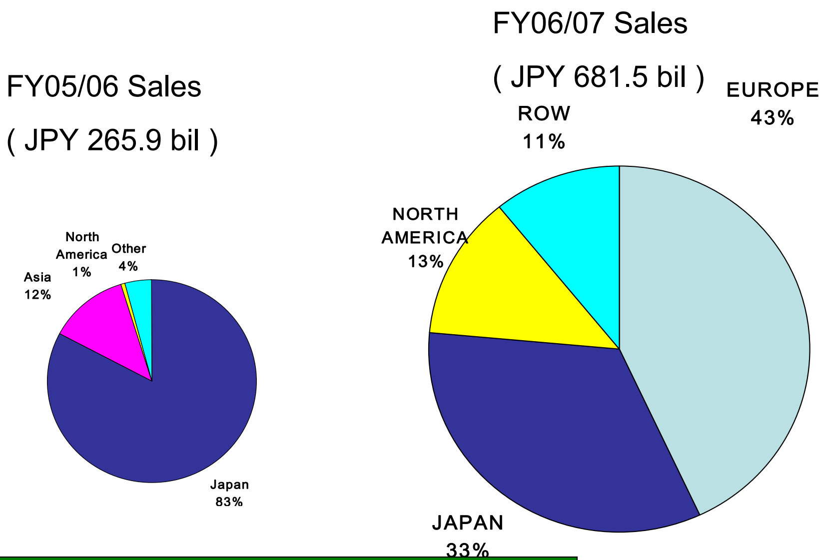
Impact of acquisition - operating income by sector



Strong profit base from enlarged Flat Glass

Likewise, profit performance in this fiscal year has greatly changed from that of the previous year in terms of total amount of operating profit and divisional breakdown.

Impact of acquisition - sales by geography



Much better geographic balance

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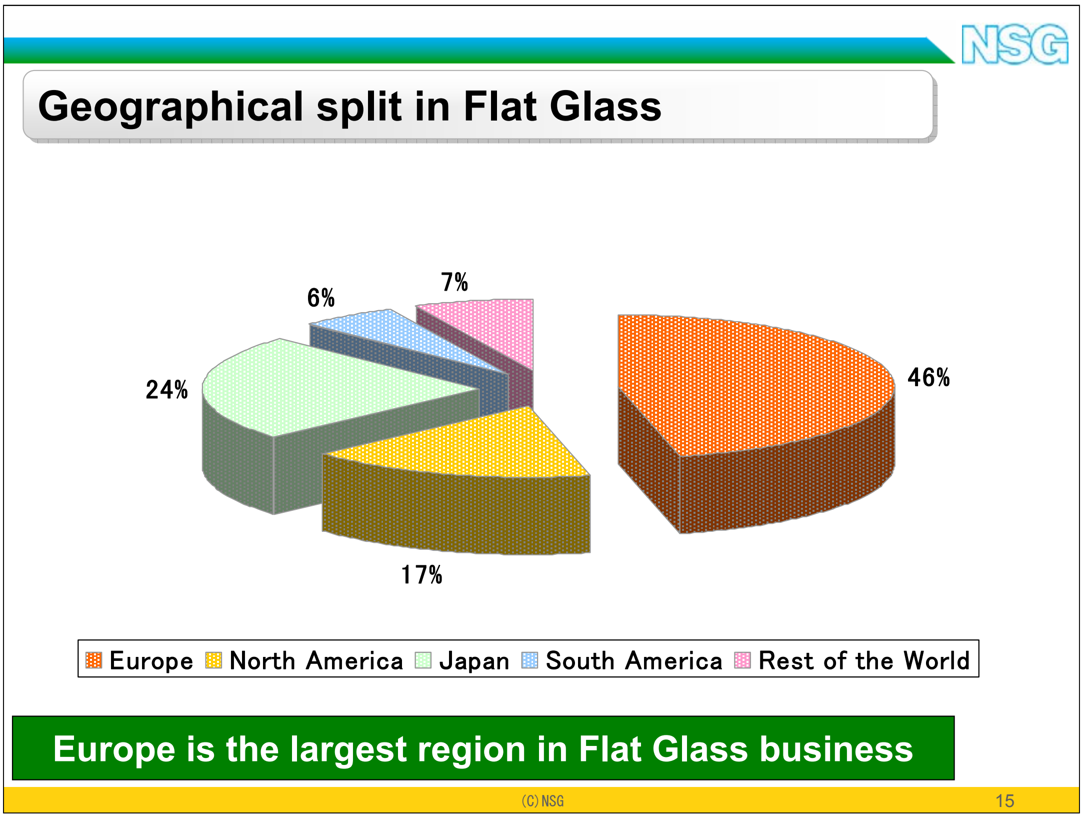
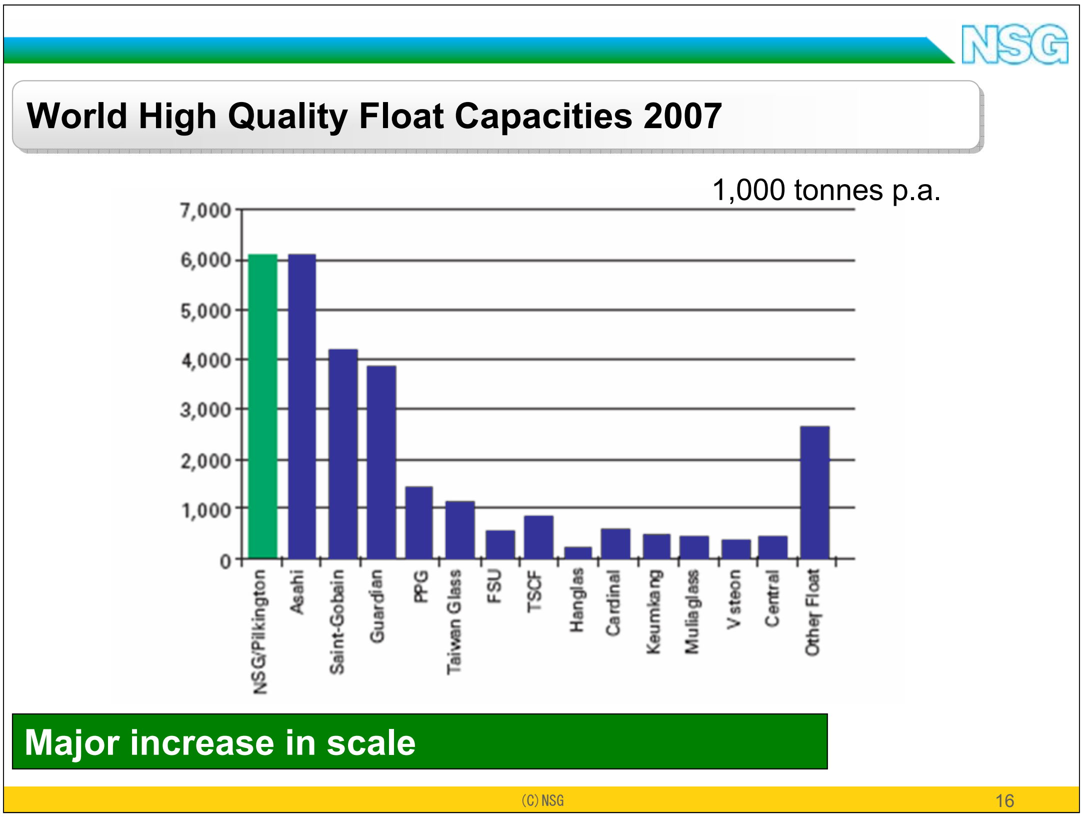
While sales in the previous year were mostly concentrated in Japan and some Asian markets, they became diversified into other territories such as Europe, Japan, North America, South America, and Asia during this year to form a well-balanced market composition.



