Notice of Convening The 151st Ordinary General Meeting of Shareholders

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Date and Time:

10:00 A.M., Thursday, 29 June 2017

(Reception to open 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 rights in writing or via the Internet

5:45 P.M. (Japan time)

Wednesday, 28 June 2017

Nippon Sheet Glass Company, Limited

Securities Code: 5202

Securities Code: 5202

7 June 2017

Shigeki Mori
Director,
Representative Executive Officer, President and CEO
Nippon Sheet Glass Co., Ltd.
5-27, Mita 3-Chome, Minato-ku, Tokyo

Notice of Convening the 151st Ordinary General Meeting of Shareholders

Dear Shareholders,

You are cordially invited to attend the 151st 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 such case you are kindly asked to review and consider the Reference Materials to Proposals at the General Meeting of Shareholders below, and then exercise your voting rights according to the explanations and instructions described in page 2 no later than 5:45 P.M. (Japan time) of 28 June (Wed.) 2017.

Note:

1. Date and Time: 10:00 A.M., Thursday, 29 June 2017

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 Report, Reports of the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements, for the 151st fiscal period from 1 April 2016 to 31 March 2017.
2. Reports of the Financial Statements for the 151st fiscal period from 1 April 2016 to 31 March 2017.

Matters to be Resolved

Proposal: Election of Eight Directors

4. Online Disclosure

Reference Materials to Proposals at 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 55 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 http://www.nsg.com/ in accordance with the relevant laws and ordinances, and Article 14 of the Articles of Incorporation.

5. Exercising Voting Rights

➢ When attending the meeting on the day

Please present the enclosed voting rights exercising card to the reception.

➢ If not attending the meeting on the day

(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 28 June (Wed.) 2017.

(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 28 June (Wed.) 2017.

➢ If it should become necessary to make any amendments to any of the Reference Materials to Proposals at the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and/or Financial Statements, such amendments shall be notified to you by mail, or on the Company's website at http://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 http://www.nsg.com/ (in English) and at http://www.nsg.co.jp/ (in Japanese). You are kindly asked to acknowledge and confirm that these actions would operate as alternatives to the issue of a resolution notice.

Information concerning Exercising Voting Rights via the Internet

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

1. Website for Exercising Voting Rights

Exercising your 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 your voting rights via the Internet, use the 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 28 June (Wed.) 2017, it would be greatly appreciated if you could kindly exercise the rights earlier.

(3) When a shareholder exercises his or her voting rights 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 rights 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 regards your personal seal or secret number.

(2) In the event that you put a wrong password a certain number of times such password will become invalid. If you wish the 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 the voting rights via the Internet:

(1) Website for personal computer

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

B) Following Internet browser software and PDF viewer application are installed into the computer.
(Operation check has been performed under the following combination settings.)

OS	Internet browser software	PDF viewer application
Windows Vista®	Internet Explorer® Ver.7～9	Adobe® Reader® Ver.9
Windows® Ver.7	Internet Explorer® Ver.8～11	Adobe® Reader® Ver.11
Windows® Ver.8.1	Internet Explorer® Ver.11	Adobe® Reader® Ver.11

*Windows, Windows Vista, and Internet Explorer are the trademarks or registered trademarks of Microsoft Corporation in U.S. and other countries.

*Adobe and Reader are the trademarks or registered trademarks of Adobe Systems Incorporated in U.S. and other countries.

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

(iv) If you cannot access the website, your 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 any 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 Corporation respectively.

* 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 to Proposals at General Meeting of Shareholders

Proposal: 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	Günter Zorn	To be re-elected	Candidate for External Director Candidate for Independent Director	■ Chairman of the Board ■ Member of Nomination Committee ■ Member of Audit Committee ■ Member of Compensation Committee
2	Shigeki Mori	To be re-elected		■ Member of Nomination Committee ■ Member of Compensation Committee
3	Clemens Miller	To be re-elected		
4	Kenichi Morooka	To be re-elected		
5	Toshikuni Yamazaki	To be re-elected	Candidate for External Director Candidate for Independent Director	■ Member of Nomination Committee ■ Chairman of Audit Committee ■ Member of Compensation Committee
6	Yasuyuki Kimoto	To be re-elected	Candidate for External Director Candidate for Independent Director	■ Member of Nomination Committee ■ Member of Audit Committee ■ Chairman of Compensation Committee
7	Masatoshi Matsuzaki	To be re-elected	Candidate for External Director Candidate for Independent Director	■ Chairman of Nomination Committee ■ Member of Audit Committee ■ Member of Compensation Committee
8	Yuji Takei	To be re-elected	Candidate for External Director	

To be re-elected Candidate for External Director
Candidate for Independent Director

1 Mr. Günter Zorn

- **Positions / responsibilities at NSG Group:** Director, Chairman of the Board, a member of Nomination Committee, Audit Committee and Compensation Committee
- **Date of birth:** 23 March 1953 (64 years old)
- **Terms of office as External Director**: 3 years (as of the end of this General Meeting of Shareholders.)
- **Record of attendance at Board of Directors meetings**; 100% (11/11)
- **Number of the Company's shares owned**: 3,390
- **Material concurrent offices**: Representative Director and President, Z-ANSHIN K.K.
- **Special interest between the candidate and the Company**: n/a
- **Reasons for recommendation as an External Director**:

  Günter Zorn became External Director of the Company 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 including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant international experiences and broad knowledge and perspectives 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 (acquired by Heidelberger Druckmaschinen AG in 1997)
Apr. 1998	President, Heidelberg France S.A.
Apr. 2000	President, Asia Pacific, Heidelberg
Jul. 2005	Representative Director and President, DHL Japan, Inc.
Apr. 2006	Representative Director and President, DHL Japan, Inc.
	Executive Vice President North Pacific (Japan and Korea), DHL GmbH.
Apr. 2009	Representative Director and President, Z-ANSHIN K.K. (Current position)
Jun. 2014	Director, NSG Group (Current position)

To be re-elected

2 Mr. Shigeki Mori

- **Positions / responsibilities at NSG Group**: Director, Representative Executive Officer, President and CEO, a member of Nomination Committee and Compensation Committee
- **Date of birth**: 22 July 1958 (58 years old)
- **Number of the Company's shares owned**: 5,934
- **Material concurrent office**: n/a
- **Special interest between the candidate and the Company**: 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 business. Based upon such ample experiences and delivery of results gained in both of administrative role and plural business lines he was appointed Representative Executive Officer, President and CEO in April 2015 and since then, has taken leadership in the whole Group business. He was also appointed Director in June 2015. It is expected that his knowledge and experience of the Group business will continue to contribute to the decision-making function of the Board and he is slated for director candidate accordingly.
- **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)
Jul. 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. 2012	Senior Corporate Officer, Head of Technical Glass SBU
Apr. 2015	Representative Executive Officer, President and CEO (Current position)
Jun. 2015	Director (Current position)

3 To be re-elected

Mr. Clemens Miller

- **Positions/responsibilities at NSG Group**: Director, Representative Executive Officer, Executive Vice President and COO
- **Date of birth**: 21 February 1959 (58 years old)
- **Number of the Company's shares owned**: 1,000
- **Material concurrent office**: n/a
- **Special interest between the candidate and the Company**: 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 and perspectives with regard to the Group's business, operation and management, and he is slated for director candidate accordingly.
- **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, Building Products Europe
Jun. 2005	Managing Director, Fire Protection & Coatings, Building Products Europe
Apr. 2007	Managing Director, Solar Energy Business Managing Director, Fire Protection & Coatings, Building Products
Aug. 2007	Managing Director, Building Products Europe Managing Director, Fire Protection & Coatings, Building Products
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 (Current position), Executive Officer, Head of Building Products Worldwide, NSG Group
Feb. 2012	Executive Officer, Head of Architectural glass SBU and Technical Glass SBU, NSG Group
Apr. 2012	Representative Executive Officer, Executive Vice President and COO, Head of Architectural glass SBU and Technical Glass SBU, NSG Group
Jun. 2012	Representative Executive Officer, Executive Vice President and COO, NSG Group (Current Position)

4 Mr. Kenichi Morooka

To be re-elected

- **Positions / responsibilities at NSG Group**: Director, Representative Executive Officer, Executive Vice President and CFO
- **Date of birth**: 12 December 1956 (60 years old)
- **Number of the Company's shares owned**:8,030
- **Material concurrent office**: n/a
- **Special interest between the candidate and the Company**: 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 Group 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, and he became Director, Representative Executive Officer, Executive Vice President and CFO in April 2016. 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 and perspectives with regard to the Group's accounting, finance, human resources, business and management, and he is slated as director candidate accordingly.

