

June 6, 2007

Notice of 88th Ordinary General Meeting of Shareholders

Dear Shareholders,

Please be advised that the 88th 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 mail. In this regard, we cordially request that you return to us the enclosed voting right exercise form. To do so, please study the attached reference materials, indicate your approval or disapproval of each proposal on the attached voting form, and return it to reach us by 5:00 p.m., Wednesday, June 27, 2007.

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

- 1. Date and Time:** Thursday, June 28, 2007, 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 financial statements, results of audits of consolidated financial statements by Independent Auditors and the Board of Corporate Auditors for the 88th term (from April 1, 2006 to March 31, 2007)
2. Non-consolidated financial statements for the 88th term (from April 1, 2006 to March 31, 2007)

Proposals:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Amendment to the Articles of Incorporation
Proposal 3: Election of nine (9) Directors
Proposal 4: Election of three (3) Corporate Auditors
Proposal 5: Election of two (2) substitute Corporate Auditors
Proposal 6: Payment of Bonuses to Directors

* If you attend the meeting in person, please submit the enclosed voting right exercise form to the reception desk of the meeting.

* Any revisions in reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements will be disclosed on the Company's website (<http://www.neg.co.jp/ir/>).

Offered Documents

Business Report for the 88th Fiscal Year

Period from April 1, 2006
to March 31, 2007

1. Status of Corporate Group

(1) Progress and results of operations

Overall trend

During the fiscal year under review, the Japanese economy maintained its mild upswing supported by an increase in capital expenditure in the private sector and steady exports, despite negative factors such as the continued high prices of oil and raw materials and weak consumer spending. As for the global economy, although there was a concern about a slowdown in the U.S. economy with an adjustment in the housing market, the world economy as a whole continued to be favorable.

In the display devices glass category, which is the core business of the Group, demand for glass for flat panel displays (FPDs) increased as growth was seen in flat screen televisions. On the other hand, the market for cathode ray tube (CRT) glass was sluggish.

Results for the fiscal year under review

	88th Fiscal Year (April 2006 to March 2007)	87th Fiscal Year (April 2005 to March 2006)	Increase (%)
	Millions of yen	Millions of yen	
Net sales	336,410	296,440	13.5
Operating income	84,585	51,952	62.8
Ordinary income	81,425	49,380	64.9
Net income	40,358	3,231	1,149.0

Net sales increased. Sales in the Information and Communications business sector increased supported by an expansion in sales of glass for FPDs. Sales in the Other Products businesses sector also exceeded those of the previous fiscal year, as sales of glass fiber and heat-resistant glass rose.

Profits suffered pressure from an increase in costs of raw materials and fuels, a decline in the price of glass for FPDs and an increase in depreciation expenses owing to a revision of the expected lifetime of some production facilities in the Information and Communications business. Nevertheless, profits increased, thanks to the reduced deficit in the CRT glass business after a round of restructuring, expanded sales of glass for FPDs, efforts in all business divisions to improve profitability and a decrease in marketing expenses following a change in the product mix.

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As for extraordinary profit and losses, the Company posted about ¥19 billion of extraordinary losses including impairment loss on CRT glass production facilities, and extraordinary depreciation of fixed assets for the previous years following the revision of expected lifetime as mentioned above. In the meantime, restructuring of the CRT glass business, which the Company has been implementing over the past few years, was almost completed in the fiscal year under review.

Sales by business category are as follows:

Category			88th Fiscal Year (April 2006 to March 2007)		87th Fiscal Year (April 2005 to March 2006)		Increase	
			Net sales	Break-down	Net sales	Break-down	Amount	Percentage
Glass Business	Information and Communications	Glass for Display Devices	Millions of yen 256,889	% 76.4	Millions of yen 219,811	% 74.1	Millions of yen 37,077	% 16.9
		Glass for Electronic Devices	14,842	4.4	12,691	4.3	2,150	16.9
		Subtotal	271,731	80.8	232,503	78.4	39,227	16.9
	Other Products	Glass Fiber	26,289	7.8	24,143	8.2	2,145	8.9
		Building Materials, Heat-Resistant Glass, Glass Tubing and Other	36,923	11.0	38,314	12.9	(1,390)	(3.6)
		Subtotal	63,212	18.8	62,458	21.1	754	1.2
	Glass Business Total		334,944	99.6	294,961	99.5	39,982	13.6
Other Business		1,466	0.4	1,478	0.5	(11)	(0.8)	
Total		336,410	100.0	296,440	100.0	39,970	13.5	

Note: In light of a decrease in sales of CRT glass, the Company has changed the group business category to divide Information and Communications related businesses into “Glass for display devices” and “Glass for electronic devices”, effective this fiscal year. (For the main items of each category, please refer to (8) Description of main businesses.) To make comparison easier, the new categories have been applied to the previous fiscal year.

Information and Communications

Glass for display devices

Sales of glass for LCDs, in FPD glass, were slow in the fourth quarter as a combined result of decreased demand owing to seasonal factors and periodic maintenance of our production facilities. However, the sales throughout the year were boosted significantly by an expansion of the market for flat screen televisions. Sales of glass for PDPs also increased substantially following an expansion in production at customer plasma display panel manufacturers.

Meanwhile, the Company in last March and December respectively started operating production facilities for LCD substrate glass at our Notogawa Factory to respond to growing demand. In addition, the Company expanded transparent electrode thin film facilities for PDPs at our Wakasa-Kaminaka Factory, which started operation in June last year, as well as substrate glass production facilities for PDPs at our Shiga-Takatsuki Factory, which started operation in August last year.

In the CRT glass business, shipment volume decreased significantly due to downsizing of business, and the overall market conditions continued to be severe. The Company therefore wrote off impaired glass production facilities of subsidiaries in Malaysia and Fuzhou in China. In addition, the Company halted operation of one panel glass production furnace at our Malaysian subsidiary this year.

Glass for electronic devices

Sales of glass for optical devices recovered as the penetration of optical networks grew, and sales of glass for image sensors used in digital cameras and cell phones remained strong.

As a result, sales in the Information and Communications sector amounted to ¥271,731 million, a year-on-year increase of 16.9%.

Other Products

Glass fiber

Sales of glass fiber remained strong, supported by expanded demand for glass fiber used in high-function plastic auto parts. To accommodate increased demand, the Company enhanced glass fiber production facilities at its Malaysian subsidiary and the enhanced facilities were launched operations in June last year, contributing to sales in the second half of the term.

Building materials, heat-resistant glass, glass tubing and other glass products

Supported by robust demand, sales of heat-resistant glass increased, but were down for glass tubing and other glass products. As a result, sales in this sector fell short of those in the previous fiscal year.

Consequently, sales in the Other Products sector amounted to ¥63,212 million, a year-on-year increase of 1.2%.

(2) Capital Expenditure

The Group's capital expenditure amounted to ¥100,414 million in the fiscal year under review.

In the Information and Communications sector, capital expenditure totaled ¥88,303 million, primarily for boosting production capacity for FPD glass.

In the Other Products sector, capital expenditure was ¥12,101 million, mainly for enhancing production capacity for glass fiber and super heat-resistant glass ceramics.

