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GROUP

NSG Group
FY2016 Quarter 2 Results
(from 1 April 2015 to 30 September 2015)

Nippon Sheet Glass Co., Ltd.
29 October 2015

Shigeki Mori
Chief Executive Officer

Clemens Miller
Chief Operating Officer

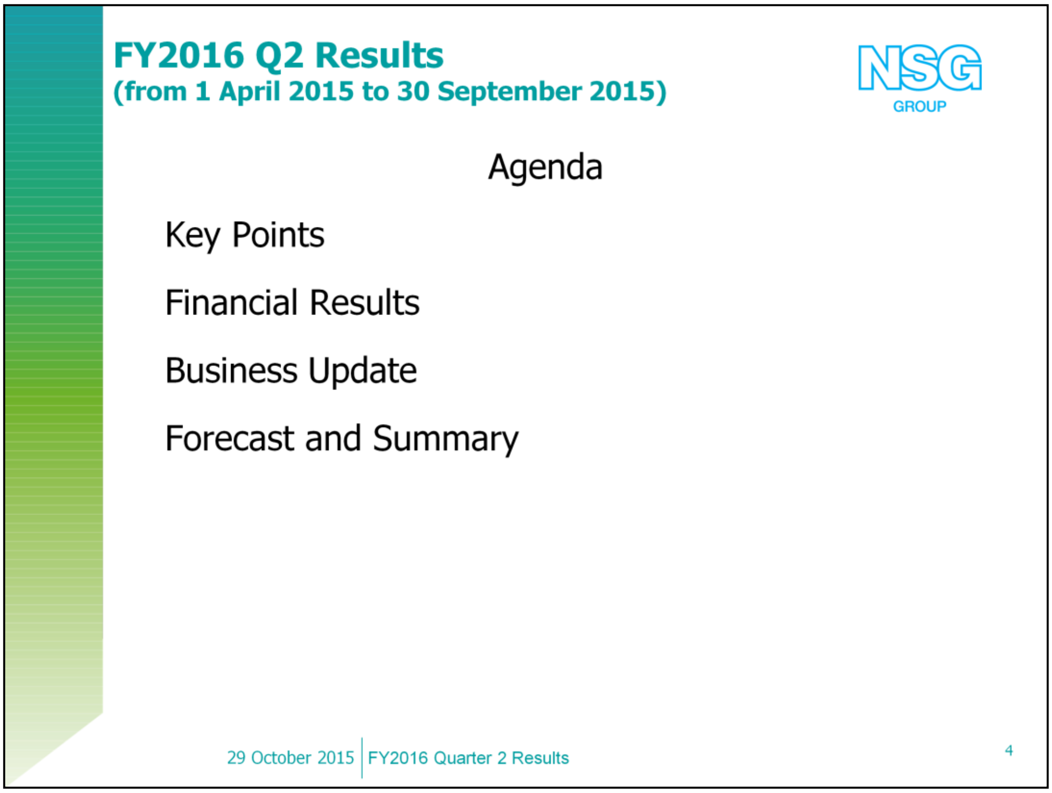
Mark Lyons
Chief Financial Officer

Kenichi Morooka
Executive Vice President

<Shigeki Mori>

Thank you for joining us for this NSG Group second quarter FY2016 results presentation. I am Shigeki Mori, CEO of the NSG Group.

With me today are Clemens Miller, Chief Operating Officer, Mark Lyons, Chief Financial Officer, and Kenichi Morooka, Executive Vice President.



<Shigeki Mori>

Slide 4 shows the agenda for today’s presentation.

This is the usual format, and I will start by summarizing the key points and Mark will then discuss the financial results.

Then, Clemens will discuss the performance of each of our regional businesses, and I will present our revised FY16 forecast and conclude the presentation.

<Shigeki Mori>

Slide 5 lays out the key points for this quarter.

Our trading profit remains at same level as last year.

In Europe, we are seeing a gradually improving outlook, with positive indications coming from both architectural and automotive markets.

Improvements were seen in the performance of our businesses in Japan.