When we look at the geographical composition of flat glass sales, sales in Europe occupy the largest share.



You may have already seen this graphic chart, which shows that our group now ranks among the leading groups of the industry.

Business Update

Next, I will talk about the summary of our business performance in the respective business divisions for the last fiscal year, and then proceed to discuss the business outlook for the current fiscal year.

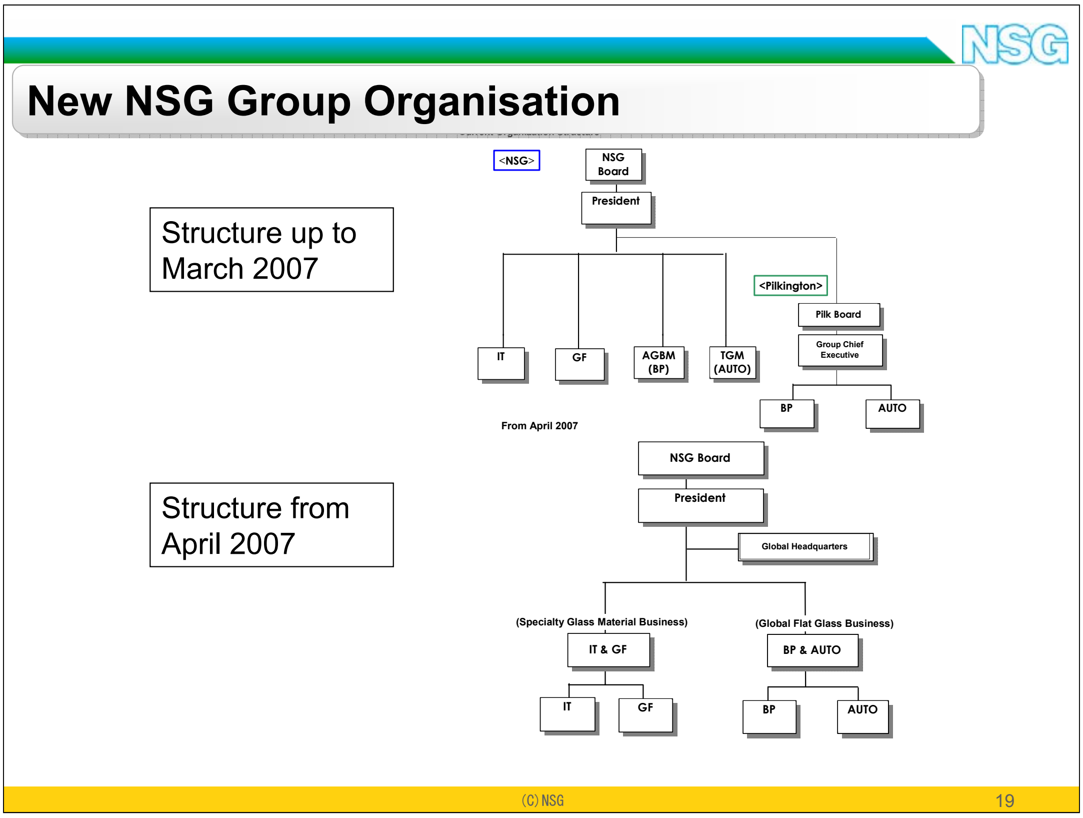
Organisation of Flat Glass Business

- From 1 April 2007, integrated global Flat Glass business formed, encompassing all NSG/Pilkington Building Products and Automotive businesses worldwide.
- Building Products – regional structure, covering
  - Europe
  - Japan
  - North America
  - South America
  - Australasia
  - South East Asia
- Automotive – global structure, reflecting the organisation and needs of Automotive customers, covering
  - Original equipment (OE)
  - Aftermarket (AGR
  - Specialised Transport (Bus, Truck, Marine etc)

Integrated Flat Glass business now operational

First, let me explain briefly our new organizational structure in the Flat Glass Division that came into existence as from this April.

Please look at the figures on the next slide.



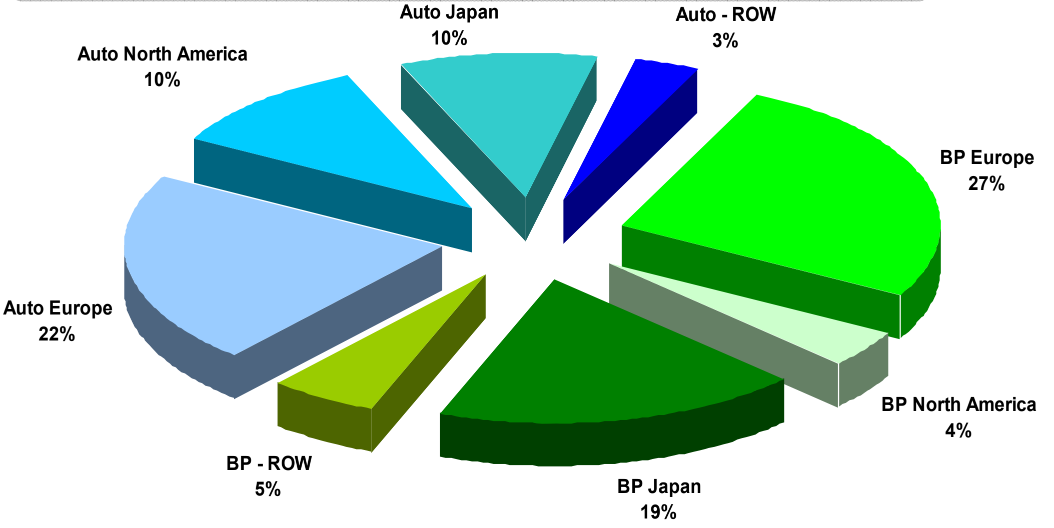
The former worldwide Flat Glass Divisions of NSG and Pilkington were reorganized and integrated into the Global Flat Glass Business Division as from April 2007. Simultaneously, the former Information Technology Division and Glass Fiber Division were reorganized and integrated into the Global Specialty Glass Business Division.

In addition to the aforementioned structural reform, the Global Headquaters was newly created to cater to the administrative needs of the newly integrated two global business divisions.