(3) Fund procurement status

Funds required in the fiscal year under review were the plant and equipment fund and working capital, which the Company financed with its own funds and borrowings. Funds required by consolidated subsidiaries were primarily financed by loans within the Group in line with the policy of reducing interest-bearing consolidated debt, with partial funding from borrowings.

(4) Main creditors (as of March 31, 2007)

Creditor	Amount
Sumitomo Mitsui Banking Corporation	16.7 billion yen
The Sumitomo Trust and Banking Co., Ltd.	14.1 billion yen
Shiga Bank, Ltd.	8.7 billion yen

(5) Issues to be addressed

Overall economic conditions are clouded, with strong uncertainties about the U.S. economy, the prices of raw materials and fuels, and foreign exchange rates.

Looking at the business sectors of the Group, the mainstay glass for FPDs product line is expected to remain on an expansion path in the future. However, in the face of ever-intensifying competition in industries of our customers, we are concerned about falling product prices. With regard to CRT glass, severe business conditions are expected to continue as the market shrinks. In the meantime, the business climate for products such as glass fiber, heat-resistant glass and glass for electronic devices is expected to remain healthy.

On the profit front, we are concerned about factors such as eroding product prices, progress in productivity improvements, an increase in the depreciation burden accompanying expansion of capital expenditure and revision of the tax system, and movement in prices of raw materials and fuels.

Given these concerns, the Company will address present management issues by implementing the measures listed below, and will strive to maintain and improve earnings.

Glass for display devices

- Glass for FPDs – the Company will respond to the rise in demand by enhancing supply capacity and increasing the yield ratio, and strive to maintain and improve profitability. At the same time, we will steadily accommodate environmentally conscious products in view of their growing popularity. In the meantime, in consideration of prospects for future demand, the Company plans to augment production capacities with a view to bringing them online around the end of the year.
- Glass for CRTs – While reviewing the production forces to accommodate downsizing of the market, the Company will strive to ensure profitability.

Glass fiber

In order to accommodate the global swell in demand for glass fiber, the Company will

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enhance supply capacity further. As specific measures to achieve this, the Company is constructing new production facilities at its Malaysian subsidiary, to commence their operations in the middle of the year.

Reduction of interest-bearing debt

Although the Company has been making a large amount of capital expenditure primarily in the FPD glass sector, we will endeavor to reduce interest-bearing debt further while placing emphasis on timely capital expenditure responding to demand trends.

(6) Changes in assets and profit/loss

(Yen)

Item	85th Fiscal Year (April 2003 to March 2004)	86th Fiscal Year (April 2004 to March 2005)	87th Fiscal Year (April 2005 to March 2006)	88th Fiscal Year (April 2006 to March 2007)
Net sales	297,306 million	310,198 million	296,440 million	336,410 million
Operating income	33,818 million	51,108 million	51,952 million	84,585 million
Ordinary income	28,324 million	49,236 million	49,380 million	81,425 million
Net income	8,567 million	11,954 million	3,231 million	40,358 million
Net income per share	52.73	36.97	9.71	126.55
Total assets	514,690 million	495,567 million	486,016 million	519,707 million
Net assets	208,247 million	217,588 million	231,004 million	276,555 million
Net assets per share	1,304.04	681.50	723.87	852.83

Note 1: The Company completed a two-for-one split of its common stocks effective March 10, 2005. Net income per share for the 86th fiscal year is calculated assuming the stock split was implemented at the start of term.

Note 2: Effective from the 88th fiscal year, the Company has adopted the “Accounting Standard for Presentation of Net Assets on Balance Sheet” (ASBJ Statement No.5 issued on December 9, 2005) and “Implementation Guidance on Accounting Standard for Presentation of Net Assets on Balance Sheet” (ASBJ Guidance No.8 issued on December 9, 2005).

(7) Important subsidiaries etc. (as of March 31, 2007)

1) Status of important subsidiaries

Company name	Capital stocks	Investment stake of the Company	Description of main business
Nippon Electric Glass (Malaysia) Sdn. Bhd.	M\$ 358 million	100%	Production and sale of glass for display devices, glass fiber and heat-resistant glass
P.T Nippon Electric Glass Indonesia	US\$ 20 million	75.0%	Processing and sale of glass for display devices
Nippon Electric Glass (Fujian) Co., Ltd.	US\$ 127 million	91.4%	Production and sale of glass for display devices
Nippon Electric Glass (Korea) Co., Ltd.	KRW 5,000 million	100%	Processing and sale of glass for display devices
Nippon Electric Glass Taiwan Co., Ltd.	TWD 207 million	100%	Processing and sale of glass for display devices
Paju Electric Glass Co., Ltd.	KRW 36,000 million	60.0%	Processing and sale of glass for display devices

Note 1: In order to provide financial support to Nippon Electric Glass (Fujian) Co., Ltd., the Company converted an 8,558 million yen loan to the firm into an investment in May 2006. Accordingly, the Company's share of ownership in Nippon Electric Glass (Fujian) Co., Ltd. grew to 91.4%.

Note 2: Nippon Electric Glass UK Limited, which no longer has a subordinate relationship with the Company since a liquidator was appointed for that company in June 2006 is excluded from the above table.

Note 3: During the fiscal year under review, three consolidated subsidiaries were excluded from the scope of consolidation but a newly established subsidiary was added to the scope of consolidation, bringing the total number of consolidated subsidiaries to 22 including the above six important subsidiaries.

2) Status of important affiliates

NEC Corporation holds 25.4% (including indirect ownership of 11.8%) of the voting rights of the all shareholders of the Company in effect. Accordingly, the Company is an affiliate of NEC Corporation.

(8) Description of main businesses (as of March 31, 2007)

The Group mainly produces and sells special glass products including glass for the information and communications industries, as well as glass making machinery.

Effective from the fiscal year under review, the Company changed the business category of Information and Communications Business into “Glass for Display Devices” and “Glass for Electronic Devices”. Accordingly, the list of main products in each category has been revised as follows:

Category		Main products
Information and Communications	Glass for Display Devices	Glass for Flat Panel Displays (FPD) Glass for Liquid Crystal Displays (LCD) Substrate Glass Tubes for Backlight Lamps Glass for Plasma Display Panels (PDP) Substrate Glass Glass Paste Glass for Cathode Ray Tubes (CRT)
	Glass for Electronic Devices	Glass for Optical Devices Capillary Ferrule Equipped with Optical Fiber Parts for Spherical Lenses “Micro Preform” Glass Materials for Aspherical Lenses Glass for Electronic Devices Powdered Glass Sheet Glass Glass Tube
Other Products	Glass Fiber	Chopped Strands for Function Plastic Yarns for Printed Circuit Boards Roving Glass for Reinforced Plastics Alkali-Resistant Glass Fiber
	Building Materials, Heat-Resistant Glass, Glass Tubing and Other	Glass for Building Materials Glass Blocks “Neoparies”, “Lapie” Glass Ceramics Building Materials “FireLite” Fire Rated Glass Radiation-Shielding Glass Glass for Interiors/Exteriors
		Heat-Resistant Glass “Neoceram” Super Heat-Resistant Glass Ceramic “Neorex” Heat-Resistant Glass
		Fluorescent Lamp Bulbs Glass for Ampules, Vials, and Laboratory Use Glass for Thermos Flasks Glassmaking Machinery