Our businesses in North America and South East Asia continued to deliver strong results.

Our businesses in South America were adversely affected by the difficult market conditions in that region.

Our Display glass business is suffering from a challenging competitive environment.

I’ll now hand over to Mark who will discuss the Financial Results.

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Forecast and Summary

Consolidated Income Statement

NSG GROUP

(JPY bn)	Cum Q2 FY2016	Cum Q2 FY2015
Revenue	**321.7**	**309.5**
Trading profit	**10.1**	**10.3**
Amortization*	(4.0)	(4.2)
Operating profit	**6.1**	**6.1**
Exceptional items	(1.5)	13.2
Finance expenses (net)	(8.8)	(8.8)
Share of JVs and associates	(0.5)	0.4
Profit/(loss) before taxation	**(4.7)**	**10.9**
Profit/(loss) for the period	**(1.6)**	**8.3**
Profit/(loss) attributable to owners of the parent	**(2.7)**	**7.9**
EBITDA	27.1	26.3

* Amortization arising from the acquisition of Pilkington plc only

Profit reflects mixed market conditions

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<Mark Lyons>

Thank you, Shigeki. Moving to Slide 7. Here we can see the income statement in the usual format.

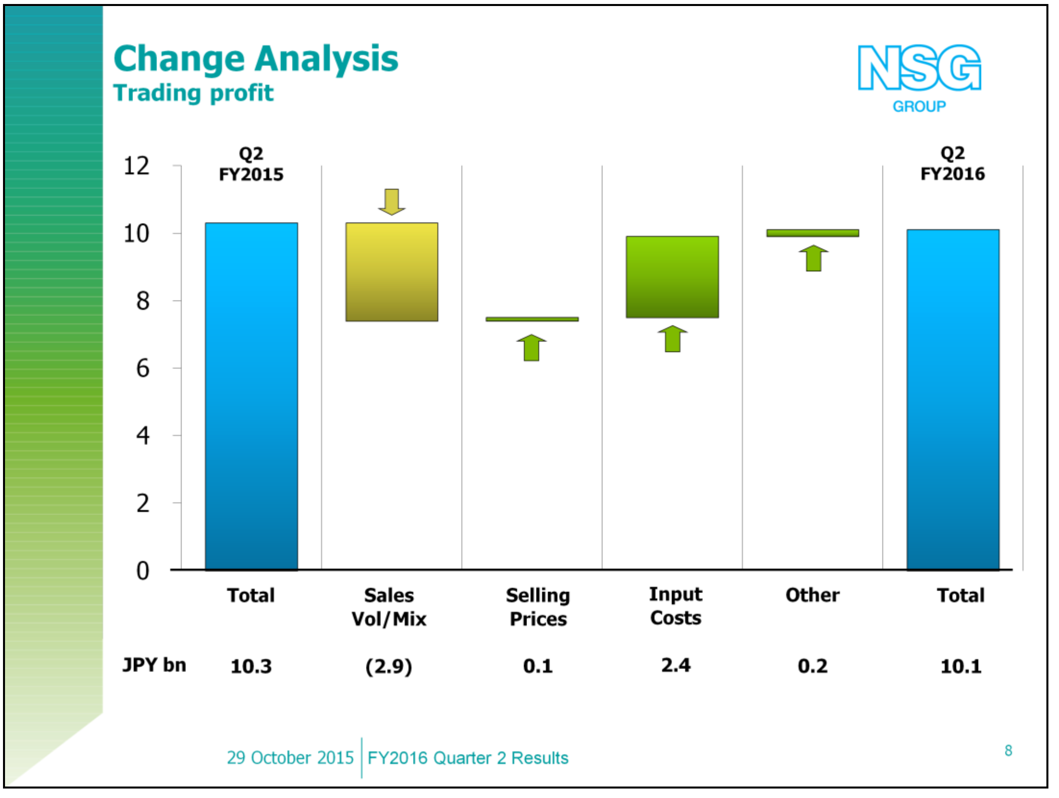
Revenues of 322 billion yen are 4% higher than the previous year. At constant exchange rates, revenues were flat.