The above organizational chart shows that the BP Business Headquarters of the Flat Glass Business Division supervises not only regional business departments located in Europe, Japan and North America, but also such administrative offices responsible for controlling float glass technologies and engineering expertise.

The Automotive Business Headquarters under the same division supervises country managers appointed in the respective countries, and takes responsibility for controlling such functions on a global scale which includes production, technological development, quality control, business promotion and supply chain management. The aim of such an organizational structure is to identify all the worldwide accounts of respective car manufacturers in an integrated fashion.

FY 2007 - External Sales – Flat Glass Businesses



BP Europe now largest Group business

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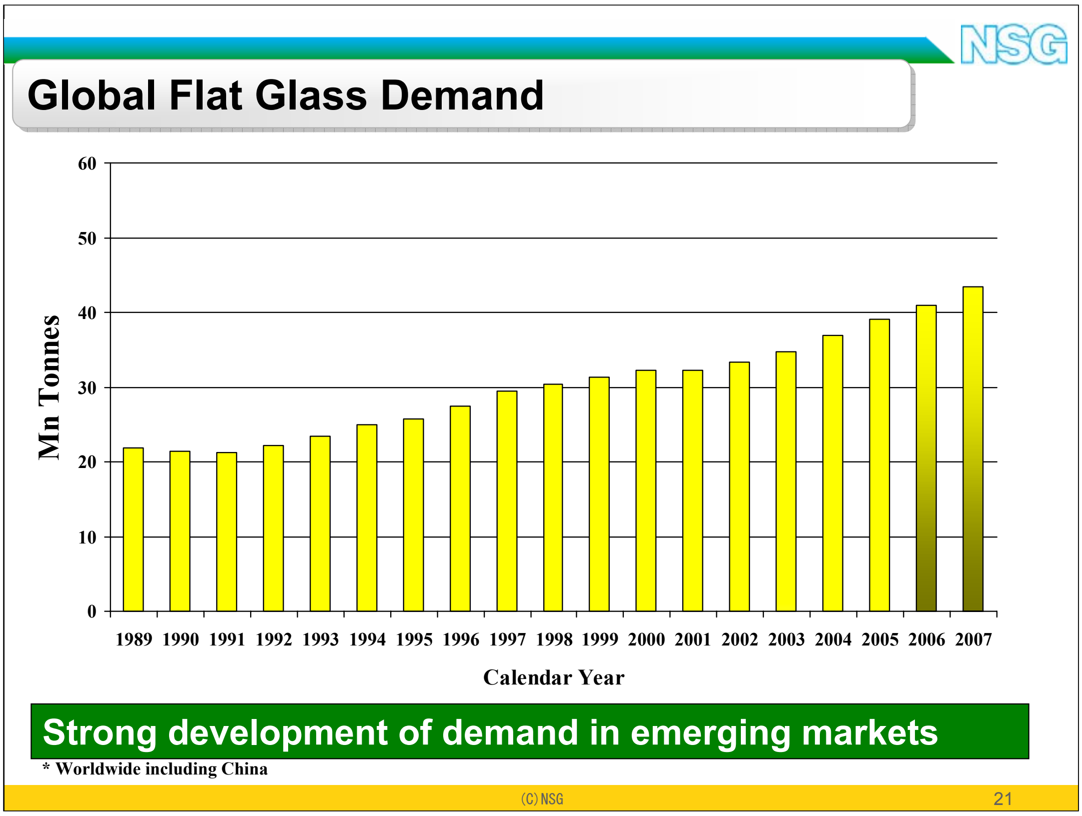
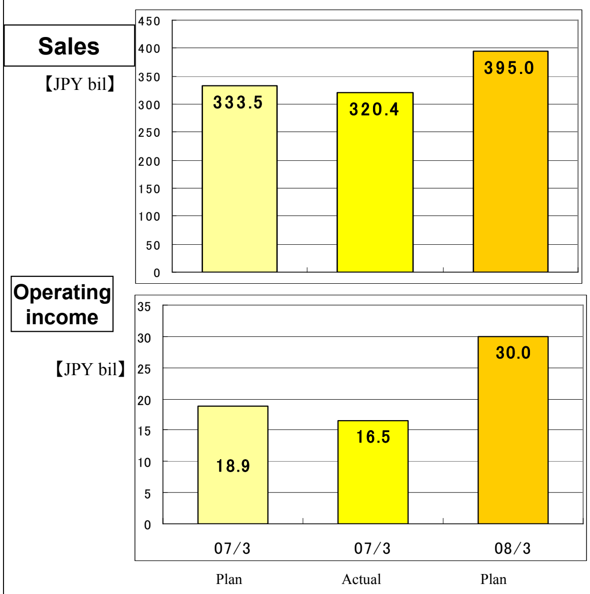
As you can see, our flat glass business is globally diversified in a balanced manner into Europe, Japan, North America, and other territories, among which the European department of BP currently holds the largest share.



The next chart shows the demand situation of flat glass markets around the world. Business expansion on the demand sides in the newly emerging markets has primarily contributed to the growth in production capacity and its utilization.

Building Products results and trading environment



Europe
Helped by buoyant trading conditions, performance was strong, especially in Germany, Italy and Poland.

Japan
Despite increase in high performance glass shipments, operating income was impacted by the oil price and the production adjustment of figured glass.

North America
Domestic demand weakened, partially offset by export sales.

Rest of the World
In South America, business continues to enjoy steady growth.

Next, I will give a summary of our current business performance and its future outlook in our respective business segments.

Let me start with the Building Products business.

The upper graphic chart shows amounts of sales while the lower one shows the operating profit.

Graphic pillars in the chart respectively indicate, from left to right, the initial business plan for the last fiscal year, the results of the same, and the outlook for the current fiscal year.

Building Products Europe has been helped this year by buoyant trading conditions. Demand has been strong and prices have strengthened in all regions, especially those in Germany, Italy and Poland, ensuring revenues for the year finish above the same period last year.

In the Japanese market, the positive factor of increased shipment of highly functional glass products was completely offset by such negative factors as the oil price surge and the adjustment of rolled glass production, and resulted in decreased departmental profit.

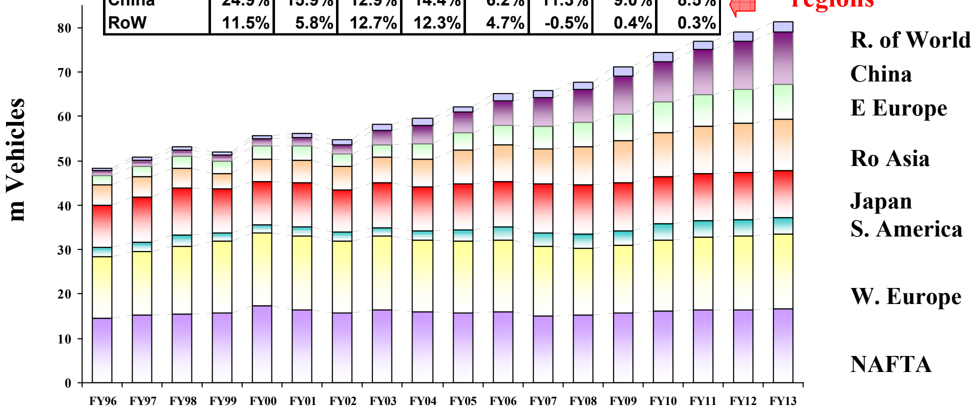
In Building Products North America, demand has been weak for most of the year, with increased demand in export markets, to Central America, the Middle East, China and Europe, providing a partial offset. Underlying prices are flat and the net cost-push related to energy has had a small adverse effect

In South America, our Group Building Products businesses continued to perform well, with higher domestic sales volumes improving revenues.

