Notice of Convening The 149th Ordinary General Meeting of Shareholders

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Date and Time:

10:00 A.M., Friday, 26 June 2015
(registration to begin from 9:00 A.M.)

Venue:

Shinagawa Intercity Hall
15-4, Konan 2-Chome, Minato-ku, Tokyo

(Please refer to the "Map of the Venue for the Ordinary General Meeting of Shareholders" attached at the end.)

■**Deadline to exercise the voting right in writing or via the Internet**

5: 45 p.m. (Japan time)

Thursday, 25 June 2015

Nippon Sheet Glass Company, Limited
Securities Code: 5202

Securities Code: 5202

4 June 2015

Keiji Yoshikawa,
Director,
Nippon Sheet Glass Co., Ltd.
5-27, Mita 3-Chome, Minato-ku, Tokyo

Notice of Convening the 149th Ordinary General Meeting of Shareholders

Dear Shareholder,

You are cordially invited to attend the 148th Ordinary General Meeting of Shareholders to be held as follows.

Should you be unable to attend the meeting in person on the day, you are entitled to exercise your voting rights in writing or via the Internet. In this case you are kindly asked to review and consider the Reference Materials for the General Meeting of Shareholders produced below, and then exercise your voting rights according to the explanations and instructions described in page 2 of the same no later than 5:45 p.m. (Japan time) of 25 June (Thu.)2015.

Note:

1. Date and Time: 10:00 A.M., Friday, 26 June 2015

2. Venue: Shinagawa Intercity Hall, 15-4, Konan 2-Chome, Minato-ku, Tokyo

(Please refer to the “Map of the Venue for the Ordinary General Meeting of Shareholders” attached at the end.)

3. Agenda

Matters to be Noted

1. Business Reports, Reports of the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements, for the 149th fiscal period from 1 April 2014 to 31 March 2015.
2. Reports of the Financial Statements for the 149th fiscal period from 1 April 2014 to 31 March 2015.

Matters to be Resolved

Proposal 1: Partial Amendments to the Articles of Incorporation

Proposal 2: Election of Eight Directors

4. Online disclosure

Reference Materials for the General Meeting of Shareholders and those Business Report, Consolidated Financial Statements, and Financial Statements which need to be attached to this Convening Notice are all as duplicated and shown in pages 5 to 51 below, with the exclusion of Notes to the Consolidated Financial Statements and Notes to the Financial Statements which are posted and made available on the Company's website at www.nsg.com in accordance with the relevant law and ordinance, and article 14 of the Articles of Incorporation.

5. Exercising Voting Rights

(1) When exercising voting rights in writing

Indicate your approval or disapproval of the proposals in the enclosed voting rights exercising card and send it so that it reaches us no later than 5:45 p.m. (Japan time) of 25 June (Thu.) 2015.

(2) When exercising voting rights via the Internet

When exercising voting rights via the Internet, please carefully read "**Information concerning exercising voting rights via the Internet**" as shown below (pages 3 to 4) and then exercise the rights no later than 5:45 p.m. (Japan time) of 25 June (Thu.)2015.

- When attending the meeting on the day, please present the enclosed voting rights exercising card to the reception.
- If it should become necessary to make any amendments to any of the Reference Materials for the General Meeting of Shareholders, Business Reports, Consolidated Financial Statements and/or Financial Statements, such amendments shall be notified to you by mail, or on the Company's website at www.nsg.com.
- Voting results of the meeting 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). You are kindly asked to acknowledge and confirm that these actions would operate as alternatives to issue of a resolution notice.

Information concerning Exercising Voting Right via the Internet

Please note the following matters upon exercising voting rights via the Internet.

1. Website for exercising voting rights

Exercising voting rights via the Internet can be carried out only through the following website specified by the Company: http://www.web54.net (in Japanese only)

2. Voting rights

(1) When exercising voting rights via the Internet, use voting rights code and password listed in the enclosed voting rights exercising card and follow the on-screen directions to indicate your approval or disapproval of the proposals.

(2) Though voting rights may be exercised till 5:45 p.m. (Japan time) of 26 June (Wed.) 2013, it would be greatly appreciated if you could kindly exercise the rights earlier to facilitate early tabulation of the voting results.

(3) When a shareholder exercises his or her voting right both in writing and via the Internet, the voting rights exercised via the Internet shall take precedence over the one in writing. When a shareholder exercises his or her voting right multiple times via the Internet, the last valid exercise of voting rights via the Internet shall be considered as the shareholder's final vote.

(4) The shareholder shall bear any connection fees of the service provider or telecommunication charges upon using the website for exercising voting rights.

3. Voting rights code and password

(1) The password is very important information to identify you at the voting. Please treat it very carefully in the same manner as if it is your personal seal or secret number.

(2) In the event that you put wrong password a certain number of times such password will become invalid. If you wish reissue of the password please follow the instruction shown on the screen.

(3) The voting rights code written on voting rights exercising card shall be valid only for this General Meeting of Shareholders.

4. System Requirements for Exercising Voting Rights via the Internet

Please confirm the following system requirements of your computer when you exercise voting rights via Internet:

(1) Website for personal computer

A) Display resolution of the computer is 800×600 (SVGA) or higher.

B) Following applications are installed into the computer

(i) Microsoft® Internet Explorer 5.01 SP2 or its higher version as Internet browser software

(ii) Adobe® Acrobat® Reader® 4.0 or its higher version, or Adobe® Reader™ 6.0 or its higher version as PDF file browser

* Microsoft is the registered trademark of Microsoft Corporation in the U.S. and other countries. Internet Explorer is the name of product provided by Microsoft Corporation. Adobe® Acrobat® Reader® and Adobe® Reader® are the trademarks or registered trademarks of Adobe Systems Incorporated in the U.S. and other countries.

* You can download such software for free at the website of each company respectively.

(iii) If the pop-up broker is active on your computer please make it (temporarily) inactive and Cookie enabled for this website in the privacy setting.

(iv) If you cannot access the website the Internet access might be restricted due to the setting of firewall proxy server and security software. In such case please check the settings.

(2) Website for mobile phone

Mobile phone is capable of 128-bit SSL communication (encrypted communication), and either of the following services is available: i) i-mode, ii) EZweb or iii) Yahoo! Keitai

* i-mode, EZweb, Yahoo! and Yahoo! Keitai are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI Corporation, Yahoo! Incorporated and SoftBank Mobile Corporation respectably.

* In the case that you access the website by using; full browsing application of mobile devices; PC via network provided by the mobile device or; Smartphone device, your voting is deemed as the one exercised on the website for personal computer.

5. Inquiries regarding Exercising Voting Rights via the Internet

(1) Contact for any inquiries regarding the exercise of voting rights via the Internet

Web support desk of Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Telephone number:

0120-652-031 (from 9 a.m. to 9 p.m. Japan time, toll free in Japan)

(2) Contact for other information such as request for documents

A) If you have a shareholder account of securities company:

Please contact the securities company administrating your shareholder account

B) If you do NOT have a shareholder account of securities company:

Please contact the Administration Center of Transfer Agency of Sumitomo Mitsui Trust Bank

Telephone number:

0120-782-031 (Weekdays from 9 a.m. to 5 p.m. Japan time, toll free in Japan)

6. Electronic Voting Platform for institutional shareholders

The Electronic Voting Platform operated by ICJ, inc. is available for institutional shareholders.

Reference materials for proposal at General Meeting of Shareholders

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Objective

(1) To change the term of "Company with Committees" to "Company with Three Committees" in Article 4 of the current Articles of Incorporation due to the enforcement of "the Act on the Partial Revision of the Companies Act" (Act No. 90 of 2014) which took effect on 1 May 2015.

(2) To amend the provision of Article 13 (Chairmanship) of the current Articles of Incorporation to enable even an Executive Officer not concurrently serving as Director to chair the General Meeting of Shareholders with the view to running the meeting in a flexible and efficient manner.

2. Details

(Changes are shown as underlined)

Current Version	Proposed Amendments
CHAPTER 1: GENERAL PROVISIONS	**CHAPTER 1: GENERAL PROVISIONS**
Article 1 through (Omitted) **Article 3**	**Article 1** through (Same as the Current Version) **Article 3**
Article 4 Organizations and Offices In addition to the General Meeting of Shareholders and the Directors, as a Company with Committees, the Company shall establish the following organizations and offices:- a) Board of Directors; b) Nomination Committee, Audit Committee and Compensation Committee; c) Executive Officer; and d) Accounting Auditor	**Article 4 Organizations and Offices** In addition to the General Meeting of Shareholders and the Directors, as a Company with <u>Three</u> Committees, the Company shall establish the following organizations and offices:- a) Board of Directors; b) Nomination Committee, Audit Committee and Compensation Committee; c) Executive Officer; and d) Accounting Auditor
Article 5 through (Omitted) **Article 10**	**Article 5** through (Same as the Current Version) **Article 10**
CHAPTER 3: GENERAL MEETING OF SHAREHOLDERS	**CHAPTER 3: GENERAL MEETING OF SHAREHOLDERS**
Article 11 through (Omitted) **Article 12**	**Article 11** through (Same as the Current Version) **Article 12**
Article 13 Chairmanship A Director chosen beforehand by the Board of Directors shall convene the General Meeting of Shareholders <u>and</u> assume its chairmanship.	**Article 13 <u>Authority to Convene the Meeting and</u> Chairmanship** A Director chosen beforehand by the Board of Directors shall convene the General Meeting of Shareholders<u>.</u> <u>A Director or an Executive Officer</u>

	chosen beforehand by the Board of Directors shall assume its chairmanship.
In case of disability of the said Director, one of the other Directors shall assume such chairmanship in the order pre-determined by the Board of Directors.	In case of disability of the Director or Executive Officer set forth in the preceding paragraph, one of the other Directors or Executive Officers shall assume such chairmanship in the order pre-determined by the Board of Directors.
Article 14 through **Article 31** (Omitted)	**Article 14** through **Article 31** (Same as the Current Version)

Proposal 2: Election of Eight Directors

The term of office of all the eight Directors shall expire as of the end of this Ordinary General Meeting of Shareholders. It is therefore proposed that the following eight Directors be elected. Details of the Director candidates are as follows:

No.	Name			Current Responsibilities at NSG Group
1	Seiichi Asaka	Reappointed	Candidate for External Director Candidate for Independent Director	■ Chairman of the Board ■ Chairman of Nomination Committee ■ Member of Audit Committee ■ Member of Compensation Committee
2	Shigeki Mori	New		
3	Clemens Miller	Reappointed		
4	Mark Lyons	Reappointed		
5	Kenichi Morooka	Reappointed		■ Member of Nomination Committee ■ Member of Compensation Committee
6	Hiroshi Komiya	Reappointed	Candidate for External Director Candidate for Independent Director	■ Chairman of Compensation Committee ■ Member of Nomination Committee ■ Member of Audit Committee
7	Günter Zorn	Reappointed	Candidate for External Director Candidate for Independent Director	■ Member of Nomination Committee ■ Member of Audit Committee ■ Member of Compensation Committee
8	Toshikuni Yamazaki	New	Candidate for External Director Candidate for Independent Director	

Notes:

1. Responsibilities of each of Director candidates stated above are as at the time of this Ordinary General Meeting of Shareholders.
2. Responsibilities of each of Director including the newly appointed Director candidates will be newly determined by the resolution of the Board of Directors to be held immediately after this Ordinary General Meeting of Shareholders.

Reappointment | Candidate for External Director | Candidate for Independent Director

1 Mr. Seiichi Asaka

- **Positions / responsibilities at NSG Group**: Director, Chairman of the Board, Chairman of Nomination Committee, and a member of Audit Committee and Compensation Committee
- **Date of birth**: 24 December 1942 (72 years old)
- **Terms of office as External Director**: 5 years (as of the end of this General Meeting of Shareholders.)
- **Record of attendance at Board of Directors meetings**: 100% (12/12)
- **Number of the Company's shares owned**: 16,603
- **Material concurrent office**: n/a
- **Reasons for recommendation as an External Director**:

  Mr. Seiichi Asaka became External Director of NSG in June 2010 and has taken a role as the chair of the Nomination Committee for the period from June 2012 to March 2013, and subsequently has chaired the Board of Directors since April 2013 and Nomination Committee since June 2014. He has the career and experiences of serving as Chairman of the Board, Representative Executive Officer and President of the major international manufacturing company. It is expected that he will continue to take leadership in running the Board meeting effectively and efficiently from an independent and objective standpoint, as well as based upon his abundant experiences and broad knowledge with regard to business management, thus to strengthen the supervisory function of the Board.