The operating result remained at the same level as last year, reflecting the mixed market conditions.

Exceptional items of 1.5 billion yen partly reflect some ongoing restructuring costs, whereas the previous-year credit was mainly due to a one-off gain on the reclassification of an investment.

Net finance expenses were similar to the previous year. The Group's share of joint ventures and associates' losses has worsened, due mainly to difficult trading conditions in China.

EBITDA improved slightly.



<Mark Lyons>

On Slide 8 we can see an explanation of the year on year movement in trading profits.

The 'Sales Volume-Mix' variance reflects a reduction in sales in thin glass for displays, due to a challenging competitive environment in this area.

Price reductions in the Display glass business were offset by improved prices elsewhere.

Input costs were reduced by lower energy costs, although increase in batch material costs partially offset this positive effect.

Consolidated Cash Flow Summary

NSG GROUP

(JPY bn)	Q1 FY2016	Q2 FY2016	Cum Q2 FY2016
Loss for the period	(0.5)	(1.1)	(1.6)
Depreciation and amortization	10.6	10.4	21.0
Net change in working capital	(14.9)	3.9	(11.0)
Net interest paid	(2.1)	(6.5)	(8.6)
Tax paid	(1.2)	(0.6)	(1.8)
Others	(3.4)	2.4	(1.0)
Net cash outflow from operating activities	(11.5)	8.5	(3.0)
Purchase of property, plant and equipment	(8.6)	(8.4)	(17.0)
Others	(0.3)	(0.2)	(0.5)
Net cash outflow from investing activities	(8.9)	(8.6)	(17.5)
Cash flow before financing activities	(20.4)	(0.1)	(20.5)

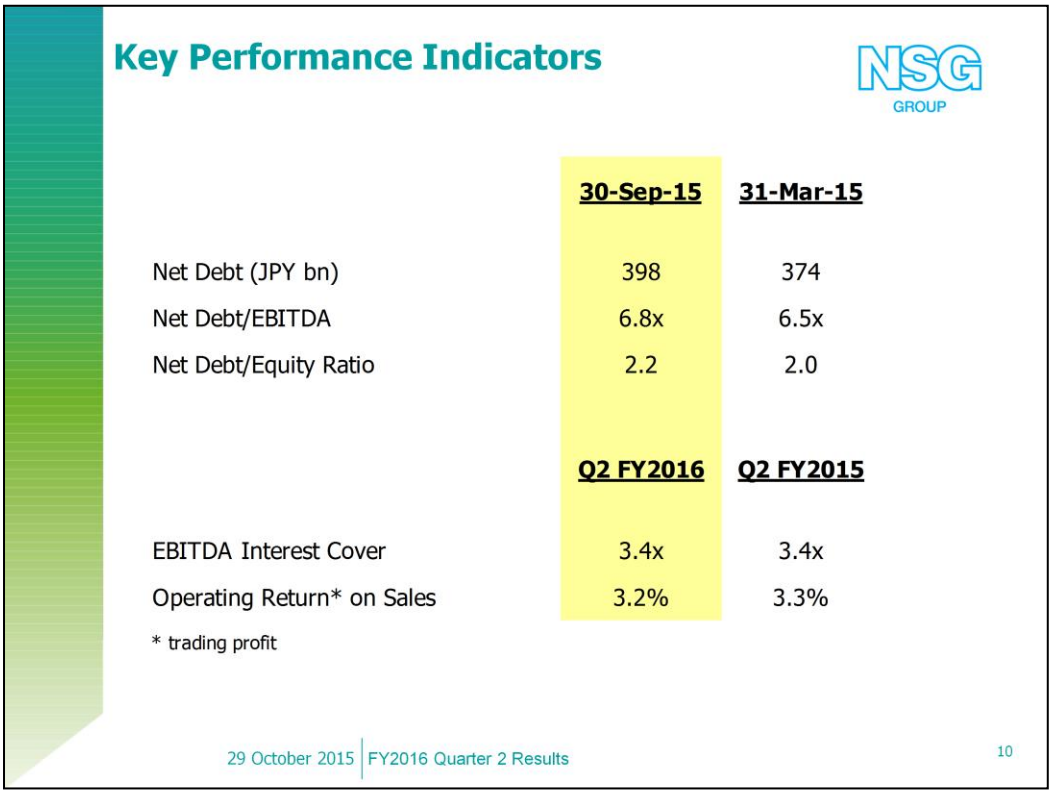
<Mark Lyons>

On Slide 9 we can see the cash flow.