Global Light Vehicle Build: Growth of 2% ～4.5%p.a.

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
NAFTA	2.1%	-5.6%	2.0%	1.9%	3.4%	1.8%	-0.1%	0.9%
W.Europe	-0.6%	-3.2%	-4.5%	2.2%	5.3%	2.4%	1.2%	1.9%
S.America	12.0%	9.4%	4.1%	3.2%	3.5%	3.0%	2.3%	0.7%
Japan	1.3%	6.7%	-0.9%	-0.6%	-0.3%	-0.7%	-0.8%	0.0%
Asia	6.2%	-3.5%	9.2%	8.8%	5.6%	5.9%	5.0%	3.5%
E.Europe	12.9%	13.4%	11.5%	11.2%	9.9%	6.0%	6.3%	4.3%
China	24.9%	15.9%	12.9%	14.4%	6.2%	11.3%	9.0%	8.5%
RoW	11.5%	5.8%	12.7%	12.3%	4.7%	-0.5%	0.4%	0.3%

Main growth regions



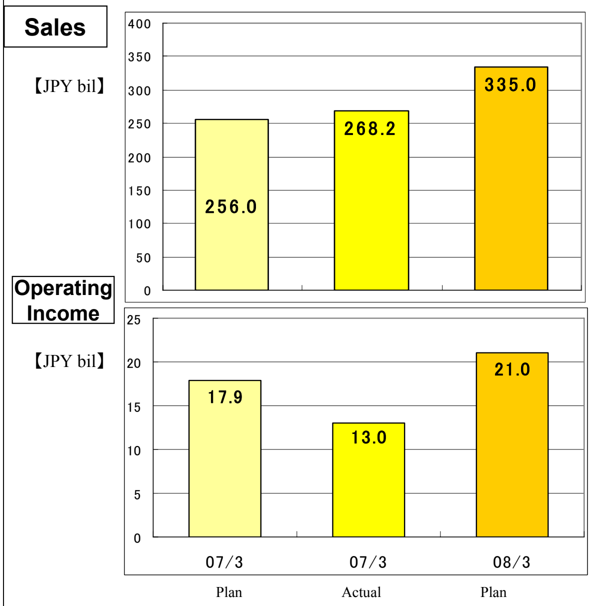
Vehicle build remains strong

(C) NSG 23

I will show you again the above graphic chart, which represents the growth in the number of passenger cars assembled worldwide.

You may easily realize that the worldwide growth was primarily driven by expanded business activities in such newly emerging territories as Asia, Eastern Europe and China.

Automotive Products results and trading environment



Europe
While regional automotive sales was on par with that of the previous year, Pilkington's sales showed firm increase. AGR business was also healthy.

Japan
Solid auto output in Japan continues.

North America
Declining regional car sales affected OE business. AGR was impacted by competitive environment.

Rest of World
South America enjoyed expanded demand. China enjoys strong demand expansion.

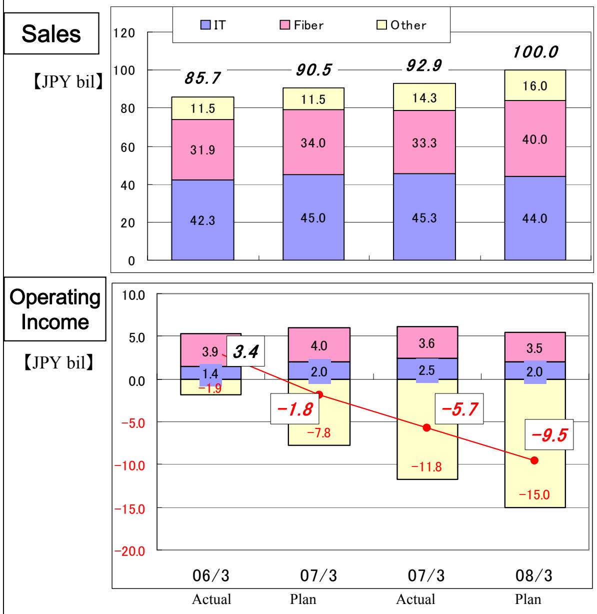
Now, let me tell you briefly about the business performance of Automotive glass.

In the European market, despite flat growth in intraregional car sales, our sales volumes continue to move ahead of the market trend due to success with new models . European AGR sales have increased strongly due to continuing improvements in our competitive position.
In the Japanese market, our business grew steadily against the background of the continuing strong performance of domestic car production.

In North America, where overall light vehicle build is expected to be slightly down on last year. Our sales to OE manufacturers have also been impacted by lower sales in carmakers. Sales in the AGR market have been flat in a market where pressure on prices and higher energy costs continue to be major factors.

In South America, increased sales volumes and continuing efficiency gains will improve results for the year. In China, the market continues to expand rapidly and our emphasis on further improving the cost and operational efficiency of the businesses has improved profitability.

Others (IT and Glass Fiber)



IT

Shipment of optical lenses for multifunction printers has grown steadily. Demand for display glass (STN, TN) showed firm sales.

TFT glass (NH techno-glass) improved productivity and led to be profitable for the year. 7G glass production started in South Korea.

Glass Fiber

Glass cord for Europe drove the sales increase. METASHINE sales has been turning around. The shipment of air filter-components has been slowing down.

Others

This consists of central costs, including information system expenses and engineering revenue.

Finally let's look at the business performance of other business segments, including information technology and glass fiber products.

In the information technology sector, business grew positively compared to a year earlier in terms of sales and earnings. Especially, lens sales for furnishing ink-jet-type multi-functional printers have recorded strong growth.

Currently, steady demand is expected to continue with respect to glass panels for use in medium or small sized STN or TN liquid crystal displays.

The business performance of NH Techno Glass, our equity method subsidiary, which produces TFT liquid crystal panels, has moved into the black in terms of annual earnings, as a result of successful improvement in productivity.

The company has also started the production of 7G substrate in South Korea since this spring.

