Corporate Data

Company Name	Nippon Sheet Glass Co., Ltd.
Head Office	3-5-27 Mita, Minato-ku, Tokyo 108-6321, Japan
Establishment	November 22, 1918
Paid-in Capital	¥96,147 million (As of September 30, 2007)

Shareholder Information

Fiscal Period	April 1 to March 31 of the Following Year	
Ordinary General Meeting of Shareholders	Held in June Every Year	
Shareholders' Confirmation Standard Date	Ordinary General Meeting of Shareholders	March 31
	Annual Dividends	March 31
	Interim Dividends	September 30
Transfer Agent	The Sumitomo Trust & Banking Co., Ltd.	
Operating Office	The Sumitomo Trust & Banking Co., Ltd. Stock Transfer Agency Department 1-4-4 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan	
(Mail Address and Telephone Number)	The Sumitomo Trust & Banking Co., Ltd. Stock Transfer Agency Department 1-10 Nikko-cho, Fuchu-shi, Tokyo 183-8701, Japan (Form Inquiries: 0120-175-417) (Other Inquiries: 0120-176-417)	
Notifying Bank	The Sumitomo Trust & Banking Co., Ltd. Head Office and Branch Offices	
Announcement Listed	http://www.nsg.co.jp	
Independent Auditor	Ernst & Young ShinNihon	

To Our Shareholders

Nippon Sheet Glass Co., Ltd. 142nd Fiscal Period Interim Report

April 1, 2007 - September 30, 2007

NSG GROUP

Message from the President

On behalf of the NSG Group, I would like to thank you for your continued support. I am pleased to present the interim report for the period ended September 30, 2007.

The current term marks the first year under the mid-term business plan formulated following the consolidation of the UK-based global glass manufacturer, Pilkington plc. We were able to make a good start to this important business year, with overall Group performance being driven forward by strong results in Europe and other regions, including South America, boosted by strong construction demand.

As part of our earnest efforts to further solidify our footing as a truly global concern, we have been steadily implementing various measures including the establishment of CEO and COO posts in October this year, reinforcement of the management structure to unite the entire group, including the Specialty Glass Business, and a major revision of the Group's corporate brand strategy.

Over the next year, our priorities are to continue to create a new entity focused on differentiating ourselves from competitors. As significant fund procurement and investment was required for the acquisition, our clear aim is to increase productivity by taking advantage of business integration, while maintaining the Group's financial strength, mainly for the purpose of the early repayment of debt.

We shall continue to work to achieve the goals of our mid-term business plan as well as those under the long-term vision.

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

December 6, 2007

Katsuji Fujimoto
President and CEO,
Representative Director
Nippon Sheet Glass Co., Ltd.

Interview with the President

Question 1

During the fiscal 2008 interim period, sales and profits rose dramatically above those of the previous interim period. Could you please explain the reason for that?

Answer 1

Earnings during the previous interim period included three months of earnings from Pilkington (which was consolidated during that period). Earnings during the interim period under review, however, include six months of Pilkington earnings, which is the primary reason that sales and profits are showing such a dramatic increase.

Consolidated net sales increased 58.8% year on year to ¥433,944 million while operating income climbed 214.9% to ¥27,047 million, and net income rose 154.0% to ¥51,469 million.

Because NSG acquired Pilkington in June of last year and turned it into a wholly owned subsidiary, three months worth of that company's earnings—from July to September—were included in the 2007 interim period results. However, because six months worth of earnings from September to June of this year from Pilkington are included in this interim period, as already stated, sales and profits rose dramatically.

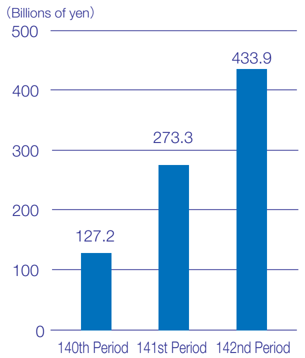
A brief overview by segment reveals that the Building Products (BP) business in Japan continued to be challenging, with sales and profits in line with those of the previous period. In North America, weak sales of residential glass and high input costs caused profits to decline year-on-year. In Europe, on the other hand, demand remained brisk while prices exceeded those of the previous fiscal period and profits were strong. In other regions, business remains strong in South America and earnings in South East Asia exceeded those of the previous period.