- **Brief career history**

Apr. 1979	Joined The Sumitomo Bank, Limited (Currently Sumitomo Mitsui Banking Corporation)
Apr. 1993	Senior Assistant General Manager, International Affairs (Tokyo), The Sumitomo Bank, Limited
Jun. 2002	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 Corporation Planning Communication, NSG Group
May 2012	Senior Corporate Officer, Deputy CFO, NSG Group
Apr. 2013	Executive Officer, Deputy CFO, NSG Group
Jun. 2013	Director (Current position), Executive Officer, Executive Vice President, NSG Group
Apr. 2016	Representative Executive Officer, Executive Vice President and CFO, NSG Group (Current position)

To be re-elected Candidate for External Director
Candidate for Independent Director

5 Mr. Toshikuni Yamazaki

- **Positions / responsibilities at NSG Group:** Director, a member of Nomination Committee and Compensation Committee, and Chairman of Audit Committee
- **Date of birth:** 13 January 1946 (71 years old)
- **Terms of office as External Director**: 2 years (as of the end of this General Meeting of Shareholders.)
- **Record of attendance at Board of Directors meetings**; 100% (11/11)
- **Number of the Company's shares owned**:3,188
- **Material concurrent office**: Representative Director and President, Ryugasaki Country Club
- **Special interest between the candidate and the Company**: n/a
- **Reasons for recommendation as an External Director**:

  Toshikuni Yamazaki became External Director of the Company in June 2015. He 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 a major international manufacturing company, and a member of the Investment Advisory Committee of the Government Pension Investment Fund, Japan (GPIF). It is expected that he will continue to contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge and perspectives with regard to business management and finance and accounting.
- **Brief career history**

Apr. 1968	Joined Nippon Kokan K.K. (Currently JFE Holdings, Inc.)
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
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 in 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)
Jun. 2015	Director, NSG Group (Current position)

To be re-elected Candidate for External Director
Candidate for Independent Director

6 Mr. Yasuyuki Kimoto

- **Positions / responsibilities at NSG Group:** Director, a member of Nomination Committee and Audit Committee, and Chairman of Compensation Committee
- **Date of birth:** 26 February 1949 (68 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% (8/8)*
- **Number of the Company's shares owned**: 1,191
- **Material concurrent office**: Special Adviser, The Japan Research Institute, Limited, and Corporate Auditor, DMG Mori Co., Ltd.
- **Special interest between the candidate and the Company**: n/a
- **Reasons for recommendation as an External Director**:

  Yasuyuki Kimoto has the career and experiences of leading in his capacity as then president and chairman the Board of a UK local subsidiary of a major Japanese financial institution which local Board comprised a plural number of non-Japanese independent directors, along with his experience of serving as chairman of and thus leading the Board of a major international manufacturing company whose majority consisted of independent external directors. It is expected that he will continue to contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant international experiences and broad knowledge and perspectives with regard to business management.
- **Brief career history**

Apr. 1971	Joined The Sumitomo Bank, Limited (Currently Sumitomo Mitsui Banking Corporation)
Jun. 1998	Director, The Sumitomo Bank, Limited
Jun. 1999	Director, Executive Officer, The Sumitomo Bank, Limited
Jun. 2002	Director, Managing Executive Officer, Sumitomo Mitsui Banking Corporation
Apr. 2004	Managing Director and Managing Executive Officer, Sumitomo Mitsui Banking Corporation
Jun. 2005	Senior Managing Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation (Retired in April 2006)
May. 2006	President and CEO, The Japan Research Institute, Limited
Apr. 2012	Special Adviser, The Japan Research Institute, Limited (Current position)
	Chairman of the Board of Director, Olympus Corporation (Retired in June 2015)
Jun. 2015	Corporate Auditor, DMG Mori Co., Ltd. (Current position)
Jun. 2016	Director, NSG Group (Current position)

* Note: Mr. Yasuyuki Kimoto was newly appointed and took up as Director at the 150th Ordinary General Meeting of Shareholders held on 29 June 2016 therefore it shows the number of the Board of Directors meetings held and attended after his assumption.

To be re-elected Candidate for External Director
Candidate for Independent Director

7 Mr. Masatoshi Matsuzaki

- **Positions / responsibilities at NSG Group:** Director, Chairman of Nomination Committee, and a member of Audit Committee and Compensation Committee
- **Date of birth:** 21 July 1950 (66 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% (8/8)*
- **Number of the Company's shares owned**: 1,059
- **Material concurrent office**: Director and Chairman of the Board, Konica Minolta, Inc., External Director, Ichigo Inc., and External Director, Nomura Research Institute, Ltd.
- **Special interest between the candidate and the Company**: n/a
- **Reasons for recommendation as an External Director**:

  Masatoshi Matsuzaki has the career and experiences of serving as both representative executive officer and subsequently chairman of the Board of a major international manufacturing company, which adopts a governance system of "Company with Three Committees" like us. It is expected that he will continue to contribute to the supervisory function of the Board including in overseeing performance of Executive Officers from an independent and objective standpoint as well as based upon his abundant experiences and broad knowledge and perspectives with regard to even both sides of executive and supervisory functions of such company having the Committee system.

- **Brief career history**

Apr. 1976	Joined Konishiroku Photo Industry Co., Ltd. (Currently Konica Minolta Inc.)
Nov. 1997	General Manager of Development Group No.2, Color Business Machines Development Div., Business Machines Headquarters, Konica Corporation (Currently Konica Minolta Inc.)
May. 1998	General Manager of Development Center No.1, System Technology Development Div., Business Machines Headquarters, Konica Corporation
Oct. 2003	Director, Konica Minolta Business Technologies, Inc.
Apr. 2005	Executive Officer, Konica Minolta Inc. Representative Director and President, Konica Minolta Technology Center, Inc.
Apr. 2006	Senior Executive Officer, Konica Minolta Inc. Representative Director and President, Konica Minolta Technology Center, Inc.
Jun. 2006	Director and Senior Executive Officer, Konica Minolta Inc. Representative Director and President, Konica Minolta Technology Center, Inc.
Apr. 2009	Director, Representative Executive Officer and President, Konica Minolta Inc.
Apr. 2014	Director and Chairman of the Board, Konica Minolta Inc. (Current position) President, Japan Business Machine and Information System Industries Association (Retired in May 2016)
May 2016	External Director, Ichigo Inc. (Current position)
Jun. 2016	External Director, Nomura Research Institute, Ltd. (Current position) Director, NSG Group (Current position)

* Note: Mr. Masatoshi Matsuzaki was newly appointed as Director at the 150th Ordinary General Meeting of Shareholders held on 29 June 2016 therefore it shows the total number of the Board of Directors meetings held and attended after his assumption.

To be re-elected Candidate for External Director

8 Mr. Yuji Takei

- **Positions/responsibilities at NSG Group:** Director
- **Date of birth:** 30 June 1964 (52 years old)
- **Number of the Company's shares owned**: 3 months (as of the end of this General Meeting of Shareholders.)
- **Record of attendance at Board of Directors meetings**; -*
- **Number of the Company's shares owned**: 0
- **Material concurrent office**: Director, Chief Operating Officer and Head of Investment, Japan Industrial Solutions Co., Ltd.
- **Special interest between the candidate and the Company**: Director of the Company acting as general partner of one of the Investment LPS to which Class A Shares are issued
- **Reasons for recommendation as an External Director**:

  Initially having joined the Long-Term Credit Bank of Japan, ltd (Currently Shinsei Bank, Limited) then moved to an international consulting firm and afterwards served as a partner in an investment fund among others, through the course of such career Yuji Takei has the career and experiences of engaging in corporate management as an external director in some other companies. It is expected that he will continue to contribute to the supervisory function of the Board including in overseeing performance of Executive Officers based upon his abundant experiences and broad knowledge and perspectives with regard to business management.
- **Brief career history**

Apr. 1988	Joined the Long-Term Credit Bank of Japan, ltd. (Currently Shinsei Bank, Limited)
Sep. 1998	Joined McKinsey & Company, Inc.
Oct. 2002	Joined Advantage Partners, Inc.
Sep. 2006	Senior Partner, Advantage Partners, Inc.
Apr. 2012	Partner, M&A and Private Equity Practice Leader, A.T. Kearney K.K.
Nov. 2016	Member of the Board, COO, Japan Industrial Solutions, Co., Ltd.
Apr. 2017	Member of the Board, COO and Head of Investment, Japan Industrial Solutions, Co., Ltd. (Current Position) Director, NSG Group (Current position)

* Note: Mr. Yuji Takei was newly appointed as Director at the Extraordinary General Meeting of Shareholders held on 24 March 2017 and took up from 1 April 2017 therefore he didn't have opportunities to attend board meetings during the 151st fiscal period from 1 April 2016 to 31 March 2017.

Notes:

1. Messrs. Günter Zorn, Toshikuni Yamazaki, Yasuyuki Kimoto, Masatoshi Matsuzaki and Yuji Takei are candidates for the External Directors stipulated in Article 2.15 of the Companies Act. In addition, all of them except Mr. Yuji Takei have been notified to Tokyo Stock Exchange (hereinafter called "TSE") as Independent Directors. The Company has on its own created and applied 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 page 15.

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

   Agreement on liability limitation with External Directors

   The Company concluded an agreement with all the candidates of the External Directors (Messrs. Günter Zorn, Toshikuni Yamazaki, Yasuyuki Kimoto, Masatoshi Matsuzaki and Yuji Takei) respectively to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence on their part 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.

End

151st Business Report of
Nippon Sheet Glass Company, Limited

From 1 April 2016
To 31 March 2017

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

(1) Overview and Results of Business Activities

During the year to 31 March 2017 (FY2017), market conditions continued to represent an improvement from the previous year, with results additionally benefitting from a further improvement in sales of higher-value-added (VA) products. European architectural glass markets were robust with strong demand in most regions, and automotive glass markets benefitted from increasing vehicle sales. Construction activity in Japan remained at a low level, although forward indicators, such as new housing starts, are generally positive. Vehicle sales in Japan were slightly higher than the previous year. Market conditions in North America were strong in both architectural and automotive glass markets. Automotive glass markets in South America remained weak. Markets in South East Asia were strong. Overall, technical glass markets remained mixed with a fall in demand for printer components offset by improvements in other areas.

