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NSG Group

FY2015 Quarter 3 Results

(from 1 April 2014 to 31 December 2014)

Nippon Sheet Glass Co., Ltd.
30 January 2015

NSG GROUP

Mark Lyons

Chief Financial Officer

Iain Smith

Group Financial Controller

FY2015 Quarter 3 Results
(from 1 April to 31 December 2014)

NSG GROUP

Agenda

Key Points

Financial Results

Business Update

Summary

Key Points - April to December 2014

NSG GROUP

- Results continue to show improvement over previous year
- Market conditions remain mixed, with improvements in some regions and reductions in others
- Further improvement in trading profitability expected during the remainder of FY2015

FY2015 Quarter 3 Results
(from 1 April to 31 December 2014)

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Consolidated Income Statement

NSG GROUP

(JPY bn)	Cum Q3 FY2015	Cum Q3 FY2014	Change from Cum Q3 FY2014
Revenue	**466.6**	**451.2**	**3%****
Trading profit	**16.7**	**14.2**	
Amortization*	(6.3)	(5.8)	
Operating profit before exceptional items	**10.4**	**8.4**	
Exceptional items	**10.7**	**(9.5)**	
Operating profit/(loss)	**21.1**	**(1.1)**	
Finance expenses (net)	(14.2)	(13.2)	
Share of JVs and associates	(0.4)	0.8	
Profit/(Loss) before taxation	**6.5**	**(13.5)**	
Profit/(Loss) for the period	**4.7**	**(13.7)**	
Profit/(Loss) attributable to owners of the parent	**4.0**	**(14.8)**	
EBITDA	41.2	38.0	8%

* Amortization arising from the acquisition of Pilkington plc only

** 0% based on constant exchange rates

Further improvement in profitability

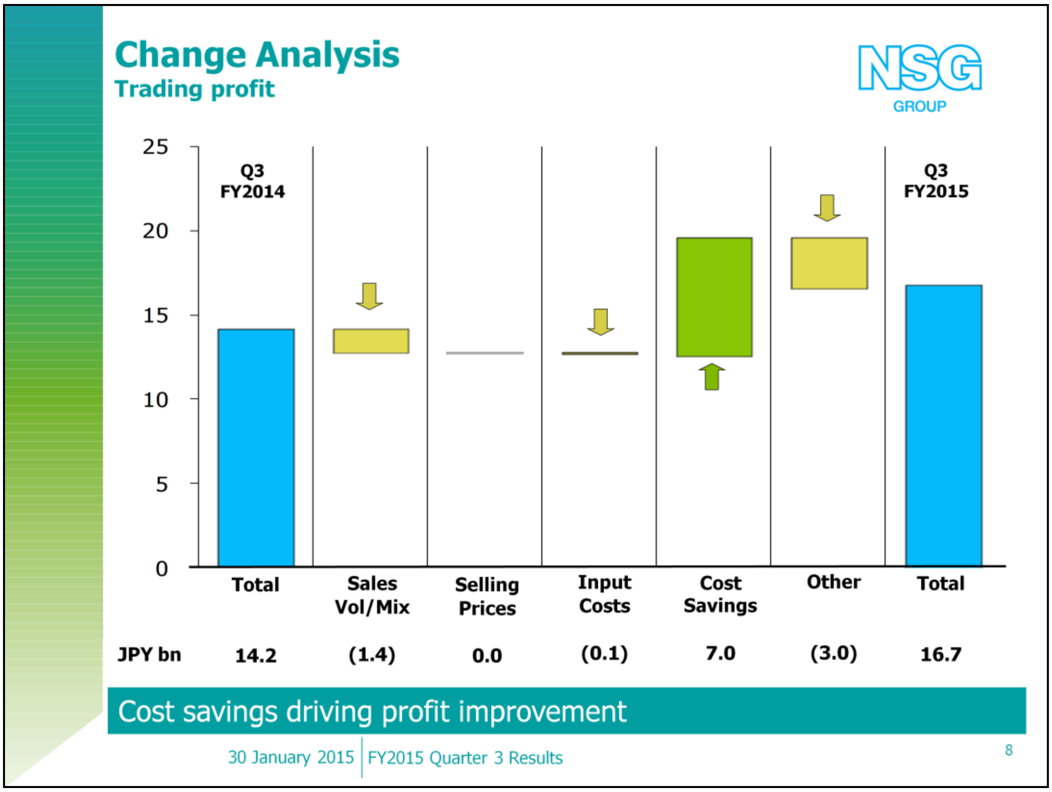
Revenues of 467bn yen are 3% higher than the previous year. At constant exchange rates, revenues would have been largely unchanged from the previous year.