The cumulative cash outflow for the half year is 20.5 billion yen.

On a quarterly basis, you can see that cash flows have improved in Q2 when compared to the first quarter. This is largely due to working capital movements during the second quarter.

We would expect further improved cash flows during the rest of the year.



<Mark Lyons>

On Slide 10 we show the key financial ratios.

Net debt increased, mainly due to seasonal increases in working capital during Q1. However, most of the key debt ratios were stable.

The income statement ratios at the foot of the slide are largely unchanged from the previous year.

I will hand this over to Clemens who will discuss the performance and outlook of each business and region.

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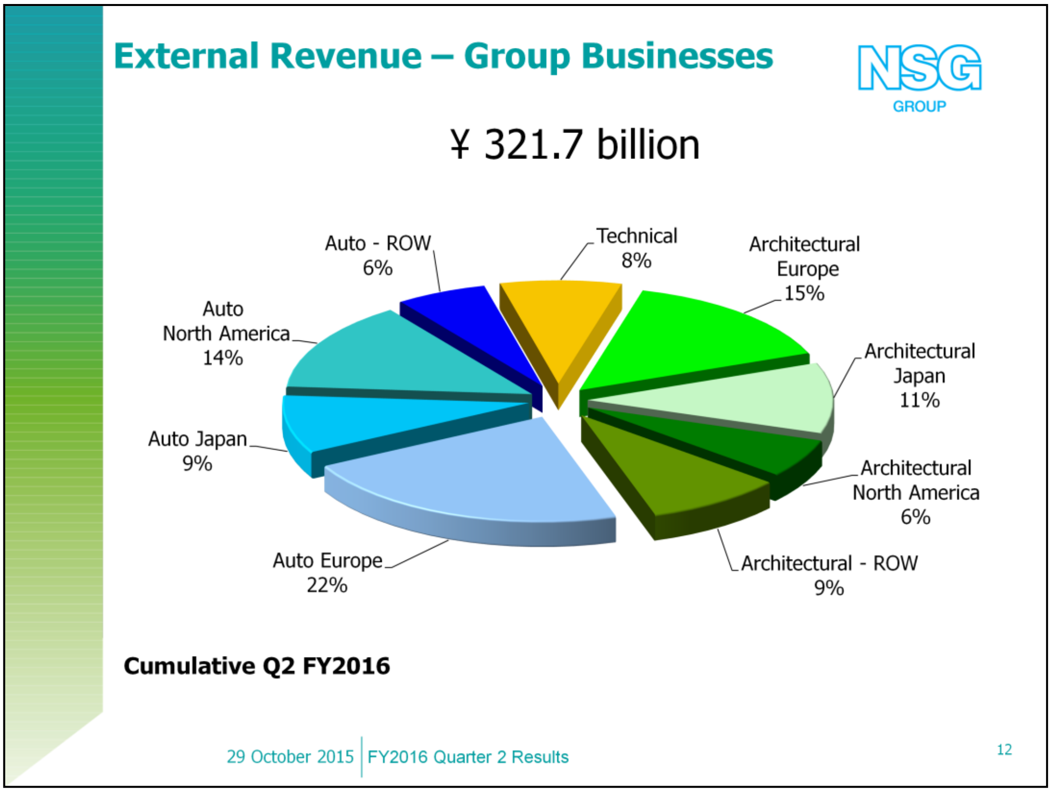
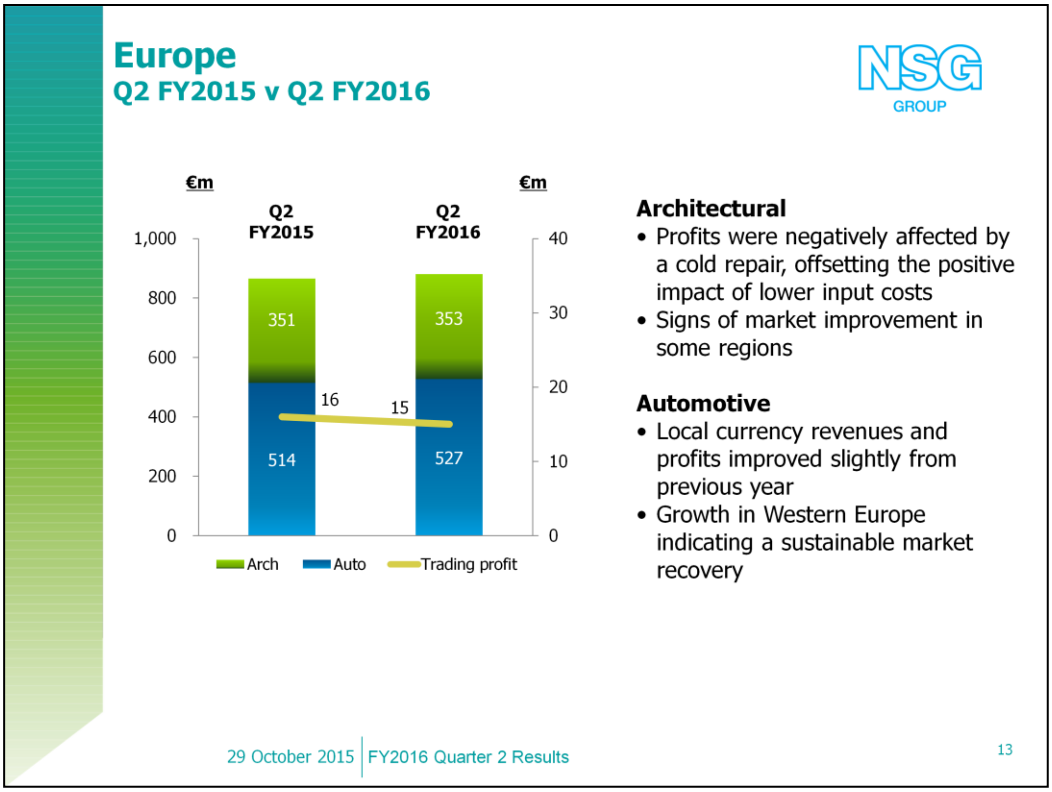


