

Translation

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MEMBERSHIP

October 26, 2010

CONSOLIDATED FINANCIAL RESULTS for the Second Quarter of the Year Ending March 31, 2011 (Unaudited) <under Japanese GAAP>

Company name: **Nippon Electric Glass Co., Ltd.**
Listing: First Section of the Tokyo Stock Exchange
First Section of the Osaka Securities Exchange
Securities identification code: 5214
URL: <http://www.neg.co.jp/>
Representative: Masayuki Arioka, President and Representative Director
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Scheduled date to file quarterly report: November 12, 2010
Scheduled date to commence dividend payments: November 30, 2010
Supplementary material on quarterly financial results: Yes
Quarterly financial results presentation meeting: Yes
(for institutional investors and analysts)

(in millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the second quarter of the year ending March 31, 2011 (From April 1, 2010 to September 30, 2010)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

For the six months ended	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
September 30, 2010	203,587	41.4	72,960	125.3	71,381	142.2	42,514	205.3
September 30, 2009	143,936	(28.9)	32,377	(50.1)	29,471	(52.6)	13,927	(59.6)

For the six months ended	Net income per share	Diluted net income per share
	yen	yen
September 30, 2010	85.46	-
September 30, 2009	28.00	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
September 30, 2010	690,685	443,924	63.8	885.61
March 31, 2010	646,443	406,306	62.2	808.75

Reference: Equity

As of September 30, 2010: 440,552 million yen

As of March 31, 2010: 402,327 million yen

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
For the year ended March 31, 2010	-	5.00	-	6.00	11.00
For the year ending March 31, 2011	-	6.00	—	—	—
For the year ending March 31, 2011 (Forecasts)	—	—	-	6.00 - 7.00	12.00 - 13.00

Note: Revision of the forecasts in the second quarter of the year ending March 31, 2011: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

Note: Revision of the forecasts in the second quarter of the year ending March 31, 2011: Yes

The Company has disclosed earnings forecasts for the next quarterly period instead of for the full year. Please see “5.

Consolidated earnings forecasts for the third quarter of the year ending March 31, 2011” on page 4 for earnings forecasts for the nine months ending December 31, 2010.

4. Others

(1) Changes in significant subsidiaries during the current quarter: None

Note: Changes in specified subsidiaries resulting in the change in scope of consolidation during the current quarter

(2) Application of simplified accounting and special accounting: Yes

Note: Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

(3) Changes in accounting policies, procedures, and methods of presentation

A. Changes due to revisions to accounting standards: Yes

B. Changes due to other reasons: None

Note: Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

(4) Number of issued shares (common stock)

A. Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2010	497,616,234 shares
As of March 31, 2010	497,616,234 shares

B. Number of treasury shares at the end of the period

As of September 30, 2010	156,797 shares
As of March 31, 2010	148,073 shares

C. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the six months ended September 30, 2010	497,463,808 shares
For the six months ended September 30, 2009	497,479,626 shares

* Indication regarding execution of quarterly review procedures

At the time of disclosure of this quarterly financial results report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act were incomplete.

* Proper use of earnings forecasts, and other special directions

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and include risks and contingencies. Actual business results may differ substantially due to a number of factors. For more details, please refer to the section of “(2) Qualitative information regarding consolidated earnings forecasts of 1. Qualitative Information Regarding Consolidated Results for the First Six Months” on pages 6-7.

**5. Consolidated earnings forecasts for the third quarter of the year ending March 31, 2011
(From April 1, 2010 to December 31, 2010)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
For the nine months ending December 31, 2010	291,000 - 301,000	24 - 28	93,000 - 99,000	49 - 58	91,000 - 97,000	59 - 70	55,000 - 61,000	56 - 73	110 - 122

As detailed on pages 6-7, in the section of “(2) Qualitative information regarding consolidated earnings forecasts of 1. Qualitative Information Regarding Consolidated Results for the First Six Months,” earnings forecasts are disclosed in the form of a range.

Attached Materials

1. Qualitative Information Regarding Consolidated Results for the First Six Months

(1) Qualitative information regarding consolidated operating results (Six months ended September 30, 2010)

A. Overview

In the first quarter (April 1 to June 30, 2010), the highest ever sales and earnings for a quarter were posted against a backdrop of strong demand for glass for electronic and information devices. Although sales of glass for flat panel displays (FPDs) slowed down about halfway through the second quarter (July 1 to September 30, 2010) due to the effect of production adjustments carried out by customers, earnings for the first six months ended significantly higher than the same period of the previous fiscal year.

B. Operating results

(Billions of yen)

	Six months ended September 30, 2009	Six months ended September 30, 2010	Change (%)
Net sales	143.9	203.5	41
Operating income	32.3	72.9	125
Ordinary income	29.4	71.3	142
Net income	13.9	42.5	205

Note: Amounts less than 100 million yen are omitted.