In the Automotive business, in Japan, revenues were reduced, due to poor model performance of some models and problems with some new model introductions. In the European Original Equipment (OE) sector, however, revenues and profits were stronger than the corresponding year-earlier period as were sales and profits from automotive glass replacement (AGR) operations. In North America, OE sales exceeded those of the previous period, while AGR profits improved. In other regions, sales and profits in China and South America were also higher than those recorded the previous interim period but were down in South East Asia.

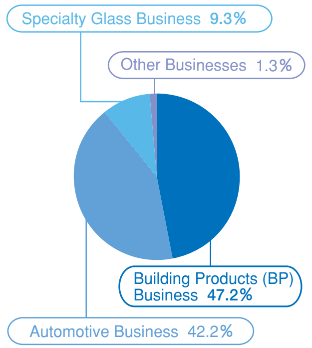
In the Spedialty Glass business, demand for mainstay products in the information technology field, including optical lenses for multifunction printers and glass substrates for small and medium-sized LCD panels, remained strong, with sales showing a slight year-on-year increase and operating income rising on the back of higher sales and cost reductions. In the Glass Fiber business, continued vigorous demand for Glasscord in Europe led to a year-on-year increase in sales. Sales of Metashine®, used throughout the world by cosmetic makers, were also brisk.

As a Group, NSG is seeking to further increase earnings by extracting the maximum possible benefits from the merger with Pilkington.

Consolidated Net Sales (Interim Period)



Sales Composition by Segment
(142nd Period - Interim Period)



Question 2

You launched a new global management structure on April 1, 2007 to pursue the consolidation with Pilkington plc. Could you elaborate on the progress in the implementation of this structure and related undertakings?

Answer 2

Under the new global management structure, the business consolidation with Pilkington has been proceeding smoothly. We are currently focusing our efforts on the development and enhancement of the structure in order to further bring about integration effects.

Following the launch of the global management structure, we newly created the posts of Chief Executive Officer, or CEO, and Chief Operating Officer, or COO, on October 1, 2007 to expedite the process of integration and globalization.

- Mr. Katsuji Fujimoto was appointed as representative director, president and CEO and
- Mr. Stuart Chambers was appointed as representative director, executive vice president and COO.

Note: Mr. Stuart Chambers was appointed as representative director on October 1 and assumed the position of COO at the same time.

We believe that this move will enable the definite utilization of all available expert knowledge and experience for managing a truly global company and contribute to the strengthening of the senior-level management of the NSG Group while realizing the goals under the group vision and the mid-term business plan.

Alongside this move, we also carried out a major review of our brand strategy from the perspective of maximizing advantages of the business integration.

- We shall use "NSG Group" as the top brand of the Group,
- For the flat glass business, we shall use"Pilkington" as the business's global unified brand because the brand currently enjoys very high name recognition and has a strong reputation around the world.
- For the specialty glass business, we shall use the "NSG Group" brand, which is the same as the Group's top brand, as the NSG brand is considered to be effective and enjoys high name recognition.

NSG GROUP

PILKINGTON
NSG Group Flat Glass Business

Question 3

Could you elaborate on your actual undertakings in emerging markets as part of your global business deployment?

Answer 3

We plan both to expand our existing markets and to develop new markets. The long term aim is for the Group to increase its presence in such emerging markets as China, India, Southeast Asia, and South America, which are experiencing rapid growth in glass demand. In parallel, we aim to use our technological advantages to meet the increasing demand for high-value-added glass in mature markets.

In China, our newly built float glass plant in Jiangsu started commercial production in January 2007. This is the most advanced float glass plant in China and is operated by Jiangsu Pilkington SYP Glass Co., Ltd., which is a fifty-fifty joint venture between Pilkington Group Limited and Shanghai Yaohua Pilkington Glass Co., Ltd. The plant has an annual production capacity of 180,000 tons and supplies glass for construction and(later)automobile applications both domestically and overseas and expects annual sales of about $40 million. The establishment of this new plant has the added significance of being the Group's first proactive deployment in China, which produces one-third of the world's flat glass and where rapid growth in demand is expected for high-quality float glass.

In India, we have started construction of a plant to produce glass for automobiles in the city of Vishakhapatnam in the state of Andhra Pradesh in the southeast of the country. Production is slated to start in the summer of 2008. It will serve the replacement AGR market with a capacity of 480,000 parts per year, initially only for export. The Indian economy is growing at an annual rate in excess of 9% and the automobile sector has been posting annual growth rates exceeding 20% in recent years. This is an opportunity which will give us a strategic foothold in a rapidly growing market. India plans to develop its automotive market towards building 7.5 million vehicles by 2020 and the Group will be ideally placed to supply this new market while improving its service to existing global customers.