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

	Results	
Consolidated Revenue	¥580,795m	(down 7.7%)
Consolidated Operating Profit	¥29,862m	(up 54.2%)
Consolidated Profit before Taxation	¥14,751m	
Consolidated Profit for the Period	¥7,292m	
Consolidated Profit Attributable to Owners of the Parent	¥5,605m	

Note : Operating profit in the above table is defined as being operating profit stated before exceptional items.

The performance by segment is as follows.

Architectural

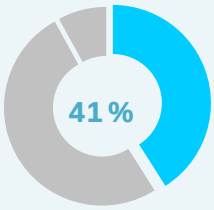
Revenue: ¥ 237,722 million

Operating profit : ¥ 27,044 million

Business content:-

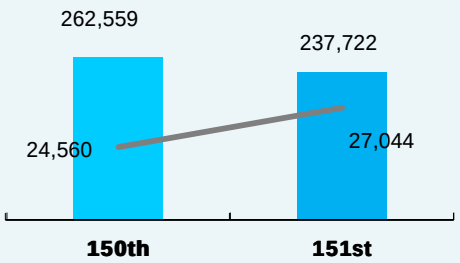
Architectural, representing 41 percent of the Group's annual revenue, includes the manufacture and sale of flat glass and various interior and exterior glazing products within commercial and residential markets. It also includes glass for the Solar Energy sector.

Ratio of sales to Group revenue



Revenue
Operating profit

(Millions of yen)



Architectural glass business revenues fell from the previous year due to the translational impact of a strengthened Yen. At constant exchange rates, revenues increased slightly from the previous year with improved prices in Europe and North America. Operating profits also benefitted from the continued low level of input costs.

In Europe, representing 35 percent of the Group's architectural glass business sales, markets continued to be positive with a strong demand leading to a robust pricing environment. Profits also benefitted from benign input costs. On 13 February 2017, the Group announced its intention to restart its float glass manufacturing line at Venice, Italy, with production expected to recommence during FY2018.

In Japan, representing 28 percent of the Group's architectural glass business sales, volumes were below the previous year. Whilst construction markets remained at a low level, volumes improved through the year. Price levels were similar to the previous year. The generally weak market environment was mitigated by additional cost savings and falling input costs.

In North America, representing 15 percent of the Group's architectural glass business sales, local currency revenues were similar to the previous year as improving prices offset a decline in commodity volumes. Local currency profits were also similar to the previous year. On 28 February 2017, a tornado damaged the Group's float glass manufacturing plant at Ottawa, Illinois. Production is currently suspended and the Group intends to conduct an expedited cold repair of the furnace during FY2018.

In the rest of the world, markets were generally improved from the previous year. Profitability in terms of the local currency in South America increased with the previous year having included the effect of a cold repair in Argentina. Profitability also improved in South East Asia with growing domestic markets and robust dispatches of solar energy glass.

The architectural glass business recorded revenues of ¥ 237,722 million and an operating profit of ¥ 27,044 million.

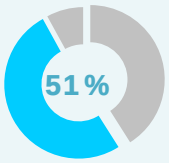
Automotive

Revenue: ¥ 296,560 million

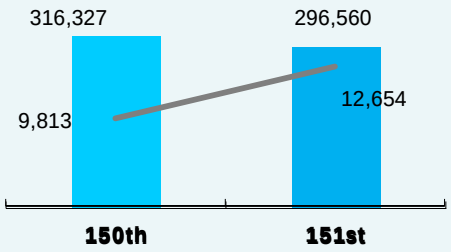
Operating profit : ¥ 12,654 million

Business content:-
Automotive, with 51 percent of Group revenue, supplies a wide range of automotive glazing for new vehicles and for replacement markets.

Ratio of sales to Group revenue



Revenue
Operating profit
(Millions of yen)



In the automotive glass business, revenues were also below the previous year due to the translational impact of a strengthened Yen. At constant exchange rates, revenues were ahead of the previous year, mainly due to increased volumes in Europe and North America. Profits were also ahead, due to the increased volumes and a continued improvement in operational performance.

Europe represents 44 percent of the Group's automotive glass business sales. The Group's original equipment (OE) volumes were similar to the previous year, although volumes increased in the automotive glass replacement (AGR) business. Profits increased with the higher volumes and improved operational performance.

In Japan, representing 19 percent of the Group's automotive glass business sales, revenues and profits fell slightly from the previous year. Vehicle sales started the year at a low level, impacted by the Kumamoto earthquake, but have improved significantly. AGR profits were similar to the previous year.

In North America, representing 27 percent of the Group's automotive glass business sales, local currency revenues and profits improved from the previous year. Overall light vehicle sales were similar to the previous year, although the Group's volumes increased. AGR results were slightly below the previous year.

In the rest of the world, weak market conditions persist in South America.

The automotive glass business recorded revenues of ¥ 296,560 million and an operating profit of ¥ 12,654 million.

Technical Glass

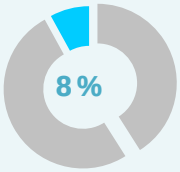
Revenue: ¥ 46,088 million

Operating profit : ¥ 1,756 million

Business content:-

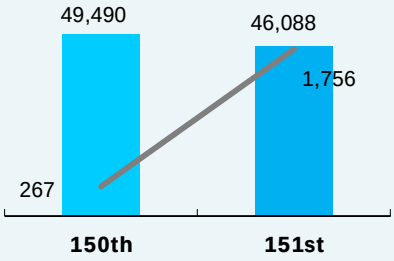
Technical Glass, representing 8 percent of Group revenue, comprises a number of discrete businesses, including the manufacture and sale of very thin glass for small displays, lenses and light guides for printers, as well as glass fiber products, such as battery separators and glass components for engine timing belts.

Ratio of sales to Group revenue



Revenue
Operating profit

(Millions of yen)



Revenues and profits in the technical glass business continued to be under pressure from challenging conditions in display glass markets and a decline in volumes of components used in multi-function printers.

Losses narrowed in the display business following the mothballing of the Group's thin glass float line in Vietnam. Demand for components used in multi-function printers continued to be below the previous year. Volumes of glass cord used in engine timing belts were robust, consistent with strengthening automotive markets. Battery separator profits benefitted from strong demand and an improving operational performance.

The technical glass business recorded revenues of ¥ 46,088 million and an operating profit of ¥ 1,756 million.

Other

This part covers corporate costs, consolidation adjustments, certain small businesses not included in the businesses covered above and the amortization of other intangible assets related to the acquisition of Pilkington plc. Operating costs and consolidation adjustments incurred in Other Operations and Eliminations were below the previous year, due mainly to a reduction in amortization costs of intangible assets.

Consequently, this segment recorded revenues of ¥ 425 million and operating costs of ¥ 11,592 million.

(2) Capital Expenditure

The capital expenditure of the Group totaled ¥28,013 million during the fiscal year under review, broken down by segment as follows:

Business	Expenditure
Architectural	¥11,585 m
Automotive	¥ 13,316 m
Technical Glass	¥ 1,664 m
Other	¥ 1,448 m

(3) Financial Situation

Total assets at the end of March 2017 were ¥ 790,192 million, representing a decrease of ¥ 21,928 million from the end of March 2016. Total equity was ¥ 133,708 million, representing an increase of ¥ 21,697 million as the issuance of Class A shares more than offset the translational impact of a strengthened Japanese yen.

Net financial indebtedness decreased by ¥ 67,791 million from 31 March 2016 to ¥ 313,254 million at the period end due to positive operating cash inflows and the repayment of debt following the issuance of Class A shares. Currency movements generated a decrease in net debt of approximately ¥ 3,870 million over the period. Gross debt was ¥ 399,385 million at the period end. As of 31 March 2017, the Group had un-drawn, committed facilities of ¥ 50,524 million.

Cash inflows from operating activities were ¥ 30,429 million. Cash outflows from investing activities were ¥ 10,152 million, including capital expenditure on property, plant, and equipment of ¥ 24,130 million and proceeds on disposal of property, plant, and equipment of ¥ 10,403 million. As a result, total cash flows before financing improved significantly to a cash inflow of ¥ 20,277 million (FY2016 cash outflow of ¥ 4,612 million).

(4) Issues to be Addressed

On 28 October 2016, the Group announced its “Medium-term Plan (MTP) Phase 2” (hereinafter called “MTP Phase 2”) covering the three years from FY2018 to FY2020. Its principal targets are: to achieve financial sustainability; and to start transforming into VA Glass Company. (VA comes from “value-added”). The financial targets for MTP are to achieve the return on sales (*) of 8 percent or more and net debt/EBITDA of three times. We consider the return on equity of over 10 percent and the equity ratio of around 20 percent are the milestones to be attained after the achievement of plans.

*Note: On the basis of trading profit before exceptional items and amortization arising from the acquisition of Pilkington Plc.

In the course of MTP Phase 2, we will take more focused approach and proactive measures to ensure the achievement of MTP financial targets.

The basic approaches of MTP Phase 2 are:

・To accelerate and evolve VA strategies to build a robust profit base for sustainable growth; and

・To review each work process to develop a leaner business structure.