<Clemens Miller>

Thank you, Mark. Let me move to Slide 12.

This is our usual slide, which shows the proportion of sales generated by each of the Group’s business segments.

38 percent of the Group’s sales are in Europe, 23 percent in Japan, 21 percent in North America and 18 percent in the Rest of the World.



<Clemens Miller>

Turning to slide 13, we can see the performance of the Group’s flat glass businesses in Europe.

European architectural markets were fairly stable. NSG’s profitability benefitted from energy related input costs reductions, but was adversely affected by a plant repair in Poland. We are seeing some signs of improvements in market conditions.

In Automotive, an increase in vehicle sales seems to be indicating the start of a welcome recovery in our markets.

Japan
Q2 FY2015 v Q2 FY2016

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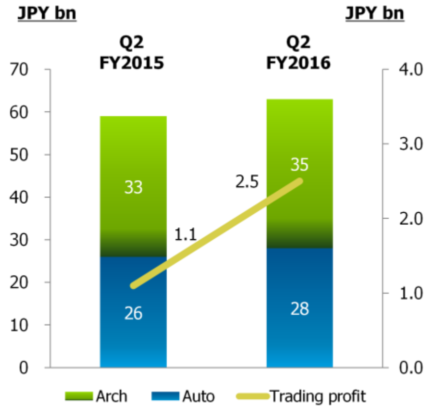