- **Brief career history**

Apr. 1965	Joined NSK Ltd.
Jun. 1994	Director, NSK Ltd.
Jun. 1997	Managing Director, NSK Ltd.
Jun. 2000	Representative Director, Senior Managing Officer, NSK Ltd.
Jun. 2002	Representative Director, President, NSK Ltd.
Jun. 2004	Director, President & Representative Chief Executive Officer, NSK Ltd.
Jun. 2009	Director, Chairman, NSK Ltd.
Apr. 2010	Director, Chairman, NSK Ltd.
	Director, NKSJ Holdings, Inc. (Retired in June 2013)
Jun. 2010	Director, Chairman, NSK Ltd.
	Director, NSG Group (Current position)
Jun. 2011	Honorary Chairman, NSK Ltd.
Apr. 2013	Honorary Chairman, NSK Ltd.
	Chairman of the Board, NSG Group (Current position)
Apr. 2014	Senior Advisor, NSK Ltd. (Current position)

New

2 Mr. Shigeki Mori

- **Positions / responsibilities at NSG Group**: Representative Executive Officer, President and CEO
- **Date of birth**: 22 July 1958 (56 years old)
- **Number of the Company's shares owned**: 11,320
- **Material concurrent office**: n/a
- **Reasons for recommendation as a Director**

  After having worked in the functions of human resources and corporate planning in the Group, Shigeki Mori held a succession of such important posts as the president of certain subsidiaries in the Architectural Glass business and the Head of the Technical Glass Strategic Business Unit. For two years from July 2010 he was based in the UK as the Head of Production, Fabrication and Marketing, UK and South Europe, Architectural Glass. Based upon such career and experiences he was appointed Representative Executive Officer, President and CEO in April 2015 and since then, has taken leadership in the whole Group business. It is expected that his knowledge and experience of the Group business will be shared with the Board having him as its member, which we believe contributes to the decision-making function of the Board.

- **Brief career history**

Apr. 1981	Joined the Company
Apr. 2003	General Manager of Planning Dept. Architectural Glass Company
Jan. 2005	General Manager of Functional Glass production & Technology, Architectural Glass Company and President of NSG Kanto Co., Ltd. (currently NSG Building Products Co Limited)
Jun. 2010	Head of Production, Fabrication and Marketing, UK and South Europe, Architectural Glass (UK)
May 2012	Senior Corporate Officer, Head of Architectural Glass japan
Jun. 2013	Senior Corporate Officer, Head of Technical Glass SBU
Apr. 2015	Representative Executive Officer, President and CEO (Current position)

Reappointment

3 Mr. Clemens Miller

- **Positions / responsibilities at NSG Group**: Director, Representative Executive Officer, Executive Vice President and COO
- **Date of birth**: 21 February 1959 (56 years old)
- **Number of the Company's shares owned**: 10,000
- **Material concurrent office**: n/a
- **Reasons for recommendation as a Director**

  After having engaged in work of production, business planning and marketing in the Group's Architectural Glass business, Clemens Miller held a succession of such important posts as the Head of the Architectural Glass and Technical Glass Strategic Business Units and so forth. He was appointed Director, Executive Officer of the Group in June 2011 and since April 2012 he has taken leadership in the Group business as the Director, Representative Executive Officer, Executive Vice President and COO. It is expected that he will continue to contribute to the decision-making function of the Board by making best use of his abundant experiences and knowledge with regard to the Group's business, operation and management.
- **Brief career history**

Jul. 1992	Joined Flachglas AG (currently Pilkington Deutschland AG)
Dec.2002	Head of Business Planning, Building Products Europe Managing Director, Fire Protection, BP Europe
Jun. 2005	Managing Director, Building Products Fire Protection & Coatings
Apr. 2007	Managing Director, Solar Energy Business Managing Director, Building Products Fire Protection & Coatings
Aug. 2007	Managing Director, Building Products Europe Managing Director, Building Products Fire Protection & Coatings
Jun. 2008	Senior Corporate Officer, Head of Building Products Europe, NSG Group
Apr. 2010	Senior Corporate Officer, Vice President of Commercial and Solar Energy Products, NSG Group
Jun.2011	Director, Executive Officer, Head of Building Products Worldwide, NSG Group
Feb. 2012	Director, Executive Officer, Head of Architectural glass SBU and Technical Glass SBU, NSG Group
Apr. 2012	Director, Representative Executive Officer, Executive Vice President and COO, Head of Architectural glass SBU and Technical Glass SBU, NSG Group
Jun. 2012	Director, Representative Executive Officer, Executive Vice President and COO, NSG Group (Current Position)

Reappointment

4 Mr. Mark Lyons

- **Positions / responsibilities at NSG Group**: Director, Representative Executive Officer, Executive Vice President and CFO
- **Date of birth**: 31 October 1962 (52 years old)
- **Number of the Company's shares owned**: 10,000
- **Material concurrent office**: n/a
- **Reasons for recommendation as a Director**

  Mark Lyons held a number of financial positions in the UK and Belgium and a succession of such important posts as the Head of Architectural Glass Strategic Business Unit. He became Director, Executive Officer in June 2008 and since June 2011 as Director, Executive Officer and CFO, and subsequently since June 2013 as Director, Representative Executive Officer, Executive Vice President and CFO, has taken leadership in the Group business. It is expected that he will continue to contribute to the decision-making function of the Board by making best use of his abundant experiences and knowledge with regard to the Group's accounting, finance, business and management.
- **Brief career history**

Apr. 1990	Joined Pilkington plc (Currently Pilkington Group Limited)
Jan. 2003	CFO, Building Products Worldwide
Mar. 2005	President, Building Products Europe
Apr. 2007	General Manager, BP Regional Operations, and Managing Director, Building Products Europe, NSG Group
Jun. 2007	Senior Corporate Officer, General Manager, BP Regional Operations, Managing Director, Building Products Europe, NSG Group
Oct. 2007	Senior Corporate Officer, Head of Building Products Worldwide, NSG Group
Jun. 2008	Director, Executive Officer, Head of Building Products Worldwide, NSG Group
Jun. 2011	Director, Executive Officer, CFO, NSG Group
Apr. 2012	Director, Representative Executive Officer, CFO, NSG Group
Jun. 2013	Director, Representative Executive Officer, Executive Vice President and CFO, NSG Group (Current position)

5 Reappointment

Mr. Kenichi Morooka

- **Positions / responsibilities at NSG Group**: Director, Executive Officer, Executive Vice President, and a member of Nomination Committee and Compensation Committee
- **Date of birth**: 12 December 1956 (58 years old)
- **Number of the Company's shares owned**: 27,601
- **Material concurrent office**: n/a
- **Reasons for recommendation as a Director**

  Kenichi Morooka joined The Sumitomo Bank, Limited (Currently Sumitomo Mitsui Banking Corporation) and held a number of important posts thereat. He joined NSG in December 2006 and engaged in work of business planning, accounting, finance and business administration in Japan and the UK. He became Director, Executive Officer, Executive Vice President in June 2013 and since September 2013, has taken leadership in the area of the Group's business planning, human resources, finance in Japan and external communications. It is expected that he will continue to contribute to the decision-making function of the Board by making best use of his abundant experiences and knowledge with regard to the Group's accounting, finance, human resources, business and management.
- **Brief career history**

Apr. 1979	Joined The Sumitomo Bank, Limited (Currently Sumitomo Mitsui Banking Corporation)
Nov. 1992	Senior Assistant General Manager, International Affairs (Tokyo), The Sumitomo Bank, Limited
Apr. 2001	President, SMBC Securities, Inc., and
	Vice President, SMBC Capital Markets, Inc.
Dec. 2006	General Manager, Promotion of Business Integration, and
	Senior Manager, Finance, NSG Group
Jun. 2008	Corporate Officer, Head of Financial Planning, NSG Group
Apr. 2011	Corporate Officer, CFO, Specialty Glass, General Manager of SG Administration, and Head of Corporation Planning Communication, NSG Group
Jun. 2011	Senior Corporate Officer, CFO, Specialty Glass, General Manager of SG Administration, and Head of Corporation Planning Communication, NSG Group
Feb.2012	Senior Corporate Officer, Head of Corporate Planning Communication, NSG Group
May 2012	Senior Corporate Officer, Deputy CFO, NSG Group
Apr. 2013	Executive Officer, Deputy CFO, NSG Group
Jun. 2013	Director, Executive Officer, Executive Vice President, NSG Group (Current position)

Reappointment | Candidate for External Director | Candidate for Independent Director

6 Mr. Hiroshi Komiya

- **Positions / responsibilities at NSG Group**: Director, Chairman of Compensation Committee, and a member of Nomination Committee and Audit Committee
- **Date of birth**: 7 April 1942 (73 years old)
- **Terms of office as External Director**: 5 years (as of the end of this General Meeting of Shareholders.)
- **Record of attendance at Board of Directors meetings**: 100% (12/12)
- **Number of the Company's shares owned**: 16,603
- **Material concurrent office**: n/a
- **Reasons for recommendation as an External Director**:

  Mr. Hiroshi Komiya became External Director of NSG in June 2010 and has chaired the Compensation Committee since April 2013. He has the career and experiences of serving as management and Director of the international major manufacturing companies etc. It is expected that he will continue to contribute to the supervisory function of the Board from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge with regard to business management.

- **Brief career history**

Apr. 1965	Joined Bridgestone Corporation
Apr. 1989	General Manager, North American Business Division, Bridgestone Corporation
Apr. 1991	Director, Bridgestone Firestone Inc.
Aug. 1994	Joined Olympus Corporation as General Manager, Corporate Planning Division
Jun. 1997	Director, Olympus Corporation
Jun. 1999	Managing Director, Olympus Corporation
Jun. 2004	Senior Managing Director, Olympus Corporation
Jan. 2007	Chairman & CEO, General Imaging Company
Mar. 2009	Chairman, General Imaging Company
	President & Representative Director, General Imaging Japan Co., Ltd. (until Nov. 2013)
Jun. 2010	Director, NSG Group (Current position)

Reappointment Candidate for External Director
Candidate for Independent Director

7 Mr. Günter Zorn

- **Positions / responsibilities at NSG Group:** Director, and a member of Nomination Committee, Audit Committee and Compensation Committee
- **Date of birth:** 23 March 1953 (62 years old)
- **Terms of office as External Director**: 1 year (as of the end of this General Meeting of Shareholders.)
- **Record of attendance at Board of Directors meetings**; 100% (10/10)*
- **Number of the Company's shares owned**: 7,560
- **Material concurrent offices**: Representative Director/President, Z-ANSHIN K.K.
- **Reasons for recommendation as an External Director**:

  Günter Zorn became External Director of NSG in June 2014. He has the career and experiences of serving as management of the major international companies and Representative Director and President of their Japanese entities. In addition, he is the Representative Director and President of his own consulting firm. It is expected that he will continue to contribute to the supervisory function of the Board from an independent and objective standpoint as well as based upon his abundant international experiences and broad knowledge with regard to business management.
- **Brief career history**

Nov. 1978	Joined POLAROID CORPORATION
Jul. 1985	Moved to LINOTYPE AKTIENGESELLSCHAFT
Jun. 1991	President and Representative Director, Linotype-Hell K.K.
Nov. 1994	President and Representative Director, Linotype-Hell K.K.
	Vice President, Asia Pacific, Linotype-Hell (acquired by Heidelberger Druckmaschinen AG in 1997)
Apr. 1998	President and Director General Heidelberg France S.A.
Apr. 2000	President, Heidelberg Asia Pacific
Jul. 2005	Representative Director and President, DHL Japan, Inc.
Apr. 2006	Representative Director and President, DHL Japan, Inc.
	EVP North Pacific (Japan and Korea)
Apr. 2009	Representative Director/President, Z-ANSHIN K.K. (current position)
Jun. 2014	Director, NSG Group (current position)

* Note: Mr. Günter Zorn was newly appointed as Director at the 148th Ordinary General Meeting of Shareholders held on 27 June 2014, therefore the total number of the Board of Directors meetings shown in the above differs from that for the other re-appointed candidates for Director.

New Candidate for External Director
Candidate for Independent Director

8 Mr. Toshikuni Yamazaki

- **Positions / responsibilities at NSG Group:** -
- **Date of birth:** 13 January 1946 (69 years old)
- **Terms of office as External Director**: Mr. Yamazaki is a newly appointed candidate for Director.
- **Number of the Company's shares owned**: 8,000
- **Material concurrent office**: Representative Director and President, Ryugasaki Country Club
- **Reasons for recommendation as an External Director**:

  Mr. Toshikuni Yamazaki has the career and experiences of serving as Representative Director, Executive Vice President (in charge of finance, investor relations and accounting) and full-time corporate auditor of the major international manufacturing company, and a member of the Investment Committee of the Government Pension Investment Fund, Japan (GPIF). It is expected that he will contribute to the supervisory function of the Board from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge with regard to business management and finance and accounting.

- **Brief career history**

Apr. 1968	Joined Nippon Kokan K.K.
Jun. 1999	Director, Nippon Kokan K.K.
Apr. 2000	Vice President (Corporate Officer), Nippon Kokan K.K.
Apr. 2001	Senior Vice President (Corporate Officer), Nippon Kokan K.K
Sep. 2002	Corporate Officer, Senior Vice President, JFE Holdings, Inc.
Apr. 2005	Corporate Officer, Executive Vice President, JFE Holdings, Inc. (Retired in March 2009)
Jun. 2005	Representative Director, JFE Holdings, Inc.
Apr. 2009	Director, JFE Holdings, Inc.
Jun. 2009	Corporate Auditor (Fulll-time), JFE Holdings, Inc. (Retired in June 2013)
	Corporate Auditor, Universal Shipbuilding Corporation (Retired in December 2012)
Apr. 2010	Corporate Auditor, JFE Engineering Corporation (Retired April 2013)
	A member of Investment Advisory Committee, Government Pension Investment Fund, Japan (GPIF) (Retired in March 2013)
Mar. 2015	Representative Director and President, Ryugasaki Country Club (current position)

Notes:

1. Messrs. Seiichi Asaka, Hiroshi Komiya, Günter Zorn and Toshikuni Yamazaki are candidates for the External Directors stipulated in Article 2 Clause 15 of the Companies Act. In addition, all of them have been notified to Tokyo Stock Exchange (TSE) as Independent Directors. Furthermore, the Company originally has more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which all four candidates for External Directors also meet. For the detail of the criteria, please see pages 17.

