FY 2010 2nd Quarter Consolidated Financial Results

12 November 2009

(English translation of the Japanese original)

Listed Company Name:	Nippon Sheet Glass Co., Ltd.		Stock Exchange Listing: Tokyo, Osaka
Code Number	5202		(URL http://www.nsggroup.net)
Representative:	Representative Executive Director, President and CEO	Name:	Katsuji Fujimoto
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Submission of quarterly report to MOF: 12 November 2009

Payment of dividends starts from: 4 December 2009

1. Consolidated business results for FY 2010 Quarter 2 (From 1 April 2009 to 30 September 2009)

(1) Consolidated business results

	Sales		Operating income		Ordinary income		Net income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Q2 FY 2010	292,989	(32.0)	(16,222)	-	(24,743)	-	(26,248)	-
Q2 FY 2009	431,082	-	17,198	-	12,541	-	18,311	-

	Net income per share - basic	Net income per share - diluted
Q2 FY 2010	¥ (41.00)	¥ -
Q2 FY 2009	¥ 27.40	¥ 25.75

(2) Changes in financial position

	Gross assets	Net assets	Equity ratio	Total equity per share
	¥ millions	¥ millions	%	¥
FY 2010 Quarter 2	1,002,395	256,894	24.6	323.06
FY 2009 Full year	1,025,221	257,223	24.1	369.15

Note: Total Equity Q2 FY 2010 ¥ 246,983 million FY 2009 Full year ¥ 246,648 million

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
FY 2009 (Actual)	-	¥ 3.00	-	¥ 3.00	¥ 6.00
FY 2010 (Actual)	-	¥ 3.00	-	-	-
FY 2010 (Forecast)	-	-	-	¥ 3.00	¥ 6.00

Note: There were no changes to forecast dividends per common share during the quarter.

The above table includes dividends per share for common stock only. The dividends anticipated to be paid on preferred shares are set out on page 3.

3. Forecast for FY 2010 (From 1 April 2009 to 31 March 2010)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
Full year	590,000	(20.2)	(23,000)	-	(40,000)	-	(47,000)	-	(74.13)

Note: The forecast of operating income and ordinary income has been revised as set out on page 7.

４. Other items

(1) Changes in status of principal subsidiaries --- No

(2) Adoption of simplified accounting policies, procedures, and presentation --- Yes
Note: For details, please refer to page 8.

(3) Changes implemented to the accounting policies, practice and presentations related to the preparation of quarterly consolidated financial statements
1) Changes due to revisions in accounting standards --- Yes
2) Changes due to other reasons --- No
Note: For details, please refer to page 8.

(4) Number of shares outstanding (common stock)
1) Number of shares issued at the end of the period, including shares held as treasury stock:
669,550,999 shares as of 30 September 2009 and 31 March 2009
2) Number of shares held as treasury stock at the end of the period:
1,430,857 shares as at 30 September 2009 and 1,398,921 shares as at 31 March 2009
3) Average number of shares in issue during the period, after deducting shares held as treasury stock:
668,134,883 shares for the period ending 30 September 2009 and 668,234,240 shares for the period ending 30 September 2008

<u>Explanation for the appropriate usage of performance projections and other special items</u>

1. The projections contained in this document are based on information currently available to the Group and certain assumptions considered reasonable. Hence, the actual results may differ. The major factors that may affect the results are the economic environment in major markets (such as Japan, Europe, North and South America, Asia, etc.), product supply/demand shifts, fluctuations in currency exchange and interest rates, as well as price changes in primary fuels and raw materials. Please refer to the section entitled “Prospects” on page 7 for qualitative information such as assumptions used for the projections.

2. Per share numbers set out in above business result and forecast sections are attributable only to common stock of the Company.

Dividends for preferred stock

As proposed and detailed in a press release dated 20 May 2009, following the quarter end, on 1 July 2009, the Company issued 3,000,000 preferred shares with an issue price of ¥ 10,000 per share. The table below shows the forecast dividend payable on such shares for the remainder of FY2010. The preferred stock is unlisted and carries an annual dividend rate of 9.25 percent with an additional 1.5 percent for the first year following issuance.

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
Type A Preferred Stock					
FY2010 (Actual)	-	¥381.00	-	-	-
FY2010 (Forecast)	-	-	-	¥461.00	¥842.00

Based on a dividend per share of ¥ 842, the forecast total dividend payable on preferred stock for FY2010 is ¥ 2,526 million.