Architectural
- Results improved with increased volumes and prices, but market conditions prevented any significant upward price pressure

Automotive
- Revenues and profits ahead of previous year, despite the fall of light-vehicles sales after the revised eco-car incentives

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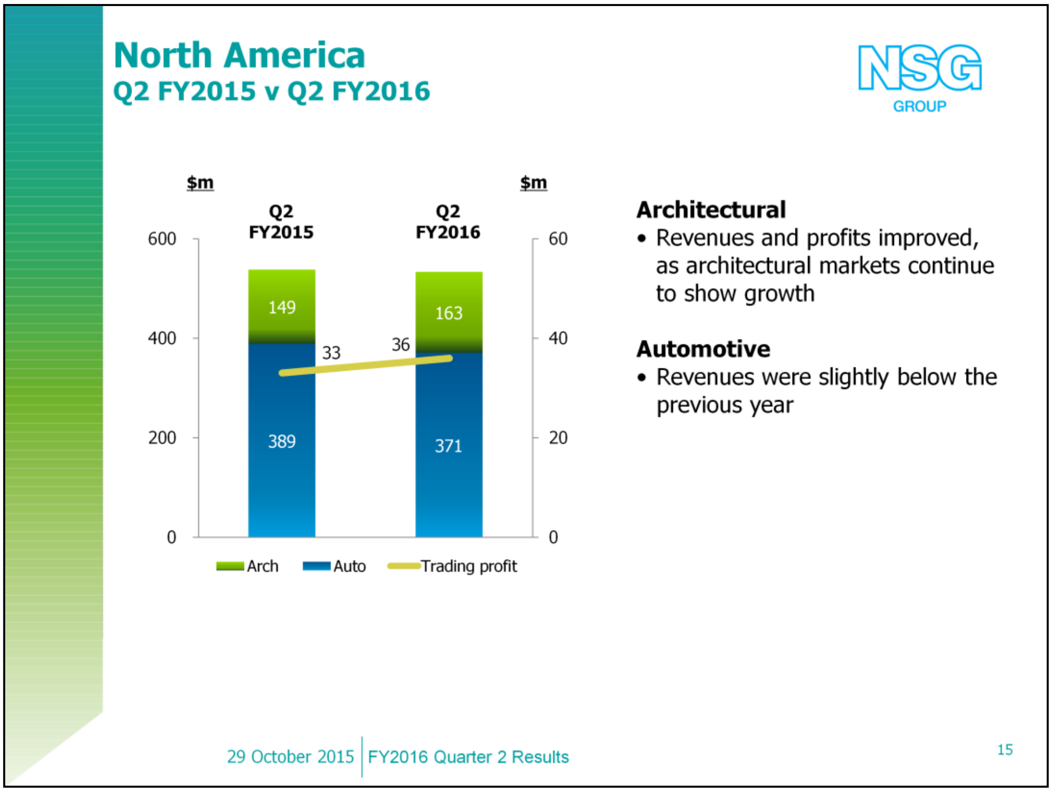
<Clemens Miller>

Moving to Japan on slide 14.

In our Architectural business, revenues and profits improved, as volumes and prices were up compared with last year, which was affected by the consumption tax increase. Our businesses have also benefitted from eco-point program incentives.

In Automotive, revenues and profits were ahead of the previous year, despite the weakness in the market with light-vehicle sales decreasing following revisions of eco-car tax exemptions.