2. Particulars of the candidates for External Directors are as follows:

   (1) Violation of laws, ordinances or the articles of incorporation, or other unlawful conducts in business execution in the companies where the candidates for External Directors were Directors, Executive Officers or Auditors over the past five years (those occurred during their term of office)

   Mr. Seiichi Asaka assumed office of a director of NSK Ltd. for the period from June 1994 to June 2011. In July 2011, NSK Ltd. was investigated by the Japan Fair Trade Commission (the "JFTC") in relation to its violation of the Antimonopoly Act of Japan regarding sales of bearing products. In this regard NSK Ltd. (NSK) was sentenced to a monetary penalty by the Tokyo District Court in February 2013 and subsequently received the cease-and-desist order and the administrative surcharge payment order from the JFTC in March 2013. In addition, NSK and its subsidiaries have been under the investigations regarding sales of their bearing products by the relevant authorities in several countries in connection with competition laws. In this regard, NSK, in September 2013, entered into the plea agreement with the U.S. Department of Justice to plead guilty and pay a fine and the relevant authorities or courts of several countries ordered to the NSK and/or its subsidiaries to pay a fine respectively in January 2014 (Canada), in March (Europe), in May (Australia and Singapore) and in August (China). Furthermore, the NSK and its subsidiary was found to have breached the Korea Antimonopoly Act by Korea Fair Trade Commission and Amatsuji Steel Ball Mfg. Co., Ltd., a subsidiary of NSK, was found to have violated the Japan Antimonopoly Act by the JFTC, but in both cases the authorities exempted them from penalties as a result of their full cooperation with the authorities in the course of the investigations. Any sentences and administrative penalties and so on already made by the relevant authorities or courts of Japan, United States, Canada, Europe, Australia, Singapore, Korea and China, relate to the conducts during the period of his office above. Other ongoing investigations may likely relate to the conducts during the period of his office of above.

   (2) Agreement on liability limitation with External Directors

   The Company concluded an agreement with Messrs. Seiichi Asaka, Sumitaka Fujita, and Günter Zorn, and will do the same with Mr. Toshikuni Yamazaki respectively to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence be limited to the amount permissible by law.

For reference: Criteria of Independency for External Director at NSG

External Directors of Nippon Sheet Glass Company, Limited ("NSG" or the "Company") falling into any of the following categories are considered to lack independency as an External Director.

(1) As to the External Director him/herself, where:-

a) He/she is, has become or once served as an executive director, executive officer, corporate officer or employee of the NSG Group (hereinafter collectively referred to as "executive/employee");

b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended or (in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as executive/employee of the organization), OR NSG Group is a Major Business Partner for him/her/it

- Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year

; OR,

ii) he/she has a business relationship with the Company and paid the Company the following sum during the Company's any single financial year of those past three years most recently ended, or he/she is a Major Business partner of the NSG Group (or in case where the one having such business relationship is an organization such as legal entity, then he/she serves or served as executive/employee of the organization);

- Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year

Note: For the purpose of this criteria protocols, the expression "Major Business Partner(s)" means, as between the NSG Group and the group having business relationship with us, those persons which could be, in terms of magnitude of its business relationship, expected to exert the same degree of influence on the decision-making process of the other as would exist among parent-subsidiary relationship or affiliated group.

c) He/she is an Certified Public Accountant retained as Accounting Auditor for the Company (or in case the accounting firm is retained as Accounting Auditor then he/she serves as partner or employee of the firm) or he/she has engaged in any audit activities of the NSG Group businesses at any time during the past three years;

d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (or in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she belongs to any such organization);

e) He/she has material business relationship with or is materially interested in the NSG Group (or in case where an organization such as legal entity has such relationship or interest, he/she is an executive/employee of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);

f) He/she holds cross-directorships or has significant links with other Directors/Executive Officers of the Company through involvement in other companies/bodies;

g) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (or in case where the organization such as legal entity falls into such a shareholder, then he/she currently is or was employed as an executive/employee of the organization at any time during the past five years); or

h) He/she is an individual who has fallen into the above d), e) or f) during the Company's any single financial year of those past three financial years most recently ended.

(2) As to the close relative(s) of the External Director (his or her spouse, or those relatives who are within the second degree of kinship or live in the same dwelling as him or her), where:-

a) He/she is or was in the past five years an executive director/officer or senior employee of the NSG Group (collectively "Senior Manager");

b) i) He/she has a business relationship with the Company and received from the Company the following sum during any single financial year for him/her/(it) of those past three years most recently ended (in case where the organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager thereof), OR the NSG Group is a Major Business Partner for him/her/it

- Aggregate payments equivalent to more than 1% of their consolidated sales during the subject year

; OR

ii) he/she has a business relationship with the Company and paid the Company the following sum in any single financial year of the Company during its past three years most recently ended, or is a Major Business Partner of the NSG Group (in case where an organization such as legal entity has such business relationship, then he/she serves or served as a Senior Manager of the organization);

- Aggregate payments equivalent to more than 1% of the Company's consolidated sales during the subject year

c) He/she is a Certified Public Accountant retained as an Accounting Auditor (or in case the accounting firm is retained as Accounting Auditor then he/she is a partner or Senior Manager thereof) or has engaged in any audit activities of the NSG Group businesses at any time during the past three years;

d) He/she is one of those consultants, accountants or lawyers who have received substantial amount of cash or other financial gains (equivalent to JPY 10 million or more per financial year of the Company) from the NSG Group (in case where an organization such as consulting, accounting or law firm is the one having received such cash or gains, then he/she serves as partner, associate or Senior Manger of the organization);

e) He/she has material business relationship with or is materially interested in the NSG Group (in case where an organization such as legal entity has such relationship or interest, then he/she is a Senior Manager of the organization) (For this purpose, the fact of receipt of the sum in the form of donation or loans from the NSG Group equivalent to JPY 10 million or more on an average per annum for the past three financial years of the Company most recently ended is deemed to constitute such material interest in the NSG Group.);

f) He/she is a major beneficial shareholder who is entitled to 10% or more of the total voting rights of the Company (in case where the organization such as legal entity falls into such a shareholder, then he/she currently serves as Senior Manger of the organization); or

g) He/she has fallen into either or both of d) and/or e) at any time during the past three financial years of the Company most recently ended.

149th Business Report of
Nippon Sheet Glass Company, Limited

From 1 April 2014
To 31 March 2015

1. Matters Relating to the Current State of the Company's Corporate Group

(1) Overview and Results of Business Activities

Conditions in the Group's major markets were mixed, with improvements in some regions and reductions in others. European markets were weak, although signs of improvement were seen in Western European automotive markets during the fourth quarter. In Japan, architectural volumes were negatively affected by the increase in indirect taxation at the start of the year, although automotive volumes held up relatively well. North American markets showed further growth, particularly in architectural. South American markets were affected by difficult economic conditions. Overall, technical glass markets were mixed, with improvements in some areas and reductions in others.

As a consequence, the Group's year-end results are as shown in the table below.

	Results	
Consolidated Revenue	¥ 626,713m	(up 3.4%)
Consolidated Operating Profit before Exceptional Items	¥ 16,848m	
Consolidated Operating Profit	¥ 22,338m	
Consolidated Profit before Taxation	¥ 4,807m	
Consolidated Profit for the Period	¥ 2,893m	
Consolidated Profit Attributable to Owners of the Parent	¥ 1,668m	

The performance by segment is as follows.

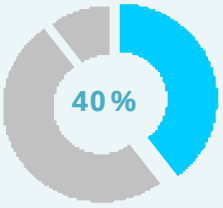
Architectural

Revenue: ¥ 252,914 million

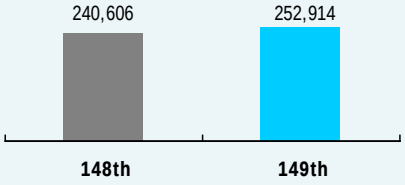
Operating profit : ¥ 17,020 million

Business content:-
Architectural, representing 40 percent of cumulative Group sales includes the manufacture and sale of flat glass and various interior and exterior glazing products within the commercial and residential markets. It also supplies glass for the Solar Energy sector

Ratio of sales to Group sales



Sales (Millions of yen)



Operating results in the Architectural business were better than the previous year due to cost savings arising from the Groups' restructuring program and improved market conditions in North America. Revenues increased due to the translational impact of the weakened Japanese yen, and the improved market conditions in North America.

In Europe, representing 37 percent of the Group's Architectural sales, low levels of economic activity continued to depress construction and refurbishment activity. Cumulative local currency revenues fell slightly, due to soft market conditions and the mothballing of under-utilized production facilities during the previous year. While the difficult market conditions prevented any sustained upward selling price pressure, the Group's restructuring actions generated an improved level of asset utilization, enabling an improvement in profitability.

In Japan, representing 27 percent of Architectural sales, cumulative volumes fell following the increase in consumption taxes earlier in the year. Revenues fell due to the reduced volumes. In North America, representing 13 percent of Architectural sales, architectural glass markets continued to perform strongly. The Group's revenues and profits improved from the previous year. Volumes increased, with strengthening domestic demand and higher dispatches of Solar Energy glass. Domestic price levels were above the previous year.

In the rest of the world, markets in South East Asia were strong, with improving domestic demand and increased dispatches of Solar Energy glass. Expressed in US Dollars, revenues in South America were similar to the previous year.

The Architectural business recorded revenues of ¥ 252,914 million and an operating profit of ¥ 17,020 million.

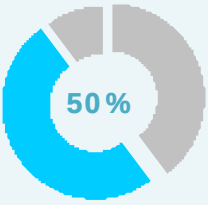
Automotive

Revenue: ¥ 313,956 million

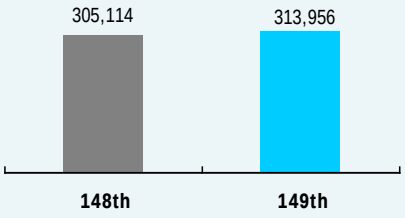
Operating profit : ¥ 9,372 million

Business content:-
Automotive, with 50 percent of Group sales, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Ratio of sales to Group sales



Sales (Millions of yen)



In the Automotive business, revenues were slightly better than the previous year due to the translational impact of the weaker Japanese yen. Profits fell slightly with market conditions remaining challenging across many regions.

Europe represents 46 percent of the Group's Automotive sales. Cumulative light-vehicle sales were ahead of the previous year, with year-on-year increases during the fourth quarter potentially indicating a meaningful recovery. In the OE sector, the Group's cumulative local currency revenues were similar to the previous year. Automotive Glass Replacement (AGR) revenues were below the previous year with weather related sluggish demand, although profitability increased with an improved mix of products.

In Japan, representing 17 percent of the Group's Automotive sales, cumulative OE volumes were stronger than the previous year. Domestic demand was generally robust despite the consumption tax increase earlier in the year. Vehicle sales weakened slightly during the fourth quarter however. The Group's cumulative revenues improved with the increased demand, although profitability was impacted by increased input costs. AGR markets were below the previous year.

In North America, representing 26 percent of the Group's Automotive sales, cumulative revenues and profitability improved. OE market volumes continued to increase, and the AGR business benefited from robust demand.

In the rest of the world, revenues and profits fell. Market conditions in South America continued to be challenging.

The Automotive business recorded sales of ¥ 313,956 million and an operating profit of ¥ 9,372 million.

Technical Glass

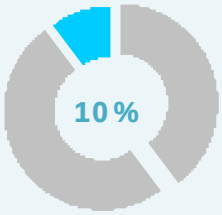
Revenue: ¥ 58,741 million

Operating profit : ¥ 4,922 million

Business content:-

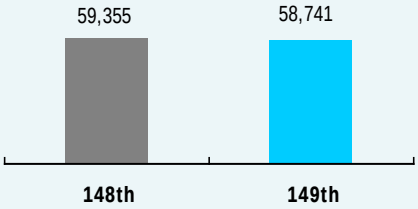
Technical Glass, representing 10 percent of Group sales, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

Ratio of sales to Group sales



Sales

(Millions of yen)



Revenues in the Technical Glass business were below the previous year due partly to reduced price levels for certain products. Profits fell, largely due to the reduced prices, although this was partly offset by improved asset utilization and cost savings.

Increased competition negatively affected revenues from thin glass for displays. On 10 June 2014, the Group started up its new Ultra Fine Flat (UFF^{TM}) glass production line in Vietnam. This line commenced production during the third quarter. Demand for components used in multi-function printers improved from the previous year. Volumes of glass cord used in engine timing belts were similar to the previous year.

The Technical Glass business recorded revenues of ¥ 58,741 million and an operating profit of ¥ 4,922 million.