(9) Main sales offices and factories (as of March 31, 2007)

1) The Company

Name	Location
Head Office	Otsu, Shiga
Osaka Office & Sales Headquarters	Yodogawa-ku, Osaka
Tokyo Office & Sales Headquarters	Minato-ku, Tokyo
Otsu Factory	Otsu, Shiga
Fujisawa Factory	Fujisawa, Kanagawa
Shiga-Takatsuki Factory	Ika-gun, Shiga
Notogawa Factory	Higashiomi, Shiga
Wakasa-Kaminaka Factory	Mikata-Kaminaka-gun, Fukui
Precision Glass Processing Center	Kusatsu, Shiga

2) Subsidiaries

Company name	Location
Nippon Electric Glass (Malaysia) Sdn. Bhd.	Selangor, Malaysia
P.T. Nippon Electric Glass Indonesia	West Java, Indonesia
Nippon Electric Glass (Fujian) Co., Ltd.	Fujian, China
Nippon Electric Glass (Korea) Co., Ltd.	Kyong-buk, Korea
Nippon Electric Glass Taiwan Co., Ltd.	Taichung County, Taiwan
Paju Electric Glass Co., Ltd.	Gyeonggi-do, Korea

(10) Status of employees (as of March 31, 2007)

		Number of employees
Glass Business	Information and Communications	4,964
	Other Products	1,146
	Total of Glass Business	6,110
Other	-	30
Administration Department		75
Total		6,215

Note 1: The number of employees represents the number of workers.

Note 2: The number of employees of the Company is 1949.

2. Matters related to shares of the Company (As of March 31, 2007)**(1) Total number of shares authorized to be issued:** 800,000,000 shares**(2) Total number of shares issued:** 319,544,156 shares (including 663,952 shares of treasury stocks)

Note: The Board of Directors Meeting held on March 5, 2007 resolved that the Company perform a one-for-1.5 split of its common stocks effective April 1, 2007, for shareholders as of March 31, 2007, and that it modify the Articles of Incorporation to increase the total number of shares authorized to be issued in accordance with the stock split ratio.

Accordingly, the total number of shares authorized to be issued increased by 400,000,000 shares to 1,200,000,000 shares and the total number of shares issued increased by 159,772,078 shares to 479,316,234 shares.

(3) Number of shareholders 7,660**(4) Major shareholders**

Name	Number of shares held (Thousands of shares)	Investment stake
NEC Corporation	43,219	13.5%
Japan Trustee Services Bank, Ltd. (Sumitomo Trust & Banking Sai-Shintaku (“Re-Trust”) / NEC Corporation Employee Pension Trust Account)	37,187	11.6%
State Street Bank and Trust Company	17,776	5.6%
The Chase Manhattan Bank N.A. London	15,221	4.8%
The Master Trust Bank of Japan, Ltd. (Trust account)	14,778	4.6%
NIPRO Corporation	11,883	3.7%
Japan Trustee Services Bank, Ltd. (Trust account)	10,507	3.3%
Goldman Sachs International	6,427	2.0%
State Street Bank and Trust Company 505103	5,360	1.7%
Shiga Bank, Ltd.	5,271	1.6%

Note 1: The shares (37,187 thousand shares) held by Japan Trustee Services Bank, Ltd. (Sumitomo Trust & Banking Sai-Shintaku (re-trust) / NEC Corporation Employee Pension Trust Account) are the Company’s shares held by NEC Corporation and contributed to the Employee Pension Trust Account; voting rights for these shares are in effect held by NEC Corporation.

Note 2: A copy of a change report (Change Report on Large Shareholdings) dated January 15, 2007 was sent to the Company by Fidelity Investments, stating that said company held 26,895 thousand shares of the Company as of December 31, 2006. However, the Company was not able to confirm the number of shares that Fidelity Investments actually held as of the end of the fiscal year under review. Accordingly, Fidelity Investments is not included in the above list of major shareholders.

Note 3: A copy of a change report (Change Report on Large Shareholdings) dated January 12, 2007, was sent to the Company by Capital Research and Management Company and four companies that jointly held shares in the Company, stating that these companies held 35,218 thousand shares of the Company as of January 4, 2007. However, the Company was not able to confirm the number of shares that these companies held as of the end of the fiscal year under review. Accordingly, said companies are not included in the above list of major shareholders.

3. Matters related to Directors and Corporate Auditors of the Company**(1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2007)**

Name	Position in the Company	Assignment of work and position held in other companies
Tetsuji Mori	Chairman (Representative director)	
Yuzo Izutsu	President (Representative director)	CEO [In charge of auditing]
Hiroshi Kato	Director	Executive Vice President [Control: Electronic Products, Thin films, New Product, Environmental Management, Furnace Design & Engineering and Plant Engineering] Group General Manager, Electronic Products Group Representative Director, Dong Yang Electronic Glass Co., Ltd.
Katsumi Inada	Director	Executive Vice President [Control: Consumer Glass Products; Glass fiber Products and Building Materials] Group General Manager, Consumer Glass Products Group; Group General Manager, Glass Fiber Products Group
Masayuki Arioka	Director	Senior Vice President [Control: LCD Glass Plate Group and PDP Glass Plate] Group General Manager, LCD Glass Plate Group
Masami Atsuji	Director	Senior Vice President [In charge of Administrative, Accounting and Purchasing]
Shigeru Yamamoto	Director	Senior Vice President [Control: Patent] [In charge of technical, Advanced Materials & Technology and Research & Development] President, Nippon Electric Glass Patent Center Co., Ltd.

Koichi Inamasu	Director	Senior Vice President [Control: CRT Glass] Group General Manager, CRT Glass Group President, Nippon Electric Glass (Malaysia) Sdn. Bhd.
Toshio Hayashi	Full-time Corporate Auditor	
Hitoshi Yasuda	Full-time Corporate Auditor	
Takuro Takeuchi	Corporate Auditor	Lawyer
Fujio Okada	Corporate Auditor	Executive officer, NEC Corporation

Note 1: Mr. Takao Ono resigned as Corporate Auditor at the closing of the 87th Ordinary General Meeting of Shareholders held on June 29, 2006.

Note 2: Corporate Auditors Mr. Takuro Takeuchi and Mr. Fujio Okada are Outside Corporate Auditors.

Note 3: The Company has adopted Executive Officer System. "Control" and "in charge" in the Brief Personal Profile (Representation for other companies) indicate work assignments of executive officers. As of March 31, 2007, there are 11 executive officers who are not directors.

Note 4: Effective April 1, 2007, "Work assignments and positions held in other companies" of Director Masami Atsuji are changed as follows:

Name	Position in the Company	Work assignments and positions held in other companies
Masami Atsuji	Director	Senior Vice President [Control: Accounting] [In charge of Administrative and Purchasing]

(2) The amount of remuneration for Directors and Corporate Auditors

Category	Number	Total amount of remuneration
Director	8	314 million yen
Corporate Auditor	4	49 million yen
Total	12	364 million yen

Note: The amount of remuneration for Directors includes a bonus to directors of 100 million yen, which is to be resolved at the 88th Ordinary General Meeting of Shareholders scheduled to be held on June 28, 2007.