In countries such as Russia and Brazil, plants operated by joint ventures have been in operation for some years and have been successfully managed.

The purchase in October 2007 of GIMA, a leading supplier of automotive aftermarket glazing with operations in Hungary and Romania, has further enhanced Pilkington Automotive's European AGR network.

The investments in these emerging countries are part of the potent expansion strategy of the Group based on the expanding market and, therefore, are of great significance to the Group.

Review of Operations

Building Products (BP) Business

In Building Products in Europe (representing 58% of the Group's BP sales), demand continued at satisfactory levels. Profit performance was strong across most regions and products, with prices above levels of the previous year and efficiency gains offsetting cost increases. Market conditions in Japan (24% of BP sales) continued to be challenging, with sales and profits at similar levels to last year. Residential construction remained depressed, resulting in increasingly tough competition amongst downstream manufacturers with reduced volumes and increasing levels of overcapacity.

In North America (8% of BP sales), residential glass demand continued to be weak which, combined with rising input costs, resulted in declining year-on-year profits. In the rest of the world (10% of BP sales), the Group's businesses in South America continued to perform well and Cebrace Cristal Plano Ltda., the Group's 50% joint venture in Brazil, also showed improved year-on-year results. In South East Asia, the Group's businesses continued to show an improvement over the previous year.

Overall, the Building Products business achieved sales of ¥205 billion and operating income of ¥17.5 billion.

Automotive Business

In the Automotive business, approximately 52% of sales are in Europe, 15% in Japan, 24% in North America and 9% in other regions.

In the European Original Equipment (OE) sector, revenues and profits remained strong, and in the European Automotive Glass Replacement (AGR) market, both revenues and profits were ahead of the previous year.

In Japan, revenues were reduced, due to poor model performance of some models and problems with some new model introductions. In North America, OE sales were ahead of the previous year and AGR profits also demonstrated a year-on-year improvement. In the rest of the world, sales and profits in both South America and China were ahead of last year, with those in South East Asia lower than last year.

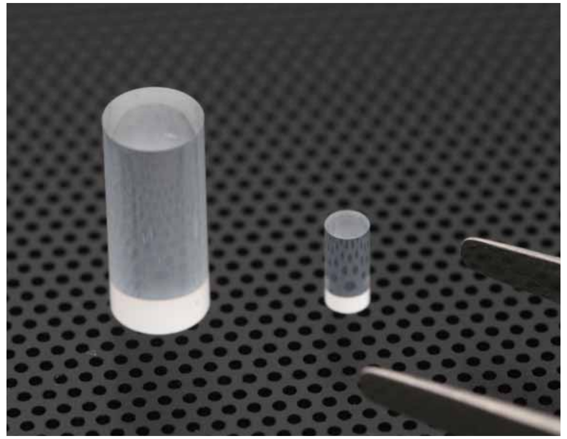
Overall, Automotive sales were ¥183 billion, with operating income of ¥12.6 billion.

Specialty Glass Business

The Specialty Glass business encompasses the Group's Information Technology business (information and telecommunication devices and glass for LCDs) and Glass Fiber businesses.

In the Information Technology business, demand for mainstay products, including optical lenses for multifunction printers and glass substrates for small and medium-sized LCD panels, remained steady. Consequently, total sales for the IT business, of ¥21.0 billion, were slightly higher than the level in the previous year. Due to an increase in sales and cost reductions, operating income in this business was higher than in the previous year.

In the Glass Fiber business, total sales of ¥19.2 billion were higher year-on-year, reflecting continuing robust demand for Glasscord in Europe. Sales of Metashine®, which is used by cosmetics manufacturers worldwide, remain strong.



Other Operations

This segment mainly covers corporate costs and engineering income, but also includes small businesses not included in the Building Products, Automotive and Specialty Glass businesses. The result is a reduction in earnings, reflecting an increase in general corporate expenses due to the consolidation of Pilkington central costs for the period. Consequently, this segment recorded sales of ¥5.7 billion and an operating loss of ¥7.8 billion.