Other

This segment covers corporate costs, consolidation adjustments, certain small businesses not included in the segments covered above and the amortization of other intangible assets related to the acquisition of Pilkington plc.

Operating costs incurred in Other Operations and Eliminations increased slightly from the previous year, with the translational impact of the weakened Japanese yen offsetting underlying cost reductions.

Consequently, this segment recorded revenues of ¥ 1,102 million and operating costs of ¥ 14,466 million.

(2) Capital Expenditure

The capital expenditure of the Group totaled ¥36,558 million during the fiscal year under review, broken down by segment as follows:

Business	Expenditure
Architectural	¥13,783 m
Automotive	¥ 17,500 m
Technical Glass	¥ 4,513 m
Other	¥ 762 m

(3) Financial situation

Total assets at the end of March 2015 were ¥ 920,106 million, representing a decrease of ¥ 6,102 million from the end of March 2014. Total equity was ¥ 186,008 million, representing a decrease of ¥ 7,478 million, mainly due to the re-measurement of retirement benefit obligations during the fourth quarter.

Net financial indebtedness decreased by ¥ 5,021 million from 31 March 2014 to ¥ 374,092 million at the period end. Currency movements generated a decrease in net debt of approximately ¥ 8,310 million over the period. Gross debt was ¥ 442,743 million at the period end. As of 31 March 2015, the Group had un-drawn, committed facilities of ¥ 19,371 million.

Cash inflows from operating activities were ¥ 24,593 million. Cash outflows from investing activities were ¥ 23,192 million, including capital expenditure on property, plant, and equipment of ¥ 32,602 million. As a result, total cash inflows before financing were ¥ 1,401 million.

(4) Issues to be addressed

Since Long-term Strategic Vision and Medium-Term plan (MTP) was announced in May 2014, the Group has been focusing on maximization of capacity utilization and growing VA (value added) product ratio as our core strategy under MTP. As of 1 April 2015, Shigeki Mori was appointed Representative Executive Officer and President and CEO of the Group. While continuing to maintain the core strategy, the Group will further accelerate measures to achieve “VA Glass Company”, our Strategic Vision. Although the regions in which we operate have shown mixed results, where the performance is weak we will take additional improvement measures, while we will step up our efforts to seek higher profitability for those with strong performance.

Long-term Strategic Vision

Our strategic vision is to transform the NSG Group into a VA Glass Company. This is the core concept of our strategy and the basis for our longer-term growth plans.

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 traditional business model towards one increasingly focused on value added (VA) products

To transform the Group into a VA Glass Company, we will become:

- Less asset-intensive;
- Less cyclical, with greater agility; and
- A more profitable glass business

Medium-Term plan (MTP)

On 15 May 2014, the Group announced its medium-term plan (MTP), covering the financial years to 31 March 2018.

The overall objectives of the MTP are to achieve financial sustainability and to further develop the NSG Group’s position as a VA glass company.

Successful restructuring has restored the Group’s profitability, helping create a more agile, leaner, lower cost organization to implement the MTP. NSG aims to be further well-positioned to respond appropriately to the changing and diversified global economy, with a balanced global footprint and business mix.

The MTP is focused on achieving financial sustainability, transitioning to strategic growth in the longer term, based on value-added (VA) products and services.

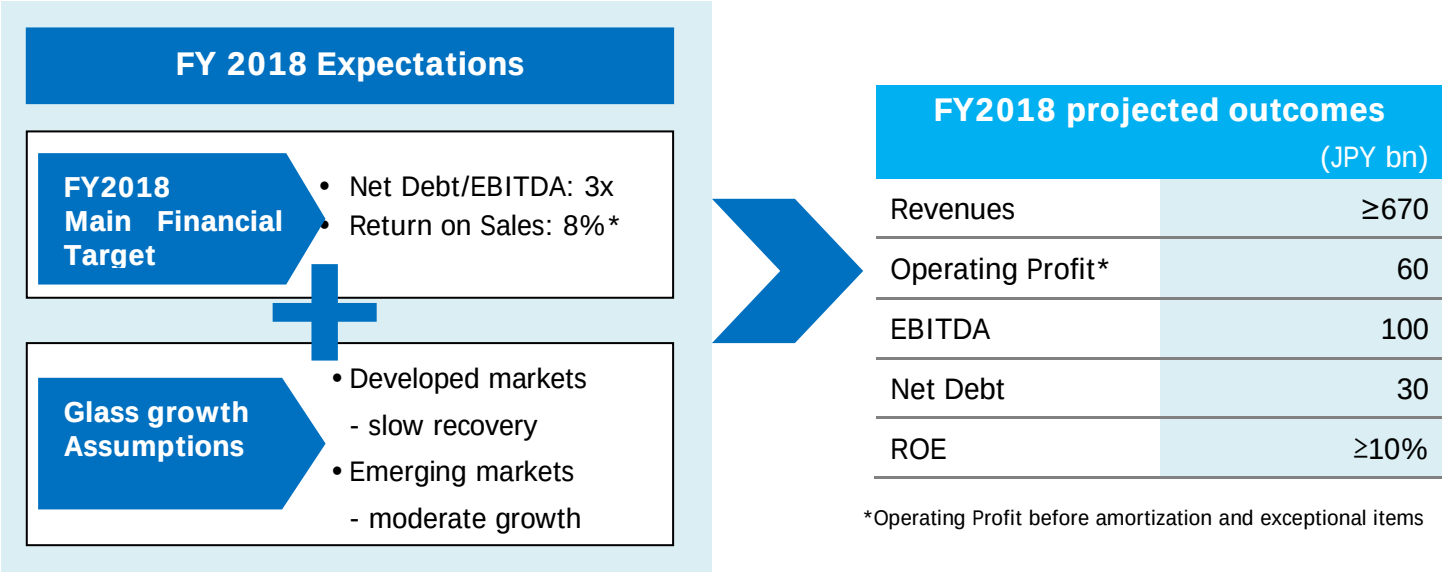
Medium-Term plan – financial targets

With an experienced management team and strong leadership, the Group is committed to creating shareholder value, through ambitious but attainable financial targets.

The Group has established two very clear financial targets to be achieved by 31 March 2018, covering both the Groups' financial performance and position:

- Net financial debt/EBITDA of 3X
- Operating return on sales of greater than 8%*

*Operating Profit before amortization and exceptional



FY2018 projected outcomes

(JPY bn)

Revenues	≥670
Operating Profit*	60
EBITDA	100
Net Debt	30
ROE	≥10%

*Operating Profit before amortization and exceptional items

The Group expects a gradual improvement in market conditions during FY2016. In Europe, Architectural markets are likely to be broadly flat. Automotive markets should benefit from a continuation of the positive vehicle sales experienced during the fourth quarter of FY2015, although will still be significantly below pre-recession levels. Architectural markets in Japan are likely to register a modest improvement. Automotive markets in Japan are expected to be generally flat, although tax changes could impact sales in the short-term. Volumes in North America are expected to be robust, although volumes in South America will continue to suffer from a challenging economic environment. Market conditions in South East Asia are likely to improve further, and demand for Solar Energy glass should continue to recover. Technical glass markets are generally expected to improve.

Taking account of the above factors, the Group expects to record a further improvement in operating profitability during FY2016.

For the Group's financial position, please kindly refer to the above section 1. (3) "Financial Situation". Discussion for securing further financial facilities has been in progress with the financial institutions. The Group continues to aim at achieving financial sustainability through cash generation and net debt reduction by further improving the underlying business profitability and keeping tight control of working capital and capital expenditure.

Each business unit has specific issues to be addressed as follows.

Architectural

The Group's Architectural business will continue to focus on improving profitability. The Group's restructuring actions have generated an improved level of asset utilization, enabling a strong improvement in Architectural profitability. The Group will continue to focus on achieving a high level of asset utilization, as well as expanding its sales of VA products.

The Group intends to focus on further improving levels of Architectural profitability, particularly in Europe. European prices remain at historically low levels but should benefit from improved capacity utilization going forward.

The Architectural business produces a range of VA products that can greatly contribute to energy conservation in both residential and commercial buildings, together with products for the Solar Energy market that can be used in the process of producing renewable solar energy. The production process for these products is, however, energy intensive, and whilst short term energy costs are likely to benign, the long term outlook is uncertain. Whilst hedging techniques are used to mitigate volatility in energy input costs, these cannot protect against long-term trends towards higher energy costs. The Group intends to mitigate effects of the increased input costs as much as possible by maintaining capacity at appropriate level which will lead to favorable selling prices.

The drive to produce clean renewable energy will continue to fuel growth for the Group's Solar Energy products business over the long-term. VA products, such as low-e glass designed to save energy in buildings, will become an increasingly important part of the Group's Architectural portfolio. The Group's medium-term Architectural strategy is to further develop its portfolio of VA products, where it has a technological advantage over competitors.

Automotive

As in the Architectural business, the Group's Automotive business will continue to focus on improving profitability. The Automotive business has also experienced volatile input costs for energy and raw materials. Over the medium-term, the Group expects to grow its Automotive business in fast growing emerging economies. However, South American markets have been weak during FY2015, reflecting a difficult economic environment. Technological advances in VA areas such as Solar Energy control and weight reduction will play an important part in the future of Automotive glazing, and the Group expects to be a key player in these areas. The Group also expects to grow its AGR business both through organic growth and, where appropriate, strategic acquisitions.

Technical Glass

The Group's Technical Glass business has a number of significant growth opportunities. On 10 June, the Group started up its new Ultra Fine Flat (UFF^{TM}) glass production line in Vietnam. This line commenced production during the third quarter of FY15. The new line is situated within the site of the Group's wholly-owned subsidiary, NSG Vietnam Glass Industries Ltd. The new investment brings the number of the Group's float lines dedicated Ultra Fine Flat glass (UFF^{TM}) to two (one in Japan and one in Vietnam). The Group is the world-leading supplier of ultra thin glass for small LCD applications. NSG UFF^{TM} products are increasingly being used in the growing touch panel market and cover glass (soda lime composition) in 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.

High performance glass-cord, an essential element of belt-in-oil engine technology is also an important growth area for the Technical Glass business, and the Group is actively investing to increase its capability in this area. We will continue to take advantage of such opportunities successfully for further development of the business.

The Group will accelerate measures in line with the Strategic Vision and MTP to address the above-mentioned issues.

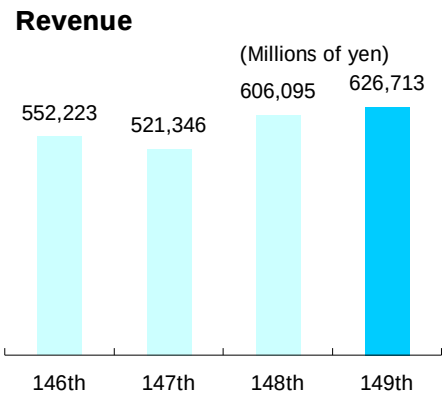
(5) Assets and Business Results (Consolidated)

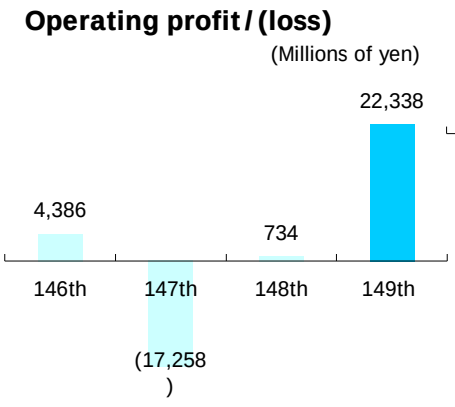
(Millions of yen, except per-share figures)

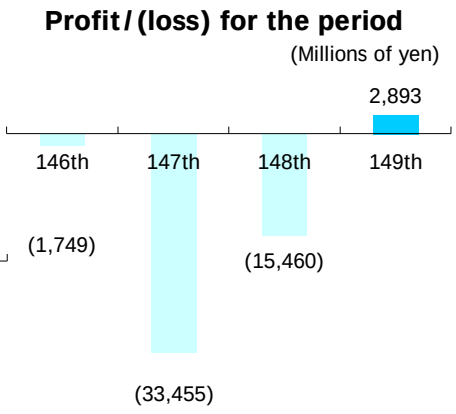
	146th period (FY2012)	147th period (FY2013)	148th (FY2014)	149th (FY2015)
Revenue	552,223	521,346	606,095	626,713
Operating Profit/(loss)	4,386	(17,258)	734	22,338
Profit/(loss) before taxation	(4,822)	(31,096)	(15,120)	4,807
Profit/(loss) for the period	(1,749)	(33,455)	(15,460)	2,893
Profit/(loss) Attributable to Owners of Parent	(2,815)	(34,324)	(16,605)	1,668
Earnings per Share Attributable to Owners of the Parent (Yen)	(3.12)	(38.04)	(18.40)	1.85
Total Shareholders' Equity	161,313	145,031	183,974	175,746
Total Shareholders' Equity per Share (Yen)	178.77	160.68	203.78	194.60
Total Assets	848,752	885,436	926,208	920,106

Notes:

1. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) from the 146th financial year.
2. Basic earnings per share attributable to owners of the parent is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.
3. Total shareholders' equity per share is calculated by dividing the total shareholders' equity by the number of ordinary shares in issue as at the end of the financial year excluding ordinary shares purchased by the company and held as treasury shares.
4. The Group has revised its policy with respect to the retirement benefit triggered by ongoing debate by the IFRS foundation in respect of IFRIC14 and IAS 19 and has therefore restated its comparative FY2014 financial results.