The operating result has improved compared to last year despite the mixed market conditions.

Exceptional costs include two individually significant gains recorded in the second quarter, along with the residual impacts of the Group's restructuring program.

Net financial expenses increased, and the Group's share of joint ventures and associates results was affected by exchange losses incurred in our joint venture in Russia.

At the foot of the income statement, the profit for the period is positive.



The volume story is mixed. We have seen improvements in some markets, notably North America. However, these have been offset by reductions elsewhere, particularly in South America, and also in Architectural Japan which was affected by the increase in consumption tax earlier in the year.

Underlying prices in most markets have been stable. Input costs were generally similar to the previous year.

The benefit from cost savings is consistent with our previous expectations.

The others bar is a negative, and this is mainly due to some one-off gains recognized during the previous year.

Consolidated Cash Flow Summary

NSG GROUP

(JPY bn)	Cum Q3 FY2015	Cum Q3 FY2014
Profit/(loss) for the period	4.7	(13.7)
Depreciation and amortization	31.2	30.2
Net change in working capital	(7.9)	(5.9)
Tax paid	(3.3)	(2.7)
Gain on sale of property, plant and equipment	(4.8)	(0.3)
Gain on reclassification of investments	(13.3)	-
Others	(9.0)	(13.1)
Net cash outflow from operating activities	(2.4)	(5.5)
Purchase of property, plant and equipment	(21.8)	(16.1)
Others	4.9	4.9
Net cash used in investing activities	(16.9)	(11.2)
Cash flow before financing activites	(19.3)	(16.7)

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Operating cash flows, whilst negative, have improved in line with the increase in trading profits.

Investing cash flows have increased due to a higher level of capital expenditure.

We anticipate an improvement in cash flow performance during the fourth quarter.

Key Performance Indicators

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	31-Dec-14	31-Mar-14
Net Debt (JPY bn)	406	379
Net Debt/EBITDA	7.0x	7.0x
Net Debt/Equity Ratio	2.0	2.2
	Q3 FY2015	**Q3 FY2014**
EBITDA Interest Cover	3.5x	3.6x
Operating Return* on Sales	3.6%	3.2%

* trading profit

Net debt/EBITDA is unchanged from the level at March, with the increased net debt being offset by the improved EBITDA.

The income statement ratios at the bottom of the slide continue to benefit from improvements in profitability.

I'll now hand back to Mark who will discuss the performance and outlook for each business and region.

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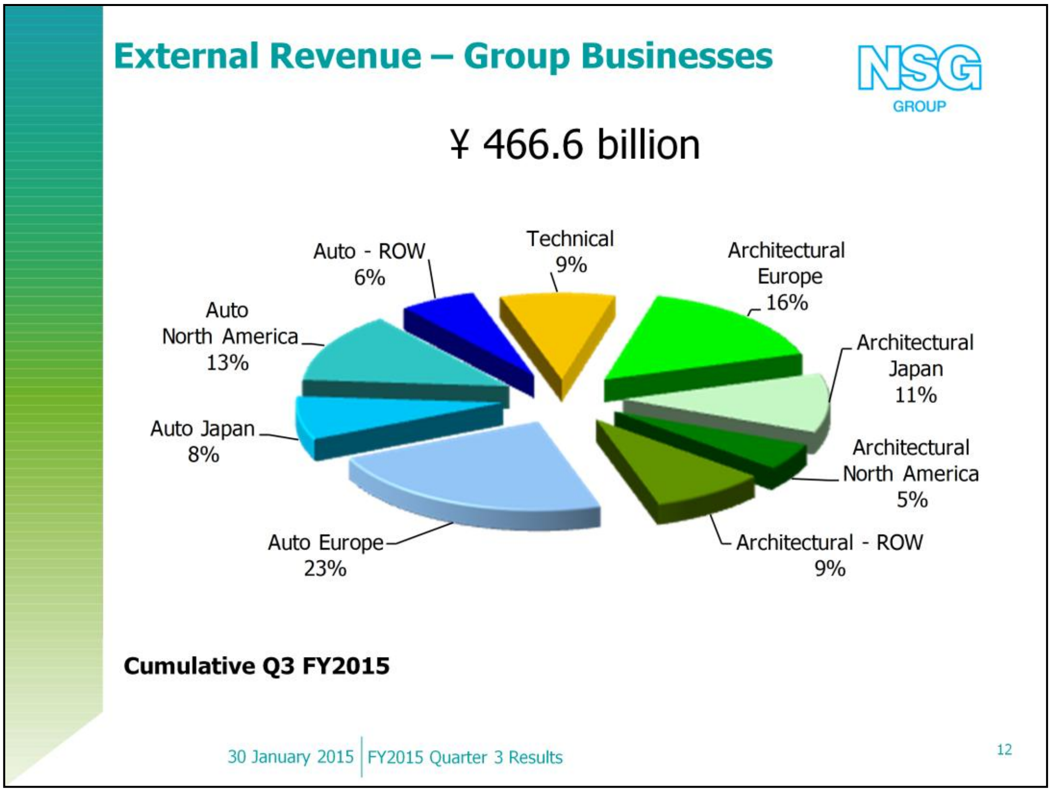