(3) Matters related to Outside Corporate Auditors

- 1) Concurrent position of Outside Corporate Auditors for Other Companies (as of March 31, 2007)

Category	Name	Status of interlocking of office
Corporate Auditor	Fujio Okada	Executive officer, NEC Corporation

Note: The Company is an affiliate company of NEC Corporation. The Company sells part of its glass products to NEC Corporation, and NEC Corporation sells computer and communication devices and provides maintenance and communication service, etc. to the Company.

- 2) Main activities during the fiscal year under review

Category	Name	Status of main activities
Corporate Auditor	Takuro Takeuchi	Mr. Takeuchi attended about 80% of the Board of Directors Meetings and the Board of Corporate Auditors Meetings held during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert's viewpoint of a lawyer.
Corporate Auditor	Fujio Okada	Mr. Okada attended about 80% of the Board of Directors Meetings and about 70% of the Board of Corporate Auditors Meetings held during the fiscal year under review since assuming the office of Corporate Auditor of the Company on 29 June 2006, and made inquiries and expressed opinions where appropriate, mainly from the viewpoint of corporate legal affairs.

- 3) Outline of the liability limitation agreement

The Company has concluded a liability limitation agreement with each of the Outside Corporate Auditors. This agreement specifies that, in compliance with Article 427, Paragraph 1 of the Company Law, when Outside Corporate Auditors bear liability for damage against the Company as stipulated in Article 423, Paragraph 1 of the Company Law, the relevant liability for damages shall be limited to the minimum liability for damages as stipulated in Article 425, Paragraph 1 of the Company Law, provided that said persons execute their duties as Outside Corporate Auditors of the Company in good faith and without serious misconduct.

- 4) Total amount of remuneration of Outside Corporate Auditors

Number	Total amount of remuneration
2	6 million yen

4. Status of Independent Auditor

(1) Name of Independent Auditor

KPMG AZSA & Co.

(2) Amount of remuneration for Independent Auditor in the fiscal year under review

	Amount paid
Amount of remuneration for auditing service stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law	39 million yen
Total amount of money and other property benefits that must be paid by the Company and its subsidiaries	56 million yen

Note 1: In the auditing contract between the Company and the Independent Auditor, the amount of remuneration for auditing in compliance with the Corporation Law and that in accordance with the Securities and Exchange Law have not been separated distinctly, nor can they be separated in essence. Accordingly, the above amount includes remuneration for auditing in accordance with the Securities and Exchange Law.

Note 2: Six important subsidiaries of the Company listed in “(7) Status of Important Subsidiaries” in “1. Status of Corporate Group” are audited by Independent Auditors other than the said Independent Auditor of the Company.

(3) Details of non-auditing services

In consideration of services other than auditing services as stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law, the Company paid remuneration to the Independent Auditor for advisory services related to evaluation of internal control of financial reporting.

(4) Policy on decision to dismiss or not reappoint Independent Auditor

In cases where an Independent Auditor is considered to fall under any section of Article 340, Paragraph 1 of the Corporation Law, the Board of Corporate Auditors Meeting may dismiss said Independent Auditor upon unanimous consent of the Corporate Auditors.

With reason of the Company as well as in cases in which it is considered difficult for an Independent Auditor to execute its duties appropriately, as well as for reasons of the Company, the Board of Directors Meeting may propose the agenda concerning dismissal or non-reappointment of the Independent Auditor with approval of, or by demand of, the Meeting of the Board of Corporate Auditors.

5. Systems to ensure execution of duties by directors comply with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of operations of stock companies

(1) Systems to ensure that the execution of duties by directors and employees shall comply with laws and regulations and the Articles of Incorporation

The Company has established the Compliance Committee as a specialized body that continuously ensures compliance with laws and regulations as well as corporate ethics within the Group, and the committee shall implement the following: 1) planning of revision of “Corporate Philosophy”, “The Group Code of Conduct” and “Principles of Activities,” and planning, preparing and implementing various measures to disseminate them throughout the Group companies; 2) collecting and analyzing information about compliance including movement of social conditions, relevant laws and regulations at home and abroad, and providing training; and 3) operating an Internal Reporting System (Liaison Offices: Compliance Committee and Law Firm).

The department internal auditing (the Auditing Division) shall perform internal auditing as deemed appropriate.

(2) Systems for storage and management of information related to execution of duties by directors

Documents concerning execution of duties by directors (approval documents and other decision-making documents, minutes of meetings, etc.) shall be kept and managed appropriately in compliance with laws and regulations as well as rules and guidelines set by the Company.

(3) Regulations and other systems concerning loss and risk management

Risks of businesses of the Company which it recognizes as important (such as compliance, finance, environment, disaster, control of trade, information management, quality, safety and health) shall be overseen by the responsible departments or by specialized committees through means such as establishing regulations and guidelines, providing training and preparing manuals as the need arises. As for risks that have newly arisen, the CEO will promptly determine the personnel responsible for them and implement countermeasures.

(4) Systems to ensure efficient execution of duties by directors

The Company has introduced the executive officer system and business unit system approach in order to clarify management targets and efficiently operate businesses, and will set an annual budget (business plan) by business division and on a company-wide basis at the Board of Directors Meeting. In addition, the Company shall manage earnings on a monthly basis and discuss and examine important management issues from various perspectives at the Board of Directors Meeting, Management Conference and meetings of business divisions. In order to make sure that necessary information is conveyed to interested parties on a timely basis, information technology such as electronic approval systems will be utilized.

(5) Systems to ensure the appropriateness of operations of the Group comprising the Company and its subsidiaries

The Company shall establish and ensure compliance with the “The Group Code of Conduct” and the “Principle of Activities”, which will be the standards for judgment and behavior of directors and employees of the Group, and will also operate the Internal Reporting System.

In addition, the Company shall keep track of and solve management issues of subsidiaries as deemed appropriate, by means such as dispatching directors to subsidiaries and having the administration department of the Head Office or relevant business divisions exchange information regularly with subsidiaries.

In addition, the top management of the Company and subsidiaries shall hold meetings to improve management efficiency as the need arises.

(6) Matters related to employees provided to assist Corporate Auditors in their duties, and independence of such employees from Directors

Employees who belong to the Administrative Division shall assist the duties of Corporate Auditors as the need arises. In the meantime, opinions of Corporate Auditors concerning transfer, etc. of such employees shall be respected.

(7) Systems for Directors and Employees to report to Corporate Auditors, and other systems concerning reporting to Corporate Auditors

Directors and employees shall report promptly before or after the fact on matters that would have an important influence on the Company and the Group. In addition, responsible personnel shall report the status of operation of the Internal Reporting System and the status of implementation of internal auditing as deemed appropriate.

Directors and employees shall report promptly when requested by the Board of Corporate Auditors Meeting.

(8) Other systems to ensure that auditing by Corporate Auditors will be performed effectively.

The Corporate Auditors shall exchange opinions with the Representative Director, Independent Auditor and the Auditing Division as deemed appropriate.