(6) Overview of Major Subsidiaries

Subsidiary undertakings	Capital stock		% Ownership	Business
Japan				
NSG Building Products Co. Limited	JPY million	350	100	Architectural
Thanx Corporation Co. Limited	JPY million	300	92.5	Architectural
Nippon Sheet Glass WIN-TEC Co. Limited	JPY million	48	99.3 (0.2)	Architectural
Europe				
Pilkington United Kingdom Limited	GBP thousand	179,978	100 (100)	Architectural
Pilkington Automotive Limited	EUR thousand	206,595	100 (100)	Automotive
Pilkington Technology Management Limited	GBP thousand	441,320	100 (100)	Architectural and Automotive
NGF Europe Limited	GBP thousand	5,400	100	Technical Glass
Pilkington Deutschland AG	EUR thousand	69,290	96.3 (96.3)	Architectural
Pilkington Automotive Deutschland GmbH	EUR thousand	18,996	100 (100)	Automotive
Pilkington Austria GmbH	EUR thousand	8,721	100 (100)	Architectural
Pilkington Norge AS	NKR thousand	5,095	100 (100)	Architectural
Pilkington Floatglas AB	SKR thousand	222,000	100 (100)	Architectural
Pilkington Automotive Finland OY	EUR thousand	19,414	100 (100)	Automotive
Pilkington IGP Sp. z o.o.	Zloty thousand	507	100 (100)	Architectural
Pilkington Automotive Poland Sp. z o.o.	Zloty thousand	30,511	100 (100)	Automotive
Pilkington Polska Sp. z o.o.	Zloty thousand	147,340	100 (100)	Architectural
Pilkington Italia SpA	EUR thousand	112,996	100 (100)	Architectural and Automotive
NSG Holding (Europe) Limited	GBP thousand	2,363,517	100	Holding company
NSG UK Enterprises Limited	GBP thousand	1,801,478	100 (100)	Holding company
Pilkington Group Limited	GBP thousand	1,983,926	100 (100)	Holding company

Note:
The % Ownership above in parentheses stands for the percentage owned indirectly through the Company's subsidiary/subsidiaries.

(6) Overview of Major Subsidiaries (continued)

Subsidiary undertakings	Capital stock		% Ownership	Business
North America				
Pilkington North America Inc.	USD thousand	1	100 (100)	Architectural and Automotive
L-N Safety Glass SA de CV	Mex.Peso thousand	175,155	100 (100)	Automotive
Rest of the world				
Vidrieria Argentina S.A.	Arg.Peso thousand	178,000	51.0 (51.0)	Architectural
Vidrios Lirquén S.A.	Chi.Peso thousand	27,443,983	51.6 (51.6)	Architectural
Pilkington Automotive Argentina S.A.	Arg.Peso thousand	155,015	100 (100)	Automotive
Pilkington Brasil Limitada	Real thousand	163,936	100 (100)	Architectural and Automotive
Guilin Pilkington Safety Glass Co. Limited	RMB thousand	100,000	100 (100)	Automotive
Pilkington Solar (Taicang), Limited	RMB thousand	305,151	100 (100)	Architectural
Suzhou NSG Electronics Co. Limited	RMB thousand	371,689	100	Technical Glass
NSG Hong Kong Co. Limited	HKD thousand	800	100 (100)	Technical Glass
Malaysian Sheet Glass Sdn. Bhd.	MYR thousand	81,151	100	Architectural and Automotive
Vietnam Float Glass Co. Limited	VND billion	512	55.0	Architectural
NSG Vietnam Glass Industries Limited	VND billion	1,378	100 (100)	Architectural

Note:
The % Ownership above in parentheses stands for the percentage owned indirectly through the Company's subsidiary/subsidiaries.

(7) Main Offices and Plants of the Group

The Company	Head Office	5-27, Mita 3-Chome, Minato-ku, Tokyo, Japan
	Branch Offices	Minato-ku, Tokyo; Chuo-ku, Osaka-shi; Toyota-shi, Aichi; Minami-ku, Hiroshima-shi
	Plants	Ichihara-shi, Chiba; Sagamihara-shi, Kanagawa; Yokkaichi-shi, Mie; Tsu-shi, Mie; Tarui-cho, Fuwa-gun, Gifu; Minami-ku, Kyoto-shi; Maizuru-shi, Kyoto
Major Subsidiaries	Japan	NSG Building Products Co. Limited (Ichihara-shi, Chiba), Thanx Corporation Co. Limited (Edogawa-ku, Tokyo), Nippon Sheet Glass WIN-TEC Co. Limited (Chuo-ku, Osaka-shi),
	Europe	Pilkington United Kingdom Limited (UK) Pilkington Automotive Limited (UK) Pilkington Technology Management Limited (UK) NGF Europe Limited (UK) Pilkington Deutschland AG (Germany) Pilkington Automotive Deutschland GmbH (Germany) Pilkington Austria GmbH (Austria) Pilkington Norge AS (Norway) Pilkington Floatglas AB (Sweden) Pilkington Automotive Finland OY (Finland) Pilkington IGP Sp. z o.o. (Poland) Pilkington Automotive Poland Sp. z o.o. (Poland) Pilkington Polska Sp. z o.o. (Poland) Pilkington Italia SpA (Italy) NSG Holding (Europe) Limited (UK) NSG UK Enterprises Limited (UK) Pilkington Group Limited (UK)
	North America	Pilkington North America Inc. (USA) L-N Safety Glass SA de CV (Mexico)
	Rest of the World	Vidrieria Argentina S.A. (Argentina) Vidrios Lirquén S.A. (Chili) Pilkington Automotive Argentina S.A. (Argentina) Pilkington Brasil Limitada (Brazil) Guilin Pilkington Safety Glass Co. Limited (China) Pilkington Solar (Taicang), Limited (China) Suzhou NSG Electronics Co. Limited (China) NSG Hong Kong Co. Limited (China) Malaysian Sheet Glass Sdn. Bhd. (Malaysia) Vietnam Float Glass Co. Limited (Vietnam) NSG Vietnam Glass Industries Limited (Vietnam)

(8) Permanent Employees

Segments	Number of employees
Architectural	9,101
Automotive	15,085
Technical Glass	1,949
Others	1,236
Total	27,371 (up by 292 year on year)

(9) Main Loan Creditors to the Group

Creditors	Amount (Millions of yen)
Sumitomo Mitsui Banking Corporation	103,846
Development Bank of Japan	42,348
Sumitomo Mitsui Trust Bank, Limited.	41,845
Mizuho Bank, Ltd.	41,033
The Bank of Tokyo-Mitsubishi UFJ, Ltd	15,100
The Mie Bank, Ltd.	10,000
The Norinchukin Bank	9,875
Aozora Bank, Ltd.	8,200
Bank of America N.A.	6,928
Shinsei Bank, Limited	5,485

Note: The figures shown in the above table include the amount borrowed as syndicated loans.

2. Matters Related to the Company's Shares

(1) Authorized number of shares to be issued:

1,775,000,000 shares

(2) Total number of shares issued:

903,550,999 shares

(Shares held as treasury: 415,309 shares)

(3) Number of shareholders:

75,134

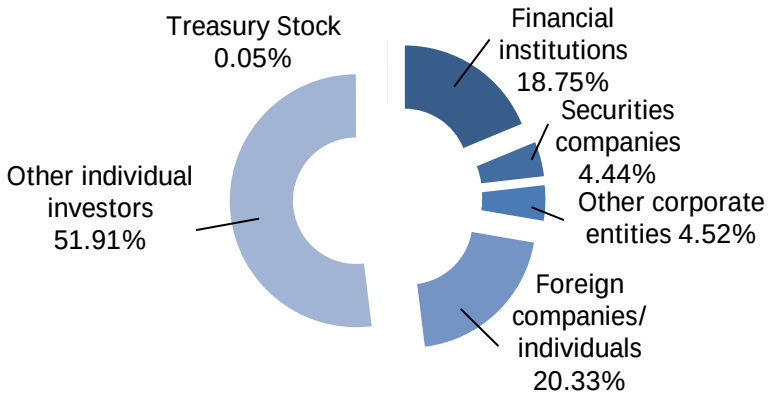
(4) Top 10 shareholders

Shareholders	Number of Shares (Thousand)	Percentage of Shares
Japan Trustee Services Bank, Ltd. (Trust Account)	28,595	3.17
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,341	2.81
CBNY DFA Intl Small Cap Value Portfolio	20,482	2.27
Mellon Bank, N.A. As Agent For Its Client Mellon Omnibus US Pension	17,371	1.92
State Street Bank And Trust Company	12,607	1.40
Chase Manhattan Bank GTS Clients Account Escrow	11,707	1.30
Japan Securities Finance Co., Ltd.	11,511	1.27
Japan Trustee Services Bank, Ltd. (Trust Account No.5)	10,521	1.16
Japan Trustee Services Bank, Ltd. (Trust Account No.2)	10,443	1.16
Japan Trustee Services Bank, Ltd. (Trust Account No.6)	10,437	1.16

Note:

Where the percentage of shares is calculated, treasury shares are excluded from the total number of issued shares.

■Distribution of NSG Group Shareholders



3. Policy on return of our profits to shareholders

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, the directors do not recommend a dividend for the year to 31 March 2015. The Group recognizes the importance of dividends to its shareholders and anticipates resuming dividend payments when the financial performance of the Group allows.

4. Matters Related to the Company's Stock Acquisition Rights, etc

(1) Stock acquisition rights (stock options) owned by Directors as of the end of fiscal year

Category	Name	Issue Price	Exercise Price	Exercise Period	No. of Stock Acquisition Rights	Type and Number of Shares to be Issued with the Exercise of Stock Acquisition Rights	No. of Holders
	Stock acquisition rights (No. 2)	Free	¥ 466 per share	From 1 July 2007 to 28 June 2015	17	17,000 Common shares (1,000 Common shares per right)	1
	Stock acquisition rights (No. 3)	Free	¥ 578 per share	From 1 July 2008 to 28 June 2016	11	11,000 Common shares (1,000 Common shares per right)	1
	Stock acquisition rights issued in Sep. 2007 (Stock- compensation type)	¥666.31 per share	¥ 1 per share	From 29 Sep. 2007 to 28 Sep. 2037	9	9,000 Common shares (1,000 Common shares per right)	1
	Stock acquisition rights issued in Sep. 2008 (Stock- compensation type)	¥ 497.51 per share	¥ 1 per share	From 28 Sep 2008 to 27 Sep 2038	35	35,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Sep. 2009 (Stock- compensation type)	¥ 255.12 per share	¥ 1 per share	From 1 Oct 2009 to 30 Sep 2039	69	69,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Sep. 2010 (Stock- compensation type)	¥ 139.42 per share	¥ 1 per share	From 1 Oct 2010 to 30 Sep 2040	59	59,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Oct. 2011 (Stock- compensation type)	¥ 126.28 per share	¥ 1 per share	From 15 Oct 2011 to 14 Oct 2041	80	80,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Sep. 2012 (Stock- compensation type)	¥ 21.43 per share	¥ 1 per share	From 29 Sep 2012 to 28 Sep 2042	290	290,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Oct. 2013 (Stock- compensation type)	¥ 88.28 per share	¥ 1 per share	From 16 Oct 2013 to 15 Oct 2043	399	399,000 Common shares (1,000 Common shares per right)	2
	Stock acquisition rights issued in Sep. 2014 (Stock- compensation type)	¥ 90.09 per share	¥ 1 per share	From 1 Oct 2014 to 30 Sep 2044	247	247,000 Common shares (1,000 Common shares per right)	2
Total	—	—	—	—	1,216	1,216,000 Common shares	2

(2) Stock acquisition rights (stock options) issued to Corporate Officers during the fiscal year

Category	Name	Issue Price	Exercise Price	Exercise Period	No. of Stock Acquisition Rights	Type and Number of Shares to be Issued with the Exercise of Stock Acquisition Rights	No. of Holders
Corporate Officers	Stock acquisition rights issued in Sep. 2014 (Stock- compensation type)	¥ 90.09 per share	¥ 1 per share	From 1 Oct 2014 to 30 Sep 2044	651	651,000 Common shares (1,000 Common shares per right)	13

5. Matters Related to Directors and Executive Officers of the Company

(1) Name etc. of Directors and Executive Officers

A) Directors

Name	Non-executive position		Material concurrent office
Seiichi Asaka	Director, Chairman of the Board	Chairman of Nomination Committee, and a member of Audit Committee and Compensation Committee	—
Sumitaka Fujita	Director	Chairman of Audit Committee, and a member of Nomination Committee and Compensation Committee	➢ Director, The Furukawa Electronic, Co., Ltd. ➢ Director, Olympus Corporation
Hiroshi Komiya	Director	Chairman of Compensation Committee, and a member of Nomination Committee and Audit Committee	—
Günter Zorn	Director	A member of Nomination Committee, Audit Committee and Compensation Committee	➢ Representative Director/President, Z-ANSHIN K.K.
Keiji Yoshikawa	Director	A member of Nomination Committee and Compensation Committee	—
Clemens Miller	Director	—	—
Mark Lyons	Director	—	—
Kenichi Morooka	Director	A member of Nomination Committee and Compensation Committee	—

Notes:

1. Messrs. Seiichi Asaka, Sumitaka Fujita, Hiroshi Komiya and Günter Zorn are External Directors as stipulated in Article 2 Clause 15 of the Companies Act and notified to Tokyo Stock Exchange (TSE) as Independent Directors. In addition to such criteria set by TSE, the Company originally has more stringent criteria with respect to such independency of directors considering their relationships with the Group itself, Group's directors and/or Group's major shareholders, which all four External Directors also meet. For the details of such criteria, please see pages 17.
2. A member of Audit Committee, Mr. Sumitaka Fujita has specialized knowledge particularly on finance and accounting to a respectable degree with his career of Chief Financial Officer at ITOCHU Corporation for seven years.