Specifically, we will implement the following four key measures;

-Drive VA No.1 strategy – focus resources on the VA shift in the areas with high growth potential and NSG’s core strength to aim for a leading market position

-Establish growth drivers – accelerate generation of new profitable growth with focus and selection

-Business culture innovation – continue to optimize each work process towards a leaner business structure

-Enhance global management – advance global management to achieve the Group’s optimization



Further, we issued a total of 40 billion yen Class A Shares on 31 March 2017 to help achieving financial sustainability (to be stable financially). The issuance enhanced our equity capital and will enable us to reduce finance expense and secure investment necessary to implement our VA No.1 strategy.
We will continue to stabilize our financial base further by generating profits and reducing finance expense based on reduced bank borrowings and improved terms and conditions.

The Group anticipates the global architectural and automotive glass markets to be overall stable in FY2018.

In Europe, the Group decided to re-start a currently mothballed float glass manufacturing line in Italy to ensure the stable supply of architectural glass, in view of the planned cold repairs of operating float glass manufacturing lines in the coming years, as well as to drive the further expansion of higher-value-added products (VA products) including low iron glass.
While the car production in Europe in FY2018 is expected to be broadly at the same level as previous year, we plan to increase both revenue and profit of European automotive glass business by increasing the ratio of VA product sales such as automotive glass for head-up displays, as well as by improving our operational efficiency.
We anticipate generally flat markets for both architectural and automotive glass in Japan. Our profit growth will come from the increase in VA product sales, including SpaciaTM.
We forecast the architectural glass market in North America will remain robust. While the Group will still maintain a high VA product sales ratio, a modest revenue decline year on year is expected due to certain one-off impacts including demand fluctuations. While the automotive glass market will either remain unchanged or may see a marginal decline, the automotive glass business of the Group is expected to benefit from continuous efforts in improving operational efficiency.
For the rest of the world, we reckons that the automotive market in Brazil may show a moderate recovery going forward as the car production began to show some signs of bottoming out. Meanwhile, we expect the architectural glass market in South East Asia to remain brisk. The exit from the rolled glass business in China decided in FY2016 will continue to contribute to profit improvement.
In the technical glass business, profitability of the display business is planned to improve as the commercial sale of glanovaTM, new thin glass for displays, gains momentum, and more benefit of cost reduction materializes. We also plan to launch new products such as mobile DNA testing equipment.
Across the Group, we anticipate that relatively low energy prices and benefits of continuous cost saving efforts will contribute to our performance improvement. Amortization arising from the acquisition of Pilkington plc. will be decreased by approximately 1 billion yen to about 2 billion yen per annum in FY2018.
Reflecting the foregoing, the Group forecasts a further improvement in operating profit for FY2018.

We recognize that our challenges to be addressed by the Group are to transform our business structure into the one capable of generating stable profit while flexibly adapting to the changes in uncertainties in markets and economy, and to establish a robust profit base. To achieve such, we will make every effort to execute our four key measures under MTP Phase 2: drive VA No.1 strategy; establish growth drivers; business culture innovation; and enhance global management. At the same time, the Group will continue to focus on achieving financial sustainability as early as possible by generating cash and reducing net debt based on business profitability improvement and the solid management of working capital and capital expenditure.

The Group will focus on the execution of MTP Phase 2, aiming for increasing the shareholders' value.

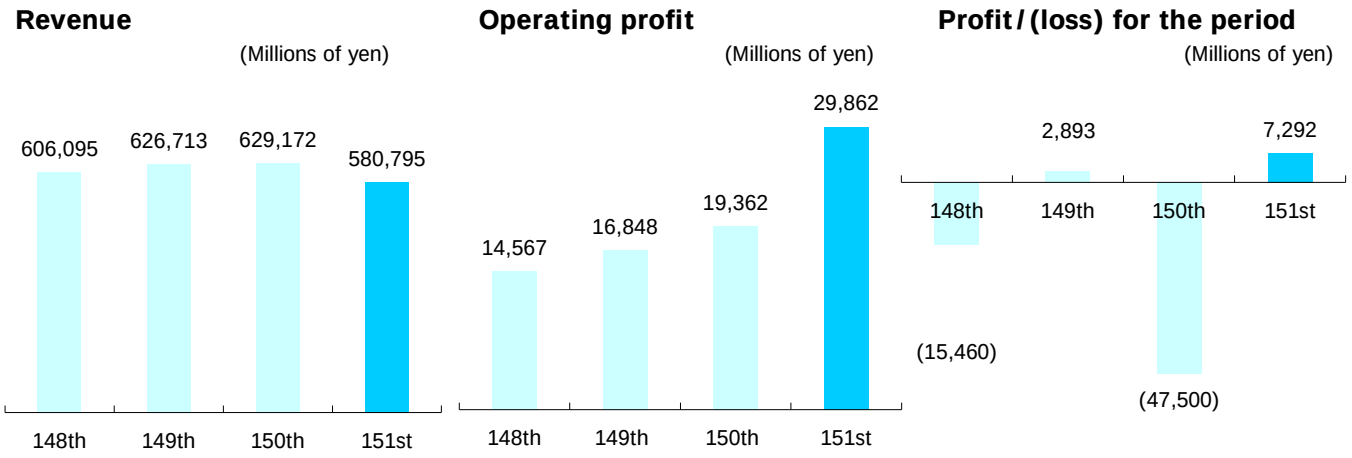
(5) Assets and Business Results (Consolidated)

(Millions of yen, except per-share figures)

	148th (FY2014)	149th (FY2015)	150th (FY2016)	151st (FY2017)
Revenue	606,095	626,713	629,172	580,795
Operating Profit	14,567	16,848	19,362	29,862
Profit/(loss) before taxation	(15,120)	4,807	(37,439)	14,751
Profit/(loss) for the period	(15,460)	2,893	(47,500)	7,292
Profit/(loss) Attributable to Owners of the Parent	(16,605)	1,668	(49,838)	5,605
Earnings/(loss) per Share Attributable to Owners of the Parent (Yen)	(18.40)	1.85	(551.75) Note 4	62.04
Total Shareholders' Equity	183,974	175,746	103,109	124,146
Total Shareholders' Equity per Share (Yen)	203.78	194.60	1,141.40 Note 4	941.76
Total Assets	926,208	920,106	812,120	790,192

Notes:

1. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS). Operating Profit in the above table is operating profit before exceptional items.
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 common shares in issue during the year excluding common 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 common shares in issue as at the end of the financial year excluding common shares purchased by the company and held as treasury shares.
4. Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Basic earnings per share attributable to owners of the parent and Total shareholders' equity per share in FY2016 are calculated under the assumption that this share consolidation was conducted on 1 April 2016.



(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	253,483	100 (100)	Architectural
Pilkington Automotive Limited	EUR thousand	432,961	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	5,130	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	JPY million	420,706	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	253,261	100 (100)	Automotive
Pilkington Brasil Limitada	Real thousand	323,010	100 (100)	Architectural and Automotive
Guilin Pilkington Safety Glass Co. Limited	RMB thousand	100,000	100 (100)	Automotive
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	USD thousand	148,575	100 (100)	Architectural and Technical Glass

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 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) 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	8,772
Automotive	15,412
Technical Glass	1,582
Other	1,184
Total	26,950 (down by 513 year on year)

(9) Main Lenders to the Group

Lenders	Amount (Millions of yen)
Sumitomo Mitsui Banking Corporation	105,216
Development Bank of Japan	43,060
Sumitomo Mitsui Trust Bank, Limited.	41,512
Mizuho Bank, Ltd.	37,892
The Bank of Tokyo-Mitsubishi UFJ, Ltd	15,450
Mitsubishi UFJ Trust and Banking Corporation	13,919
Shinsei Bank, Limited	11,000
Aozora Bank. Ltd.	10,700
The Mie Bank, Ltd.	10,000
The Norinchukin Bank	8,950

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 and Authorized Number of Shares to be Issued by Class:

(a) Authorized Number of Shares to be Issued		177,500,000 shares
(b) Authorized Number of Shares to be Issued by Class	Common Shares	177,500,000 shares
	Class A Shares	40,000 shares

(2) Total Number of Shares Issued:

Common Shares		90,365,699 shares
	(Shares held as treasury:	11,489 shares)
Class A Shares		40,000 shares

(3) Number of Shareholders:

Common Shares	67,878
Class A Shares	3

(4) Top 10 Shareholders

Shareholders	Number of Shares (common share)	Percentage of Shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,964,900	4.38
Japan Trustee Services Bank, Ltd. (Trust Account)	2,373,400	2.62
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,752,700	1.93
Japan Trustee Services Bank, Ltd. (Trust Account 1)	1,337,300	1.47
Japan Trustee Services Bank, Ltd. (Trust Account 2)	1,325,100	1.46
EUROCLEAR BANK S.A./ N.V.	974,101	1.07
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE – AC)	967,964	1.07
Toyota Motor Corporation	961,065	1.06
DFA INTL SMALL CAP VALUE PORTFOLIO	939,196	1.03
Client stock ownership of Nippon Sheet Glass Co., Ltd.	934,578	1.03

Note:
Where the percentage of shares is calculated, treasury shares are excluded from the total number of issued shares and it has been rounded down to the second decimal.