(Sales by products)

Reporting segment	Category	Six months ended September 30, 2009		Six months ended September 30, 2010		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Glass for electronic and information devices	122.6	85	171.9	84	49.3	40
	Glass for others	21.3	15	31.6	16	10.3	48
Total		143.9	100	203.5	100	59.6	41

Notes: 1. Amounts less than 100 million yen are omitted.

2. The Company reviewed product categories for disclosure, in conformity with the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 21, 2008) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Guidance No.20, March 21, 2008), which became effective the first three months ended June 30, 2010. As a result of this review, changes were made into the categories including the integration of "Glass Business" and "Other" to a single category of "Glass Business," "Glass for display devices" and "Glass for electronic devices" to "Glass for electronic and information devices," and "Glass fiber," "Building materials, heat-resistant glass, glass tubing and other products" and "Other" to "Glass for others." These new categories were also applied to the results for the first six months of the previous fiscal year.

(Net sales)

Glass for electronic and information devices:

Although sales increased steadily in the first quarter, sales for the second quarter were sluggish not only because sales of glass for FPDs began to fall, but also because of weakening demand for glass related to optical communication and cover glass for image sensors.

Glass for others:

Sales of glass fiber increased, particularly glass fiber for auto parts, however, sales of glass for building materials and heat-resistant glass were low, due to stagnant demand in housing and construction.

(Profits)

In the first quarter, the increase in sales and production of glass for FPDs and the effects of resulting productivity improvements contributed to profits. Although sales began to fall about halfway through the second quarter, and there were factors constraining profit, such as the execution of facility repairs aimed at improving productivity taking advantage of the market adjustment period, profits for the first six months increased significantly year on year.

(2) Qualitative information regarding consolidated earnings forecasts

(Billions of yen)

	Nine months ended December 31, 2009	Nine months ending December 31, 2010	Change (%)
Net sales	235.0	291.0 – 301.0	24 – 28
Operating income	62.5	93.0 – 99.0	49 – 58
Ordinary income	57.1	91.0 – 97.0	59 – 70
Net income	35.2	55.0 – 61.0	56 – 73

Note: Amounts less than 100 million yen are omitted.

During the third quarter (October 1 to December 31, 2010), although demand for glass for electronic and information devices is expected to bottom out, we expect a recovery in production by customers to take time. In glass for others, although we expect demand for glass fiber to be about the same as the second quarter, we forecast weak demand from the housing and construction-related fields for such products as glass for building materials and heat-resistant glass.

The consolidated earnings results for the first nine months, which consists of the earnings results for the first six months and the forecasts above, are expected to exceed the results of the same period of the previous fiscal year as presented in the table above.

Because conditions both in Japan and overseas surrounding the Company have been changing dramatically and at an extremely fast pace, it is difficult to accurately forecast future earnings. For this reason, the Company discloses consolidated earnings forecasts for the first nine months, in the form of a range. If the various factors turn out more favorable than the Company expected (plan at the beginning of the fiscal year), earning results are expected to be close to the higher limit of the range; conversely, if the various factors deteriorate, then the earning results are expected to be close to the lower limit of the range.

(Concerning Disclosure of Earnings Forecasts)

To deliver earlier and more appropriate earnings information, the Company has been notifying shareholders and investors of earnings forecasts using Company-based methods (earnings forecast for the current reporting period (cumulative basis) and outlook for the next reporting period (three-month basis)) following the timing stated in the table below.

However, the business environment surrounding the Company, which includes product demand trends and price trends, is changing with remarkable speed. It is now even more difficult to provide an accurate outlook of earnings in the near future. Considering these circumstances, the Company is limiting the scope of disclosure of earnings forecasts from this time forward to the earnings forecast for the current reporting period (cumulative basis) as presented in the table below.

Disclosure schedule	Earnings forecast for current reporting period (cumulative basis) (disclosure of numerical figures)
Late June	Three months
Late September	Six months
Late December	Nine months
Late March	Full year

Note: The outlook for the next reporting period (three-month basis) will be disclosed with the quarterly financial results report, which is disclosed at the time the quarterly earnings results are announced.

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and include risks and contingencies. Actual business results may differ substantially due to a number of factors. Factors that may impact actual business results include the economic conditions of global markets, various rules and regulations such as those concerning trade, significant fluctuation of supply and demand of products in principal markets as well as the financial situation showing extensive changes in prices on capital markets and extensive changes in exchange rates between the yen and other major currencies such as the U.S. dollar and the Euro, interest rates and rapid technological advancement. Factors not mentioned here also could have a significant impact on business results.