



TO OUR SHAREHOLDERS

NIPPON SHEET GLASS CO., LTD.
148TH FISCAL PERIOD REPORT
1 APRIL 2013 - 31 MARCH 2014

'MAKING A DIFFERENCE TO OUR WORLD
THROUGH GLASS TECHNOLOGY'

MESSAGE FROM THE PRESIDENT AND CEO

On behalf of the NSG Group, I thank you for your continued support.

Conditions in the Group's major architectural and automotive glass markets improved from the previous year. Activity levels in Europe remain at low levels, although conditions gradually strengthened towards the end of the year. Markets in Japan improved, with higher demand ahead of planned increases in indirect taxation. North American markets also showed further growth. Overall, technical glass markets were mixed with improvements in some areas and reductions in others.

Benefiting from the Group's restructuring actions, profitability improved and will continue to do so.

We will further accelerate the recovery of our profitability in-line with our new 4 year medium-term plan.



Keiji Yoshikawa
Representative Executive Officer
President and CEO

Operating results in the Architectural business were significantly better than the previous year due mainly to the effects of the Groups' restructuring program. Revenues improved due to the translational impact of a weaker Japanese yen.

In the Automotive business, revenues also improved from the previous year due mainly to the translational impact of a weaker Japanese yen. Market conditions generally improved from the previous year.

Revenues in the Technical Glass business were similar to the previous year as yen translation gains offset volume reductions. Profits fell slightly but remain at a satisfactory level.

Underlying profitability will continue to benefit from the Group's restructuring action.

The Group's dividend policy is to secure dividend payments based on sustainable business results. As a consequence of the current market conditions faced by the Group, and the loss recorded for the year, the directors do not recommend a dividend for the year to

31 March 2014. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

The Group has announced its' medium-term plan (MTP), covering the financial period to 31 March 2018. Our strategic vision, which is the foundation for the MTP, is to transform the NSG Group into a VA Glass Company. We believe that the Group, through the MTP, will be able to create shareholder value by focusing on producing innovative and technologically advanced glass products and thus improving financial performance.

We look forward to your continuing understanding and support of our activities.

吉川 恵治

Keiji Yoshikawa
Representative Executive Officer
President and CEO
Nippon Sheet Glass Co., Ltd.

5 June 2014

NEWS

Ultra Thin Glass Capacity Expansion Project in Vietnam

NSG Group opened its new ultra thin glass float line in Vietnam in June 2014. This facility will commence production from the second half of this fiscal year. As a result of this, the Group now has two float lines dedicated to Ultra Fine Flat glass (UFF™) (one in Japan and Vietnam respectively).

We are the world-leading supplier of ultra thin glass for small LCD applications. NSG's UFF™ products are increasingly being used in the growing touch panel market and as cover glass for computers and mobile devices.

The Group will continue to meet our global customer's needs by fully utilizing our technological leadership and development capability in these fast-growing segments.



UFF™ float line building

SPACIA 21® Wins the FY2013 Energy Conservation Grand Prize

Our vacuum double-glazing glass, SPACIA 21® clear thermal shield unit, won the Chairman's Prize, at the presentation of the FY 2013 Energy Conservation Grand Prize (Product category & Business Model Category), organized by The Energy Conservation Center, Japan.

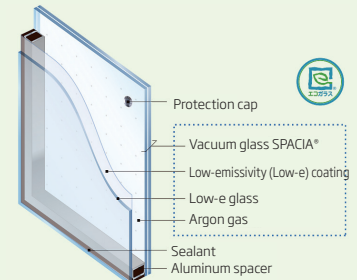
The Energy Conservation Center is a body aimed at promoting energy conservation and development and is supported by the Ministry of Economy, Trade and Industry, Japan. This award recognizes outstanding developments in energy-saving product performance and the promotion of energy-saving awareness.

SPACIA 21®, clear thermal shield unit, launched in November 2013, is a state-of-the-art window glass product with its thermal insulation performance improved by 10% compared to conventional products of the same thickness, as well as increasing solar shading performance. SPACIA 21®, a unique hybrid glazing unit, is only 18.2mm thick but has the same thermal insulation performance as standard 50mm glass wool wall insulation. We believe all of these technological innovations were recognized and led to the awarding of this prize.

The NSG Group will continue to develop high-value-added products that can further contribute to energy conservation in the future.



Awards ceremony was held in January 2014



Structure of SPACIA 21®

Special Feature:

NSG Group Long-term Strategic Vision and Medium-term Plan

Long-term Strategic Vision

NSG Group announced that our new strategic vision is to transform the Group into a **'VA Glass Company'**.

'VA' comes from 'Value-added' and our aim is to

- **Consolidate our trusted reputation as a glass specialist**
- **Work closely with our customers in a range of global industries to deliver unique value through our products and services**
- **Transform our flat glass business, moving from a traditional business model towards one increasingly focused on VA**

Through this shift in focus, to become more of a "VA Glass Company", the Group aims to become a more profitable and financially stronger business, with a lighter asset base, while reducing the cyclical nature of the business at the same time.

Medium-term Plan

The next 4 years are critical to the establishment of the Group as a "VA Glass Company". The priority being to enhance our financial and operational performance while we shift to selling more value-added products as described in our new long term vision. Operational performance will focus on our shift to selling a greater proportion of value-added products, fully utilizing our existing capacity and consolidating our reputation for manufacturing excellence.