6. Basic policy on control of publicly-traded companies

(1) Basic policy on the nature of entities that control decisions on financial and business policies of the Company

The Company believes that entities that control decisions on financial and business policies of the Company should preferably be those that contribute to the corporate value of the Company, and therefore to securing and improving the common interest of the shareholders. Considering that the shares of the Company, being a publicly-traded company, are traded freely in the market, we think that the nature of entities that control the Company should ultimately be referred to the decision of shareholders of the Company.

However, some of the large share purchases of the Company's shares (hereinafter, referred to as the Large Purchases of the Company's Shares) may practically force shareholders to sell the shares they hold or not give sufficient time and information to shareholders on terms of purchase, etc., leading to impairment of corporate value, and therefore harming the common interest of the shareholders. We believe that entities that execute such Large Purchases of the Company's Shares (hereinafter, referred to as Large Purchasers) are not appropriate for controlling decisions on financial and business policies of the Company.

(2) Special efforts that contribute to effective utilization of assets of the Company, formation of appropriate corporate group and achievement of other basic policies

A large portion of sales of the Company depends on transactions with specific customers, and we must place emphasis on close business relationships with these companies in proceeding with management and business activities in order to continuously improve corporate value.

The Company has other important management resources including expertise, technology and know-how related to special glass and high-tech glass which it has accumulated over half a century, strong relationships with business partners and a good labor-management relationship based on mutual trust. While taking full advantage of these management resources, the Company will strive to enhance corporate value from a longer-term perspective through the following measures:

- Promptly identifying new needs of customers, and developing and providing new products that these customers demand in a short period of time, by applying and incorporating key technologies and based on the Company's unique development system, where the Research and Development, Production and Sales Departments of the Company work as a team.
- Accommodating changes in the business environment appropriately, in addition to intensively investing the management resources in growth sectors such as FPD-related products.
- Constantly striving to improve the technological level, establishing more efficient production and supply systems and increasing profitability.
- Reinforcing and upgrading combined technologies based on special glass and high technology glass materials to expand businesses with high-function products.

(3) Measures to prevent decisions on the financial and business policies of the Company from being controlled by entities deemed inadequate in view of basic policy

The Company has established the Large Purchase Rules as described below:

The purpose of the Large Purchase Rules is to ensure prior provision of necessary and sufficient information from a Large Purchaser to the Board of Directors of the Company and the commencement of the Large Purchase after the lapse of a certain period, during which the Board of Directors of the Company shall assess the Large Purchase.

However, regardless of whether or not compliance with the Large Purchase Rules is observed, when the Company judges the Large Purchase to significantly damage the common interest of the shareholders, including cases in which it judges that it will cause irrecoverable damage to the Company, the Company may allocate stock acquisition rights, free of charge, as a Countermeasure.

The outline of the Large Purchase Rules is as follows:

- 1) Submission of Statement of Compliance with the Large Purchase Rules (In conducting the Large Purchase, the Large Purchaser shall first submit to the Board of Directors of the Company the “Statement of Compliance with the Large Purchase Rules”.)
- 2) Submission of Large Purchase Information (The Board of Directors of the Company shall deliver to the Large Purchaser, after the receipt of the Statement of Compliance with the Large Purchase Rules, the list of Large Purchase information to be submitted and the Large Purchaser shall provide the information requested on the list. The Company will publicly announce all or part of such information when the Board of Directors of the Company deems it appropriate to do so.)
- 3) Assessment and Review by the Board of Directors of the Company (Depending on the difficulty of assessing and reviewing of the Large Purchase, the Board of Directors of the Company shall be given either 60 days or 90 days to assess, review, negotiate, form an opinion and develop an alternative plan after completion of the provision of the Large Purchase information by the Large Purchaser to the Board of Directors of the Company. The Board of Directors of the Company will, with the advice of outside experts as necessary, fully assess and review the provided Large Purchase information, and summarize and publicly announce the opinion of the Board of Directors of the Company. In addition, if deemed necessary by the Board of Directors of the Company, the Board of Directors may propose an alternative plan of the Board of Directors to the shareholders. The Large Purchase may commence only after the Board of Directors’ Assessment Period has elapsed.)

(4) Measures as described above in (2) and (3) are in line with the basic policy and will not impair the common interest of shareholders and therefore the corporate value of the Company, nor will they be implemented for the purpose of maintaining the positions of directors of the Company.

Measures as described above in (2) and (3) are provided with the following system to ensure that they are used reasonably.

- 1) The measures satisfy three principles set forth in the “Guidelines for Defense against

Acquisition for Securing or Improvement of Corporate Value and Common Interest of Shareholders” announced on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice.

- 2) The measures are introduced for the purpose of securing and improving the common interest of the shareholders, by securing the information and time necessary for the shareholders to determine whether the relevant Large Purchase is appropriate or not.
- 3) The measures have a system to reflect the intention of the shareholders and place emphasis on the shareholders’ intention as shown by the fact that the Company has obtained approval of the shareholders for introducing the Response Policy concerning the Large Purchase Rules at the Ordinary General Meeting of Shareholders, and that the effective term of the Response Policy has been set to three years.
- 4) The Company has established the Special Committee as a body to eliminate any arbitrary implementation of the Countermeasures by the Board of Directors and objectively make a substantial judgment on operation of the Response Policy.
- 5) In the Response Policy, the Countermeasures against the Large Purchase are designed to be implemented only if they satisfy reasonable, detailed and objective requirements, and the Company ensures it has a system whereby the arbitrary implementation of the Countermeasures by the Board of Directors can be prevented.
- 6) The Special Committee is allowed to consult with an independent third party (including experts such as attorneys and certified public accountants) at the expense of the Company. This ensures the fairness and objectivity of the Special Committee’s judgment.
- 7) The Response Policy can be abolished at the General Meeting of Shareholders of the Company, thus, it is not the so-called dead hand defense against acquisition (a type of poison pill defense against acquisition which cannot be prevented from being implemented even if the majority of members of the Board of Directors are replaced).

For details of the Response Policy, please refer to the “Response Policy (Countermeasures against acquisition) Regarding Large Purchase of the Company’s Shares” (disclosure documents dated May 9, 2006) on the Company’s website (<http://www.neg.co.jp/>).

Note: Figures and the number of shares in this business report are rounded down to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2007)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current Assets	208,719	Current liabilities	198,308
Cash and cash equivalents	85,391	Notes and accounts payable-trade	47,302
Notes and accounts receivable-trade	72,890	Short-term loans payable	72,315
Inventories	39,773	Current portion of bonds	20,000
Deferred tax assets	8,839	Accounts payable-other	30,748
Others	2,451	Accrued income taxes	15,890
Allowance for doubtful accounts	(626)	Other reserves	629
Fixed assets	310,988	Others	11,421
Tangible fixed assets	274,683	Non-current liabilities	44,842
Buildings and structures	39,440	Bonds payable	20,000
Machinery, equipment and vehicles	194,600	Long-term loans payable	3,980
Land	15,362	Reserve for special repairs	14,869
Construction in progress	21,839	Other reserves	1,652
Others	3,440	Others	4,339
Intangible fixed assets	888	Total Liabilities	243,151
Goodwill	234	(Net Assets)	
Others	653	Shareholders' equity	263,671
Investments and other assets	35,417	Common stock	18,385
Investment securities	24,082	Capital surplus	20,129
Deferred tax assets	7,818	Retained earnings	225,961
Others	3,912	Treasury stock	(805)
Allowance for doubtful accounts	(190)	Valuation and translation adjustments	8,279
Allowance for investment loss	(205)	Net unrealized gain on other securities	6,969
		Foreign currency translation adjustments	1,309
		Minority interests	4,605
		Total Net Assets	276,555
Total Assets	519,707	Total Liabilities and Net Assets	519,707

Note: Amounts less than ¥1 million are omitted.