B) Executive Officers

(i) As of 31 March 2015

Name	Executive position		Material concurrent office
Keiji Yoshikawa	Representative Executive Officer	President and CEO	—
Clemens Miller	Representative Executive Officer	Executive Vice President and COO	—
Mark Lyons	Representative Executive Officer	Executive Vice President and CFO	—
Kenichi Morooka	Executive Officer	Executive Vice President	—

(ii) As of 1 April 2015

Name	Executive position		Material concurrent office
Shigeki Mori	Representative Executive Officer	President and CEO	—
Clemens Miller	Representative Executive Officer	Executive Vice President and COO	—
Mark Lyons	Representative Executive Officer	Executive Vice President and CFO	—
Kenichi Morooka	Executive Officer	Executive Vice President	—
Keiji Yoshikawa	Executive Officer	—	—

(2) Compensation for Directors and Executive Officers

A) Principles of Compensation for Directors, and Executive Officers

(i) Organization & Responsibilities

The Compensation Committee was established following the 142nd Ordinary General Meeting of Shareholders in June 2008. Its membership consists of the four External Directors of NSG Group, a Director who concurrently serves as Representative Executive Officer and a Director who concurrently serves as Executive Officer. The current chairman is Mr. Hiroshi Komiya, an External Director. No member of the Committee is allowed to be present when matters relating to his specific compensation are being discussed. The Committee is supported by a secretariat from the Human Resources function and may use information from specialist external advisers when necessary. In addition, such member(s) of the Legal and Company Secretarial department as the Committee approves of acts as in-house legal adviser for any legal aspects or matters. During the year 2014/15, the Committee met on five occasions.

The Committee is responsible for:

- Determining the policy on individual compensation and other perquisites payable to the Directors and Executive Officers of the Company
- Determining individual compensation and other perquisites payable to the Directors and Executive Officers of the Company.

The Committee may also give recommendation or advice to the Representative Executive Officer, President and CEO on the policies and details with respect to compensations for the Group's senior management other than Directors and Executive Officers, keeping a consistency with the policy of (ii) below.

(ii) Compensation Policy for Executive Officers

NSG Group is a global business, operating in around 30 countries worldwide. The objectives of the compensation policy are to ensure that packages of employment terms and conditions are market competitive and designed in such a way as to attract, retain and motivate Executive Officers of the highest caliber on a worldwide basis in an international business.

The policy aims to ensure that each individual's basic salary and incentives are aligned with the performance of the Group and the interests of shareholders as well as reflecting the commitment and achievements of the individuals concerned. While some of the elements of the packages of the Executive Officers will vary depending on the market conditions in the countries in which they are directly employed, annual bonus and long-term incentive plans follow a

global policy and are structured, designed and co-ordinated at Group level.

Salary and benefit packages are set at market competitive levels and annual performance-related payments are assessed against the achievement of key targets which are mainly financial.

The salaries of Executive Officers are reviewed annually. The policy is to broadly align salaries with market medians for a global business. In determining what are the appropriate market rates, account is taken of turnover, market capitalization and the complexity and breadth of internationalization. In reviewing salaries, account is also taken of the scope and responsibilities of the role, the performance of the individual, the progress the Company is making against its targets and plans and of salary increases planned for other managers.

Each Executive Officer participates in an annual performance-related incentive scheme. The Committee establishes the performance criteria and sets the appropriate bonus parameters. The incentive plans are based mainly on challenging financial performance targets relating to the annual budget which is approved by the Board, plus commercial/operational measures that link clearly to the strategy of the business within the annual time frame. Both the financial and non-financial elements of the annual incentive plan are clearly aligned to the overall medium term strategy of the Group.

Performance measures for the FY2015 annual incentive plan for Executive Officers included the following:

Elements	Weight
Management Operating Profit	40
Working Capital/Sales Ratio	40
Quality Measures	10
Safety Measures	10

Performance measures for the FY2016 annual incentive plan for Executive Officers will include the following:

Elements	Weight
Management Operating Profit	40
Net debt scale	40
MTP (Medium Term Plan) scale	20

No bonus is paid to the Executive Officers if a minimum entry level of performance is not achieved. This minimum entry level is set and approved by the Committee to ensure that the business is meeting the minimum standard of financial performance. The annual bonus potential payment levels for Executive Officers range between 0 and 125% against each individual's basic salary dependent upon the management grade.

Each Executive Officer may be invited to participate in a Long Term Incentive Plan (LTIP). These plans are designed to reward the achievement of the Group's longer term objectives over a three year period. An LTIP may be issued annually. Therefore at any point in time there may be up to three overlapping plans in operation. The performance criteria for these plans are in the main financial measures.

The performance measure used in the plans that are in operation for FY2013, FY2014 and FY2015 is currently an Aggregate Earnings Per Share Measure. No payment is made if the entry point is not met. Payments from these plans are in cash. In order to align Executive Officers with shareholders, cash payments earned from these plans are factored up or down according to the share price movement during each three year plan period. The long term incentive plan's payment levels for Executive Officers range between 0 and 150% against each individual's base salary

dependent upon the management grade.

The current Long Term Incentive Plan requires Executive Officers and other eligible participants to mandatorily invest 50% of any cash LTIP proceeds to purchase ordinary NSG shares. The mandatory investment leads to further alignment of the Executive Officers with shareholders, allowing Executive Officers to enjoy the benefits of share ownership and continue to be motivated to help build shareholder value. The mandatory investment in shares applies to all eligible participants including Executive Officers who are non-resident in Japan.

Share retention and alignment with shareholders is further achieved by the use of shareholding targets. Shareholding targets are set for each Executive Officer and are expressed as a percentage of basic salary. It is expected that over a period of time via the LTIP Executive Officers will build their shareholding to meet the targets. Assessment of progress towards the shareholding targets will be reviewed annually. The shareholding target for Executive Officers is currently 100% of basic salary. The target levels will continue to be reviewed by the Compensation Committee in line with market practice.

(iii) Compensation Policy for Independent External Directors

The role of Independent External Directors is to supervise all Group business from their independent and objective standpoint as well as to engage in the material decision-makings as members of the Board of Directors. In order for them to fulfill this role adequately and effectively, and for the Group to retain individuals with the capability and experience required, the appropriate compensation level of Independent External is set based on comparisons with other companies using benchmark data provided by specialist external advisers.

Independent External Directors receive fees for the performance of their duties. They are not eligible for performance-related bonuses or awards under long-term incentive plans.

Independent External Directors receive additional reward if they act as Chair at either the Board or one of the other Committees.

B) Amount of Compensation for Directors and Executive Officers

(i) Amount of Compensation for Directors and Executive Officers Paid by the Company

Category	Headcount	Compensation (Million Yen)		
		Basic Salary	Bonus	Other Benefits
Directors who do not concurrently serve as Executive Officers (External Directors)	5	63	-	-
Executive Officers	3	110	27	38

Notes:

1. In addition to the amounts shown in this table which are amounts paid by NSG, additional amounts were paid to certain Executive Officers by subsidiaries of the Company, and these are shown in a separate table 2 below. Payments to Executive Officers, as shown in this table, consist of Basic Salary and Bonus for two Executive Officers and Other benefits for three Executive Officers.
2. Amounts shown relate to the periods for which the office of Director and Executive Officer was held.
3. The data for External Directors includes the one who retired as of the end of 148th AGM.
4. The amount shown as Bonus payment in the table is the one earned by two eligible Executive Officers for the year from April 2014 to March 2015 (which will be paid in the year from April 2015). A payment was earned with respect to Annual Bonus for this period. No payment was earned in respect of the Long Term Incentive Plan covering the three financial

years from April 2012 to March 2015.

5. Other Benefits for Executive Officers include an amount of 22 Million Yen for Stock Options awarded to two Executive Officers, which are the Stock Compensation-type Stock Options introduced as a retirement saving plan in accordance with the abolishment of director's retirement allowance scheme in 2007 under Japanese employment terms.
6. Other Benefits include pension fund contributions, healthcare provision and accommodation costs and so forth.

(ii) Amount of Compensation for Executive Officers Paid by Subsidiaries

Category	Headcount	Compensation (Million Yen)		
		Basic salary	Bonus	Other Benefits
Executive Officers	2	145	51	30

Notes:

1. The amounts shown relate to all compensation paid to Clemens Miller and Mark Lyons as Executive Officers.
2. The amount shown as Bonus payments in the table are those earned by two eligible Executive Officers for the year from April 2014 to March 2015 (which will be paid in the year from April 2015). A payment was earned with respect to Annual Bonus for this period. No payment was earned in respect of the Long Term Incentive Plan covering the three financial years from April 2012 to March 2015.
3. Other Benefits include pension fund contributions, healthcare provision, transport costs.
4. Where amounts in UK sterling and EURO have been converted to Japanese Yen this has been done at an average exchange rate for the year of GBP1: 177JPY and EUR1: 139.4JPY respectively.

(3) Matters related to External Directors

A) Material concurrent office of External Directors (in case that the External director has also executive positions such as an Executive Director and Executive Officer or is an External Director or Auditor of other organizations)

Name	Concurrent Position
Sumitaka Fujita	➢ External Director, The Furukawa Electronic, Co., Ltd. ➢ External Director, Olympus Corporation
Günter Zorn	➢ Representative Director/President, Z-ANSHIN K.K.

Note:
NSG does not have any special relationship in business with The Furukawa Electronic, Co., Ltd., Olympus Corporation, and Z-ANSHIN K.K..

B) Major activities of External Directors during fiscal year

Name	Major Activities
Seiichi Asaka	Attended all 12 Board of Directors meetings, all seven Nomination Committee meetings, 10 of 11 Audit Committee meetings and all five Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.
Sumitaka Fujita	Attended all 12 Board of Directors meetings, all seven Nomination Committee meetings, all 11 Audit Committee meetings, and all five Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.
Hiroshi Komiya	Attended all 12 Board of Directors meetings, all seven Nomination Committee meeting, all 11 Audit Committee meetings, and all five Compensation Committee meetings held during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.

Günter Zorn	Attended all 10 Board of Directors meetings, all six Nomination Committee meeting, all eight Audit Committee meetings, and all four Compensation Committee meetings held after his assumption of the office of Director on 27 June 2014 during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.

C) Outline of an agreement on liability limitation

An agreement is concluded between the Company and each of the External Directors, to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence be limited to the amount as stipulated by law.

6. Accounting Auditor

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Fees, etc, to Accounting Auditor with respect to the Fiscal Year

Fees, etc., to Accounting Auditor with respect to the fiscal year under review	¥ 140 million
Monetary and/or other property benefits payable by the Company and its subsidiaries to Accounting Auditor	¥ 145 million

Notes:

1. The audit contract between the Company and the Accounting Auditor does not differentiate fees related to auditing as Accounting Auditor pursuant to the Companies Act and fees related to auditing pursuant to the Financial Instruments and Exchange Act. It is not practically possible to differentiate them, either. As such, the Fees, etc., to Accounting Auditor for the fiscal year in the above table are the combined sum for these services.
2. Ernst & Young are the Group companies' principal auditors.
3. The Company paid the fees to the Accounting Auditor in consideration for its rendering of consultation or other services on internal control matters in addition to those for such services performed by it as prescribed in Article 2.1 of the Certified Public Accountants Act.

(3) Policies on Dismissal or Non-reappointment of Accounting Auditor

In addition to the dismissal of the Accounting Auditor by the Audit Committee pursuant to stipulations in Article 340.1 of the Companies Act, the Audit Committee shall, in principle, propose an agenda for dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders when the Audit Committee judges that the Accounting Auditor is unable to perform its duties properly, due to violation of law by the Accounting Auditor or other matters impairing the eligibility or independence as Accounting Auditor.