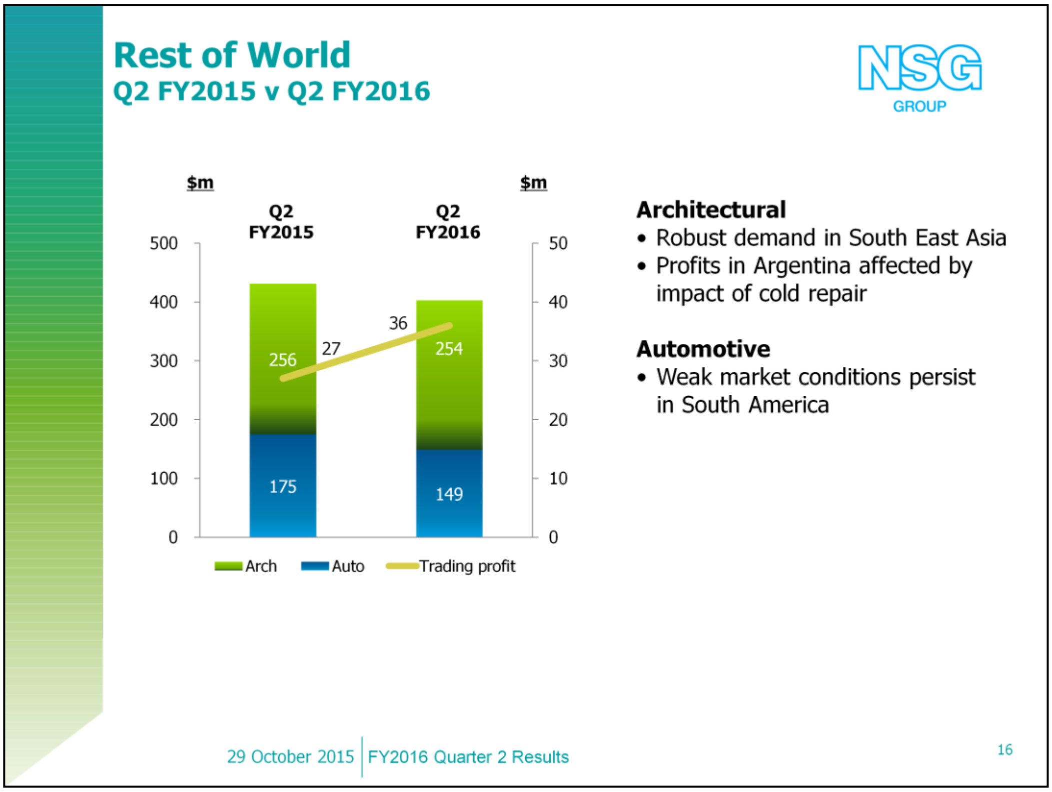


<Clemens Miller>

Turning now to North America on slide 15.

Architectural revenues and profits improved, as our businesses continued to benefit from further market growth.

In Automotive, revenues were slightly below the previous year.