Narratives

1. Business Performance and Financial Standing

(1) Background to Results

Conditions in the Group's major markets stabilized during the quarter following the steady declines of previous quarters. The Group's building products markets continued to suffer from low levels of commercial and residential demand. The Group's automotive markets demonstrated some improvements. This is largely due to government incentives in some markets to encourage owners to trade-in older vehicles. There are concerns that demand may soften once these support programs come to an end. Specialty glass markets remained challenging, but showed tentative signs of strengthening.

In Europe, building products market conditions remained depressed, with flat glass volumes being approximately 20 percent below the first half of the previous year. Although volumes remained at historic low levels, market prices, which had previously been approximately 40 percent below the previous year, began to improve during the quarter. In automotive markets, light vehicle sales were substantially below the previous year, but second quarter sales were similar to the first quarter as seasonal shutdowns offset underlying demand improvements. Government incentives underpinned the increased demand. The European automotive replacement (AGR) market continued to prove resilient to the low level of general economic activity. Demand for glass cord gradually improved during the quarter.

In Japan, market conditions continued to be difficult. New housing starts were approximately 30 percent below the level of the previous year and headline market prices were significantly below the previous year. Vehicle sales remain significantly below the previous year, although the market now appears to be stabilizing. Demand for Specialty Glass products began to show tentative signs of improvement, but was still considerably below the level of the previous year.

The North American economy continued to experience low levels of economic activity. In the building products market, housing starts showed early tentative signs of improvement, although remaining substantially below the level of the previous year, while the commercial market is still in decline. Sales of new cars were aided by the US government's "cash for clunkers" program, although, following the conclusion of this program, sales dipped towards the end of the quarter. The AGR market proved relatively resilient, with volumes about 10 percent below the level of the previous year.

The emerging markets in which the Group operates continued to perform relatively well, compared to more developed markets.

(2) Review by Business Segment

The Group's business lines cover three core product sectors; Building Products, Automotive, and Specialty Glass.

Building Products, representing approximately 45 percent of Group sales, includes the manufacture and sale of flat glass and various interior and exterior glazing products within the building products market. It also includes glass for the growing Solar Energy sector.

Automotive, with approximately 44 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Specialty Glass, representing approximately 11 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, and glass fiber products, such as, battery separators and glass components for engine timing belts. The Group announced the sale of its air filters business in August 2009.

The table below shows a summary of cumulative results by business line.

JPY millions	**Sales**		**Operating income**	
	Cum Q2 FY10	**Cum Q2 FY09**	**Cum Q2 FY10**	**Cum Q2 FY09**
Building Products	126,362	196,735	(8,497)	10,946
Automotive	130,256	187,767	(2,165)	10,459
Specialty Glass	31,363	39,256	229	3,465
Other Operations & Eliminations	5,008	7,324	(5,789)	(7,672)
Total	292,989	431,082	(16,222)	17,198

The narrative below compares regionally, within each business line, the six-month cumulative operating results to 30 September 2009 with the prior year period to 30 September 2008. Following 30 September 2008, the Group's businesses in almost all regions have experienced an unprecedented significant deterioration in trading conditions. Therefore, a brief comparison of the operating results for the first and second quarters of the current financial year has also been made at the end of each section.

Building Products Business

In the Building Products (BP) business, the cumulative result for the first half-year was significantly down on the same period of the previous year, due to lower volumes and reduced prices in difficult market conditions across all territories.

In Europe, representing 49 percent of the Group's BP sales, cumulative revenue was lower than in the first half of last year, due to lower prices and volumes in difficult markets. Consequently, the profit performance was also lower. Price increases, implemented towards the end of the first quarter, have held relatively well. During the quarter, the Group disposed of its downstream business in Switzerland and the majority of its downstream business in France.

Cumulative revenues in Japan, representing 30 percent of BP sales, fell as the continued weakness of commercial and residential construction markets led to significantly reduced volumes. As in Europe, the BP business in Japan moved from cumulative profits to cumulative losses.

In North America, representing 10 percent of BP sales, cumulative revenues decreased compared to the prior year, due mainly to reduced prices. Profits increased, as an improving product mix and cost savings offset the lower prices.

In the rest of the world, revenues were also below the level of the previous year, as volumes fell in line with difficult market conditions. Year-on-year profits also declined, due to reduced volumes and prices.