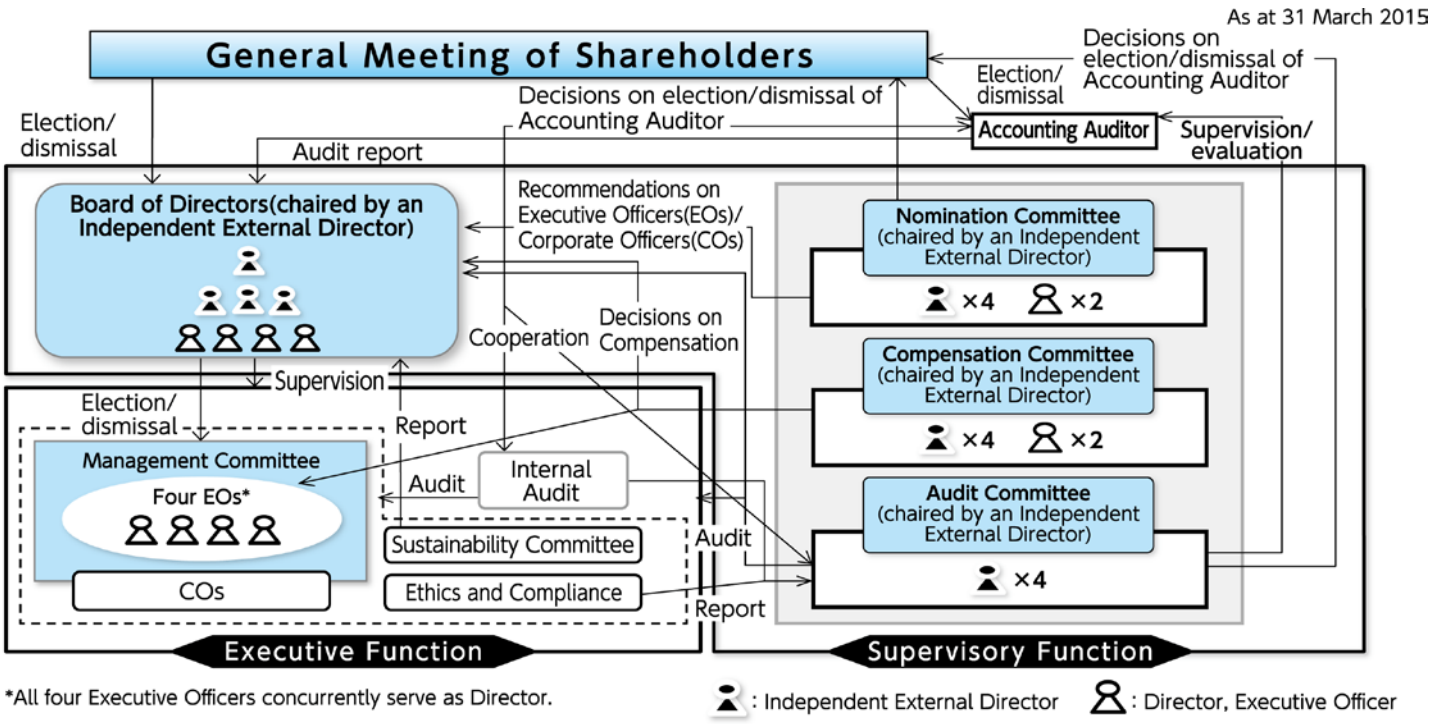
7. Status of corporate governance

(1) Policy and structure

The Group adopts a Company with Three Committees structure, under which we intend and seek to introduce additional safeguards for shareholders, increase the transparency of management, and enhance corporate governance by separating the functions of execution and oversight, with the role of the Independent External Directors strengthened.

NSG Group newly established the “NSG Group Corporate Governance Guidelines” supporting the Principles of the TSE Corporate Governance Code which took effect on 1 June 2015. These Guidelines provide the basic principles and framework of the corporate governance for the Group to enhance its corporate values in a sustainable manner, on a medium-to-long term basis, and thus increasing the common value of the Group for our various stakeholders including our shareholders.

(2) Management system



A) Board of Directors decides or approves matters delegated to it by resolution of the General Meeting of Shareholders as well as especially important matters on the execution of the Company’s business, in addition to the matters provided by laws and ordinances or by the Articles of Incorporation, and supervises the execution of duties by Directors and Executive Officers.

B) Nomination Committee decides the details of the agenda items on appointment and removal of Directors to be submitted to the General Meeting of Shareholders, and give recommendation or advice on candidates for Executive Officers and Corporate Officers to the Board of Directors.

C) Audit Committee conducts audits of the execution of duties by Directors and Executive Officers, prepares audit reports, and decides the details of agenda items on the appointment and removal of Accounting Auditor, as well as their non-reappointment.

D) Compensation Committee makes decisions on principles with respect to determination on compensations for Directors and Executive Officers, and thereunder individual compensations of Directors and Executive Officers.

E) Management Committee guides management operations of the Group and monitor implementation of development of such management operations.

(3) Systems to Ensure Execution of Duties by Executive Officers are Compliant with Laws and Articles of Incorporation and to Secure Appropriateness of Operations, etc.

1	System for ensuring that the performance of duties by Executive Officers and employees of the Company , and directors, statutory auditors and employees of the subsidiaries of the Company (collectively referred to as the "Group Employees") complies with laws, regulations, and the Articles of Incorporation	· On the basis and strength of the Values and Principles, the NSG Group (the "Group") aims to ensure high levels of ethics and compliance throughout the Group in conducting businesses, proactively fulfilling its social responsibilities for the sustainable growth · Under the Values and Principles, the Group establishes the "NSG Group Code of Ethics" providing business ethics and compliance with laws/ regulations/ internal policies and procedures, and uses its internal communication network to continually disseminate and provide educational training about the contents of the Code of Ethics for the Group Employees, together with other important internal policies and procedures of the Group (e.g. Group Policies, procedures or manuals). · Each Strategic Business Unit ("SBU") and function in charge of securing compliance with the relevant laws and regulations, will monitor such compliance status in coordination with Internal Audit function, and also report it to the Audit Committee. · The Group establishes a Group central function responsible for developing and maintaining the effective framework of ethics and compliance throughout the Group (hereinafter generally referred to as "Ethics and Compliance Function"). · Ethics and Compliance Function will, throughout the Group, :- ➢ work closely with regional team in charge of ethics and compliance matters to promote and ensure compliance by adherence to strict standards and to promote ethics and compliance awareness through communication and training programs; and ➢ as it may deem necessary, conduct audits in cooperation with Internal Audit function and other Internal Control Functions. · Ethics and Compliance Function will also report to the Audit Committee. · The Group establishes a global reporting of concerns hotline not subject to usual reporting structure for execution of the businesses ("hotline"), which enables the Group Employees to voice any ethics and compliance related issues through an independent external vendor as points of contact; whereby the Group ensures the framework under which it is able to promptly detect and address any such issues. · Ethics and Compliance Function shall, periodically or from time to time as appropriate, update the Audit Committee on the status of the implementation and operation of the hotline as well as on the issues brought from the hotline. · The Group Employees can make a report via the hotline with anonymity where legally allowed, and the Group must explicitly guarantee that no retaliation or unfavorable personnel treatment will be taken against the Group Employees in question for reason of the report.
2	Rules relating to the management of the risk of loss and other relevant risk management system with respect to the Group	· The Group establishes internal policies and procedures to adequately address various risks associated with its business operations and identify and manage all possible risks in a holistic way that it could be exposed to. · The Group establishes internal policies and procedures that clearly define how to treat specific risks associated with such as ethics and compliance, environment, safety, disaster management, product quality, information security, funding, raw material procurement, research and development and credit control, and each SBU and function shall manage such risks in their respective areas of responsibility according to these internal policies and procedures. · The Group shall make sure that Ethics and Compliance Function manages and controls significant ethics and compliance-related risks including by preparation of adequate internal policies and procedures, in cooperation with Internal Control Functions including Legal and Internal Audit function.

		· Risk control measures will be managed and taken, as necessary, including risk diversification and insurance on a group basis. · The Group develops and has in place policies and procedures to prepare against and deal with major incidents for risk management purposes that may occur globally or regionally. · The Group establishes the control system to ensure the integrity of its financial reporting as well as the appropriateness and timeliness of other corporate disclosures.
3	System for retaining and managing information pertaining to Executive Officers' performance of duties	· Executive Officers properly retain and manage documents, records and any other information regarding their performance of duties in accordance with the applicable laws and internal policies and procedures.
4	System for ensuring effective and efficient performance of duties by the Group's Employees	· The Group formulates an annual business targets for the Group based upon its medium to long-term business plans resolved by the Board. Also it clearly communicates the targets throughout the whole organization to ensure that all Group businesses are managed and coordinated in a consistent manner. · The Board authorizes the Executive officers to make decisions on the business and affairs of the Group Board within the remit permitted by law. · The Group establishes the Management Committee comprising the Executive Officers as its core member. Discussions and deliberations at the meetings thereof will be of assistance for the Executive Officers to make bold and prompt decisions on the Group businesses in an effective and efficient way, under the framework of the Group's basic policies and goals set by the Board. · The Group clearly defines the area of duties and responsibilities assigned to respective Executive Officers and other Group Employees pursuant to the resolutions by the Board and those internal policies and procedures providing for allocation of role/duties and authorities. · The Group prepares for internal policies and procedures in relation to various internal meeting or conference structures within the Group including in relation to Management Committee and ensures that all business decisions for the Group be made in manner complied with the standards and process for deliberation provided in such policies and procedures. · The Group develops and maintains information systems that improve the efficiency of business operations.
5	Reporting-line structure within the Group	· The reporting-line structure will be built up and maintained within the Group for each and every SBU and function formed on a group-wide basis. · The Group formulates the internal policy with respect to the management of the Company's subsidiaries which ensures each material subsidiary to notify the Company regularly of the matters relevant to it regarding: internal audit, finance, treasury, taxation, human resources, labor relations, pensions, health and safety, investor relations, legal, ethics and compliance, environment and any other areas related to internal controls and the status of risks or exposures associated with such . · Internal audit will be conducted on a group basis.
6	Systems to ensure effectiveness of audits conducted by the Audit Committee	· The Audit Committee, as a part of oversight function of the Board, is tasked to audit execution of duties by Directors and Executive Officers, on the basis of this Fundamental Policy on Internal Control System, from a viewpoint of whether:- ➢ an internal control system is established, maintained and implemented by the Executive Officers in an appropriate manner; ➢ and this Fundamental Policy itself is still valid or requires no improvement. · For the purpose of securing effectiveness of such audit:- ➢ the Audit Committee may have its members attend Management Committee meetings and other important meetings of the Group. When other forms of decision making processes are used in lieu of discussion at a meeting, the Audit Committee has the right of access to any information related to or used in such decision-making processes; ➢ the Audit Committee may, as it deems necessary, interview any of those

		Group Employees with senior positions to obtain information necessary to conduct its audits; ➢ the Audit Committee receives regular reports about the current risk exposures of the Group with respect to the followings from departments and functions responsible therefor:- ● internal audit, finance, treasury, taxation, human resources, labor relations, pensions, health and safety, investor relations, legal, ethics and compliance, environment and any other areas related to internal controls; ➢ the Audit Committee has the right of access to any material corporate document containing material information including but not limited to papers used for Management Committee meetings and internal approval documents; ➢ the Audit Committee receives explanation from the Executive Officer in charge of financial affairs on the Group's quarterly and full-year financial statements before they are presented to the Board for reporting or approval; ➢ the Audit Committee shall meet with Internal Audit function and Accounting Auditor on a regular basis to obtain necessary information. ➢ Members of the Audit Committee may conduct onsite inspections of the Group's major sites to monitor the status of the business and assets when it deems further necessary to do so in light of the purpose of audit prescribed above in this section.
7	System for reporting by the Group's Employees to the Audit Committee and other systems concerning reporting to the Audit Committee	· Directors and Executive Officers shall report the followings to the Audit Committee immediately when:- ➢ an individual has found any fact that could have a substantially adverse effect on the Group ➢ a Group Employee has committed or could be considered to commit such an act as may constitute a violation of any law, regulation or the Articles of Incorporation. · Without prejudice to generality of the foregoing section, the Audit Committee may request any of the Group Employees to prepare and submit such reports as it deems necessary for audit. · The Group explicitly guarantees that no retaliation or unfavorable personnel action in any manner should be taken against those who report to the Audit Committee by reason of such reporting.
8	Matters relating to Directors and/or Employees who support the execution of duties by the Audit Committee	· The Group shall establish an Audit Committee Office that assists the execution of duties by the Audit Committee, and shall assign such number of employees as it deems necessary for the performance of its functions. (hereinafter referred to as "Support Staff of the Audit Committee") · Under the instructions of the Audit Committee members, Support Staff of the Audit Committee shall:- ➢ by themselves, or by liaising with relevant departments, investigate, analyze or report the matters subject to its audit, and ➢ where necessary, assist the Audit Committee in conducting onsite inspections of the Group's major sites to monitor the status of their business and assets.
9	Matters relating to i) independence of the above Directors and/or Employees from Executive Officers, and ii) how to ensure effectiveness of Audit Committees' instructions thereto	· Decisions on personnel matters of Support Staff of the Audit Committee shall require the prior notice to and consent of the Audit Committee. · The head of Support Staff of the Audit Committee shall be prohibited from concurrently holding any position that may be involved in the execution of businesses and affairs of the Group, and shall report only to the Audit Committee.
10	Matters relating to policy with regard to advance payment or,	· If a member of the Audit Committee requests an advance payment of the expenses to be incurred in the course of his performance of the duties or otherwise makes such requests as provided in each section of article 404.4 of the

	reimbursement of the expenses incurred (but limited only to those to accrue relating to execution of duties of the Audit Committee), or any other treatment of such expenses and debts	Companies Act, the Company shall not refuse such request except where the Company proves that the said expenses or debts relating to such request is not necessary for the performance of the duties of the committee member in question.