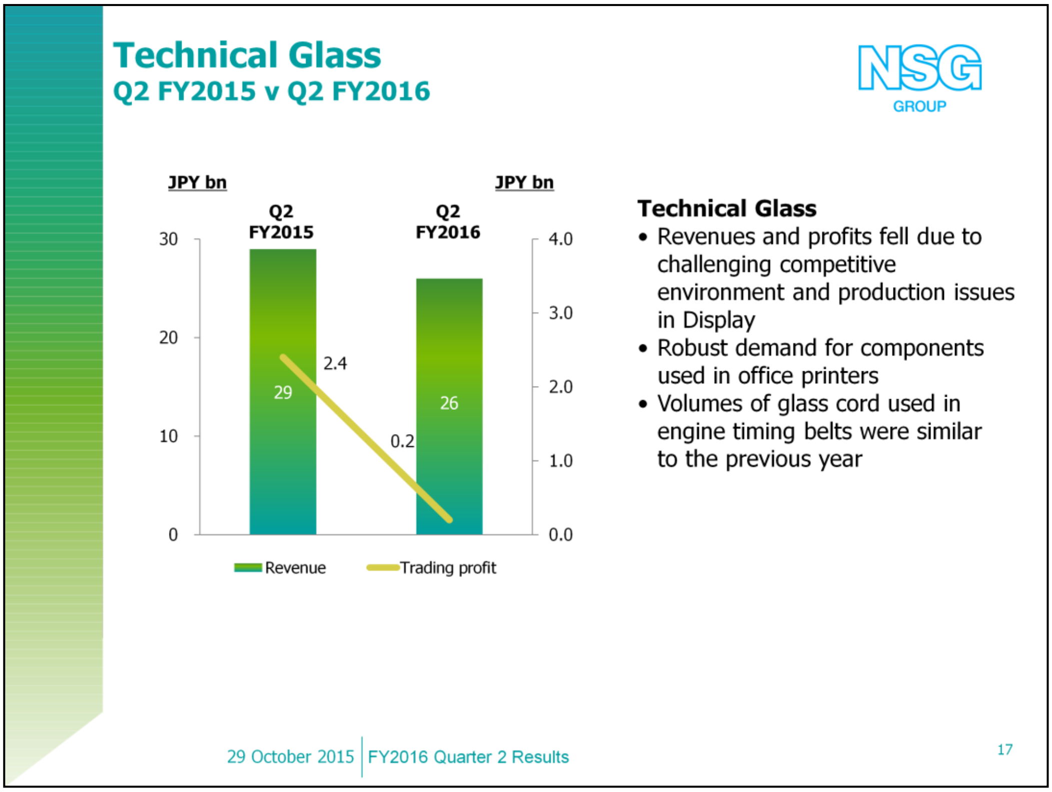


<Clemens Miller>

Moving to slide 16.

In the Architectural business for the rest of the world, South East Asia benefitted from robust demand, but South America was adversely affected by the float repair in Argentina.

Automotive markets in South America continue to suffer from difficult economic conditions, with a significant decline in vehicle sales from the previous year.



<Clemens Miller>

Turning now to Technical Glass on slide 17.

Profitability in the Technical Glass business deteriorated due to a challenging competitive environment in the Display business.

Market conditions in the office printer segment continue to be robust, while glass cord volumes used in engine timing belts were similar to the previous year.

I will now hand over this to Shigeki.

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Revised Forecast

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(JPY bn)	Original Forecast FY2016	New Forecast FY2016	Movement
Revenue	655	650	(5)
Operating profit	24	19	(5)

- Challenging market conditions expected to persist in display glass business
- Other businesses performing as expected

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<Shigeki Mori>

Thank you, Clemens. On slide 19, we are showing our revised forecast for FY16.

The Group has revised its forecast for FY16, as we now expect a reduction in revenues and operating profit based on the Group's first half operating performance, and in particular the challenging market conditions faced by our Display glass business.

We have not made a forecast for the other income statement sub-totals, due to uncertainties regarding the realization of exceptional items, and we will provide an update when we have more certainty on this.

<Shigeki Mori>

Now please turn to slide 20 for the summary of this presentation.

Our trading profit remains at same level as last year.

In Europe, we are seeing a gradually improving outlook, with positive indications coming from both architectural and automotive markets.

The performance of our businesses in Japan continues to improve, as did the results of our businesses in North America and South East Asia.

However, our businesses in South America were adversely affected by the difficult market conditions in that region.

We have revised our FY16 revenue and operating profit forecast to reflect the challenging market conditions facing our Display glass business.

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
Q2 FY2016

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(JPY bn)	Europe	Japan	North America	Rest of World	Total
Architectural	47.7	34.5	19.9	31.0	133.1
Automotive	71.2	27.8	45.3	18.1	162.4
Technical Glass	4.1	11.4	0.6	9.7	25.8
Others	0.1	0.3	0.0	0.0	0.4
Total	123.1	74.0	65.8	58.8	321.7

Trading profit
Q2 FY2016

(JPY bn)	Architectural	Automotive	Technical Glass	Other	Total
Trading profit	9.1	4.1	0.2	(3.3)	10.1

(JPY bn)	Europe	Japan	North America	Rest of World	Total
Trading profit	2.1	0.1	4.2	3.7	10.1

Assumptions

NSG GROUP

	Q2 FY2015	Q2 FY2016
Average rates used:		
JPY/GBP	173	188
JPY/EUR	140	135
JPY/USD	103	122
Closing rates used:		
JPY/GBP	178	182
JPY/EUR	139	135
JPY/USD	109	121

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