The Building Products business achieved cumulative six-month sales of ¥126,362 million and an operating loss of ¥8,497 million.

Second quarter BP revenues for the three-month period to 30 September 2009 were similar to the first quarter to 30 June 2009, as markets began to stabilize at low levels of demand. Losses decreased as cost savings were realized across all regions and prices increased in the core European markets, by approximately 40 percent.

Automotive Business

In the Automotive business, cumulative revenues were significantly below the level of the previous year. Profitability also declined, although the impact of lower volumes was partially offset by cost reductions.

Europe represents 51 percent of the Group's Automotive sales. In the European Original Equipment (OE) sector, cumulative revenues fell, due to reduced levels of demand, although government incentives provided a temporary demand stimulus. Cost savings continued to be realized. Results in the Automotive Glass Replacement (AGR) business were robust, with cumulative revenues and profits at similar levels to the previous year.

In Japan, representing 15 percent of the Group's Automotive sales, revenues were significantly below last year, due to reduced levels of demand. A cumulative loss was recorded as a result of the reduced volumes.

In North America, representing 21 percent of the Group's Automotive sales, cumulative sales were significantly below the first half of the previous year, again due to reduced volumes. OE revenues and profits declined significantly in the difficult market conditions. AGR profitability continued to be below prior year levels, due to both reduced demand and market prices.

In the rest of the world, cumulative revenues and profits were below the prior year level, although emerging market regions held up relatively well compared to more developed markets.

The Automotive business recorded sales of ¥130,256 million and an operating loss of ¥2,165 million.

Second quarter Automotive revenues for the three-month period to 30 September 2009 were similar to the first quarter, as markets stabilized and in some cases started to improve. Losses reduced despite the relatively flat sales as cost savings were realized.

Specialty Glass Business

Revenues and profits in Specialty Glass were significantly below the prior year. The quarterly result though, represented an improvement on the preceding quarter, as some markets demonstrated tentative signs of recovery. The strength of the Japanese yen continued to hit exports of components for printers and scanners.

The Specialty Glass business recorded sales of ¥31,363 million and an operating profit of ¥229 million.

Other Operations

This segment covers corporate costs and engineering income, but also includes small businesses not included in the segments covered above. Costs incurred in Other Operations were similar to the previous year.

Consequently, this segment recorded sales of ¥5,008 million and an operating loss of ¥5,789 million.

Joint Ventures and Associates

The Group's share of the results of its joint ventures and associates is included within non-operating income in the income statement. The Group's share of joint ventures and associates profits was lower than in the previous year, due mainly to declining year-on-year profits at Cebrace, the Group's joint venture in Brazil. Elsewhere, most of the Groups' other joint ventures and associates continued to suffer from challenging market conditions and recorded reduced profits.

2. Financial condition

Total assets at the end of September 2009 were ¥ 1,002,395 million, representing a decrease of ¥ 22,826 million from the end of March 2009. The Group has adopted “Net Debt” (interest-bearing debt minus cash and cash equivalents) as a Key Performance Indicator for its financial performance. The table below shows the movement of “Net Debt” following the acquisition of Pilkington in June 2006.

		Net Debt
		JPY million
FY 2007 Quarter 1	30 June 2006	514,097
FY 2007 Full year	31 March 2007	400,203
FY 2008 Full year	31 March 2008	328,479
FY 2009 Full year	31 March 2009	331,343
FY 2010 Quarter 2	30 September 2009	306,511

Net financial indebtedness decreased by ¥ 24,832 million from 31 March 2009 to ¥ 306,511 million at the period end, mainly due to the proceeds from the issuance of preference shares of ¥ 30,000 million, offset by restructuring expenditure in line with the Group’s previously announced programs. During the year, the Group refinanced external debt of approximately ¥ 77,000 million. Currency movements generated an increase in net debt of approximately ¥ 5,890 million over the period. Gross debt was ¥ 424,994 million at the period end.

Cash outflows from operating activities were ¥ 5,571 million. Cash inflows from investing activities were ¥ 3,483 million, including proceeds from the sale of securities of ¥ 7,297 million and the purchase of tangible fixed assets of ¥ 8,257 million. As a result, total cash outflows before financing were ¥ 2,088 million.