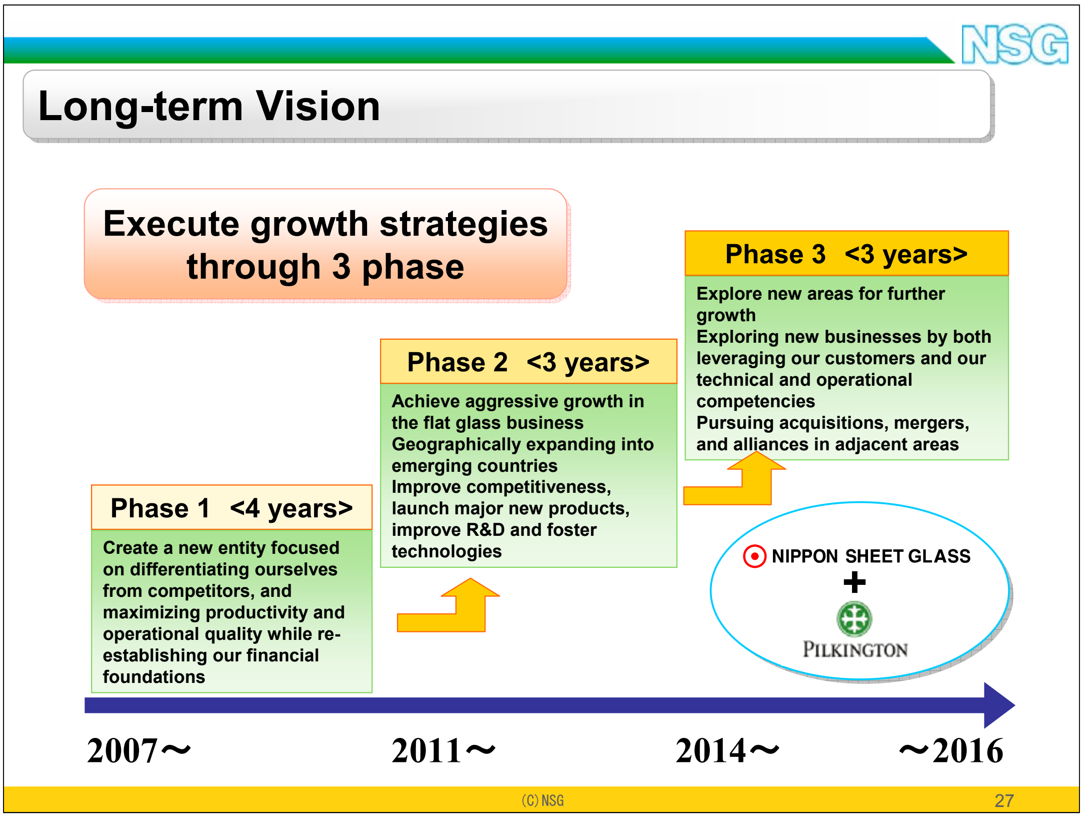
The glass fiber sector has recorded increased sales and flat earnings compared to a year earlier, in which European sales of reinforcement glass fiber cords have primarily contributed to the sales increase in the sector.

Sales of Meta-Shine products have rebounded upward and are starting to show signs of recovery.

In other business sectors, the overhead expenses incurred by the head office and system-related expenditures are accounted.

Strategy Update

Considering such business circumstances, I shall now review our long-term business strategies and explain again about the way to go forward in line with it.

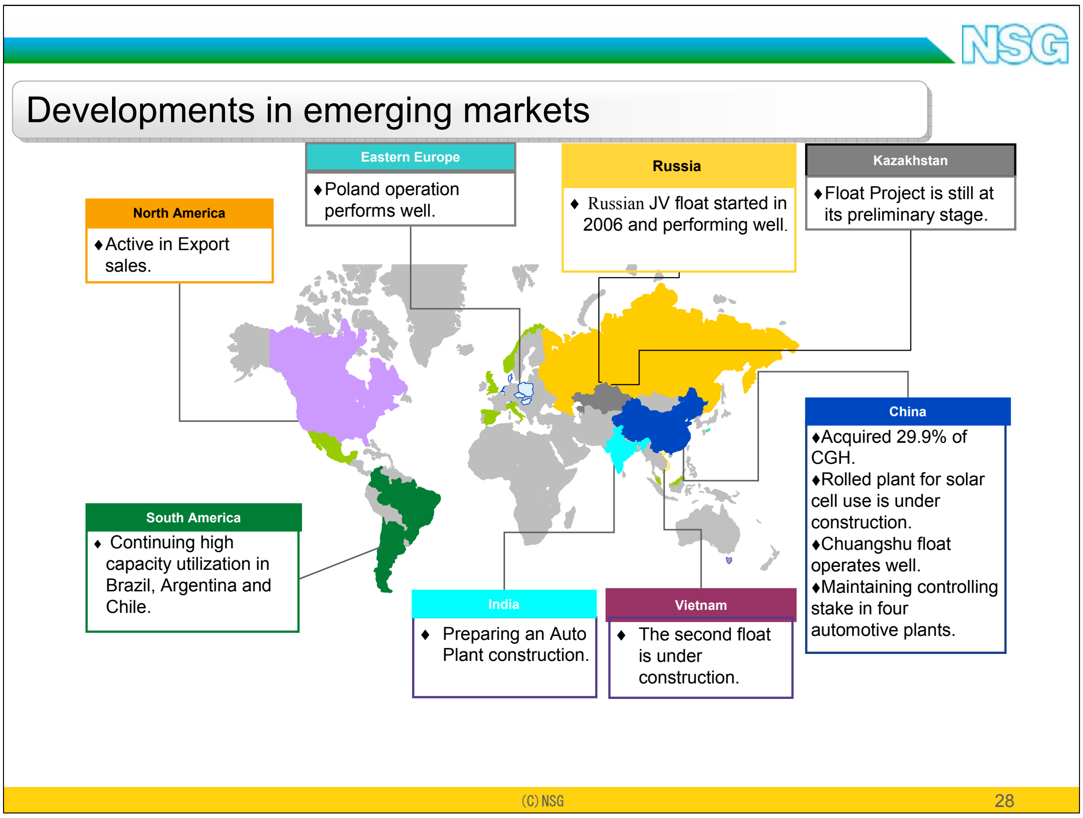


I already explained to you about our long-term corporate vision last autumn.

The newly launched medium-term business plan shall be understood to constitute phase 1 of the aforesaid long-term corporate vision.

We are determined to accomplish the goal of this medium-term business plan steadily, so that it may provide the foundation for proceeding to phase 2 of the long-term corporate vision.

In the long-term corporate vision, business expansion into newly emerging markets is scheduled to take place in phase 2. However, we will not hesitate to take any anticipative action ahead of the schedule if we consider it necessary and appropriate.



Currently, efforts are being exerted to expand our business into newly emerging territories like the BRICs countries. As an example, the figures for China are as follows:

①29.9% capital participation into CGH Corporation

②Production of figured glass for use in solar battery panels

③Successful float glass production in Jiangsu district

④ Controlling management of four automotive glass plants

Outlook

Lastly, we will tell you our business outlook for the current fiscal year.

