

**Translation**

Notice: This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

Member of the Financial Accounting Standards Foundation



MEMBERSHIP  
April 27, 2011

**CONSOLIDATED FINANCIAL RESULTS  
for the Year Ended 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  
 Inquiries: Masami Atsuji, Director and Executive Vice President  
 TEL: +81-77-537-1700 (from overseas)

Scheduled date of ordinary general meeting of shareholders: June 29, 2011  
 Scheduled date to commence dividend payments: June 30, 2011  
 Scheduled date to file securities report: June 30, 2011  
 Supplementary material on financial results: Yes  
 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 year ended March 31, 2011  
(From April 1, 2010 to March 31, 2011)**

**(1) Consolidated operating results** (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
For the year ended								
March 31, 2011	390,195	17.4	117,471	19.3	114,299	25.0	68,608	24.9
March 31, 2010	332,387	(1.0)	98,426	28.8	91,419	42.1	54,926	151.6

Note: Comprehensive income  
 For the year ended March 31, 2011: 67,507 million yen [15.3%]  
 For the year ended March 31, 2010: 58,554 million yen [—%]

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
For the year ended	yen	yen	%	%	%
March 31, 2011	137.92	-	15.8	17.1	30.1
March 31, 2010	110.41	-	14.6	14.8	29.6

Reference: Equity in earnings of affiliates  
 For the year ended March 31, 2011: None  
 For the year ended March 31, 2010: None

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
March 31, 2011	692,622	468,037	66.9	932.17
March 31, 2010	646,443	406,306	62.2	808.75

Reference: Equity

As of March 31, 2011: 463,709 million yen

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

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
For the year ended				
March 31, 2011	133,390	(96,822)	(11,773)	116,366
March 31, 2010	118,720	(86,847)	(35,134)	91,667

## 2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
For the year ended	yen	yen	yen	yen	yen		%	%
March 31, 2010	-	5.00	-	6.00	11.00	5,472	10.0	1.5
March 31, 2011	-	6.00	-	7.00	13.00	6,466	9.4	1.5
For the year ending March 31, 2012 (Forecast)	-	7.00	-	7.00 - 8.00	14.00 - 15.00		-	

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

The Company discloses earnings forecasts for the first quarter instead of for the first six months and for the full year. Please refer to “5. Consolidated earnings forecasts for the fiscal year ending March 31, 2012” for the earnings forecasts for the first quarter of the fiscal year ending March 31, 2011.

## 4. Others

### (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Excluded: 1 company (Nippon Electric Glass (Fujian) Co., Ltd.)

### (2) 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

**(3) Number of issued shares (common stock)**

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

As of March 31, 2011	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 March 31, 2011	166,179 shares
As of March 31, 2010	148,073 shares

## C. Average number of shares during the period

For the year ended March 31, 2011	497,459,004 shares
For the year ended March 31, 2010	497,475,628 shares

**SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS (Reference)****1. Non-consolidated performance for the year ended March 31, 2011  
(From April 1, 2010 to March 31, 2011)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
For the year ended								
March 31, 2011	338,166	11.9	98,461	2.2	108,041	13.2	66,438	12.1
March 31, 2010	302,130	11.3	96,339	44.8	95,470	51.4	59,250	143.5

	Net income per share	Diluted net income per share
For the year ended	yen	yen
March 31, 2011	133.56	-
March 31, 2010	119.10	-

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
March 31, 2011	643,455	427,951	66.5	860.29
March 31, 2010	598,637	368,249	61.5	740.25

Reference: Equity

As of March 31, 2011: 427,951 million yen

As of March 31, 2010: 368,249 million yen

**\* Indication regarding execution of audit procedures**

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

**\* Proper use of earnings forecasts, and other special directions**

(Proper use of earnings forecasts)

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 “(iii) Outlook for the fiscal year ending March 31, 2012 of (1) Analysis regarding operating results in 1. Operating results” on page 7.

## 5. Consolidated earnings forecasts for the fiscal year ending March 31, 2012

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
For the first quarter ending June 30, 2011	91,000 - 101,000	(14) - (5)	22,500 - 27,500	(45) - (33)	21,500 - 26,500	(47) - (35)	13,500 - 16,500	(45) - (33)	27 - 33

Note: As detailed on page 7, in “(iii) Outlook for the fiscal year ending March 31, 2012 of (1) Analysis regarding operating results in 1. Operating results,” earnings forecasts are disclosed in the form of a range.

## 1. Operating results

### (1) Analysis regarding operating results

#### (i) Overview of the fiscal year under review (from April 1, 2010 to March 31, 2011)

In the first quarter (April 1 to June 30, 2010), strong sales and earnings were maintained against a backdrop of increased demand for glass for electronic and information devices. Sales of glass for flat panel displays (FPDs), a mainstay product, slowed down from the latter half of the second quarter (July 1 to September 30, 2010) due to the effect of production adjustments carried out by customers.