3. Prospects

The result for the first two quarters is, as expected, significantly down on the same period in the previous year when market conditions were considerably more favorable. The current quarter has however, seen operating losses stabilize and in some areas improve, with some Group businesses making a return to positive operating profits.

The full-year forecast of operating income, ordinary income and net income is set out on page 2. The forecast for operating income and ordinary income represents an improvement from the forecast issued with the FY 2009 results on 20 May 2009. This new revised forecast reflects the continued stability of the Group’s markets, with the second half results expected to show a slight improvement from the second quarter, as further cost savings, and improvements in flat glass market prices, are realized. The Group does not anticipate further dramatic improvements in market conditions in the near-term, and Automotive markets in particular are likely to experience some softening of demand following the conclusion of government vehicle purchase incentive schemes.

The Group’s previously announced restructuring programs continued to progress in line with expectations. As a direct result of these programs, approximately 1,700 employees left the Group during the first half-year taking the total reduction in employees to 6,200. The Group remains confident that it will achieve its target reductions of 6,700 by March 2010.

The Group’s forecasts and projections, taking into account a prudent and conservative view of changes in trading performance, show that the Group is able to continue to operate within existing financial facilities. The Group will enter into renewal negotiations with its providers of finance before such facilities mature. In discussions with its bankers on future borrowing requirements, no matters have been drawn to the Group’s attention to suggest that renewal would not be forthcoming on acceptable terms.

After making enquiries, the directors have reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to apply the going concern basis in preparing these financial statements.

4. Others (Changes in accounting policies, etc.)

(1) Changes in status of principal subsidiaries

During the second quarter of this financial year, there was no change in status of principal subsidiaries "*Tokutei-Kogaisha*", as defined in the "Ordinance for Corporate Disclosures".

(2) Adoption of simplified accounting policies, procedures, and presentations

1. Simplified accounting treatments

1) Estimations of the amount of bad debt included in the balance of normal receivables

The Company and its consolidated subsidiaries calculate the amount of provision for bad debt relating to normal receivables, using the rate of default that had been computed in the previous year.

2) Income tax, deferred tax assets and liabilities

In determining the recoverability of deferred tax assets, the Company and its consolidated subsidiaries utilize the information obtained from future business forecasts and tax planning methods which have been used in the previous year.

2. Special accounting treatments adopted for the preparation of quarterly consolidated financial statements

1) Calculations of income tax expenses

The Company and its consolidated subsidiaries calculate income tax expenses for the second quarter, based on the effective annual tax rates that have been practically evaluated.

The sum of current and deferred income taxes for the period is presented in the income statement.

(3) Changes implemented to the accounting policies, practice and presentations related to the preparation of quarterly consolidated financial statements

1) Changes in standards to record construction revenue and cost of construction work

From the first quarter of this financial year, "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan Statement No.15, issued on 27 December 2007) and the "Guideline to Apply the Accounting Standards on Construction Contracts" (Guideline to Apply the Accounting Standards Board of Japan Statement No.18, issued on 27 December 2008) have been applied. As a result, for the construction contracts launched during the first quarter, the percentage of completion basis method with cost proportion method to estimate the progress of construction is applied for the construction works with assured progress as of the end of this second quarter, and the completed work basis method is applied for other construction works. The application of this accounting standard did not have a material impact on the Group's financial results or balance sheet for the period.

5. Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(¥ millions)

	Quarter 2 FY 10 As of 30 September 2009	FY 09 (Abbreviated) As of 31 March 2009
Assets		
Current assets		
Cash and deposits	118,483	94,979
Notes and accounts receivable – trade	95,788	94,291
Merchandise and finished goods	57,260	69,335
Work in process	9,961	10,352
Raw materials and supplies	36,649	34,139
Other current assets	27,768	25,950
Allowance for doubtful accounts	(4,658)	(3,815)
Total: Current assets	**341,251**	**325,231**
Non-current assets		
Property, plant and equipment		
Buildings and structures	144,446	147,014
Accumulated depreciation	(78,820)	(79,334)
Buildings and structures, net	65,626	67,679
Machinery, equipment and vehicles	358,836	366,197
Accumulated depreciation	(190,260)	(188,927)
Machinery, equipment and vehicles, net	168,575	177,270
Tools, furniture and fixtures	43,152	41,603
Accumulated depreciation	(27,767)	(25,200)
Tools, furniture and fixtures, net	15,385	16,403
Land	45,010	46,483
Leased assets	8,262	8,089
Accumulated depreciation	(3,482)	(3,136)
Leased assets, net	4,780	4,953
Construction in progress	1,959	4,690
Total: Property, plant and equipment	301,335	317,478
Intangible assets		
Goodwill	128,082	132,882
Other intangible assets	122,732	127,283
Total: intangible assets	250,813	260,165
Investments and other assets		
Joint ventures, associates and other investments	50,368	55,935
Others	60,435	67,745
Allowance for doubtful accounts	(1,807)	(1,334)
Total: Investments and other assets	108,995	122,347
Total: Non-current assets	**661,144**	**699,989**
Total: Assets	**1,002,395**	**1,025,221**

