

June 14, 2005

## Notice of 86th Ordinary General Meeting of Shareholders

Dear Shareholders,

We would hereby like to inform you that the 86th Ordinary General Meeting of Shareholders will be held as follows, and we would be grateful if you could attend the meeting.

If you are unable to attend the meeting in person, you are entitled to vote by document. In this regard, we cordially request you to return to us the enclosed voting right exercise form indicating your approval or disapproval of the matters to be resolved with your seal or signature, after studying the attached reference document.

Yours faithfully,  
Nippon Electric Glass Co., Ltd.  
Nobutsune Kogo, Chairman of the Board  
7-1, Seiran 2-chome, Otsu, Shiga, Japan

- 1. Date and Time:** Wednesday, June 29, 2005, from 10:00 a.m.  
**2. Venue:** Conference Room at the Head Office of the Company  
7-1, Seiran 2-chome, Otsu, Shiga, Japan

### 3. Meeting Agenda:

#### Reporting:

1. Business Report, Consolidated Balance Sheets, Consolidated Statements of Income, results of audits of consolidated financial statements by Account Auditors and the Board of Corporate Auditors for the 86th term (from April 1, 2004 to March 31, 2005)
2. Balance Sheets and Statements of Income for the 86th term (from April 1, 2004 to March 31, 2005)

#### Proposals:

**Proposal 1:** Approval of the proposed appropriation of retained earnings for the 86th term

**Proposal 2:** Amendments of the Articles of Incorporation

(The summary of the Proposal are as shown in the Reference Document.)

**Proposal 3:** Election of eight (8) Directors

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\* If you are attending the meeting in person, please submit the enclosed voting right exercise form at the reception desk of the meeting.

Proposed Appropriation of Retained Earnings

(In yen)

(Appropriation of retained earnings)	
<b>Unappropriated retained earnings at the end of the term</b>	<b>5,694,227,451</b>
This will be appropriated as follows:	
Dividends (3.50 yen per share)	1,116,669,642
Bonuses to directors	110,000,000
<b>Unappropriated retained earnings to be carried forward to the following term</b>	<b>4,467,557,809</b>
(Appropriation of other capital surpluses)	
<b>Other capital surpluses</b>	<b>4,896,285</b>
This will be appropriated as follows:	
<b>Other capital surpluses to be carried forward to the following term</b>	<b>4,896,285</b>

(Note) The Company paid interim dividends of 957,302,160 yen (6 yen per share) on December 3, 2004.

## Reference Document for the Exercise of Voting Rights

1. **Total number of voting rights held by all shareholders:** 317,685

### 2. **Proposals and reference matters**

#### **Proposal 1: Approval of the proposed appropriation of retained earnings for the 86th term**

Details of the proposal are as described in the appendix (page 2).

The Company determines its dividend amounts according to its policy of returning profits to its shareholders for long-term stably without being largely affected by fluctuation of the performance as well as reserving internally profits in order to strengthen its corporate structure and to prepare for the future business deployments taking also the financial situation, etc. into consideration.

As for dividends for the term, we wish to propose 3.5 yen per share according to this policy in order to show appreciation for our shareholders' continuous support. As a result, since a common stock split (Each share was split in two shares.) was executed as of March 10, 2005, dividends for the full term will be 9.5 yen per share, including interim dividends of 6 yen prior to the split. If converted using the criteria prior to the stock split, dividends for the full term will be 13 yen per share (6 yen for interim dividends and 7 yen for term-end dividends), up 1 yen per share from the last term. As for bonuses to directors, we wish to propose the increase of the amount by 13,850,000 yen from the last term to be 110,000,000 yen.

#### **Proposal 2: Amendments of the Articles of Incorporation**

##### 1. **Reasons for the amendments**

The Company has been gradually reducing the number of directors since Year 2000 to clarify decision-making and administrative functions by directors, introduced an Executive Officer system and has expanded it for business operation with the aim of speeding up the decision-making process, securing transparency in management and strengthening the business operation functions. Associated with this, we wish to reduce the number of directors from no more than 21 persons to no more than 12 persons in Article 17 of the Articles of Incorporation and to eliminate directors with managerial positions such as vice president in Paragraph 2 of Article 19.