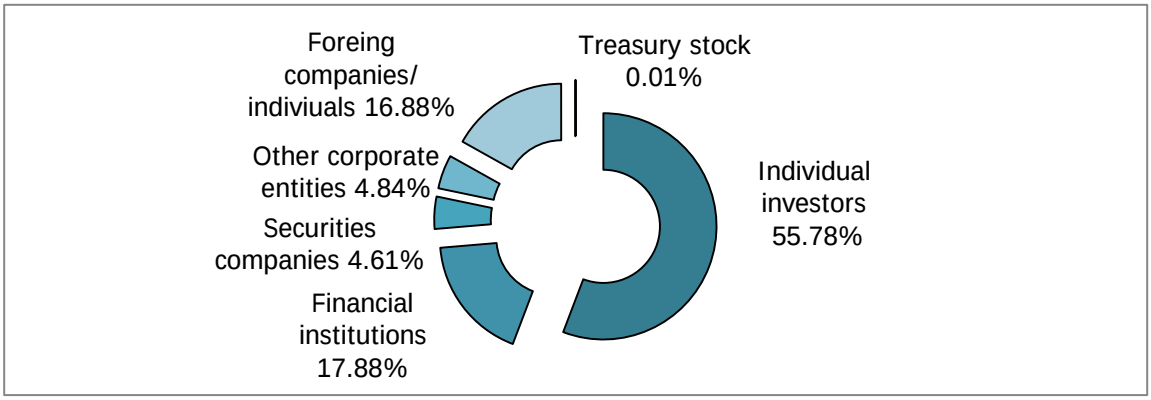
(5) Other Material Mattes Related to the Company's Shares

(i) In light of the intent of an "Action Plan for Consolidating Trading Units" promoted and publicized by all Japanese securities exchanges, the Company changed the number of shares constituting a unit from 1,000 shares to 100 shares effective as at 1 October 2016. In this exercise, in order to maintain price level of a trading unit and the number of voting rights of shareholders following the change of the number of shares constituting a unit, the Company also carried out as of the same day a share consolidation of its shares under which every 10 shares were consolidated into 1 share.

(ii) The Company issued Class A Shares through third-party allotment as follows as of 31 March 2017. No voting rights are attached to the Class A Shares.

Japan Industrial Solutions Fund II	20,000 shares
UDS Corporate Mezzanine No.3 Limited Partnership	9,000 shares
UDS Corporate Mezzanine No.4 Limited Partnership	11,000 shares

■Distribution of NSG Group Shareholders of common shares



3. Policy on Return of Our Profits to Shareholders

The Group's dividend policy is to secure dividend payments based on sustainable business results. After considering the factors such as the current Group's financial position and its level of profitability, the directors regrettably have decided not to declare a dividend for the year to 31 March 2017. 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 and Executive Officers 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
Directors (excluding External Directors) and Executive Officers	Stock acquisition rights issued in Sep. 2007 (Stock- compensation type)	¥ 6,663.1 per share	¥ 1 per share	From 29 Sep 2007 to 28 Sep 2037	9	900 Common shares (100 Common shares per right)	1
	Stock acquisition rights issued in Sep. 2008 (Stock- compensation type)	¥ 4,975.1 per share	¥ 1 per share	From 28 Sep 2008 to 27 Sep 2038	39	3,900 Common shares (100 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2009 (Stock- compensation type)	¥ 2,551.2 per share	¥ 1 per share	From 1 Oct 2009 to 30 Sep 2039	77	7,700 Common shares (100 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2010 (Stock- compensation type)	¥ 1,394.2 per share	¥ 1 per share	From 1 Oct 2010 to 30 Sep 2040	66	6,600 Common shares (100 Common shares per right)	3
	Stock acquisition rights issued in Oct. 2011 (Stock- compensation type)	¥ 1,262.8 per share	¥ 1 per share	From 15 Oct 2011 to 14 Oct 2041	98	9,800 Common shares (100 Common shares per right)	3
	Stock acquisition rights issued in Sep. 2012 (Stock- compensation type)	¥ 214.3 per share	¥ 1 per share	From 29 Sep 2012 to 28 Sep 2042	376	37,600 Common shares (100 Common shares per right)	5
	Stock acquisition rights issued in Oct. 2013 (Stock- compensation type)	¥ 882.8 per share	¥ 1 per share	From 16 Oct 2013 to 15 Oct 2043	498	49,800 Common shares (100 Common shares per right)	5
	Stock acquisition rights issued in Sep. 2014 (Stock- compensation type)	¥ 900.9 per share	¥ 1 per share	From 1 Oct 2014 to 30 Sep 2044	310	31,000 Common shares (100 Common shares per right)	5
	Stock acquisition rights issued in Sep. 2015 (Stock- compensation type)	¥ 749.6 per share	¥ 1 per share	From 1 Oct 2015 to 30 Sep 2045	460	46,000 Common shares (100 Common shares per right)	5
	Stock acquisition rights issued in Oct. 2016 (Stock- compensation type)	¥ 656.29 per share	¥ 1 per share	From 15 Oct 2016 to 14 Oct 2046	675	67,500 Common shares (100 Common shares per right)	5
Total	—	—	—	—	2,608	260,800 Common shares	5

Note: Effective as from 1 October 2016, the Company conducted a share consolidation in which every ten common shares were consolidated into one share. Therefore the number of shares to be issued with the exercise of stock acquisition rights issued prior to the date of this share consolidation has been changed from 1,000 to 100 and those issued prices has been re-calculated respectively.

(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 Oct. 2016 (Stock- compensation type)	¥ 656.29 per share	¥ 1 per share	From 15 Oct 2016 to 14 Oct 2046	629	62,900 Common shares (100 Common shares per right)	7

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
Günter Zorn	Director, Chairman of the Board	A member of Compensation Committee, Nomination Committee and Audit Committee	➢ Representative Director/President, Z-ANSHIN K.K.
Toshikuni Yamazaki	Director	Chairman of Audit Committee, and a member of Nomination Committee and Compensation Committee	➢ Representative Director/President, Ryugasaki Country Club
Yasuyuki Kimoto	Director	Chairman of Compensation Committee, and a member of Nomination Committee and Audit Committee	➢ Special Adviser, The Japan Research Institute, Limited ➢ Corporate Auditor, DMG Mori Co., Ltd.
Masatoshi Matsuzaki	Director	Chairman of Nomination Committee, and a member of Audit Committee and Compensation Committee	➢ Director and Chairman of the Board, Konica Minolta, Inc. ➢ External Director, Ichigo Inc. ➢ External Director, Nomura Research Institute, Ltd.
Shigeki Mori	Director	A member of Nomination Committee and Compensation Committee	—
Clemens Miller	Director	—	—
Kenichi Morooka	Director	—	—

Notes:

1. Messrs. Günter Zorn, Toshikuni Yamazaki, Yasuyuki Kimoto and Masatoshi Matsuzaki are External Directors as stipulated in Article 2.15 of the Companies Act and notified to Tokyo Stock Exchange (hereinafter called “TSE”) as Independent Directors. In addition to such criteria set by TSE, the Company has on its own created and applied 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 page 15.
2. A member of Audit Committee, Mr. Toshikuni Yamazaki has specialized knowledge particularly on finance and accounting to a respectable degree with his career of Representative Director, Executive Vice President (in charge of finance, investor relations and accounting) of the major international manufacturing company.
3. The Company does not appoint a full-time Audit Committee member for the time being under the circumstances Audit Committee implements organizational audit in co-operation with the external Accounting Auditor, Group Internal Audit and other internal control functions as a Company with Three-Committee System. For assistance of such Audit Committee’s audit, the dedicated Support Staffs of Audit Committee are appointed and report to and provide necessary information to Audit Committee.
4. Mr. Yuji Takei was newly appointed as Director at the Extraordinary General Meeting of Shareholders held on 24 March 2017 and took up from 1 April 2017. His position and material concurrent office are as follows:

Name	Non-executive position		Material concurrent office
Yuji Takei	Director	—	➢ Director, Chief Operating Officer and Head of Investment, Japan Industrial Solutions Co., Ltd.

B) Executive Officers

Name	Executive position		Material concurrent office
Shigeki Mori	Representative Executive Officer	President and CEO	—
Clemens Miller	Representative Executive Officer	Executive Vice President and COO	—
Kenichi Morooka	Representative Executive Officer	Executive Vice President and CFO	—
Shirley Anderson	Executive Officer	Chief Human Resources Officer (CHRO)	—
Tony Fradgley	Executive Officer	Head of Automotive AGR SBU and Head of Automotive OE SBU	—
Kazuhiko Fujimaki	Executive Officer	Head of Technical Glass SBU	—
Koichi Hiyoshi	Executive Officer	Chief Legal Officer (CLO) and Company Secretary	—
Hiroshi Kishimoto	Executive Officer	Chief Corporate Planning Officer (CCPO)	—
Jochen Settelmayer	Executive Officer	Head of Architectural Glass SBU	—

Note: The following personal changes have been done in the Company as of 1 April 2017.

Name	Executive position		Material concurrent office
Kazuhiko Fujimaki	Representative Executive Officer	Special Project	—
Hiroshi Nishikawa	Representative Executive Officer (Newly appointed)	Head of Technical Glass SBU	—

(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 current membership consists of the four External Directors of NSG Group, and one Director who concurrently serves as Representative Executive Officer. The current chairman is Mr. Yasuyuki Kimoto, 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 2016/17, 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 calibre 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 on challenging financial performance targets relating to the annual budget which is approved by the Board. The financial performance targets are clearly aligned to the overall medium term strategy of the Group.