This slide shows the proportion of sales generated by each of the Group's business segments.

Approximately 39 percent of the Group's sales are in Europe, 25 percent are in Japan, 18 percent are in North America and 18 percent are in the rest of the world.

Europe
Q3 FY2014 v Q3 FY2015

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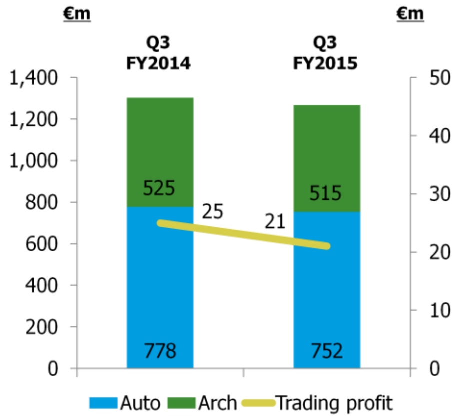


Architectural
- Weak but stable market conditions
- Profitability similar to the previous year

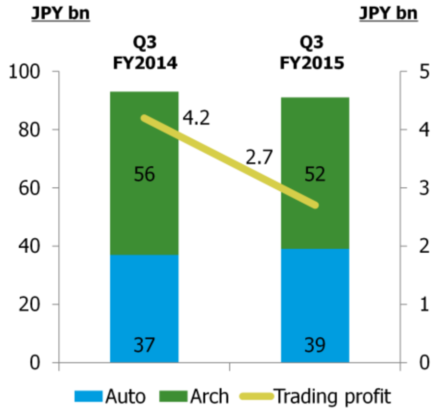
Automotive
- Cumulative light-vehicle sales ahead of previous year, with signs of growth in Western Europe
- Lower AGR volumes

Demand in the European architectural market was stable. Profitability remained similar to the previous year.

In Automotive OE, some signs of improvement were seen in Western Europe, while conditions in Eastern Europe were more challenging.

Volumes in the Automotive Glass Replacement business fell, with lower demand following a relatively mild winter during the previous financial year.

Japan
Q3 FY2014 v Q3 FY2015



Architectural
- Volumes fell following consumption tax increase
- Weak demand prior to implementation of eco-point housing support program, but long-term prospects continue to be positive

Automotive
- OE volumes robust despite consumption tax increase
- Profits impacted by cost push

In Architectural, volumes fell as the consumption tax increase and the announcement of the "Eco-point" program caused demand to soften.
The long-term prospects for the Architectural business continue to be positive however.

Automotive OE volumes were ahead of the previous year, with robust domestic demand, despite the consumption tax increase. Profitability was impacted by increased input costs.