##### 2. **Details of Amendments**

The details of amendments in the Articles of Incorporation are as follows:

(Underlined portion shows the part to be amended.)

Existing Articles of Incorporation	Proposed Amendment
(Number of directors) Article 17. The Company stipulates the number of directors as no more than <u>21</u> persons. Article 18. (Provisions are omitted)  (Representative directors, etc.) Article 19. (Provisions are omitted) 2. The Company may appoint one chairman of the Board, one vice chairman, one president, <u>a few vice presidents, a few senior managing directors and a few managing directors</u> with the resolution of Board of Directors.	(Number of directors) Article 17. The Company stipulates the number of directors as no more than <u>12</u> persons. Article 18. (Unchanged)  (Representative directors, etc.) Article 19. (Unchanged) 2. The Company may appoint one chairman of the Board, one vice chairman and one president with the resolution of Board of Directors.

### Proposal 3: Election of eight (8) Directors

The terms of office for all 9 directors will expire as of the close of this Ordinary General Meeting of Shareholders. Accordingly, we propose the following eight (8) director candidates to be elected.

The candidates for directors are as follows:

No.	Name (Date of Birth)	Brief Personal Profile (Representation for other companies)	Number of the Company shares held
1	Tetsuji Mori (January 2, 1937)	Apr. 1959: Joined Nippon Electric Glass June 1982: Director June 1988: Managing Director June 1990: Senior Managing Director June 1992: Vice President June 1996: President June 2002: CEO June 2003: Vice Chairman (Incumbent)	74,682
2	Yuzo Izutsu (December 12, 1944)	Apr. 1967: Joined Nippon Electric Glass June 1996: Director June 2000: Managing Director June 2002: Director Executive Vice President June 2003: President (Incumbent) CEO (Incumbent)	35,000
3	Akio Ikeda (July 12, 1942)	Apr. 1965: Joined Nippon Electric Glass Sept. 1991: General Manager, Glass Fiber Division, Sales June 1997: Director (Incumbent) June 2002: Senior Vice President Group General Manager, Consumer Glass Products Group and Glass Fiber Products Group (Incumbent) June 2003: Executive Vice President (Incumbent)	10,044

No.	Name (Date of Birth)	Brief Personal Profile (Representation for other companies)	Number of the Company shares held
4	Hiroshi Kato (January 12, 1947)	Apr. 1969: Joined Nippon Electric Glass Nov. 1994: Department Manager, Color Funnel Production Department, CRT Glass Division Nov. 1995: President, Nippon Electric Glass (Malaysia) Sdn. Bhd. June 1998: Director of the Company (Incumbent) Jan. 2002: General Manager, LCD Glass Plate Division, Production, Display Device Group (Incumbent) June 2002: Vice President June 2003: Senior Vice President (Incumbent)	20,000
5	Katsumi Inada (June 17, 1948)	Apr. 1971: Joined Nippon Electric Glass Nov. 1995: General Manager, Electronic Products Division, Production June 1998: Director (Incumbent) June 2000: Group General Manager, Electronic Products Group (Incumbent) June 2002: Vice President June 2003: Senior Vice President (Incumbent) [Representative Director, Dong Yang Electronic Glass, Co., Ltd.]	20,200
6	Masayuki Arioka (September 28, 1948)	Apr. 1978: Joined Nippon Electric Glass Mar. 1997: General Manager, Glass Fiber Division, Production (Incumbent) June 1999: Director (Incumbent) June 2002: Vice President June 2004: Senior Vice President (Incumbent)	18,000
7	Masami Atsuji (January 3, 1948)	Apr. 1971: Joined Nippon Electric Glass June 1997: General Manager, Accounting Division June 2000: Director (Incumbent) June 2002: Vice President June 2003: General Manager, Administrative Division (Incumbent) June 2004: Senior Vice President (Incumbent)	22,200
8	Shigeru Yamamoto (December 19, 1953)	Apr. 1978: Joined Nippon Electric Glass Oct. 1998: General Manager, Technical Division (Incumbent) June 2002: Vice President (Incumbent)	2,000