Performance measures for the FY2017 and FY2018 annual incentive plan for Executive Officers include the following:

Elements	Weight (%)	
	CEO, COO and CFO	Other Executive Officers
Group Management Operating Profit	50	25
Group Free Cash Flow	50	25
Global SBU* Management Operating Profit	—	25
Global SBU* Cash from Operations	—	25

*Note: SBU means each "Strategic Business Unit" of the Group

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 percent 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, FY2015, FY2016 and FY2017 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 percent against each individual's base salary dependent upon the management grade.

The Long Term Incentive Plan starting from 2014 requires Executive Officers and other eligible participants to mandatorily invest 50 percent 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 between 50 and 100 percent of basic salary dependent upon the management grade. 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 fulfil 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 any of the Committees.

Meanwhile in the case that a Non Independent External Director is elected, such Non Independent External Director will receive the level of compensation adequate for his/her duties in a way commensurate with the duties discharged by Independent External Directors including in terms of whether or not to be appointed as member of any of three Committees and so forth.

Also, as with Independent External Directors, Non Independent External Directors are not eligible for performance-related bonuses or awards under long-term incentive plans.

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	Incentive Plan	Other Benefits
Directors who do not concurrently serve as Executive Officers (External Directors)	6	65	-	2
Executive Officers	5	162	97	57

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 for three Executive Officers; Incentive Plan for two Executive Officers; and Other benefits for four 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 those who retired as of the end of 150th AGM.
4. The amount shown as Incentive Plan payment in the table is the one earned by five eligible Executive Officers for the year from April 2016 to March 2017 (which will be paid in the year from April 2017). 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 2014 to March 2017.
5. Other Benefits for Executive Officers include an amount of 44 million yen for Stock Options awarded to five 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	Incentive Plan	Other Benefits
Executive Officers	5	160	75	48

Notes:

1. The amounts shown relate to all compensation paid or to be paid to Clemens Miller, Shirley Anderson, Tony Fradgley, Jochen Settelmayer and Mark Lyons as Executive Officers. Mark Lyons retired as of the end of the Board of Directors meeting held immediately after the end of the 150th Ordinary General Meeting of Shareholders.
2. The amount shown as Incentive Plan payment in the table are those earned by four eligible Executive Officers for the year from April 2016 to March 2017 (which will be paid in the year from April 2017). 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 2014 to March 2017.
3. Other Benefits include pension fund contributions, healthcare provision and transport costs and so forth.
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: 142JPY and EUR1: 119.3.1JPY 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
Günter Zorn	➢ Representative Director/President, Z-ANSHIN K.K.
Toshikuni Yamazaki	➢ Representative Director/President, Ryugasaki Country Club
Yasuyuki Kimoto	➢ Special Adviser, The Japan Research Institute, Limited ➢ Corporate Auditor, DMG Mori Co., Ltd.
Masatoshi Mtsuzaki	➢ Director and Chairman of the Board, Konica Minolta, Inc. ➢ External Director, Ichigo Inc. ➢ External Director, Nomura Research Institute, Ltd.

Notes:

1. NSG does not have any special relationship in business with every company above.
2. Mr. Yuji Takei was newly appointed as Director at the Extraordinary General Meeting of Shareholders held on 24 March 2017 and took up from 1 April 2017. His concurrent office is listed below and Japan Industrial Solutions Co., Ltd. is the general partner of one of Investment LPS to which Class A Shares are issued.

Name	Concurrent Position
Yuji Takei	➢ Director, Chief Operating Officer and Head of Investment, Japan Industrial Solutions Co., Ltd.

B) Major Activities of External Directors during Fiscal Year

Name	Major Activities
Günter Zorn	Attended all 11 Board of Directors meetings, all five 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.
Toshikuni Yamazaki	Attended all 11 Board of Directors meetings, all five 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.
Yasuyuki Kimoto	Attended all eight Board of Directors meetings, all four Nomination Committee meeting, seven of eight Audit Committee meetings, and all four Compensation Committee meetings held after his assumption of the office of Director on 29 June 2016 during the fiscal year under review, and made statements as necessary mainly from a specialized viewpoint of an experienced business manager.
Masatoshi Matsuzaki	Attended all eight Board of Directors meetings, all four Nomination Committee meeting, all eight Audit Committee meetings, and all four Compensation Committee meetings held after his assumption of the office of Director on 29 June 2016 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	¥ 131 million
Monetary and/or other property benefits payable by the Company and its subsidiaries to Accounting Auditor	¥ 131 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 Reason why Audit Committee Agreed to the Fees, etc. to the Accounting Auditor

Audit Committee agreed to the fees, etc. to the Accounting Auditor in accordance with Article 399.1 of the Companies Act as a result of reviewing their audit plan, last year's performance, rationale of fee estimate and so forth by pulling together the necessary documents and hearing from the Executive Officers, relevant departments and Accounting Auditor themselves.

(4) 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.

(5) Business-Suspension Order etc. against the Accounting Auditor in the Past Two Years

Summary of the actions including business-suspension order, taken by the Financial Services Agency against Ernst & Young ShinNihon LLC ("the firm"), which was issued on 22 December 2015:

A) Contents of the Actions against the Firm:

Administrative orders to:

(i) Suspend the firm from accepting new engagements for three months from 1 January 2016 to 31 March 2016, and

(ii) Require the firm to improve its operations

B) Reasons for the Action:

(i) False certification by negligence of the members of the firm, and

(ii) Significant inappropriateness of the firm's operation

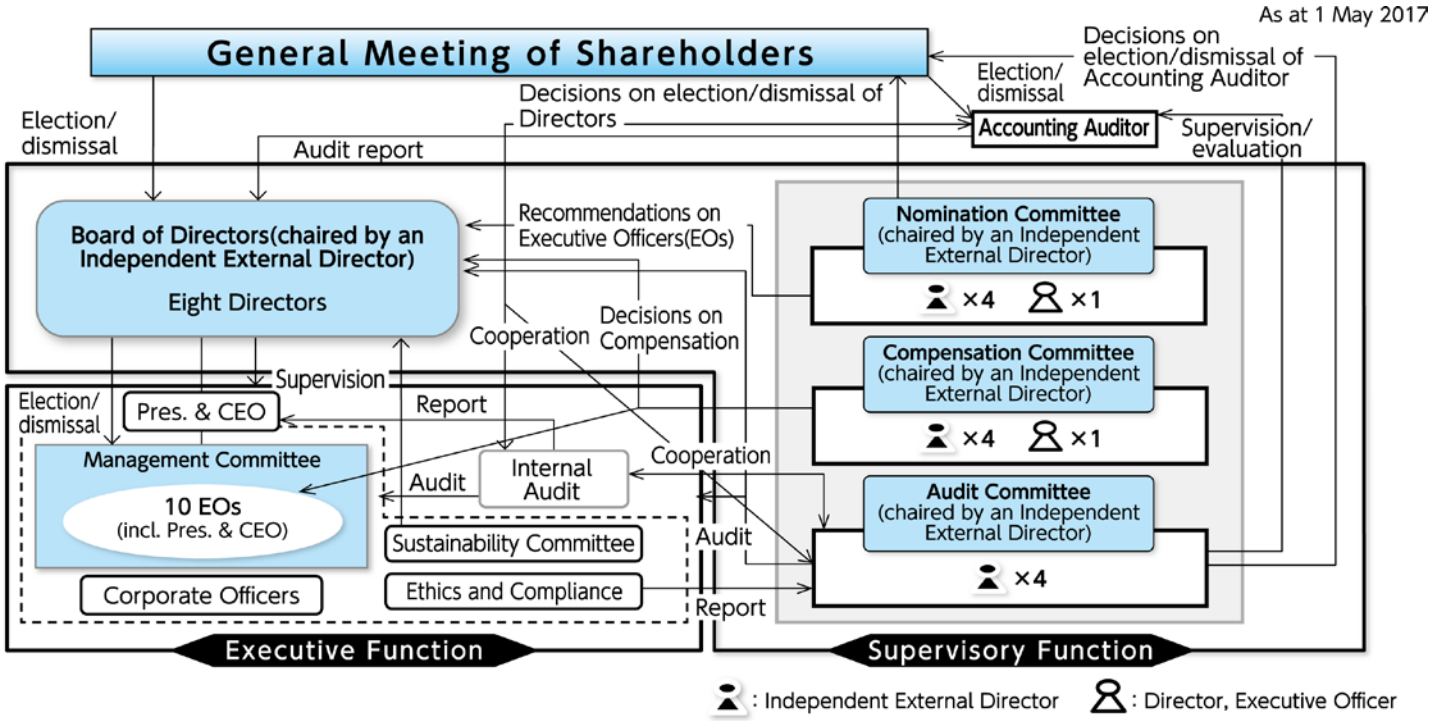
7. Status of Corporate Governance

(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 established the “NSG Group Corporate Governance Guidelines” in 2015 supporting the Principles of the TSE Corporate Governance Code which took effective 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, supervise succession plans for President, CEO and other important offices, and give recommendation or advice on candidates for Executive 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, 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	· 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 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.

(4) Summary of the manner of Operation Status of "Systems to Ensure Execution of Duties by Executive Officers are Compliant with Laws and Articles of Incorporation and to Secure Appropriateness of Operations, etc."