Expansion of Value-added Businesses

ARCHI-TECTURAL	Glass for photovoltaics		
	Vacuum glazing		
	Low-e + solar control coatings		
	Fire protection glass		
AUTO-MOTIVE	Solar control, UV and IR cut		
	Integrated functionality for safety and comfort		
	Complicated styling		
TECHNICAL GLASS	Automotive glass replacement (AGR)		
	Optical devices for office printers		
	Glass cord for timing belts		
	Display glass		

Value-added

Accelerating Shift to VA Products

<Proportion of total sales>

VA ratio
Approximately
1/3
(Current: FY2014)

VA ratio
Aiming for
1/2 or greater
(FY2019~)

FY2018 Expectations

FY2018 Main Financial Targets

- Net Debt/EBITDA: 3x
- Return* on Sales: 8%

Glass growth assumptions

- Developed markets – slow recovery
- Emerging markets – moderate growth

FY2018 projected outcomes (JPY bn)	FY2014 (JPY bn)
Revenues	≥670 / 606
Operating Profit*	60 / 22
EBITDA	100 / 54
Net Debt	300 / 379
ROE	≥10% / -

*Operating Profit before amortization and exceptional items

CONSOLIDATED FINANCIAL HIGHLIGHTS

Income statement

	Millions of yen	
	Fiscal 2014	Fiscal 2013
Revenue	606,095	521,346
Operating profit before exceptional items	14,567	1,946
Loss before taxation	(16,401)	(31,096)
Loss for the period	(16,485)	(33,455)
Loss attributable to the owners of the parent	(17,630)	(34,324)
Earnings per share (yen)	(19.53)	(38.04)

Balance sheet

	Millions of yen	
	31 MARCH 2014	31 MARCH 2013
Non-current assets	643,369	591,360
Current assets	281,806	294,076
Total assets	925,175	885,436
Total liabilities	750,677	729,983
Total equity	174,498	155,453
Total liabilities and equity	925,175	885,436

Statement of cash flows

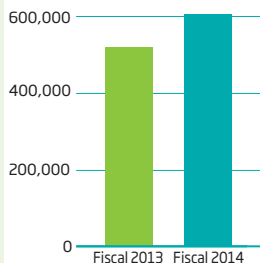
	Millions of yen	
	Fiscal 2014	Fiscal 2013
Net cash inflows from operating activities	17,880	14,213
Net cash outflows from investing activities	(17,106)	(7,041)
Cash flow before financing activities	774	7,172
Net cash (outflows)/inflows from financing activities	(20,744)	27,945
Cash and cash equivalents (net of bank overdrafts) at the end of the period	52,293	65,173

Revenue by business



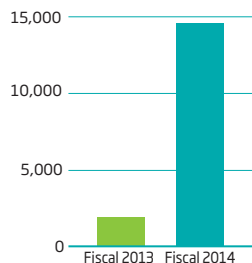
Revenue

Millions of yen



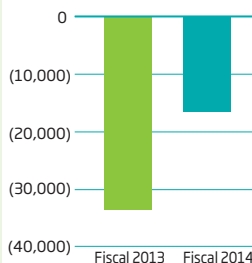
Operating profit before exceptional items

Millions of yen



Loss for the period

Millions of yen



Architectural Europe	16%
Architectural Japan	12%
Architectural North America	4%
Architectural Rest of World	8%
Automotive Europe	23%
Automotive Japan	8%
Automotive North America	12%
Automotive Rest of World	7%
Technical Glass	10%

Note: All current and prior year results are presented under International Financial Reporting Standards (IFRS). Following the adoption of the amended version of IAS19 (employee benefits), the Group has restated its comparative FY2013 income statement.

SHAREHOLDER INFORMATION

Fiscal period	1 April to 31 March of the following year
Ordinary General Meeting of Shareholders	Held annually in June
Record dates	Ordinary General Meeting of Shareholders: 31 March Dividend: 30 September and 31 March
Transfer agent	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Operating office	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Public notice	www.nsg.com
Independent auditors	Ernst & Young ShinNihon LLC

If you need to record any changes in your address, personal details or any other relevant matter, please contact the securities company administrating your shareholder account.

If you do not use a securities company, please notify our Transfer Agent as shown below.

Notice to shareholders holding odd-lot shares

If you hold an odd-lot of shares (1 to 999 shares), which is less than a trading unit of shares (1,000 shares), you could:

1. sell these shares to the Company, or
2. purchase odd-lot shares from the Company to supplement your holding to the extent necessary to constitute a trading unit.

Please contact the securities company administrating your shareholder account for its specific procedures.

If you do not use a securities company, please contact our transfer agent as shown below.

Mail address Stock Transfer Agency Department,
Sumitomo Mitsui Trust Bank, Limited
8-4, Izumi 2-chome, Suginami-ku,
Tokyo 168-0063, Japan

Telephone Number ☎ 0120-782-031 (toll free in Japan)

CORPORATE DATA (as at 31 March 2014)

Company name	Nippon Sheet Glass Co., Ltd.
Head office	Sumitomo Fudosan Mita Twin Building West Wing, 5-27, Mita 3-chome, Minato-ku, Tokyo 108-6321 Japan Tel: +81-3-5443-9500
Established	22 November 1918
Number of permanent employees	27,079 (consolidated)
Paid-in capital	¥116,449 million
Stock listing	Tokyo (Code: 5202)
Contact	www.nsg.com/en/contact-us

General Information

Voting results of the 148th Ordinary General Meeting of Shareholders will be filed and shown via EDINET (<http://disclosure.edinet-fsa.go.jp/>) in the form of an Extraordinary Report (in Japanese Only) and also disclosed on the Company's website at www.nsg.com (in English) and at www.nsg.co.jp (in Japanese).

Website

Further information about the Group including its financial results and latest IR information is available at

www.nsg.com

