

20<sup>th</sup> May, 2009

## **NSG Group FY2009 Financial Results Presentation Q&A summary**

### **1 . Preferred Shares**

1) You recently announced proposals to issue preferred shares. What is the level of risk of dilution of holders of common stock introduced by this move?

-A) The level of the risk is very low. The risk will be minimized by delivering the operational plan and generating cash flow. This will allow the shares to be redeemed for cash. So the risk is controllable.

### **2 . Restructuring**

1) How is the restructuring in Europe progressing?

-A) One float line in the UK float has been closed for repair and the start-up delayed. We have also announced the closure of the float line at Lahti in Finland. Our float line in Venice is on hot hold, and producing no glass. These moves affect around 20 percent of our float capacity in Europe. In the European market in total, the closure of some eight lines has been announced to be closed, including those operated by the NSG Group

### **3 . Forecast**

1) What are the prospects for the first half of the current financial year, FY10?

-A) In view of the current economic climate, we have not made a formal forecast, but in general, we expect results to improve in the second half, in comparison to H1.

We have announced price increase in our European Building Products markets by approximately 30 percent.

### **4 . Solar Business**

1) What is the current situation and prospects for the Group's of solar energy business?

-A) Sales growth in TCO type glass, is sustainable and with stable margins. We expect long-term growth in this sector to be underpinned by government support, in markets such as the US and Japan. Over the next 5 to 10 years time, we expect the cost of TCO technology to be reduced allowing, its use more widely.

Our solar energy sales for FY09 were JPY 25 bn and FY10 is expected to be JPY 38 bn, representing a 50 percent increase. Sales experienced a slowdown in the second half of FY09, due mainly to restrictions on project finance caused by the credit crunch.

## **5 . BS**

1) What is the reason for the deferred tax asset (DTA) reversal at the FY09 year end and how much was it?

-A) In every quarter we undertake an exercise to review the balance by each region based on the projection on their respective taxable incomes. At FY09 end, the positions of Japan, France and Austria were reversed. This totalled approximately JPY 6 bn.

In FY10 forecast, no reversals in DTA and DTL balance are anticipated, otherwise we would have had to write these down at the end of FY09.

2) How is goodwill impairment assessed?

-A) Every quarter an impairment test is conducted, based upon future cash flow by region and business. Following the most recent test, a no goodwill impairment is required.

## **6 . IFRS**

1) Is the NSG Group likely to adopt the IFRS accounting standard?

-A) Given the global spread of the Company this is something we are studying, but we have no immediate plans to make a change.

**End**