FY08 Forecast – 1

(JPY bil)	FY07 Actual	FY08 Forecast	FY11(M-T plan)
(GBP/JPY)	¥225.7	¥215	¥200
Sales	**681.5**	**830.0**	**900.0**
OP before amortization	**43.6**	**66.7**	**75.0**
Amortization	-19.5	**-24.7**	**-20.0**
Operating income	**23.8**	**42.0**	**55.0**
Non-operating	-15.8	**-18.0**	
Income before extraordinary	**8.0**	**24.0**	
Extra ordinary	30.0	**10.0**	
Pretax income	**38.1**	**34.0**	**50.0**
Net income	**12.1**	**15.0**	**31.0**
Net income before amortization	**28.5**	**35.8**	**46.0**
EBITDA	**85.1**	**116.7**	**125.0**
EPS(JPY)	**18.1**	**22.5**	**46.4**
EPS before amortization (JPY)	**42.7**	**53.6**	**68.9**

Steady progress toward the goal in Medium-term plan.

After taking into consideration such specific factors affecting the current fiscal year, including the scheduled consolidation of the 1st quarter results of Pilkington, a possible increase in the amortization charge of goodwill and intangible assets and the strong business performance in Europe, our forecast for our business results for the current fiscal year are as shown in the above table.

Despite the increase in such non-cash costs for depreciating goodwill or intangible assets, we can say that our business performance for the current fiscal year is effectively progressing steadily in accordance with the medium-term plan, when we disregard those non-cash cost elements.

The conceivable negative monetary effect of the increased value of goodwill through the entire course of the medium-term plan is estimated to be a little less than 4 billion yen p.a.

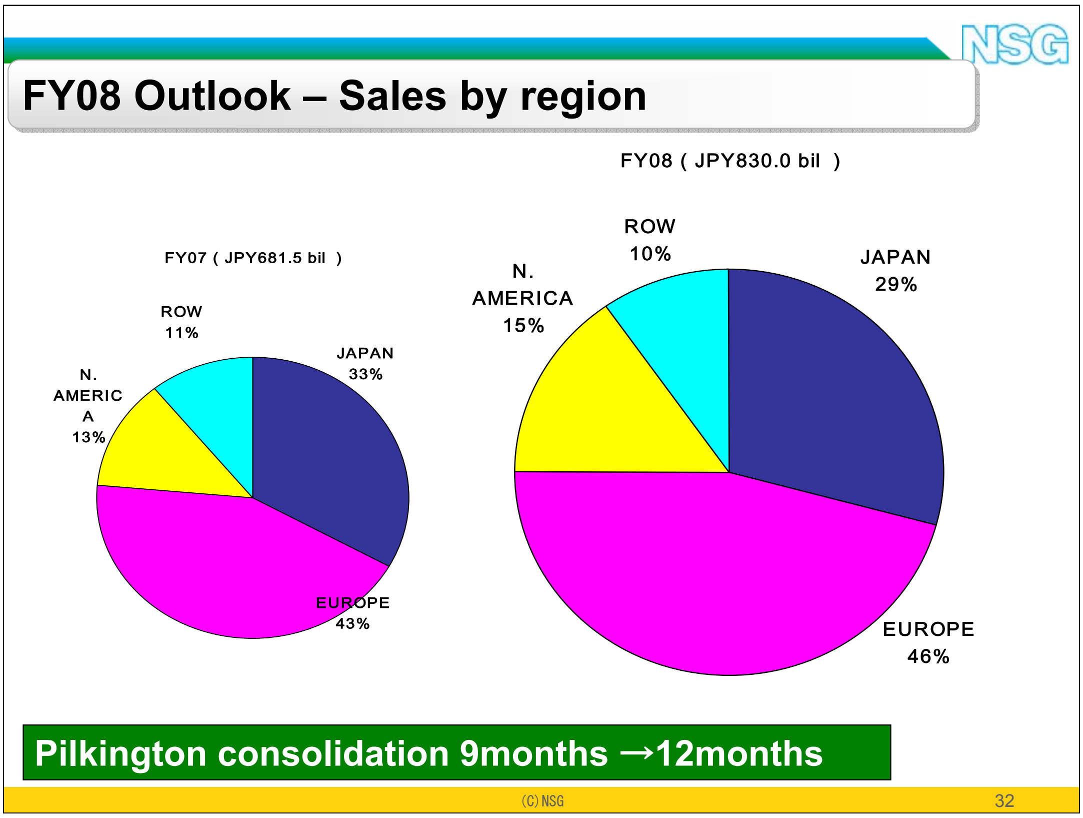
We will exert our best effort to make up this monetary impact by flexibly examining and implementing all conceivable countermeasures.

FY08 Forecast – 2 by segment

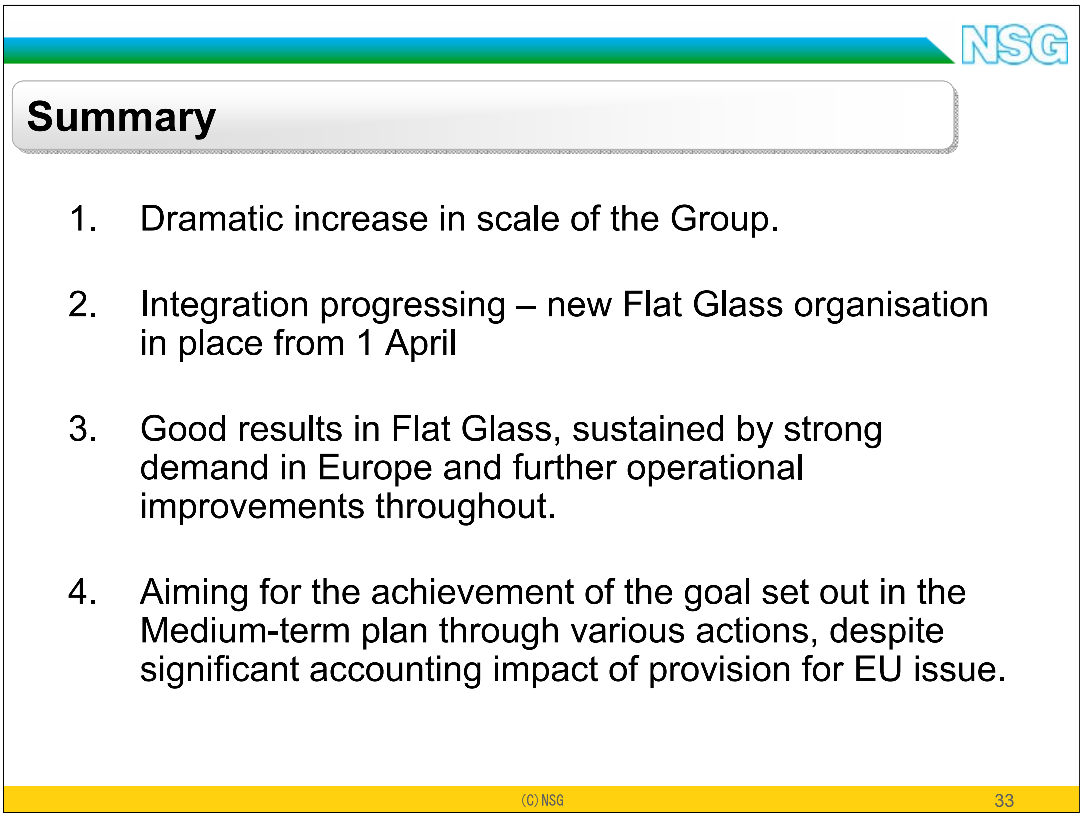
（JPY bil）

			FY07 Actual	FY08 Forecast	FY11 MT-Plan
Sales	BP		320.4	395.0	435.0
	Auto		268.2	335.0	365.0
	Other	IT	45.3	44.0	60.0
		GF	33.3	40.0	40.0
		Other	14.3	16.0	0.0
			92.9	100.0	100.0
	Total		681.5	830.0	900.0
Operating Income	BP		16.5	30.0	53.5
	Auto		13.0	21.0	
	Other	IT	2.5	2.5	10.0
		GF	3.6	3.5	
		Other	-11.8	-15.0	-8.5
			-5.7	-9.0	1.5
	Total		23.8	42.0	55.0

The above table is prepared just for your reference, which shows segmented business results in the past and those forecasts for the current fiscal year.