In the third quarter (October 1 to December 31, 2010), although demand for glass for FPDs moved towards recovery and there appeared to be an upturn in sales, in the fourth quarter (January 1 to March 31, 2011), the demand lacked strength, and for the Company, a delay in the launch of a facility after cold repair coincided with troubles related to utilities, and coupled with the effect of the Great East Japan Earthquake on production, caused a drop in performance.

Despite the fact that quarterly performance decreased with each quarter owing to the above factors, in terms of the whole year, as can be seen from the following table, net sales and profit both exceeded the previous year, and they were able to post a record high performance.

#### (ii) Operating results for the fiscal year under review

(Billions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Change (%)
Net sales	332.3	390.1	17
Operating income	98.4	117.4	19
Ordinary income	91.4	114.2	25
Net income	54.9	68.6	25

Note: Amounts less than 100 million yen are omitted.

#### (Sales by products)

Reporting segment	Category	Fiscal year ended March 31, 2010		Fiscal year ended March 31, 2011		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Glass for electronic and information devices	283.7	85	328.5	84	44.8	16
	Glass for others	48.6	15	61.6	16	13.0	27
Total		332.3	100	390.1	100	57.8	17

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 from the current fiscal year. 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 previous fiscal year.

(Net sales)

Glass for electronic and information devices:

Sales of glass for FPDs performed strongly in the first quarter, but they decreased from the latter half of the second quarter. Although sales temporarily showed movement towards a recovery thanks to a revival in demand in the third quarter, sales again turned into a decrease in the fourth quarter. Sales of glass related to optical products and cover glass for image sensors performed steadily in the first quarter. From the latter half of the second quarter until the third quarter, there was a decrease in sales due to the effect of weak demand, but going into the fourth quarter there was a turnaround. As a result, net sales of glass for electronic and information devices between the first quarter and the first half of the second quarter were main drivers for robust sales, leading to an increase from the previous fiscal year.

Glass for others:

Glass fiber intended for automobile parts, which is the mainstay of the glass fiber business, was affected by a weakness in demand in the domestic market in the third quarter onwards, but with the support of steady demand in overseas markets, sales for the product grew. Although sales of glass for building materials and heat-resistant glass showed movement towards an upturn in housing and construction-related markets, sales as a whole were at low levels. Owing to the above factors, net sales of glass for others increased from the previous fiscal year.

(Profits)

In the first quarter, an increase in sales of glass for FPDs, expansion in production and other factors contributed to profits. However, in the second quarter, in addition to a fall in sales, the lower capacity utilization from the execution of facility repairs taking advantage of the market adjustment period, the increase in expenses related to such repairs and other factors constrained profits. From the third quarter to the fourth quarter, factors including facility maintenance and the continuation of a series of facility repairs in order to meet market trends such as the thinning of glass substrates put downwards pressure on profits. In the fourth quarter, a delay in the launch of a facility after cold repair, troubles related to utilities, the adverse effects of the Great East Japan Earthquake and other factors on production and the resulting impact on sales, and an increase in depreciation and amortization, caused further reductions in profits. Although there were several of these constraining factors on profits, they also received a boost from the good performance in the first half of the year, and for the year as a whole, operating income, ordinary income and net income were all able to post record high results.

**(iii) Outlook for the fiscal year ending March 31, 2012**

(Billions of yen)

	First quarter ended June 30, 2010	First quarter ending June 30, 2011	Change (%)
Net sales	106.2	91.0 - 101.0	(14) - (5)
Operating income	40.9	22.5 - 27.5	(45) - (33)
Ordinary income	40.6	21.5 - 26.5	(47) - (35)
Net income	24.7	13.5 - 16.5	(45) - (33)

Note: Amounts less than 100 million yen are omitted.

The impact of the recent disaster on business operations from now is unclear and the situation is unpredictable, but at present, our expectation for the coming period (from April 1 to June 30, 2011) for glass for electronic and information devices is that, although we expect a gentle recovery for glass for FPDs with the previous quarter as its lowest point, a full-blown recovery will take time. In terms of glass for others, although we anticipate steady demand for glass fiber centered on overseas markets, for glass for building materials and heat resistant glass in housing and construction-related fields, as a whole, we expect stagnant conditions to continue.

Due to these factors, as shown above, we expect an improvement in both net sales and profits compared with the preceding fourth quarter, although they will not achieve the level of the first quarter in the previous fiscal year.