North America
Q3 FY2014 v Q3 FY2015

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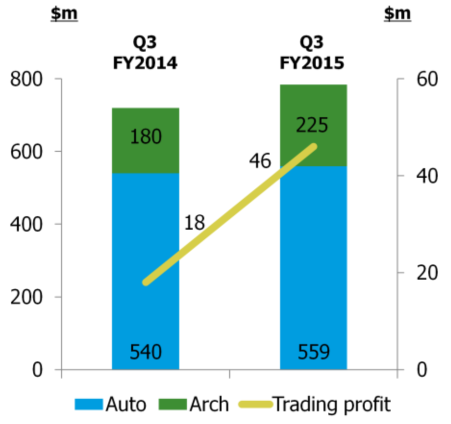

Architectural
- Revenues and profits improved from the previous year
- Volumes increased, improved domestic and Solar demand
- Domestic price levels above the previous year

Automotive
- OE market volumes continued to increase
- Strong AGR demand

Architectural volumes have been strong, benefitting from further improvements in domestic and Solar Energy glass demand. Prices have also improved from the previous year.

Automotive OE market volumes continue to increase. The AGR business has benefitted from strong demand following harsh winter weather conditions during the previous financial year.

Rest of World
Q3 FY2014 v Q3 FY2015

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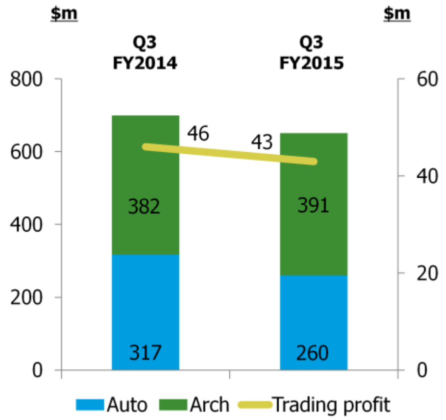

Architectural
- South East Asia markets strong with improving domestic demand and increased Solar Energy dispatches

Automotive
- Weak market conditions in South America

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In the Architectural business, South East Asia enjoyed improvements in domestic demand and increased volumes of Solar Energy glass supplied from Vietnam. This was largely offset though by challenging market conditions in South America.

Automotive markets in South America remain weak.

Technical Glass
Q3 FY2014 v Q3 FY2015

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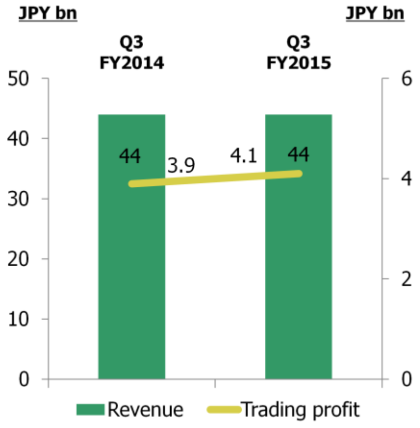

Technical Glass

- Solid demand for office printer components
- Glass cord volumes similar to previous year
- Display glass impacted by increased competition
- Volume reductions in thin glass due to disposal of LCD component business in previous year

Revenues in this business were similar to the previous year.

Display glass was impacted by increased competition, although this was offset by improved demand in the office printer market.

Glass cord markets were similar to the previous year.

Key Points

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- Profits continuing to improve despite mixed market conditions
  - Strong performance in North America
  - Solar market conditions improving
  - Stable market conditions in Europe, but still at a low level
  - Japan Automotive markets holding up well, potential for Architectural recovery with eco-point program
  - Previous restructuring continues to deliver benefits

Market conditions have been mixed, with improvements in some regions and reductions in other.

We have seen strong performances particularly in North America and Solar, as market demand increased.

Market conditions in Europe were stable, but still at a low level. A significant market recovery has not yet materialized.

Market conditions in Japan were mixed. The consumption tax increase earlier in the year negatively affected architectural volumes, although automotive volumes held up relatively well.

Across each of our markets, our restructuring actions are delivering benefits in line with our expectations.