This shows the segmented sales by region.



Now, I will briefly summarize my presentation for today.

First, as I mentioned in the very beginning of today's presentation, as a result of successful corporate buyout, a leap-forward business expansion was realized, and organizational integration of our flat glass business has started to run successfully as from this fiscal year.

Next, we have continuously enjoyed a favorable market climate in such areas as Europe and newly emerging countries.

In closing, let me tell you once again that, despite the negative effect of provisioning for possible administrative fines for violation of Competition Law, we are determined to exert our best effort to accomplish the initial targets of our medium-term plan by flexibly implementing whatever additional measures we require.

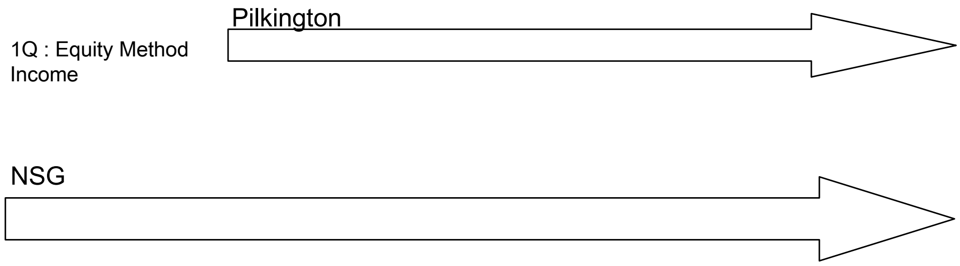
Thank you for your kind attention.

Appendices

Assumptions

		FY06 Actual	FY07 H1 Actual	FY07 Full year Actual	FY08 Full year Plan
GBP/JPY rate（P/L ）	(GBP/JPY)	205.2	221.3	225.7	215.0
(B/S)				231.9	
Depreciation & Amortization	(JPY bil)	13.0	19.8	37.1	50.0
CAPEX	(JPY bil)	21.2	18.4	52.5	50.0
R&D	(JPY bil)	7.6	5.1	13.7	－
Free Cashflow	(JPY bil)	3.3	-218.9	-246.3	－
Interest-bearing debt	JPY bil)	236.9	636.1	561.1	－
Number of employees		14,181	38,578	39,025	－

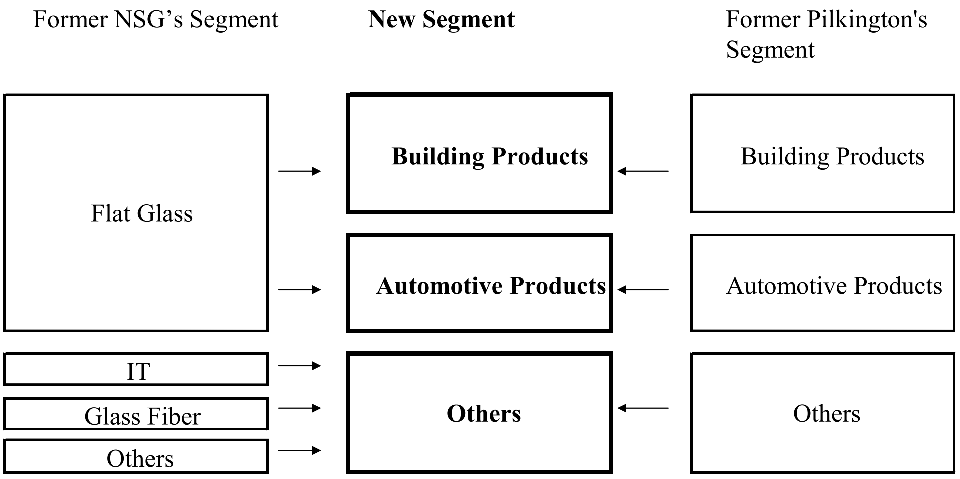
Period of the Consolidation(FY07)



First Quarter	Second Quarter	Third Quarter	Fourth Quarter
April to June 2006	July to September 2006	October to December 2006	January to March 2007

Full year consolidation from FY08.

Change in Segment Information by Business



Geographic segmentation also changes.

Provision for receipt of EU Statements of Objection

1. **Background**

   Based on the fact that Pilkington received a Statements of Objection from the European Commission for alleged violations of competition rules, the Company has made a provision against financial risk in future in accordance with the local accounting principles. The sum of the said provision has been arrived by having regard to the currently available information, including the guidelines of the method of setting fines published by the Commission. After the due process of the administrative procedures, the decision by the Commission will be made approximately nine to twelve month from the receipt of each Statement of Objections. There has been no indication of the sum of the fines from the Commission.

2. **Impact on accounting**

   By amortizing the goodwill resulting from this provision in 20 years, in addition to the existing ones, the increase in the annual amortization charge is approximately JPY 4 billion (JPY 3 billion for FY 2007, due to the consolidation only for three quarters.)

   Amount:

   a) JPY 3 billion for goodwill amortization charge as an operating cost, plus,

   b) JPY 3 billion for the unwind discount (the period cost recognizing the gap between the present value and future sum) as a non-operating cost. This cost is expected to also incur in FY08, but not in FY09.