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 earnings in the future. For this reason, the Company discloses earnings forecasts for the first quarter instead of for the first six months and for the full year, 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)**

In addition to the disclosure of information according to the standards for timely disclosure stipulated by the stock exchanges, the Company provides earnings forecast information as described in the table below, aiming to deliver earlier and more appropriate earnings information to investors.

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.

## (2) Analysis regarding financial position

### (i) Overview of consolidated financial position for the fiscal year under review (Billions of yen)

	As of March 31, 2010	As of March 31, 2011	Change
Total assets	646.4	692.6	46.2
Liabilities	240.1	224.5	(15.6)
Net assets	406.3	468.0	61.7

Note: Amounts less than 100 million yen are omitted.

#### (Total assets)

In current assets, income increased against a background of strong sales, particularly in the first quarter, among other factors, and cash and deposits also increased. From the latter half of the second quarter onwards, due to the impact of factors such as a fall in sales, although notes and accounts receivable trade decreased, merchandise and finished goods increased. In addition, due to procurement of various materials for maintenance work on facilities related to glass for FPDs and other factors, raw materials and supplies increased. In fixed assets, tangible fixed assets increased, particularly fixed assets for glass for FPDs and glass fiber.

#### (Liabilities)

In current liabilities, there was an increase in capacity utilization in comparison with the end of the previous period, and notes and accounts payable-trade increased, but despite this, income taxes payable decreased due to the payment of tax. In noncurrent liabilities, in the main, there was a decrease in long-term loans.

#### (Net assets)

Although retained earnings increased, there were decreases in both foreign currency translation adjustments from the erosion of investments into overseas subsidiaries due to appreciation in the yen, and valuation difference on marketable securities due to stagnation in the stock market.

### (ii) Overview of consolidated cash flows for the fiscal year under review (Billions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Change
Cash flows from operating activities	118.7	133.3	14.6
Cash flows from investing activities	(86.8)	(96.8)	(10.0)
Cash flows from financing activities	(35.1)	(11.7)	23.4
Period-end cash and cash equivalents	91.6	116.3	24.7

Note: Amounts less than 100 million yen are omitted.

#### Cash flows from operating activities

Factors such as an increase in net income before income taxes and a decrease in accounts receivable, but there were other factors such as increases in inventories and the amount paid for things such as income tax. As a result of these factors, income increased compared with the previous fiscal year.

#### Cash flows from investing activities

Although the Company dug into its time deposits, due to the acquisition of fixed assets, in particular in facilities mainly related to glass for FPDs and glass fiber, and investment securities, expenditure increased compared with the previous fiscal year.

Cash flows from financing activities

Despite the fact that expenditure due to the repayment of long-term loans and the amount paid in dividends increased, expenditure decreased compared with the previous fiscal year.

**(iii) Trends of cash-flow related indices**

Fiscal year ended	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
Equity ratio (%)	52.3	58.5	59.3	62.2	66.9
Market value-based equity ratio (%)	190.1	130.4	58.0	101.3	84.6
Interest-bearing debt to cash flows ratio (years)	1.1	0.9	1.5	0.8	0.7
Interest coverage ratio (times)	82.3	69.4	53.2	66.6	123.6

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest paid

Notes: 1. All calculations are based on consolidated financial figures.

2. Market capitalization was calculated based on the number of issued shares excluding treasury stock.

3. For cash flows and interest paid, calculations use "cash flows from operating activities" and "interest expenses paid," respectively, in the consolidated statement of cash flows. Moreover, interest-bearing debt corresponds to long- and short-term loans payable, bonds payable and commercial papers included in liabilities presented in the consolidated balance sheet.

**(3) Basic policy on allocation of profits and cash dividends for this fiscal year and next fiscal year (Basic policy)**

While ensuring adequate retained earnings to provide for reinforcement of the Company's financial standing and future business development, the Company decides on the amount of dividend payment based on a basic policy of maintaining a long-term and stable return of profits to shareholders that is not significantly affected by fluctuations in earnings, but it also takes the financial situation etc. into consideration.

Regarding the funds from retained earnings, the Company aims to fulfill the expectations of shareholders through boosting its corporate value by appropriating retained earnings funds for future research and development and future business expansion, focusing on glass for FPDs.

(Year-end dividend)

The Company shall present the year-end dividend payment of 7 yen per share (which combined with the 6 yen per share interim dividend makes an annual dividend of 13 yen per share, an increase of 2 yen from the previous fiscal year) for approval at the Ordinary General Meeting of Shareholders scheduled to be held on June 29.

(Dividend forecast for the next fiscal year)

The company expects to pay an interim dividend of 7 yen per share and a year-end dividend of 7 yen to 8 yen per share, but plans to base its decision on future earnings.

**(4) Significant items regarding going concern assumptions**

No applicable items.