Consolidated Statement of Income

(From April 1, 2006 to March 31, 2007)

(Millions of yen)

Item	Amount	
Net sales		336,410
Cost of sales		225,213
Gross profit		111,196
Selling, general and administrative expenses		26,611
Operating income		84,585
Non-operating income		
Interest and dividend income	1,602	
Others	1,440	3,043
Non-operating expenses		
Interest expenses	1,390	
Loss on work in progress	1,119	
Loss on retirement of fixed assets	1,191	
Others	2,501	6,202
Ordinary income		81,425
Extraordinary income		
Gain on prior period adjustment	708	
Gain on sales of investment securities	316	
Others	10	1,035
Extraordinary loss		
Loss on retirement of fixed assets	999	
Non-recurring depreciation on fixed assets	1,783	
Impairment loss	15,088	
Reversal of reserve for guarantee for merchandise	990	
Others	224	19,086
Income before income taxes		63,375
Income taxes-current	17,596	
Income taxes for prior periods	(1,443)	
Income taxes-deferred	7,135	23,288
Minority interests (loss)		(271)
Net income		40,358

Note: Amounts less than ¥1 million are omitted.

Consolidated Statement of Change in Shareholders' Equity

(From April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	18,385	20,123	185,672	(647)	223,535
Variation during the current consolidated fiscal year					
Dividends from surplus (Note 2)	-	-	(1,594)	-	(1,594)
Dividends from surplus	-	-	(1,594)	-	(1,594)
Directors' bonuses (Note 2)	-	-	(132)	-	(132)
Net income	-	-	40,358	-	40,358
Acquisition of treasury stock	-	-	-	(162)	(162)
Amortization of treasury stock	-	6	-	4	10
Decrease due to Chinese accounting standards	-	-	(0)	-	(0)
Increase due to change of scope of consolidation	-	-	3,251	-	3,251
Net change of items other than shareholders' equity during the current fiscal year	-	-	-	-	-
Total change during the current consolidated fiscal year	-	6	40,288	(158)	40,136
Balance as of March 31, 2007	18,385	20,129	225,961	(805)	263,671

	Valuation and translation adjustments			Minority interest	Total net assets
	Net unrealized gain on other securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2006	7,098	371	7,469	4,359	235,364
Variation during the current consolidated fiscal year					
Dividends from surplus (Note 2)	-	-	-	-	(1,594)
Dividends from surplus	-	-	-	-	(1,594)
Directors' bonuses (Note 2)	-	-	-	-	(132)
Net income	-	-	-	-	40,358
Acquisition of treasury stock	-	-	-	-	(162)
Amortization of treasury stock	-	-	-	-	10
Decrease due to Chinese accounting standards	-	-	-	-	(0)
Increase due to change of scope of consolidation	-	-	-	-	3,251
Net change of items other than shareholders' equity during the current fiscal year	(128)	938	810	245	1,055
Total change during the current consolidated fiscal year	(128)	938	810	245	41,191
Balance as of March 31, 2007	6,969	1,309	8,279	4,605	276,555

Note 1: Amounts less than ¥1 million are omitted.

Note 2: Appropriation of profit resolved at the Ordinary General Meeting of Shareholders held in June 2006.

Non-consolidated Balance Sheet

(As of March 31, 2007)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current Assets	172,993	Current liabilities	190,285
Cash and cash equivalents	54,130	Accounts payable-trade	46,633
Notes receivable-trade	3,466	Short-term loans payable	65,756
Accounts receivable-trade	69,143	Current portion of long-term loans payable	4,078
Merchandise and finished goods	10,540	Current portion of bonds	20,000
Semi-finished goods and work in process	11,471	Accounts payable-other	25,290
Raw materials and supplies	8,803	Accrued expenses	6,874
Deferred tax assets	6,777	Accrued income taxes	14,300
Others	8,748	Other reserves	609
Allowance for doubtful accounts	(88)	Others	6,742
Fixed assets	279,890	Non-current liabilities	42,707
Tangible assets	213,932	Bonds payable	20,000
Buildings and structures	29,589	Long-term loans payable	3,107
Machinery and equipment	158,283	Reserve for special repairs	14,869
Vehicles and equipment	2,379	Other reserves	411
Land	9,093	Others	4,318
Construction in progress	14,585	Total Liabilities	232,993
Intangible fixed assets	207	(Net Assets)	
Right of using facilities	62	Shareholders' equity	212,921
Others	145	Common stock	18,385
Investments and other assets	65,750	Capital surplus	20,129
Investment securities	20,674	Capital reserve	20,115
Stocks of affiliates	24,636	Other capital surplus	14
Investments in capital of affiliates	11,598	Retained earnings	175,211
Deferred tax assets	5,157	Legal reserve	2,988
Others	7,017	Other retained earnings	172,223
Allowance for doubtful accounts	(180)	General reserve	125,770
Allowance for investment loss	(3,153)	Unappropriated retained earnings	46,453
		Treasury stock	(805)
		Valuation and translation adjustments	6,969
		Net unrealized gain on other securities	6,969
		Total Net Assets	219,891
Total Assets	452,884	Total Liabilities and Net Assets	452,884

Note: Amounts less than ¥1 million are omitted.

Non-consolidated Statement of Income

(From April 1, 2006 to March 31, 2007)

(Millions of yen)

Item	Amount	
Net sales		267,398
Cost of sales		174,300
Gross profit		93,098
Selling, general and administrative expenses		18,118
Operating income		74,979
Non-operating income		
Interest and dividend income	3,909	
Technical support fee	1,836	
Others	1,313	7,059
Non-operating expenses		
Interest expenses	996	
Loss on work in progress	1,119	
Loss on retirement of fixed assets	1,070	
Others	2,582	5,768
Ordinary income		76,270
Extraordinary income		
Gain on prior period adjustment	146	
Gain on sales of investment securities	316	
Others	10	473
Extraordinary loss		
Non-recurring depreciation of fixed assets	1,799	
Reversal of reserve for loss on investments in affiliates	3,153	
Reversal of reserve for guarantee for merchandise	990	
Others	573	6,516
Income before income taxes		70,226
Income taxes-current	14,898	
Income taxes for prior periods	(1,443)	
Income taxes-deferred	14,821	28,275
Net income		41,950

Note: Amounts less than ¥1 million are omitted.