Note: Above is the policy amended by the resolution of the Board of Directors held on 26 March 2015 in accordance with "the Act on the Partial Revision of the Companies Act" (Act No. 90 of 2014) which was took effect on 1 May 2015.

The above reports are prepared by:

1. Rounding off any fraction of one million yen to the nearest one million yen. ; and
2. Rounding down any fraction of 1,000 shares to the nearest 1,000 shares.

End

Consolidated Balance Sheet (as of 31 March 2015)

(In JPY millions)

ASSETS		LIABILITIES	
Non-current assets	652,964	Current liabilities	266,939
Goodwill	130,734	Borrowings	112,119
Intangible assets	75,680	Derivative financial instruments	3,090
Property, plant and equipment	293,529	Trade and other payables	133,550
Investment property	867	Taxation liabilities	2,326
Investments accounted for using the equity method	30,528	Provisions	12,509
Retirement benefit assets	9,754	Deferred income	3,345
Trade and other receivables	16,656		
Available-for-sale investments	31,870	Non-current liabilities	467,159
Derivative financial instruments	75	Borrowings	325,008
Deferred tax assets	62,072	Derivative financial instruments	2,527
Tax receivables	1,199	Trade and other payables	741
		Deferred tax liabilities	20,700
Current assets	267,142	Taxation liabilities	650
Inventories	113,662	Retirement benefit obligations	89,924
Construction work-in-progress	825	Provisions	17,826
Trade and other receivables	79,010	Deferred income	9,783
Available-for-sale investments	3		
Derivative financial instruments	882	Total: Liabilities	734,098
Cash and cash equivalents	67,695	EQUITY	
Tax receivables	1,558	Capital and reserves attributable to the Company's equity shareholders	175,746
		Called up share capital	116,449
Assets held for sale	3,507	Capital surplus	127,511
		Treasury stock	(150)
		Stock subscription rights	632
		Retained earnings	(25,082)
		Retained earnings (Translation adjustment at the IFRS translation date)	(68,048)
		Accumulated other comprehensive income	24,434
		Non-controlling interests	10,262
		Total: Equity	186,008
Total: Assets	920,106	Total: Liabilities and equity	920,106

Consolidated Income Statement (for the period of 1 April 2014 to 31 March 2015)

(In JPY millions)

Revenue		626,713
Cost of Sales		(473,194)
Gross profit		153,519
Other income	3,929	
Distribution costs	(59,131)	
Administrative expenses	(68,788)	
Other expenses	(12,681)	(136,671)
Operating profit before exceptional items		16,848
Exceptional items		5,490
Operating profit		22,338
Finance income	2,201	
Finance expenses	(20,145)	
Share of post-tax profit of joint ventures and associates accounted for using the equity method	413	(17,531)
Profit before taxation		4,807
Taxation		(1,914)
Profit for the period		2,893
Profit attributable to non-controlling interests		1,225
Profit attributable to owners of the parent		1,668

Consolidated Statement of Comprehensive Income (Reference only) (for the period of 1 April 2014 to 31 March 2015)

(In JPY millions)

Profit for the period	2,893
Other comprehensive income:	
Items that will not be reclassified to profit or loss:	
Re-measurement of retirement benefit obligations	(13,199)
Share of other comprehensive income of affiliates	(1,721)
Sub total	(14,920)
Items that may be reclassified to profit or loss:	
Foreign currency translation adjustments	7,009
Revaluation of available-for-sale investments	795
Cash flow hedges – fair value gains	(2,355)
Sub total	5,449
Total: Other comprehensive income for the period	(9,471)
Total comprehensive income for the period	(6,578)
Attributable to non-controlling interests	1,728
Attributable to owners of the parent	(8,306)

Consolidated statement of changes in equity (for the period of 1 April 2014 to 31 March 2015)

(in JPY millions)

	Equity attributable to the Company's shareholders					
	Called up share capital	Capital surplus	Treasury stock	Stock subscription rights	Retained earnings	Retained earnings (Transition adjustment at the IFRS transition date)
Balance: as of 1 April 2014	116,449	127,511	(285)	632	(11,773)	(68,048)
Comprehensive income for the year:						
Profit / (loss) for the year					1,668	
Other comprehensive income					(14,920)	
Total comprehensive income for the year	-	-	-	-	(13,252)	-
Transactions with owners:						
Purchase of treasury stock			(4)			
Disposal of treasury stock		(57)	1			
Dividends paid						
Share based payments(Stock options)			138	0		
Transfer of retained earnings to capital surplus		57			(57)	
Total transactions with owners	-	-	135	0	(57)	-
Balance: as of 31 March 2015	116,449	127,511	(150)	632	(25,082)	(68,048)

	Equity attributable to the Company's shareholders					Non controlling interests	Total equity
	Exchange translation reserve	Fair value reserve	Hedging reserve	Total other comprehensive income	Total equity attributable to the Company's shareholders		
Balance: as of 1 April 2014	21,611	445	(2,568)	19,488	183,974	9,512	193,486
Comprehensive income for the year:							
Profit / (loss) for the year					1,668	1,225	2,893
Other comprehensive income	6,445	795	(2,294)	4,946	(9,974)	503	(9,471)
Total comprehensive income for the year	6,445	795	(2,294)	4,946	(8,306)	1,728	(6,578)
Transactions with owners:							
Purchase of treasury stock				-	(4)		(4)
Disposal of treasury stock				-	(56)		(56)
Dividends paid				-	-	(978)	(978)
Share based payments(Stock options)				-	138		138
Transfer of retained earnings to capital surplus				-	-		-
Total transactions with owners				-	78	(978)	(900)
Balance: as of 31 March 2015	28,056	1,240	(4,862)	24,434	175,746	10,262	186,008

NIPPON SHEET GLASS CO. LTD. **Financial Statements**

Balance Sheet (as of 31 March 2015)

(in JPY millions)

ASSETS		LIABILITIES	
Current assets	125,535	Current liabilities	169,957
Cash and cash deposits	8,387	Accounts payable-trade	17,069
Notes receivable	1,713	Short-term bank borrowings	29,850
Accounts receivable-trade	17,088	Current portion of Bonds	25,250
Products and goods	13,041	Current portion of Long-term borrowings	71,949
Work in process	2,539	Lease obligations	722
Raw materials and consumables	5,580	Accounts payable - non-trade	8,025
Deferred tax assets	93	Accrued income tax	159
Short-term loan receivable	67,983	Accrued expenses	1,592
Other current assets	9,926	Customers' deposits	12,517
Allowance for doubtful accounts	(815)	Provision for employees' bonuses	1,448
Fixed assets	562,773	Provision for directors' bonuses	43
Tangible assets	42,172	Provision for warranties	67
Buildings	11,897	Provision for restructuring expenditure	52
Structures	1,226	Provision for onerous purchase contracts	775
Machinery & Equipment	15,265	Other current liabilities	439
Vehicles	6	Fixed liabilities	227,719
Tools & Fixtures	3,130	Bonds	35,000
Land	8,483	Long-term bank borrowings	187,094
Leased assets	32	Lease obligations	19
Construction in progress	2,133	Provision for retirement benefits	997
Intangible assets	1,600	Provision for rebuilding furnaces	1,975
Computer software	92	Environmental provision	223
Leased assets	1,158	Asset retirement obligations	1,152
Other intangible assets	350	Deferred tax liabilities	318
Investments and other assets	519,001	Other fixed liabilities	941
Investments in securities	1,034	Total: Liabilities	397,676
Investments in subs. & affiliates	507,788	NET ASSETS	
Long-term loan receivable	6,145	Shareholders' equity	290,375
Long-term prepaid expenses	2,974	Common stock	116,449
Other assets	1,081	Capital surplus	124,772
Allowance for doubtful accounts	(21)	Capital surplus	124,772
		Retained earnings	49,664
		Earned surplus	6,377
		Other retained earnings	43,287
		Reserve for adv'ed depreciation	1,873
		General reserve	34,977
		Retained earnings carried forward	6,437
		Treasury stock	(150)
		Valuation and translation adjustments	(735)
		Deferred gains or losses on hedges	(735)
		Stock subscription rights	632
		Net Assets	290,632
Total: Assets	688,308	Total: Liabilities and net assets	688,308

Income Statement (for the period of 1 April 2014 to 31 March 2015)

(in JPY millions)

Revenue		107,018
Cost of sales		(82,731)
Gross profit		24,287
Selling, general and administrative expenses		(23,572)
Operating profit		715
Non-operating income		
Interest and dividend income	5,535	
Other income	1,056	6,591
Non-operating expense		
Interest expense	(7,825)	
Other expense	(2,203)	(10,028)
Ordinary loss		(2,722)
Extraordinary income		
Gain from sale of fixed assets	4,521	
Other	157	4,678
Extraordinary loss		
Loss on sale of fixed assets	(1)	
Loss on scrapping of fixed assets	(162)	
Loss on impairment	(555)	
Other	(352)	(1,070)
Net profit before tax		886
Income tax: Current	434	
Income tax: Deferred	(256)	178
Net profit		1,064

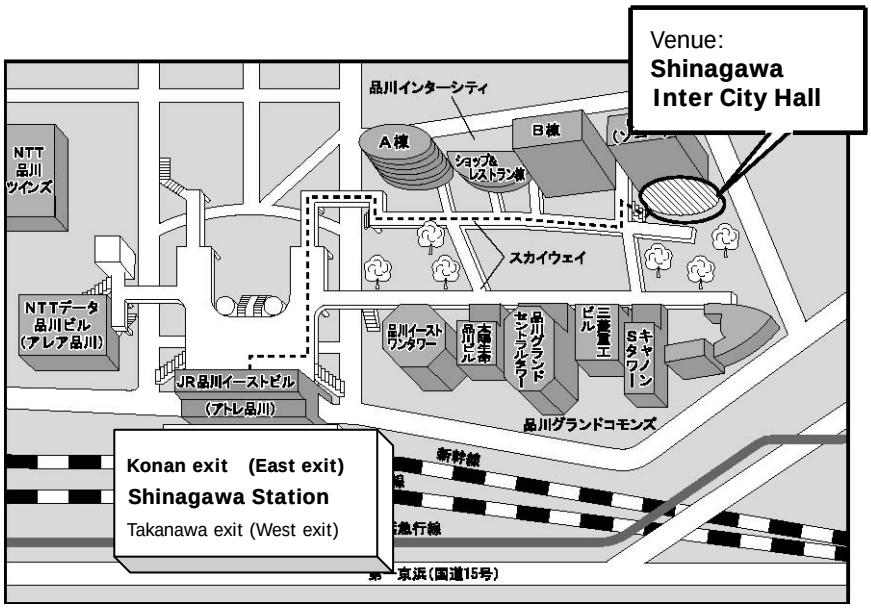
Statement of changes in net assets (for the period of 1 April 2014 to 31 March 2015)

(in JPY millions)

	Shareholders' equity										
		Capital surplus			Retained earnings						
						Other retained earnings					
	Common stock	Capital surplus	Other capital surplus	Sub-total	Earned surplus	Reserve for advanced depreciation	General reserve	Retained earnings carried forward	Sub-total	Treasury stock	Sub-Total
Balance: as of 1 April 2014	116,449	124,772	—	124,772	6,377	2,149	34,977	5,154	48,657	(285)	289,593
Changes during the period:											
Reversal of reserve for advanced depreciation				—		(276)		276	—		—
Net profit				—				1,064	1,064		1,064
Exercise of stock subscription rights				—					—	138	138
Acquisition of treasury stock				—					—	(4)	(4)
Disposal of treasury stock			(57)	(57)					—	1	(56)
Transfer of retained earnings to capital surplus			57	57				(57)	(57)		—
Net changes of items other than shareholders' equity											
Total changes during the period	—	—	—	—	—	(276)	—	1,283	1,007	135	1,142
Balance: as of 31 March 2015	116,449	124,772	—	124,772	6,377	1,873	34,977	6,437	49,664	(150)	290,735

	Valuation and translation adjustments		Stock subscription rights	**Total net assets**
	Deferred gains or losses on hedges	Sub-total		
Balance: as of 1 April 2014	1,078	1,078	632	291,303
Changes during the period:				
Reversal of reserve for advanced depreciation		—		—
Net profit		—		1,064
Exercise of stock subscription rights		—		138
Acquisition of treasury stock		—		(4)
Disposal of treasury stock		—		(56)
Transfer of retained earnings to capital surplus		—		—
Net changes of items other than shareholders' equity	(1,813)	(1,813)	0	(1,813)
Total changes during the period	(1,813)	(1,813)	0	(671)
Balance: as of 31 March 2015	(735)	(735)	632	290,632

Map of the Venue for the Ordinary General Meeting of Shareholders



Venue: Shinagawa Inter City Hall, 15-4, Konan 2-Chome, Minato-ku, Tokyo
Access: 8 minute-walk from JR Shinagawa Station, Konan exit (East exit)