

June 7, 2011

Notice of the 92nd Ordinary General Meeting of Shareholders

Dear Shareholders,

Please be advised that the 92nd 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 or via the Internet, etc. In this case, we cordially request that you review the attached Reference Document for the Ordinary General Meeting of Shareholders and exercise your voting rights in accordance with the "Information on Shareholders' Exercise of Voting Rights".

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

- 1. Date and Time:** **Wednesday, June 29, 2011, 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 and results of audits of consolidated financial statements by Independent Auditors and the Board of Corporate Auditors for the 92nd fiscal year (from April 1, 2010 to March 31, 2011)
2. Non-consolidated financial statements for the 92nd fiscal year (from April 1, 2010 to March 31, 2011)

Proposals:

- Proposal 1:** Distribution of Surplus
Proposal 2: Election of Nine (9) Directors
Proposal 3: Election of Three (3) Corporate Auditors
Proposal 4: Election of One (1) Substitute Corporate Auditor
Proposal 5: Payment of Bonuses to Directors

4. Handling the exercising of voting rights

- (1) If you exercise your voting rights twice through voting by mail and via the Internet, etc., we will deem the vote cast via the Internet, etc. to be the effective one.
- (2) If you exercise your voting rights more than once via the Internet, etc., we will deem the last vote cast to be the effective one.

* Any revisions in Reference Document for the Ordinary General Meeting of Shareholders, business report, non-consolidated financial statements and consolidated financial statements will be disclosed on the Company's website (<http://www.neg.co.jp/JP/ir/>).

Business Report for the 92nd Fiscal Year

Period from April 1, 2010

to March 31, 2011

1. Status of Corporate Group

(1) Progress and results of operations

Overall trend

In Asia, China's economy improved driven mainly by strong domestic demands. The US economy recovered modestly, and economic conditions in Europe showed some signs of recovery. Unemployment rates, however, were persistently high throughout the year in both Europe and the US, and there were concerns over the fiscal conditions and financial systems of European countries. Due to these factors, the US and European economies overall encountered harsh conditions.

In Japan, a series of economic stimulus measures helped return the economy to a growth track. Subsidies for environment-friendly vehicles and incentive points for home electrical appliances had particularly positive effects, but in the second half of the year, the expiry and curtailment of these measures discouraged personal consumption. And over the same period, the rapid appreciation of the Japanese yen slowed down exports. Employment conditions also continued to be severe. All of these factors, working together, kept economic conditions sluggish in Japan. In March 2011, in an already glum business environment, the Great East Japan Earthquake struck, bringing about significantly adverse effects in Japan triggering huge social and economic damages and turmoil. With the addition of radiation leaks from a nuclear power plant, prospects for the Japanese economy are more uncertain than ever.

Consolidated results of operations for the fiscal year under review

	91st Fiscal Year (April 2009 to March 2010)	92nd Fiscal Year (April 2010 to March 2011)	Increase or decrease
	Millions of yen	Millions of yen	%
Net sales	332,387	390,195	17.4
Operating income	98,426	117,471	19.3
Ordinary income	91,419	114,299	25.0
Net income	54,926	68,608	24.9

TRANSLATION FOR REFERENCE ONLY

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 above table, net sales and profit both exceeded the previous year, and they were able to post a record high performance.

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.

Sales by business category are as follows:

Category		91st Fiscal Year (April 2009 to March 2010)		92nd Fiscal Year (April 2010 to March 2011)		Increase or decrease	
		Net sales	Breakdown	Net sales	Breakdown	Amount	Percentage
Glass Business	Glass for electronic and information devices	Millions of yen 283,777	% 85.4	Millions of yen 328,521	% 84.2	Millions of yen 44,744	% 15.8
	Glass for others	48,610	14.6	61,673	15.8	13,063	26.9
Total		332,387	100	390,195	100	57,808	17.4

Note: 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 are applicable 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.” To make comparison easier, these new categories were also applied to the results for the previous fiscal year.

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 amounted to ¥328,521 million, a year-on-year increase of 15.8%, owing to robust sales between the first quarter and the first half of the second quarter as the main drivers.

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 of those products as a whole were at low levels. Consequently, net sales of glass for others amounted to ¥61,673 million, a year-on-year increase of 26.9%.

(2) Capital investment

The Group’s capital investment amounted to ¥110,024 million in the fiscal year under review.

In the Glass for electronic and information devices sector, capital investment was made primarily for boosting production capacity for FPD glass. In the Glass for others sector, capital investment was made mainly for enhancing production capacity for glass fibers.

(3) Fund procurement status

Funds required in the fiscal year under review were for capital investment and for working capital, which the Company financed with its own funds and borrowings, etc.

Aiming at efficient and flexible fund-raising, the Company has entered into a commitment line agreement for a total amount of ¥25 billion with financial institutions in Japan.