(1) Quarterly consolidated balance sheets (continued)

(¥ millions)

	Quarter 2 FY 10 As of 30 September 2009	FY 09 (Abbreviated) As of 31 March 2009
Liabilities		
Current liabilities		
Notes and accounts payable – trade	60,847	61,902
Short-term loans payable	65,343	84,784
Current portion of bonds	10,000	-
Lease obligations	2,505	3,038
Income taxes payable	8,793	19,369
Provisions	22,572	24,403
Other current liabilities	70,413	75,820
Total: Current liabilities	**240,472**	**269,315**
Non-current liabilities		
Bonds payable	50,000	60,000
Long-term loans payable	293,221	273,557
Lease obligations	3,925	4,943
Provision for rebuilding furnaces	10,359	10,159
Provision for retirement benefits	62,804	62,808
Other provisions	6,322	6,714
Other non-current liabilities	78,397	80,502
Total: Non-current liabilities	**505,028**	**498,683**
Total: Liabilities	**745,501**	**767,998**
Net assets		
Shareholders' equity		
Capital stock	96,147	96,147
Capital surplus	135,287	105,287
Retained earnings	89,905	118,159
Treasury stock	(595)	(585)
Total: Shareholders' equity	**320,745**	**319,009**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	834	2,339
Deferred gains or losses on hedges	(6,264)	(10,756)
Foreign currency translation adjustment	(68,332)	(63,944)
Total: Valuation and translation adjustments	**(73,762)**	**(72,361)**
Subscription rights to shares	696	493
Minority interests	9,215	10,082
Total: Net assets	**256,894**	**257,223**
Total: Liabilities and net assets	**1,002,395**	**1,025,221**

(2) Consolidated income statement

(¥ millions)

	Cumulative Quarter 2 FY 09 For the period 1 April 2008 to 30 September 2008	Cumulative Quarter 2 FY 10 For the period 1 April 2009 to 30 September 2009
Net sales	**431,082**	**292,989**
Cost of sales	299,056	223,055
Gross profit	**132,026**	**69,934**
Selling, general and administrative expenses	114,828	86,155
Operating income/(loss)	**17,198**	**(16,222)**
Non-operating income		
Interest income	3,019	893
Dividends income	906	417
Equity in earnings of affiliates	4,259	-
Other non-operating income	472	986
Total: Non-operating income	8,658	2,296
Non-operating expenses		
Interest expenses	11,328	7,417
Equity in losses of affiliates	-	388
Other non-operating expenses	1,986	3,013
Total: Non-operating expenses	13,315	10,818
Ordinary income/(loss)	**12,541**	**(24,743)**
Extraordinary income		
Gain on sales of fixed assets	808	789
Gain on sales of investment securities	7,713	4,140
Gain on sales of investments in affiliates	30,038	64
Other extraordinary income	517	1,559
Total: Extraordinary income	39,078	6,551
Extraordinary loss		
Loss on retirement of non current assets	-	116
Loss on sales of non current assets	-	47
Impairment loss	1,220	4,542
Restructuring expenditure	987	2,082
Loss arising on notification of EU car glass fine	8,971	-
Other extraordinary losses	1,260	1,733
Total: Extraordinary losses	12,439	8,521
Income/(loss) before income taxes and minority interests	**39,180**	**(26,713)**
Income taxes	19,182	(827)
Minority interests	1,686	363
Net income/(loss)	**18,311**	**(26,248)**

(3) Consolidated statement of cash-flow

(¥ millions)