Consolidated Balance Sheets

September 30, 2007 and 2006 (Millions of yen)

	2007	2006
ASSETS		
Current assets	**465,310**	**454,208**
Cash and deposits	159,762	159,975
Notes and account receivables—trade	148,547	157,752
Securities	2,000	—
Inventories	121,418	120,294
Deferred tax assets (current)	7,345	3,355
Other current assets	30,566	14,201
Allowance for doubtful accounts	(4,329)	(1,370)
Fixed assets	**953,036**	**910,738**
Tangible assets	397,397	409,683
Buildings & structures	84,243	87,971
Machinery & vehicles	224,955	214,624
Tools & dies	22,441	16,185
Land	58,112	60,074
Construction in progress	7,643	30,827
Intangible assets	384,059	336,453
Goodwill	200,887	109,278
Other intangible assets	183,172	227,175
Investments and other assets	171,579	164,601
Investment	116,640	143,017
Long-term loans receivable	1,984	1,170
Long-term prepaid expenses	2,076	1,492
Deferred tax assets (non-current)	44,982	751
Other assets	7,276	19,007
Allowance for doubtful accounts	(1,380)	(838)
Total assets	**1,418,347**	**1,364,947**

Notes to per Share Information

(1) Net assets per share ¥575.38

(2) Net interim income per share ¥77.01

(Millions of yen)

	2007	2006
LIABILITIES		
Current liabilities	**410,018**	**325,529**
Notes and accounts payable—trade	86,586	85,293
Short-term bank borrowings	97,734	117,942
Commercial paper	—	4,000
Bonds maturing within one year	10,000	—
Notes and accounts payable—construction	18,732	9,115
Accrued income tax	23,589	33,913
Accrued consumption tax	185	557
Accrued expenses	42,398	47,124
Customers' deposits	3,883	4,113
Provision for employees' bonuses	2,667	3,881
Provision for directors' bonuses	62	45
Provision for future financial risk arising from alleged violation of Competition Law of the European Union	81,067	—
Deferred tax liabilities (current)	6,447	1,928
Other current liabilities	36,662	17,614
Non-current liabilities	**610,952**	**712,022**
Bonds	33,000	92,000
Long-term bank borrowings	366,080	422,068
Accrued retirement benefits for employees	82,728	90,200
Accrued retirement benefits for directors'	487	1,144
Provision for rebuilding furnaces	9,453	8,930
Deferred tax liabilities (non-current)	90,884	59,077
Other non-current liabilities	28,317	38,601
Total liabilities	**1,020,970**	**1,037,552**
NET ASSETS		
Shareholders' equity	**356,303**	**258,339**
Common stock	96,147	71,602
Capital surplus	105,290	80,834
Retained earnings	155,378	106,286
Treasury stocks—at cost	(513)	(383)
Valuation & translation adjustments	**28,223**	**55,713**
Unrealized holding gain on securities	16,408	23,450
Net unrealized holding loss on derivative instruments	(3,249)	(4,825)
Foreign currency translation adjustments	15,064	37,087
Stock options	**233**	**6**
Minority interests in consolidated subsidiaries	**12,616**	**13,335**
Total net assets	**397,376**	**327,394**
Total liabilities and net assets	**1,418,347**	**1,364,947**

Consolidated Statements of Income

For the Six-Month Periods Ended September 30, 2007 and 2006 (Millions of yen)

	2007	2006
Net sales	**433,944**	**273,259**
Cost of sales	**294,738**	**191,813**
Gross income	**139,205**	**81,446**
Selling, general and administrative expenses	**112,157**	**72,856**
Operating income	**27,047**	**8,589**
Non-operating income	**10,569**	**7,215**
Non-operating expense	**20,315**	**8,554**
Income before extra-ordinary items	**17,301**	**7,250**
Extra-ordinary income	**50,563**	**45,510**
Extra-ordinary loss	**1,749**	**13,049**
Income before income taxes and minority interests	**66,115**	**39,711**
Income tax (Current)	6,540	22,467
Income tax (Deferred)	6,780	(2,565)
Minority interests in net income of consolidated subsidiaries	1,324	(451)
Net interim income	**51,469**	**20,259**

Consolidated Statements of Cash Flows

For the Six-Month Periods Ended September 30, 2007 and 2006 (Millions of yen)

	2007	2006
Cash flows from operating activities	**13,827**	**15,618**
Cash flows from investing activities	**59,755**	**(230,355)**
Cash flows from financing activities	**(64,147)**	**182,858**
Effect of foreign exchange rate on cash and cash equivalents	**(755)**	**10,673**
Net (decrease) increase in cash and cash equivalents	**8,679**	**(21,205)**
Cash and cash equivalents at the beginning of the year	**159,762**	**179,158**
Decrease due to change in scope of cash and cash equivalents	**(38,711)**	**—**
Cash and cash equivalents at the end of the six-month period	**129,729**	**157,953**