We have operated in accordance with the above (3) "Systems to Ensure Execution of Duties by Executive Officers are Compliant with Laws and Articles of Incorporation and to Secure Appropriateness of Operations" throughout FY 2017. Main actions were as follows:

1. Actions with regard to the Group's Ethics and Compliance

・The Group has "NSG Group Code of Ethics" so that all Group's employees can deepen their understanding more of what the ethical conduct is and actually act in such a manner. At the same time, "NSG Group Ethics & Compliance Hotline" enables employees in all regions in which the Group operates to report ethically-concerned matters and behaviors in their own languages. In FY 2017, 59 reports were received via the Hotline.

・The Group appointed the Ethics champions in each region and held the workshops in order to familiarize the Group's employees with the Code and Hotline. The Code is translated in 20 languages and shared on the Group's intranet.

・Online trainings regarding competition law compliance and anti-bribery and anti-corruption as well as reporting of concerns system continue to be provided to the Group's key roles. In addition, the Group's Chief Ethics and Compliance Officer periodically issues Ethics and Compliance briefings to increase awareness of compliance related issues. This is translated in 11 languages and shared on the Group's intranet.

・In FY2017, the Group conducted the governance culture leadership assessment (GCLA) in order to review its corporate culture regarding ethics and compliance and make comparison with the results in 2013.

・Ethics and Compliance function periodically reports to Audit Committee its actions made in regard of compliance including aforementioned matters.

2. Actions with regard to the Group's Risk Management

・We identify and assess annually the material risks which should be controlled on a group basis in accordance with NSG Group Risk Management Policy. Group Internal Audit reviews the status of risk management and reports to Audit Committee the outcomes thereof.

・We have created and operated NSG Group Insurance Policy pursuant to which those risks adequate for transfer by such including loss from natural disasters are insured on a group level basis. .

・We have, in preparation for potential major incidents and calamities, organized and constituted a major incident management team at and for each operating site where major incident management plan is also prepared and in operation, on the basis of NSG Group Business Continuity Policy and Major Incident Guidelines..

・Each Strategic Business Unit (SBU) and function which supports SBUs manages and controls risks associated with execution of its own duties. In addition, we also established NSG Group Entities Management Policy in order to manage and control risks with regard to not only on a SBU or function basis but also on a Group entity basis. As such we comprehensively identify, manage and control risks in relation to the Group entities.

・Executive Officers retain and manage documents, records and any other information regarding their performance of duties in accordance with the NSG Group Record Retention Policy and IS Security Policy.

3. Actions to Ensure the Group's Efficient and Effective Management

・The Group has Management Committee (MC) as advisory board for the President/Chief Executive Officer (CEO) in order for the policies and goals established by the Board of Directors to be efficiently and adequately carried out. 11 MC meetings were held during FY2017.

・In relation to the financial year ended 31 March 2016, we conducted an effectiveness review and evaluation of the Board. As for this review, the independent directors are entrusted to lead the whole process of analysis and evaluation so that sufficient adequacy and independence is maintained throughout. With the aid and on the basis of such results and views, the Board has created and carried into effect the specific action plans whose aim is to ensure that further in-depth opportunities for discussion and confirmation be made available to the Board in relation to those strategic issues and enhanced efficiency in meeting management. Those action plans are the subject of regular review in light of their status of implementation and effect as well as the contents themselves.

・We have promoted the initiative of separation of oversight and exercise role whereby we strengthen the supervisory role and duties of the Board over the executives whilst making necessary delegation of powers and authorities to the executives, thus seeking to enhance transparency and agility of whole management process.

・We set in place the internal rule clarifying the roles and decision-making authorities of each layer of management from Representative Executive Officers to each regional SBU heads. As such the Group operates the organization in which we can make business decisions appropriately and timely addressing changes of market and business environment etc.

・We systemize authorization flow process for efficient and effective business management, including in relation to performance control against progress or results of management plans such as long and medium-term plan or annual plan and approval process for capital expenditures requisition.

・We operate the organization with its reporting lines clarified by having the specific organization charts by each SBU and function which supports SBUs.

4. Actions to Ensure the Effectiveness of the Group's Audit

・Group Internal Audit implements audits on a group basis in accordance with annual audit plan agreed by Audit Committee, and reports such audit results to Audit Committee, Executive Officers and external Accounting Auditor.

・Three dedicated Support Staffs of the Audit Committee are appointed for assistance of Audit Committee, and report to and provide necessary information to Audit Committee.

・A member of Audit Committee and Support Staff of Audit Committee attends internal material meetings such as MC in order to ensure the effectiveness of their audit. They have rights to access necessary important documents and so on for their audit.

・Audit Committee periodically meets with Group Internal Audit and other internal control functions and exchange views with them.

・Audit Committee meets with the Accounting Auditor on a periodical and as-necessary basis, keeping close communication with them.

The above reports are prepared by rounding off any fraction of one million yen to the nearest one million yen. And future matters in the above reports derive from the status as of the end of FY2017.

End

Consolidated Balance Sheet (as of 31 March 2017)

(In JPY millions)

ASSETS		LIABILITIES	
Non-current assets	527,818	Current liabilities	223,225
Goodwill	105,972	Borrowings	78,417
Intangible assets	56,288	Derivative financial instruments	1,393
Property, plant and equipment	245,157	Trade and other payables	123,794
Investment property	523	Taxation liabilities	2,797
Investments accounted for using the equity method	13,773	Provisions	14,091
Retirement benefit assets	19,227	Deferred income	2,733
Trade and other receivables	17,170		
Assets held at Fair Value through other Comprehensive Income	26,568	Non-current liabilities	433,259
Derivative financial instruments	248	Borrowings	317,981
Deferred tax assets	41,622	Derivative financial instruments	1,595
Tax receivables	1,270	Trade and other payables	443
		Deferred tax liabilities	15,005
Current assets	262,374	Taxation liabilities	1,536
Inventories	105,514	Retirement benefit obligations	70,826
Construction work-in-progress	625	Provisions	16,903
Trade and other receivables	68,010	Deferred income	8,970
Assets held at Fair Value through other Comprehensive Income	572		
Derivative financial instruments	963	Total: Liabilities	656,484
Cash and cash equivalents	84,920	EQUITY	
Tax receivables	1,644	Capital and reserves attributable to the Company's equity shareholders	124,146
		Called up share capital	116,463
Assets held for sale	126	Capital surplus	166,578
		Treasury stock	(31)
		Stock subscription rights	621
		Retained earnings	(59,646)
		Retained earnings (Translation adjustment at the IFRS transition date)	(68,048)
		Accumulated other comprehensive income	(31,791)
		Non-controlling interests	9,562
		Total: Equity	133,708
Total: Assets	790,192	Total: Liabilities and equity	790,192

Consolidated Income Statement (for the period of 1 April 2016 to 31 March 2017)

(In JPY millions)

Revenue		580,795
Cost of Sales		△429,122
Gross profit		151,673
Other income	1,874	
Distribution costs	△51,834	
Administrative expenses	△64,922	
Other expenses	△6,929	△121,811
Operating profit before exceptional items		29,862
Exceptional items		2,921
Operating profit after exceptional items		32,783
Finance income	1,380	
Finance expenses	△20,554	
Share of post-tax profit of joint ventures and associates accounted for using the equity method	1,142	△18,032
Profit before taxation		14,751
Taxation		△7,459
Profit for the period		7,292
Profit attributable to non-controlling interests		1,687
Profit attributable to owners of the parent		5,605

Consolidated Statement of Comprehensive Income (Reference only) (for the period of 1 April 2016 to 31 March 2017)

(In JPY millions)

Profit for the period	7,292
Other comprehensive income:	
Items that will not be reclassified to profit or loss:	
Re-measurement of retirement benefit obligations	△1,833
Revaluation of Assets held at Fair Value through Other Comprehensive Income – equity investments	△6,182
Share of other comprehensive income of affiliates	33
Sub total	△7,982
Items that may be reclassified to profit or loss:	
Foreign currency translation adjustments	△19,190
Revaluation of Assets held at Fair Value through Other Comprehensive Income – other investments	95
Cash flow hedges - fair value gains	3,073
Sub total	△16,022
Total: Other comprehensive income for the period	△24,004
Total comprehensive income for the period	△16,712
Attributable to non-controlling interests	1,388
Attributable to owners of the parent	△18,100

Consolidated Statement of Changes in Equity (for the period of 1 April 2016 to 31 March 2017)

(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 2016	116,449	127,511	(65)	650	(63,502)	(68,048)
Comprehensive income for the year:						
Profit for the year					5,605	
Other comprehensive income					(1,800)	
Total comprehensive income for the year	-	-	-	-	3,805	-
Transactions with owners:						
Issue of preference shares	20,000	20,000				
Share issuance costs		△946				
Transfer of share capital to capital surplus	△20,000	20,000				
Purchase of treasury stock			△3			
Disposal of treasury stock			-			
Dividends paid						
Stock options	14	(12)	37	(29)	76	
Transfer of retained earnings to capital surplus		25			(25)	
Total transactions with owners	14	39,067	34	(29)	51	-
Balance: as of 31 March 2017	116,463	166,578	(31)	621	(59,646)	(68,048)

(in JPY millions)