	Cumulative Quarter 2 FY 09 For the period 1 April 2008 to 30 September 2008	Cumulative Quarter 2 FY 10 For the period 1 April 2009 to 30 September 2009
Net cash provided by operating activities		
Income/(loss) before income taxes and minority interests	39,180	(26,713)
Adjustments for:		
Depreciation and amortization	31,188	25,558
Impairment Loss	1,220	4,542
Amortization of goodwill	4,915	3,940
Increase in allowance for doubtful accounts	334	1,269
Increase/(decrease) in provision for retirement benefits	(14,684)	1,819
Increase in provision for furnace repairs	194	201
Increase in EU car glass provision	8,971	-
Net gain on sales and disposals of fixed assets	(167)	(625)
Net gain on sales and valuation of investment securities	(7,681)	(4,140)
Net gain on sales of investments in affiliates	(30,038)	(64)
Interest and dividends income	(3,926)	(1,311)
Interest expenses	11,328	7,417
Equity in (earnings) / losses of affiliates	(4,259)	388
Increase/(decrease) in notes and accounts receivable – trade	5,345	(7,127)
Increase/(decrease) in inventories	(7,704)	8,251
Increase/(decrease) in notes and accounts payable – trade	(12,146)	1,200
Other, net	4,781	1,755
Subtotal	**26,850**	**16,359**
Interest and dividends income received	6,420	2,154
Interest expenses paid	(11,929)	(12,296)
Income taxes paid	(6,729)	(11,788)
Net cash provided by/(used in) operating activities	**14,611**	**(5,571)**
Net cash provided by investment activities		
Purchase of property, plant and equipment	(25,478)	(8,257)
Proceeds from sales of property, plant and equipment	1,549	1,227
Purchase of intangible assets	(73)	(387)
Purchase of investment securities	(7)	(14)
Proceeds from sales of investment securities	9,618	7,297
Purchase of investments in subsidiaries and affiliates	(2,054)	(561)
Proceeds from sales of stocks of subsidiaries and affiliates	42,682	4,486
Decrease in short-term loans receivable	(2,945)	(1,537)
Payments of long-term loans receivable	(40)	(3,978)
Collection of long-term loans receivable	-	4,752
Other, net	309	454
Net cash provided by investment activities	**23,560**	**3,483**

(3) Consolidated statement of cash flow (continued)

(¥ millions)

	Cumulative Quarter 2 FY 09 For the period 1 April 2008 to 30 September 2008	Cumulative Quarter 2 FY 10 For the period 1 April 2009 to 30 September 2009
Net cash used in financing activities		
Net increase/(decrease) in short-term loans payable	(15,315)	3,954
Proceeds from long-term loans payable	2,302	78,425
Repayment of long-term loans payable	(27,457)	(83,852)
Proceeds from issuance of bonds	19,888	-
Redemption of bonds	(10,000)	-
Proceeds from issuance of stocks	-	30,000
Cash dividends paid	(2,017)	(2,005)
Cash dividends paid to minority shareholders	(1,308)	(878)
Repayments of finance lease obligations	(2,227)	(1,595)
Other, net	(36)	(10)
Net cash provided by/(used in) financing activities	**(36,174)**	**24,040**
Effect of exchange rate change on cash and cash equivalents	**(3,636)**	**(1,396)**
Net increase/(decrease) in cash and cash equivalents	**(1,638)**	**20,557**
Cash and cash equivalents at beginning of period	**103,293**	**75,598**
Increase in cash and cash equivalents resulting from change of scope of consolidation	**2,181**	**-**
Cash and cash equivalents at end of period	**103,837**	**96,154**

(4) Notes regarding going concern

There were no issues or events arising during the quarter, which negatively affect the ability of the Group to continue as a going concern.

(5) Segmental information

By Business Line

Quarter 2 FY 09 (For the period 1 April 2008 to 30 September 2008) *(¥ millions)*

	Building products	Automotive	Specialty glass	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	196,735	187,767	39,256	7,324	431,082	-	431,082
(2) Inter-segment sales	1,277	2,161	537	2,504	6,480	(6,480)	-
Net sales	198,012	189,928	39,793	9,828	437,563	(6,480)	431,082
Operating income	10,946	10,459	3,465	(7,722)	17,148	49	17,198

Quarter 2 FY 10 (For the period 1 April 2009 to 30 September 2009) *(¥ millions)*

	Building products	Automotive	Specialty glass	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	126,362	130,256	31,363	5,008	292,989	-	292,989
(2) Inter-segment sales	5,176	1,610	877	1,908	9,570	(9,570)	-
Net sales	131,538	131,866	32,240	6,916	302,559	(9,570)	292,989
Operating loss	(8,497)	(2,165)	229	(5,789)	(16,222)	0	(16,222)

Notes:

1. Method of segmentation

Segments are defined by the categorization by the Groups' standard business line structure, described further on page 4.