Non-consolidated Statement of Change in Shareholders' Equity

(From April 1, 2006 to March 31, 2007)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Legal reserve	Retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance as of March 31, 2006	18,385	20,115	8	20,123	2,988	119,770	13,790	136,548
Variation during the current fiscal year								
Dividends from surplus (Note 2)	-	-	-	-	-	-	(1,594)	(1,594)
Dividends from surplus	-	-	-	-	-	-	(1,594)	(1,594)
Directors' bonuses (Note 2)	-	-	-	-	-	-	(99)	(99)
Provision of general reserve (Note 2)	-	-	-	-	-	6,000	(6,000)	-
Net income	-	-	-	-	-	-	41,950	41,950
Acquisition of treasury stock	-	-	-	-	-	-	-	-
Amortization of treasury stock	-	-	6	6	-	-	-	-
Net change of items other than shareholders' equity during the current fiscal year	-	-	-	-	-	-	-	-
Total change during the current fiscal year	-	-	6	6	-	6,000	32,662	38,662
Balance as of March 31, 2007	18,385	20,115	14	20,129	2,988	125,770	46,453	175,211

TRANSLATION FOR REFERENCE ONLY

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	
Balance as of March 31, 2006	(647)	174,411	7,098	181,509
Variation during the current fiscal year				
Dividends from surplus (Note 2)	-	(1,594)	-	(1,594)
Dividends from surplus	-	(1,594)	-	(1,594)
Directors' bonuses (Note 2)	-	(99)	-	(99)
Provision of general reserve (Note 2)	-	-	-	-
Net income	-	41,950	-	41,950
Acquisition of treasury stock	(162)	(162)	-	(162)
Amortization of treasury stock	4	10	-	10
Net change of items other than shareholders' equity during the current fiscal year	-	-	(128)	(128)
Total change during the current fiscal year	(158)	38,510	(128)	38,382
Balance as of March 31, 2007	(805)	212,921	6,969	219,891

Note 1: Amounts less than ¥1 million are omitted.

Note 2: Appropriation of profit resolved at the Ordinary General Meeting of Shareholders held in June 2006.

Reference Document for the Ordinary General Meeting of Shareholders

Proposals and reference matters

Proposal 1: Appropriation of Retained Earnings

The Company determines its dividend amounts according to its policy of (1) returning profits to its shareholders over the long-term and in a stable manner without letting the dividends be largely affected by fluctuations in the Company's performance, as well as (2) reserving profits internally to strengthen its corporate structure and to prepare for future business developments, while also taking the financial situation and other factors into consideration. The Company will pay the following year-end dividend for the fiscal year under review to respond to the continuous support of shareholders, in consideration of our having mostly accomplished our goal of transforming the structure of the Company's main products from the CRT glass business to the FPD glass business in the fiscal year under review, and having achieved increases in sales and profits on both a consolidated and non-consolidated basis thanks to the FPD glass market's expansion.

An internal retained fund will be provided for research and development with an eye toward the future development and future business expansion primarily in FPD glass operations, etc., and we will endeavor to respond to expectations of shareholders by improving corporate earnings.

1. Matters related to the year-end dividend
 - (1) Type of dividend assets: Cash
 - (2) Matters related to allocation of dividend assets to shareholders and the total amount thereof:
6 yen per share of common stock of the Company; a total amount of 1,913,281,224 yen
 - (3) Effective date of distribution of retained earnings: June 29, 2007
2. Matters related to accumulation of general reserve
 - (1) Items of retained earnings which will be increased and the amount thereof:
General reserve 30,000,000,000 yen
 - (2) Items of retained earnings which will be decreased and the amount thereof:
Unappropriated earnings brought forward 30,000,000,000 yen

Proposal 2: Amendment to the Articles of Incorporation

1. Reasons for the Amendment

The Company shall newly establish Article 32, Paragraph 2 as the proposed amendment, to assign the remaining terms of retired Corporate Auditor as the terms for their replacements.

2. Details of Amendment

We wish to amend part of the existing Articles of Incorporation as follows:

(The underlined portions show the part to be amended.)

Existing Articles of Incorporation	Proposed Amendment
<p>(Term of Office) Article 32.</p> <p>The term of office of a Corporate Auditor shall expire at the close of the Ordinary General Meeting of Shareholders which relates to the last business year ending within four (4) years after his or her election.</p> <p>(Newly established)</p>	<p>(Term of Office) Article 32.</p> <p>The term of office of a Corporate Auditor shall expire at the close of the Ordinary General Meeting of Shareholders which relates to the last business year ending within four (4) years after his or her election.</p> <p><u>2 The terms of Corporate Auditors, appointed as substitutes of Corporate Auditors who retired before the expiration of their terms of office, will be until the expiration of the terms of such retired Corporate Auditors.</u></p>

Proposal 3: Election of nine (9) Directors

The terms of office for all eight (8) Directors will expire as of the close of this Ordinary General Meeting of Shareholders. We propose that one (1) additional Director be added in order to strengthen the composition of the Company management, so that the following nine (9) candidates for director will be elected.

The candidates for directors are as follows:

No.	Name (Date of birth)	Brief personal profile, position, assignment of work and position held in other companies	Number of 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 June 2005: 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) [Assignment of work for executive officers] In charge of auditing	37,000
3	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) June 2002: Vice President June 2003: Senior Vice President June 2005: Group General Manager, Electronic Products Group (Incumbent) Apr. 2006: Executive Vice President (Incumbent) [Assignment of work for executive officers] Control: Electronic Products, Thin films, New Products, Environmental Management, Furnace Design & Engineering and Plant Engineering [Representative Director, Dong Yang Electronic Glass Co., Ltd.]	20,000

TRANSLATION FOR REFERENCE ONLY

No.	Name (Date of birth)	Brief personal profile, position, assignment of work and position held in other companies	Number of Company shares held
4	Katsumi Inada (June 17, 1948)	Apr. 1971: Joined Nippon Electric Glass Nov. 1995: General Manager, Electronic Products Division, Production June 1998: Director (Incumbent) June 2002: Vice President June 2003: Senior Vice President June 2005: Group General Manager, Glass Fiber Group (Incumbent) Apr. 2006: Executive Vice President (Incumbent) Group General Manager, Consumer Glass Group (Incumbent) [Assignment of work for executive officers] Control: Consumer Glass Products, Glass Fibers Products and Building Materials	21,200
5	Masayuki Arioka (September 28, 1948)	Apr. 1978: Joined Nippon Electric Glass Mar. 1997: General Manager, Glass Fiber Division, Production June 1999: Director (Incumbent) June 2002: Vice President June 2004: Senior Vice President (Incumbent) June 2005: Group General Manager, LCD Glass Plate (Incumbent) [Assignment of work for executive officers] Control: LCD Glass Plate and PDP Glass Plate	18,000
6	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 2004: Senior Vice President (Incumbent) [Assignment of work for executive officers] Control: Accounting In charge of Administrative and Purchasing	24,200
7	Shigeru Yamamoto (December 19, 1953)	Apr. 1978: Joined Nippon Electric Glass Oct. 1997: General Manager, Technical Division (Incumbent) June 2002: Vice President June 2005: Director (Incumbent) Senior Vice President (Incumbent) [Assignment of work for executive officers] Control Patent In charge of technical, Advanced Materials & Technology and Research & Development [President, Nippon Electric Glass Patent Center Co., Ltd.]	3,000