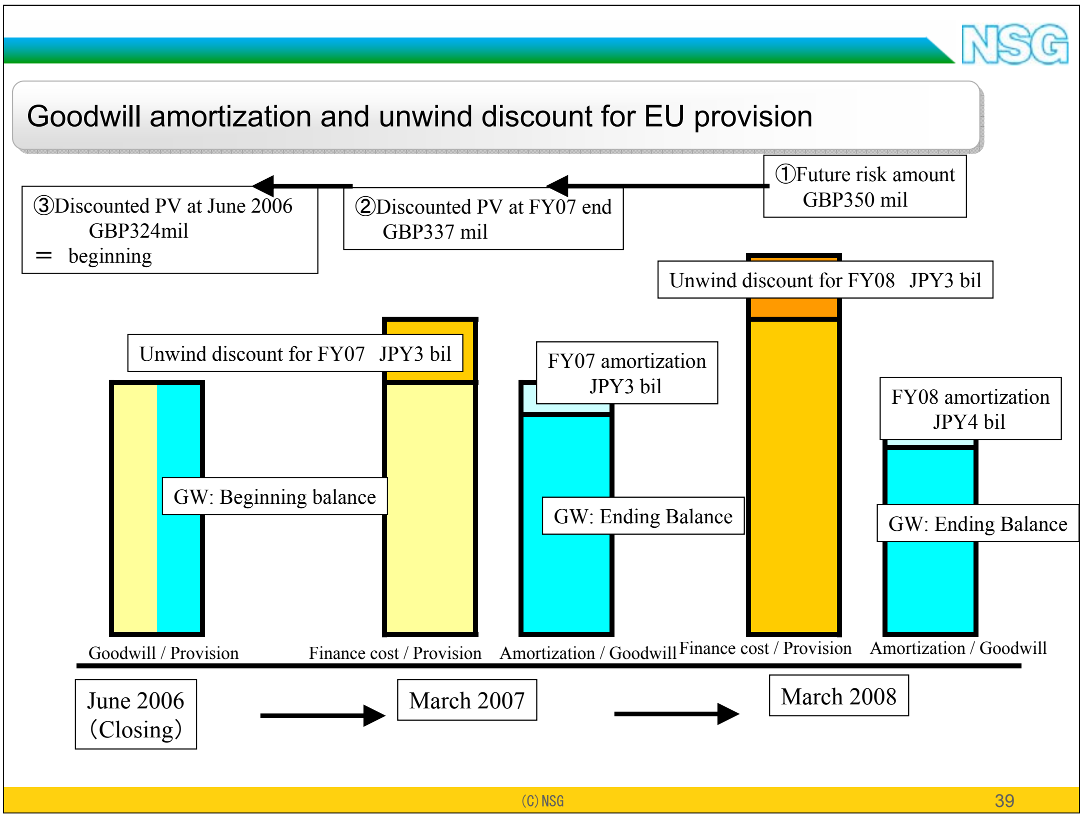
   Calculation base: Straight line amortization in 20 years of the theoretically estimated fine, GBP350 million in full.

Next, I will explain about the provisioning for possible administrative fines for alleged violations of the Competition Rules, which may be imposed by the EU Commission as disclosed on May 22, and may be hard to understand due to its complex nature.

The outline of the issue is shown above, and our company currently forbears to make any comments on the argument of possible violation of Competition Rules as suspected by EU Commission, for certain reasons.

Despite the foregoing, our company made provision for possible losses apart from the outcome of the aforesaid argument but in accordance with the requirement of the locally adopted International Financial Reporting Standard.

The accounting method for the aforesaid provisioning will be explained in the graphic chart in the next slide.



①Future risk amount: GBP 350 mil (Disbursement assumed around March 2008)

②Discounted present value of ① at March 2007: GBP 337 mil

③Discounted present value of ① at June 2006: GBP 324 mil (This is the beginning balance of the goodwill derived from the provision.)

Charge for FY07: Unwind discount (JPY 3 bil) and goodwill amortization

Charge for FY08: Unwind discount (JPY 4 bil) and goodwill amortization

Change in goodwill and intangible fixed assets

(unit: GBP mil)	Estimation at June 2006	Estimation at Sep. 2006 (Interim result)	Mar. 2007
(1)Goodwill (EU provision reflected)	1,100	630	1,094
(2)Intangible Fixed Assets	----	994	831
(3) Amortized assets as Operating Charge (1)+(2)	1,100	1,624	1,925
(4) Deferred tax liability (2) x 30%	----	△298	△249
(5)Total (3) + (4)	1,100	1,326	1,676
Average amortization over 20 years	55	66.3	83.8

Above figures are the value at the starting point of the amortization at June 2006.
The amounts are indicated in GBP to show the change in calculation base without influenced by GBP/JPY fluctuation.
The actual amortization charge for each year is calculated by the GBP/JPY rate of the respective year.

The current final value of goodwill, including that of additional assessments by the EC Commission, and the relevant amounts booked to the Intangible Fixed Asset account, are shown in the above list.

Please note that figures are in pounds sterling, and are shown in monetary units of one million pounds sterling.

The yen denominated amount of amortization in each accounting period varies depending upon the closing currency rate applicable to the respective accounting period.

Amortization period of goodwill and intangible assets

Goodwill	Years
Goodwill	20

Intangible fixed assets	Years
Brand	20
Know-how	10
Customer Relationship	1～20
Developed Technology	7～15
Other Brands	10
In-process R&D	10～15
License	11

Due to the difference of the amortization period by asset item, annual amortization charge will be the largest in the first year and be reduced gradually. It is assumed JPY19 billion at FY11.

This is a list of intangible fixed assets and respective period for amortization.

While we are going to amortize each items in straight line methods, due to the difference of the amortization periods, annual amortization charge will be the largest in the first year and be reduced gradually. It is assumed JPY19 billion at FY11.

Effect of the revaluation

(Unit: JPY bil)	FY07 Plan	FY07 Actual	FY08 Outlook
Pilkington consolidation	**9 months**	**9 months**	**12 months**
JPY-GBP rate	JPY210	JPY225.7	JPY215
GW Amortization	- 8.2	- 9.1	-11.6
Intangible Assets Amortization	—	-10.3	-13.1
Total amortization (Impact on Operating income)	-8.2	-19.5	-24.7
Deferred income tax	—	+3.1	+3.9
Total (Impact on Net income)	- 8.2	-16.4	-20.8

Note: Since the number of years for intangible assets amortization differs from 1 to 20 item by item, the amortization charge for the future years will be reduced gradually. The impact on net income for FY11 is estimated JPY19 bil.

This is the effect of amortization charges on the results and forecasts.

The monetary unit is JPY billion.
This is all about the goodwill and intangible assets.

We go back to the briefing of FY07 result.

(Return to Page. 6)

Reference: Effect of Revaluation (extract from interim results presentation in Nov. 06)

Unit : JPY billion

	The original assumption (July 6th,2006)		Revised at the interim result (Nov. 2006) *2		
	Pilkington 9months	Pro Forma (1 year) *1	Pilkington 9months	Pro Forma (1 year) *1	
GBP/JPY rate	210		221.5		*3
Goodwill Amortization	-8.2	-11.0	-4.1	-5.5	
Amortization of Intangible Fixed Assets	-	-	-12.2	-16.3	
Total Amortization	-8.2	-11.0	-16.3	-21.8	
Deferred Income Taxes	-	-	3.7	4.9	
Total	-8.2	-11.0	-12.6	-16.9	

Note

1. Pro Forma is an assumed performance with Pilkington's 12months forecast consolidated.
2. Currency exchange rate : The above data is based on the exchange rate at the end of September. The future result will be recalculated at the actual rate at each fiscal year end.
3. Since the number of years for intangible assets amortization differs from 1 to 20 years item by item, the amortization cost for the future years from FY08 and after will be reduced gradually.

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.