2. Products included in business segments

Building products:	Glass (float, laminated, coated etc) for building materials, and solar energy glass
Automotive:	Processed glass related to automotive and transportation applications
Specialty glass:	Micro optics, fine glass, industrial glass, LCD, specialized glass fiber products
Other:	Engineering and general corporate expenses

3. Effects due to changes in method of accounting

Second quarter of FY 09 (For the period of 1 April 2008 to 30 September 2008)

Accounting standard for the valuation of inventories

From the first quarter of the financial year, the Company and consolidated subsidiaries have applied the "Accounting Standards for Valuation of Inventories" (Accounting Standard No.9, issued on 5 July 2006).

Due to the application of this new standard, operating income for the "Building products" business decreased by ¥ 14 million and "Specialty glass" business decreased by ¥ 27 million, compared to the previous application.

Depreciation method for tangible fixed assets

From the first quarter of the financial year, the Company and consolidated subsidiaries have changed the depreciation method for tangible fixed assets to the straight-line method from the declining balance method.

Due to the change of depreciation method, operating income for the "Building products" business increased by ¥ 207 million, "Automotive" business increased by ¥ 370 million, "Specialty glass" business increased by ¥ 307 million, and "Others" increased by ¥ 47 million, compared to the previous application.

Depreciation method for tangible fixed assets

From the first quarter of the financial year, the Company has changed the estimated useful life of machinery and equipment to be within

the range of 3 to 9 years, which was previously 3 to 15 years.
Due to the change of depreciation method, operating income for the “Building products” business decreased by ¥65 million, “Automotive” business decreased by ¥18 million, and “Specialty glass” business decreased by ¥70 million, compared to the previous application.

Accounting standard for lease transactions
From the first quarter of the financial year, the Company has applied the “Accounting Standard for Lease Transactions” (Accounting Standard No.13, issued on 17 June 1993 by the Business Accounting Council, amended on 30 March 2007) and the “Guidance on Accounting Standards for Lease Transactions” (Guidance No.16, issued on 18 January 1994 by the Accounting Standards Committee of the Japanese Institute of Certified Public Accountants, amended 30 March 2007). The impact to the operating income of Company's businesses is minimal.

Second quarter of FY 10 (For the period of 1 April 2009 to 30 September 2009)
Changes in standards to record construction revenue and cost of construction work
From the first quarter of this financial year, “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan Statement No.15, issued on 27 December 2007) and the “Guideline to Apply the Accounting Standards on Construction Contracts” (Guideline to Apply the Accounting Standards Board of Japan Statement No.18, issued on 27 December 2008) have been applied. As a result, for the construction contracts launched during the first quarter, the percentage of completion basis method with cost proportion method to estimate the progress of construction is applied for the construction works with assured progress as of the end of this second quarter, and the completed work basis method is applied for other construction works. The application of this accounting standard did not have a material impact on the Group's financial results or balance sheet for the period.

By Geography

Quarter 2 FY 09 (For the period 1 April 2008 to 30 September 2008) *(¥ millions)*

	Japan	Europe	North America	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	101,649	221,175	55,457	52,799	431,082	-	431,082
(2) Inter-segment sales	12,622	132,124	14,998	13,511	173,257	(173,257)	-
Net sales	114,271	353,300	70,456	66,310	604,340	(173,257)	431,082
Operating income	1,630	11,982	(2,412)	5,771	16,971	226	17,198

Quarter 2 FY 10 (For the period 1 April 2009 to 30 September 2009) *(¥ millions)*

	Japan	Europe	North America	Other	Total	Eliminations	Consolidated
Sales							
(1) External sales	79,075	131,865	40,540	41,509	292,989	-	292,989
(2) Inter-segment sales	48,341	84,853	9,824	12,091	155,110	(155,110)	-
Net sales	127,416	216,718	50,364	53,600	448,099	(155,110)	292,989
Operating loss	(5,705)	(11,118)	(2,286)	2,887	(16,222)	0	(16,222)

Notes:
1. Method of segmentation
Segments are defined by the geographical relevance of countries and regions in which the businesses operate. Sales represent sales by origin of the Group company generating the sale.