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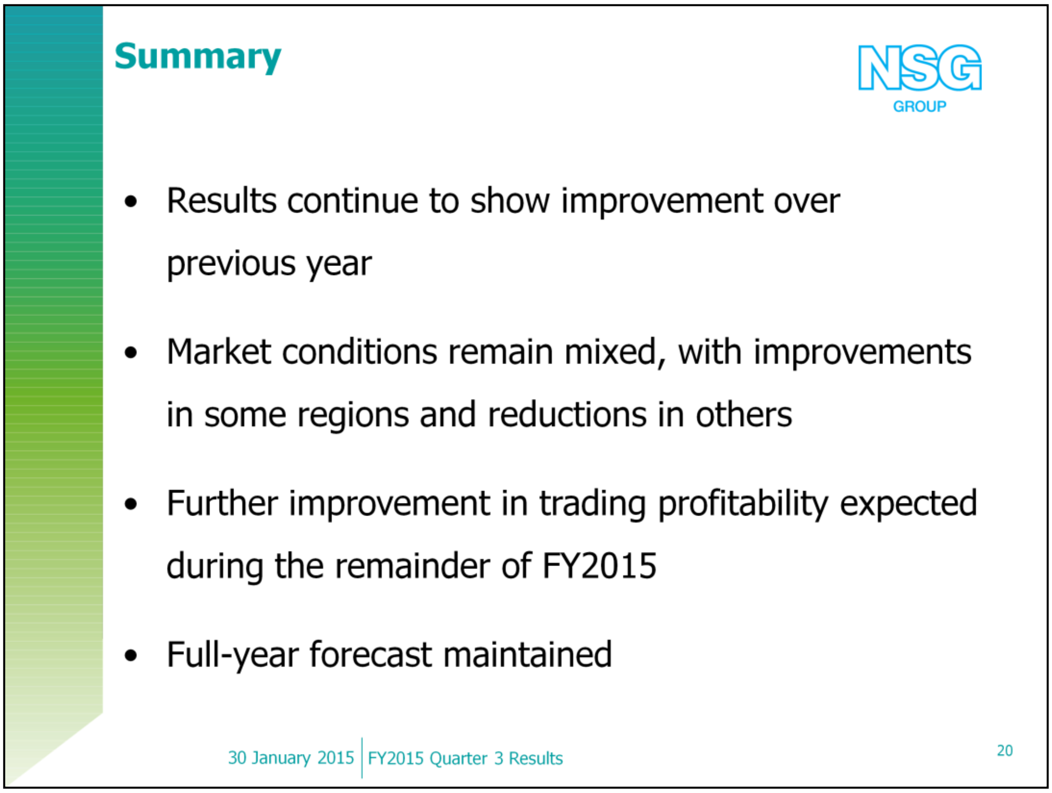

Profitability has improved from the previous year and continues to benefit from the restructuring actions that we have taken.

Overall market conditions were mixed. We observed signs of improvement in certain markets, while others remained at a low level.

We expect our trading profitability to continue to improve through the remainder of FY2015.

The full-year forecast remains unchanged.

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
Q3 FY2015

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(JPY bn)	Japan	Europe	North America	Rest of World	Total
Architectural	51.7	72.5	23.9	41.7	189.8
Automotive	38.8	105.9	59.6	27.7	232.0
Technical Glass	23.4	5.9	0.9	13.7	43.9
Others	0.8	0.1	0.0	0.0	0.9
Total	114.7	184.4	84.4	83.1	466.6

Trading profit
Q3 FY2015

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(JPY bn)	Architectural	Automotive	Technical Glass	Other	Total
Trading profit	10.1	5.0	4.1	(2.5)	16.7

(JPY bn)	Japan	Europe	North America	Rest of World	Total
Trading profit	3.6	3.7	4.5	4.9	16.7

Assumptions

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	Q3 FY2014	Q3 FY2015
Average rates used:		
JPY/GBP	156	176
JPY/EUR	132	141
JPY/USD	99	107
Closing rates used:		
JPY/GBP	174	187
JPY/EUR	145	145
JPY/USD	105	121

Exceptional items

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(JPY bn)	Cum Q3 FY2015
Gain on reclassification of investments	13.3
Gain on disposal of non-current assets	4.5
Restructuring costs	(6.5)
Other items	(0.6)
	10.7

Exceptional costs include two individually significant gains, both of which arose during Q2, along with the residual impacts of the Group's restructuring program.

Firstly, concerning the gain on reclassification of investments :

This is due to the reduction in the Group's management involvement in the Chinese glass company, SYP. This requires a change in accounting treatment as we no longer have significant influence over the operations of SYP, and as a consequence we have to reclassify our interest in SYP to a financial investment. Previously we had accounted for SYP under the equity method. The value of NSG's investment in SYP is now shown at market value resulting in a gain of 13.3 bn yen.

Secondly the gain on disposal of non-current assets refers to the sale and lease-back of land at Itami City, Japan.

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