Notes to the Consolidated Statements of Changes in Net Assets

Type and number of shares issued and outstanding including treasury stock

	Number of shares issued and outstanding as of March 31, 2007	Increase in shares issued and outstanding during the sixth months ended September 30, 2007	Decrease in shares issued and outstanding during the sixth months ended September 30, 2007	Number of shares issued and outstanding as of September 30, 2007
Shares issued and outstanding				
Common stock	669,550,999	—	—	669,550,999
Total	669,550,999	—	—	669,550,999
Treasury stock				
Common stock (Notes 1, 2)	1,147,732	103,566	5,167	1,246,131
Total	1,147,732	103,566	5,167	1,246,131

Notes: 1. The increase of 103,566 in treasury stock is due to the acquisition of common stock of less than one trading unit.
2. The decrease of 5,167 of treasury stock is due to the sale of additional common stock of less than one trading unit.

Consolidated Statement of Changes in Net Assets

For the Six-Month Period Ended September 30, 2007 (Millions of yen)

	Shareholders' equity					Valuation and translation adjustments						
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net unrealized deferred loss on hedges	Translation adjustments	Total valuation and translation adjustments	Stock options	Minority interests	Total net assets
Balance as of March 31, 2007	**96,147**	**105,289**	**105,914**	**(450)**	**306,900**	**25,881**	**(3,048)**	**7,507**	**30,340**	**26**	**13,357**	**350,625**
Increase (decrease) during the sixth months ended September 30, 2007												
Cash dividends			(2,005)		(2,005)							(2,005)
Net interim income			51,469		51,469							51,469
Increase in treasury stock				(65)	(65)							(65)
Gain on sales of treasury stock		1		2	3							3
Net changes in items, excluding shareholders' equity, during the interim period						(9,472)	(201)	7,556	(2,117)	207	(740)	(2,651)
Total increase (decrease) during the six months ended September 30, 2007	**—**	**1**	**49,464**	**(63)**	**49,402**	**(9,472)**	**(201)**	**7,556**	**(2,117)**	**207**	**(740)**	**46,751**
Balance as of September 30, 2007	**96,147**	**105,290**	**155,378**	**(513)**	**356,303**	**16,408**	**(3,249)**	**15,064**	**28,223**	**233**	**12,616**	**397,376**

Nonconsolidated Financial Statements

Nonconsolidated Balance Sheet

September 30, 2007 (Millions of yen)

	2007
ASSETS	528,738
Current assets	86,724
Fixed assets	442,013
Tangible assets	65,181
Intangible assets	6,745
Investments and other assets	370,086
Total assets	**528,738**
LIABILITIES	230,412
Current liabilities	89,595
Non-current liabilities	140,817
NET ASSETS	298,325
Shareholders' equity	281,855
Common stock	96,147
Capital surplus	104,475
Retained earnings	81,746
Treasury stocks—at cost	(513)
Valuation & translation adjustments	16,236
Stock options	233
Total liabilities and net assets	**528,738**

Nonconsolidated Statement of Income

For the Six-Month Period Ended September 30, 2007 (Millions of yen)

	2007
Net sales	82,743
Cost of sales	64,799
Gross income	17,943
Selling, general and administrative expenses	17,921
Operating income	22
Non-operating income	2,914
Non-operating expense	3,681
Loss before extra-ordinary items	(744)
Extra-ordinary income	15,151
Extra-ordinary loss	1,661
Income before income taxes	12,745
Net interim income	3,316

Nonconsolidated Statement of Changes in Net Assets

For the Six-Month Period Ended September 20, 2007 (Millions of yen)

	Shareholders' equity												Valuation and translation adjustments				
		Capital surplus			Retained earnings												
						Other retained earnings											
	Common stock	Capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Special account reserve for compression of fixed assets	Reserve for compression of fixed assets	Contin-gency reserve	Deferred retained earnings	Total retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net unrealized deferred income on hedges	Total valuation and translation adjustments	Stock options	Total net assets
Balance as of March 31, 2007	96,147	104,469	4	104,474	6,376	892	3,830	44,977	24,359	80,435	(450)	280,606	25,099	166	25,266	26	305,899
Increase (decrease) during the sixth months ended September 30, 2007																	
Reversal of special account reserve for compression of fixed assets						(148)			148	—		—					—
Reversal of reserve for compression of fixed assets							(66)		66	—		—					—
Cash dividends									(2,005)	(2,005)		(2,005)					(2,005)
Net interim income									3,316	3,316		3,316					3,316
Increase in of treasury stock											(65)	(65)					(65)
Gain on sales of treasury stock			1	1							2	3					3
Net changes in items, excluding shareholders' equity, during the interim period													(9,210)	180	(9,029)	207	(8,822)
Total increase (decrease) during the six months ended September 30, 2007	—	—	1	1	—	(148)	(66)	—	1,526	1,311	(63)	1,249	(9,210)	180	(9,029)	207	(7,573)
Balance as of September 30, 2007	96,147	104,469	5	104,475	6,376	743	3,764	44,977	25,885	81,746	(513)	281,855	15,889	346	16,236	233	298,325