2. Countries and regions included in the geographical segments

Europe:	United Kingdom, Germany, Italy and others
North America:	United States of America, Canada
Other:	Brazil, Argentina, China, Malaysia and others

3. Effect due to changes in method of accounting

Second quarter of FY 09 (For the period of 1 April 2008 to 30 September 2008)

Accounting standard for the valuation of inventories

From the first quarter of the financial year, the Company and consolidated subsidiaries have applied the "Accounting Standards for Valuation of Inventories" (Accounting Standard No.9, issued on 5 July 2006) .

Due to the application of this new standard, operating income for "Japan" decreased by ¥41 million compared to the previous application.

Depreciation method for the tangible fixed assets

From the first quarter of the financial year, the Company and consolidated subsidiaries have changed the depreciation method for tangible fixed assets to the straight-line method from the declining balance method.

Due to the change of depreciation method, operating income for "Japan" business increased by ¥932 million compared to the previous application.

Depreciation method for the tangible fixed assets

From the first quarter of the financial year, the Company has changed the estimated useful life of machinery and equipment to be within the range of 3 to 9 years, which was previously 3 to 15 years.

Due to the change of depreciation method, operating income for "Japan" decreased by ¥154 million compared to the previous application.

Accounting standard for lease transactions

From the first quarter of the financial year, the Company has applied the "Accounting Standard for Lease Transactions" (Accounting Standard No.13, issued on 17 June 1993 by the Business Accounting Council, amended on 30 March 2007) and the "Guidance on Accounting Standards for Lease Transactions" (Guidance No.16, issued on 18 January 1994 by the Accounting Standards Committee of the Japanese Institute of Certified Public Accountants, amended 30 March 2007).

Impact to the operating income of Company's businesses is minimal.

Second quarter of FY 10 (For the period of 1 April 2009 to 30 September 2009)

Changes in standards to record construction revenue and cost of construction work

From the first quarter of this financial year, "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan Statement No.15, issued on 27 December 2007) and the "Guideline to Apply the Accounting Standards on Construction Contracts" (Guideline to Apply the Accounting Standards Board of Japan Statement No.18, issued on 27 December 2008) have been applied. As a result, for the construction contracts launched during the first quarter, the percentage of completion basis method with cost proportion method to estimate the progress of construction is applied for the construction works with assured progress as of the end of this second quarter, and the completed work basis method is applied for other construction works. The application of this accounting standard did not have a material impact on the Group's financial results or balance sheet for the period.

Overseas sales

Quarter 2 FY 09 (For the period 1 April 2008 to 30 September 2008) *(¥ millions)*

	Europe	North America	Asia	Other	Total
a. Overseas sales	213,214	55,240	35,339	36,758	340,552
b. Consolidated sales					431,082
c. Overseas sales as a percentage of consolidated net sales	49.5%	12.8%	8.2%	8.5%	79.0%

Quarter 2 FY 10 (For the period 1 April 2009 to 30 September 2009) *(¥ millions)*

	Europe	North America	Asia	Other	Total
a. Overseas sales	126,907	37,513	29,711	26,669	220,799
b. Consolidated sales					292,989
c. Overseas sales as a percentage of consolidated net sales	43.3%	12.8%	10.1%	9.1%	75.4%

Notes:

1. Overseas sales consist of export sales of the Company and domestic consolidated subsidiaries, and sales (other than exports to Japan) of the overseas consolidated subsidiaries.

2. Method of segmentation

Segments are defined by the geographical relevance of countries and regions in which the businesses operate. Sales represent sales by destination, being the location of the Groups' customers, except those customers located in Japan.

3. Countries and regions included in the geographical segments

Europe:	United Kingdom, Germany, Italy and others
North America:	United States of America, Canada
Asia:	China, Malaysia, Philippines and others
Other:	Brazil, Argentina and others

(6) Material changes in shareholders' equity

Effective on 1 July 2009, Type A preferred shares were issued through a third-party allotment, by which both capital stock and capital reserve increased by ¥15,000 million, respectively. However, there was no change in amounts of share capital and capital surplus during the quarter, as a reduction of share capital and capital reserve was processed, on the same day as effective date of issuance of the preferred stock, by the equivalent amount of the increase in share capital and capital surplus attributable to the transfer of the proceeds from issuance of the preferred shares.