	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 2016	(8,141)	6,117	(7,862)	(9,886)	103,109	8,902	112,011
Comprehensive income for the year:							
Profit for the year				-	5,605	1,687	7,292
Other comprehensive income	(18,978)	(6,087)	3,160	(21,905)	(23,705)	(299)	(24,004)
Total comprehensive income for the year	(18,978)	(6,087)	3,160	(21,905)	(18,100)	1,388	(16,712)
Transactions with owners:							
Issue of preference shares				-	40,000		40,000
Share issuance costs				-	(946)		(946)
Transfer of share capital to capital surplus				-	-		-
Purchase of treasury stock				-	(3)		(3)
Disposal of treasury stock				-	-		-
Dividends paid				-	-	(728)	(728)
Stock options				-	86		86
Transfer of retained earnings to capital surplus				-	-		-
Total transactions with owners				-	39,137	(728)	38,409
Balance: as of 31 March 2017	(27,119)	30	(4,702)	(31,791)	124,146	9,562	133,708

Consolidated Statement of Cash Flows (Reference only) (for the period of 1 April 2016 to 31 March 2017)

(In JPY millions)

Cash flows from operating activities	
Profit for the period from continuing operations	7,292
Taxation	7,459
Depreciation and amortization	32,189
Impairment	3,970
Finance costs - net	19,174
Share of profit from joint ventures and associates	(1,142)
Decrease in provisions and retirement benefit obligations	(7,728)
Net change in working capital	6,584
Other	(13,275)
Cash flows generated from operations	54,523
Interest paid	(20,666)
Interest received	1,567
Tax paid	(4,995)
Net Cash inflows from operating activities	30,429
Cash flows from investing activities	
Dividends received from joint ventures and associates	1,104
Purchases of property, plant and equipment and intangible assets	(25,985)
Proceeds on disposal of property, plant and equipment and intangible assets	10,449
Other	4,280
Net cash outflows from investing activities	(10,152)
Cash flows from financing activities	
Issue of share capital	39,054
Repayment of borrowings	(210,499)
Proceeds from borrowings	188,573
Other	(730)
Net cash outflows from financing activities	16,398
Decrease in cash and cash equivalents (net of bank overdrafts)	36,675
Cash and cash equivalents (net of bank overdrafts) at beginning of period	46,162
Effect of foreign exchange rate changes	(3,029)
Cash and cash equivalents (net of bank overdrafts) at end of period	79,808

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

Balance Sheet (as of 31 March 2017)

(in JPY millions)

ASSETS		LIABILITIES	
Current assets	147,079	Current liabilities	113,407
Cash and cash deposits	34,506	Accounts payable-trade	15,683
Notes receivable	1,917	Short-term bank borrowings	27,775
Accounts receivable-trade	15,342	Current portion of Long-term borrowings	40,562
Products and goods	14,164	Lease obligations	9
Work in process	2,188	Accounts payable - non-trade	8,167
Raw materials and consumables	5,629	Accrued income tax	397
Deferred tax assets	61	Accrued expenses	1,667
Short-term loan receivable	66,308	Customers' deposits	16,326
Other current assets	7,703	Provision for employees' bonuses	1,642
Allowance for doubtful accounts	(739)	Provision for directors' bonuses	171
Fixed assets	559,299	Provision for warranties	74
Tangible assets	43,453	Provision for waste disposal expenditure	66
Buildings	11,314	Provision for payment under Position retirement program	186
Structures	1,214	Asset retirement obligations	151
Machinery & Equipment	15,954	Other current liabilities	531
Vehicles	8	Fixed liabilities	272,683
Tools & Fixtures	3,230	Bonds	15,000
Land	8,313	Long-term bank borrowings	248,869
Leased assets	19	Lease obligations	10
Construction in progress	3,401	Provision for retirement benefits	1,424
Intangible assets	738	Provision for rebuilding furnaces	3,713
Computer software	401	Environmental provision	157
Other intangible assets	337	Asset retirement obligations	2,162
Investments and other assets	515,108	Deferred tax liabilities	274
Investments in securities	992	Other fixed liabilities	1,074
Investments in subs. & affiliates	507,438	Total: Liabilities	386,090
Long-term loan receivable	8	NET ASSETS	
Long-term prepaid expenses	5,375	Shareholders' equity	320,259
Other assets	1,307	Capital stock	116,463
Allowance for doubtful accounts	(12)	Capital surplus	164,785
		Legal capital surplus	44,785
		Other capital surplus	120,000
		Retained earnings	39,042
		Legal earned surplus	6,377
		Other retained earnings	32,665
		Reserve for adv'ed	1,605
		General reserve	24,977
		Retained earnings carried forward	6,083
		Treasury stock	(31)
		Valuation and translation adjustments	(592)
		Deferred gains or losses on hedges	(592)
		Stock subscription rights	621
		Net Assets	320,288
Total: Assets	706,378	Total: Liabilities and net assets	706,378

Income Statement (for the period of 1 April 2016 to 31 March 2017)

(in JPY millions)

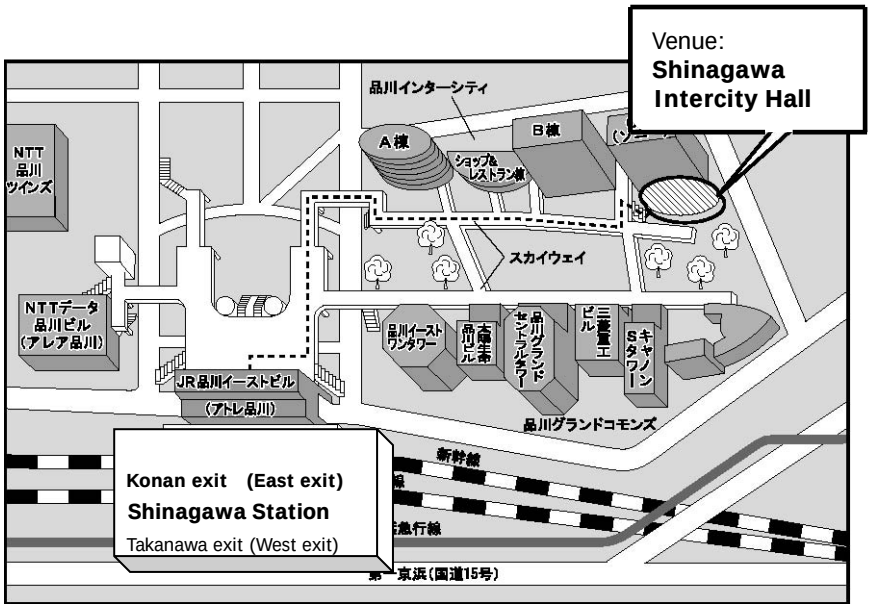
Revenue		101,316
Cost of sales		(77,948)
Gross profit		23,368
Selling, general and administrative expenses		(24,659)
Operating loss		(1,291)
Non-operating income		
Interest and dividend income	8,576	
Other income	264	8,840
Non-operating expense		
Interest expense	(9,401)	
Other expense	(5,546)	(14,947)
Ordinary loss		(7,398)
Extraordinary income		
Gain from sale of fixed assets	3,122	
Other	221	3,343
Extraordinary loss		
Loss on scrapping of fixed assets	(156)	
Loss on impairment	(85)	
Loss on valuation of investments in subsidiaries	(290)	(531)
Net loss before tax		(4,586)
Income tax: Current	647	
Income tax: Deferred	33	680
Net loss		(3,906)

Statement of Changes in Net Assets (for the period of 1 April 2016 to 31 March 2017)

	Shareholders' equity										
	Capital stock	Capital surplus			Retained earnings					Treasury stock	Sub-total
		Legal capital surplus	Other capital surplus	Sub-total	Legal earned surplus	Other retained earnings			Sub-total		
						Reserve for advanced depreciation	General reserve	Retained earnings carried forward			
Balance: as of 1 April 2016	116,449	124,772	-	124,772	6,377	1,750	24,977	9,869	42,973	(65)	284,129
Changes during the period:											
Issue of preference shares	20,000	20,000		20,000					-		40,000
Transfer of share capital and legal capital surplus to other capital surplus	△20,000	△100,000	120,000	20,000					-		-
Reversal of reserve for advanced depreciation				-		(145)		145	-		-
Net loss				-				(3,906)	(3,906)		(3,906)
Stock options	14	13	(25)	(12)					-	37	39
Acquisition of treasury stock				-					-	(3)	(3)
Disposal of treasury stock				-					-		-
Transfer of retained earnings to capital surplus			25	25				(25)	(25)		-
Net changes of items other than shareholders' equity											
Total changes during the period	14	(79,987)	120,000	40,013	-	(145)	-	(3,786)	(3,931)	34	36,130
Balance: as of 31 March 2017	116,463	44,785	120,000	164,785	6,377	1,605	24,977	6,083	39,042	(31)	320,259

	Valuation and translation adjustments		Stock subscription rights	Total net assets
	Deferred gains or losses on hedges	Sub-total		
Balance: as of 1 April 2016	(1,974)	(1,974)	650	282,805
Changes during the period:				
Issue of preference shares		-		40,000
Transfer of share capital and legal capital surplus to other capital surplus		-		-
Reversal of reserve for advanced depreciation		-		-
Net loss		-		(3,906)
Stock options		-		39
Acquisition of treasury stock		-		(3)
Disposal of treasury stock		-		-
Transfer of retained earnings to capital surplus		-		-
Net changes of items other than shareholders' equity	1,382	1,382	(29)	1,353
Total changes during the period	1,382	1,382	(29)	37,483
Balance: as of 31 March 2017	(592)	(592)	621	320,288

Map of the Venue for the Ordinary General Meeting of Shareholders



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