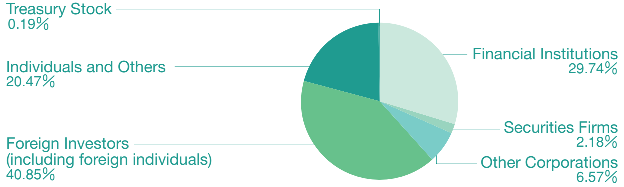
Stock Information (As of September 30, 2007)

Authorized Common Stock	1,775,000,000 shares
Issued and Outstanding	669,550,999 shares
Number of Shareholders	57,826

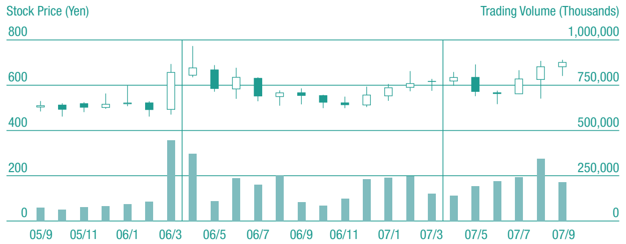
Major Shareholders

Shareholder	Number of shares (thousands)	Percentage of shares (%)
The Master Trust Bank of Japan, Ltd. (trust management account)	39,630	5.92
Japan Trustee Services Bank, Ltd. (trust account)	38,968	5.82
JP Morgan Chase & Co. CREF Mutual Funds Jasdec Lending Account	24,595	3.67
Japan Trustee Service Bank, Ltd. (trust account 4)	16,801	2.51
CBNY-Third Avenue Int'l Val Fd	13,696	2.05
Melon Bank ABN Amro Global Custody NV	12,467	1.86
Morgan Stanley and Company, Inc.	12,180	1.82

Distribution of Shareholders



Stock Prices and Trading Volume by Month on the Tokyo Stock Exchange



Management (As of October 1, 2007)

Directors

Representative Director/Chairman	Yozo Izuhara
Director Vice Chairman	Tomoaki Abe
Representative Director	Katsuji Fujimoto
Representative Director	Masakuni Nitta
RepresentativeDirector	Stuart Chambers
Director	Hiroyoshi Koshiba
Director	Pat Zito
Director	Mike Powell
Director	Takeshi Horiguchi
Director	Takashi Murakami
External Director	Noritaka Kurauchi
External Director	Kozo Okumura

Statutory Auditors

Statutory Auditor (full time)	Togo Tanaka
Statutory Auditor (full time)	Naotaka Todoroki
Statutory Auditor	Kowashi Watanabe
Statutory Auditor	Akihiko Nakamura
Statutory Auditor	Isao Watanabe

Executive Officers

(*indicates that the said Executive Officer serves concurrently as a director.)

*President and CEO	Katsuji Fujimoto
*Executive Vice President and COO	Stuart Chambers
*Executive Vice President	Masakuni Nitta
Senior Executive Officer	Kazuyuki Izumi
*Senior Executive Officer	Hiroyoshi Koshiba
Senior Executive Officer	Toshikazu Kondo
*Senior Executive Officer	Pat Zito
*Senior Executive Officer	Mike Powell
Senior Executive Officer	Tim Izzett
Senior Executive Officer	Vito Sassanelli
Senior Executive Officer	Stephen Pownall
*Senior Executive Officer	Takeshi Horiguchi
Senior Executive Officer	Paul McKeon
Senior Executive Officer	Clemens Miller
*Senior Executive Officer	Takashi Murakami
Senior Executive Officer	Mark Lyons
Senior Executive Officer	Tom Rae
Executive Officer	Minoru Imanishi
Executive Officer	Tony Shaw
Executive Officer	Tsunefumi Nakagawa
Executive Officer	Toshiyuki Nakazawa
Executive Officer	Keiji Yoshikawa
Executive Officer	Paul Ruddlesdin
Executive Officer	Vittore de Leonibus