TRANSLATION FOR REFERENCE ONLY

No.	Name (Date of birth)	Brief personal profile, position, assignment of work and position held in other companies	Number of Company shares held
8	Koichi Inamasu (January 30, 1952)	Apr. 1974: Joined Nippon Electric Glass June 1998: General Manager, Personnel Division June 2002: Vice President Apr. 2006: Group General Manager, CRT Glass Group (Incumbent) June 2006: Director (Incumbent) Senior Vice President (Incumbent) [Assignment of work for executive officers] Control: CRT Glass [President, Nippon Electric Glass (Malaysia) Sdn. Bhd.]	9,000
9	Shuji Ito (December 18 1948)	Apr. 1971: Joined Nippon Electric Glass May 1999: General Manager, Furnace Design and Engineering Division (Incumbent) June 2001: Vice President(Incumbent) [Assignment of work for executive officers] In charge of Environmental Management, Furnace Design & Engineering and Plant Engineering	2,200

- Notes: 1. The abovementioned candidates have no conflicts of interest with the Company.
2. The Company has adopted the executive officer system. “Control” and “in charge” indicate work assignments of executive officers.
3. Number of Company shares held indicates the number of shares held as of March 31, 2007.

Proposal 4: Election of three (3) Corporate Auditors

At the close of this Ordinary General Meeting of Shareholders the terms of the Corporate Auditors, Mr. Hitoshi Yasuda and Mr. Takuro Takeuchi, will expire and the Corporate Auditor, Toshio Hayashi will resign. Accordingly, we propose the following three (3) candidates for Corporate Auditor be elected.

The Board of Corporate Auditors has already approved this proposal.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Brief personal profile, position, assignment of work and position held in other companies	Number of Company shares held
1	Hitoshi Yasuda (January 28, 1949)	Apr. 1971: Joined Nippon Electric Glass June 1998: General Manager, Administrative Division June 2003: Full-time Corporate Auditor (Incumbent)	8,406
2	Takuro Takeuchi (May 28, 1949)	Apr. 1984: Registered as lawyer Joined Nagashima & Ohno (Current Nagashima, Ohno & Tsunematsu) Dec. 1993: Established Tokuda & Takeuchi Law Office May. 2001: Established Takeuchi Law Office (Current) June 2003: Corporate Auditor (Incumbent)	-
3	Nobuhiro Miyamoto (December 3, 1950)	Apr. 1973 : Joined Nippon Electric Glass June 2001: General Manager, Patent Division (Incumbent) June 2006: Vice President (Incumbent) [Assignment of work for executive officers] In charge of patents	2,000

Notes: 1. The above candidates have no conflicts of interest with the Company.

2. Number of Company shares held indicates the number of shares held as of March 31, 2007.

3. Matters related to the candidates for Outside Corporate Auditors are as follows:

(1) Mr. Takuro Takeuchi is the candidate for Outside Corporate Auditor

(2) Reason for selecting Mr. Takuro Takeuchi as the candidate for Outside Corporate Auditor:

The Company hopes that when auditing the Company Mr. Takeuchi will employ the expertise and extensive experience he has accumulated as lawyer.

(3) Number of years since Mr. Takeuchi assumed the office of Outside Corporate Auditor of the Company (the period until the closing of this Ordinary General Meeting of Shareholders): 4 years

(4) Reason that the Company determined that Mr. Takeuchi can execute his duties appropriately as Outside Corporate Auditor:

Considering that Mr. Takuro Takeuchi has expertise and extensive experience as lawyer, we judged that he can execute his duties as Outside Corporate Auditor appropriately.

(5) Outline of limited liability agreement:

The Company has concluded an agreement with Mr. Takuro Takeuchi concerning liability for damages as specified in Article 423, Paragraph 1 of the Corporation Law that the relevant liability of Mr. Takeuchi for damages shall be limited to the minimum liability amounts for damages as stipulated in Article 425, Paragraph 1 of the Company Law.

Proposal 5: Election of two (2) substitute Corporate Auditors

To prepare for a case in which the Company lacks the number of Corporate Auditors stipulated in laws and regulations, we propose that Mr. Kaoru Ikenaga be elected as the substitute Corporate Auditor for Outside Corporate Auditor Mr. Fujio Okada, and Mr. Yasuhiro Uozumi as the substitute Corporate Auditor for Outside Corporate Auditor Mr. Takuro Takeuchi provided that Proposal 4 shall be approved as proposed originally.

The Board of Corporate Auditors has already approved this proposal.

The candidates for substitute Corporate Auditors are as follows:

No.	Name (Date of birth)	Brief personal profile (Representation for other companies)	Number of Company shares held
1	Kaoru Ikenaga (July 22, 1949)	Apr. 1973: Joined NEC Corporation Apr. 2004: General Manager, Accounting Division (Incumbent) Apr. 2007: Manager of the Company and General Manager, Financial Internal Control Promotion Division (Incumbent)	-
2	Yasuhiro Uozumi (Nov. 30, 1966)	Apr. 1993: Registered as lawyer Joined OH-EBASHI LPC & Partners Aug. 2002: Partner of OH-EBASHI LPC & Partners (Incumbent)	-

Notes: 1. The abovementioned candidates have no conflicts of interest with the Company.

2. Number of Company shares held indicates the number of shares held as of March 31, 2007.

3. Matters related to the candidates for substitute Outside Corporate Auditors are as follows:

(1) Mr. Kaoru Ikenaga and Mr. Yasuhiro Uozumi are candidates for substitute Outside Corporate Auditors.

(2) Reason for selecting the candidates as the candidate for substitute Outside Corporate Auditor: Mr. Kaoru Ikenaga has long years of experience and extensive knowledge of accounting operations at NEC Corporation. The Company proposes that Mr. Ikenaga be approved as the substitute Corporate Auditor in the hope that he will employ such experience and knowledge when auditing the Company.

Mr. Yasuhiro Uozumi has expertise and extensive experience as lawyer. The Company proposes that Mr. Uozumi be approved as the substitute Corporate Auditor in the hope that he will reflect such experience and knowledge when auditing the Company.

(3) Reasons that the Company determined that the above candidates can execute their duties as Outside Corporate Auditors appropriately:

Since Mr. Kaoru Ikenaga has long years of experience and extensive knowledge of accounting operations at companies, the Company judges that he can execute his duties as Outside Corporate Auditor appropriately.

Since Mr. Yasuhiro Uozumi has expertise and extensive experience as a lawyer, the Company judges that he can execute his duties as Outside Corporate Auditor appropriately.

(4) Outline of limited liability agreement:

Provided that Mr. Kaoru Ikenaga or Mr. Yasuhiro Uozumi assumes the office of Outside Corporate Auditor of the Company, it shall conclude an agreement with the relevant person concerning liability for damages as specified in Article 423, Paragraph 1 of the Corporation Law that the their relevant liabilities for damages shall be limited to the minimum liability amounts as stipulated in Article 425, Paragraph 1 of the Company Law.

Proposal 6: Approval of Payment of Bonuses to Directors

The Company proposes that it shall pay Directors' bonuses totaling 100,620,000 yen to eight (8) Directors as at the end of the fiscal year under review in consideration of earnings, etc. during the fiscal year under review.