(4) Main creditors (as of March 31, 2011)

Creditor	Amount
Sumitomo Mitsui Banking Corporation	¥13.8 billion
The Sumitomo Trust and Banking Co., Ltd.	¥12.3 billion
Shiga Bank, Ltd.	¥8.9 billion

(5) Issues to be addressed

[Basic management policy]

Under the corporate philosophy of “contributing to the welfare and prosperity of society by means of creating high-technology glass in harmony with the environment”, the Company broadly develops and produces the various kinds of high-tech glass products that society and technological development demand and supplies the products to world markets.

The Group has seen significant changes in its environment, including not only severe competition between companies worldwide but also demands for higher quality and sophistication of technology. The Group’s basic management policy is to ensure the continuation and development of business in the future by establishing a solid management strength and base and while promptly and appropriately coping with the above-mentioned changes, and to strive to increase corporate value by meeting its social responsibilities as a company, setting compliance as well as environmental conservation, promotion of employment of people with disabilities and contribution to local communities as major themes.

[Management target indicators]

The Company is committed to continuously reducing and curtailing interest-bearing debts by setting the future goal of strengthening its financial position through various measures and formulas to reduce and curtail interest-bearing debts to the level of 20% as a percentage of consolidated net sales.

[Medium and long term management strategies of the Company]

- 1) Enhancement of the core business, establishment of a well-balanced business structure, and promotion of businesses for the next generation

The Company will strive to develop technological capabilities, enhance production/supply capabilities, and improve profitability, positioning the field of glass for display devices represented by glass for FPDs as its core business.

At the same time, the Company will place importance on expanding businesses in fields of glass for non-display devices, such as glass for electronic devices, glass fiber, and heat-resistant glass with the aim of establishing a well-balanced business structure in order to avoid excessive reliance on a single business field and achieve stable corporate growth.

In addition, the Company will strive for active business development in next-generation display devices, energy, new-type lighting, medical and other fields that are expected to grow, making full use of various technologies including not only those related to supersized or ultrathin sheet glass but also thin filming, crystallization, high-precision processing, and composition, based on a broad range of core technologies (such as materials and products design, processing, and appraisal).

2) Improvement of management/financial strength

The Company will aim to have solid management/financial strength resistant to changes in business environment through pursuit of further efficiency in its overall management and cash flow centric management.

[Issues to be addressed]

1) Strengthening of the FPD glass field and expansion of glass for non-display devices field

In the field of glass for displays, the market for glass for FPDs, our mainstay product, is expected to see a rapid transition to thinner sheets in liquid crystal glass substrates. We aim to respond to this change in a timely fashion and realize increased sales. Through the effect of increased production from the transition to thinner glass sheets and further improvement in productivity and yield, we will maximize output at facilities and further improve profitability while responding to the future expansion of demand.

On the other hand, we are committed to exploiting and expanding overseas markets mainly for the fields of glass fiber, heat-resistant glass or glass for medical applications in order to promote the expansion of the fields of glass for non-display devices. As a part of these efforts, we launched a new production facility for glass fibers in our Malaysian subsidiary in the last fall and also plan to launch a new production facility for glass tubes for medical devices there in this summer. We will improve our production capacity in response to market trends.

The production of chemically reinforced glass for covers of devices such as smart phones, and substrata glass for solar batteries, which are expected to grow in the future, has begun in earnest, using the glass floating method. We are committed to put these new businesses onto a steady growth track at the earliest stage and fostering them as an important pillar to support the growth of the Company. At the same time, we will certainly be improving the profitability by increasing the use of glass floating facilities, including substrata glass for plasma displays.

2) Cash flow centric business management

The Company will ensure production activities corresponding to the demand trends and strive to optimize inventories and cut expenses while conducting a cash-flow centric business management.

3) Reduction of interest-bearing debt

As part of measures to improve the Company's financial strength, we have been continuously working to reduce interest-bearing debts to the level of 20% of consolidated net sales. As a result, the ratio of interest-bearing debts to net sales as of the end of the fiscal year under review was 24.2%, a decrease of 5.8 percentage points from the end of the previous fiscal year. The Company will continue working to reduce interest-bearing debts.

(6) Changes in assets and profit/loss

(Yen)

Item	89th Fiscal Year (April 2007 to March 2008)	90th Fiscal Year (April 2008 to March 2009)	91st Fiscal Year (April 2009 to March 2010)	92nd Fiscal Year (April 2010 to March 2011)
Net sales	368,267 million	335,662 million	332,387 million	390,195 million
Operating income	100,882 million	76,416 million	98,426 million	117,471 million
Ordinary income	96,942 million	64,319 million	91,419 million	114,299 million
Net income	50,668 million	21,831 million	54,926 million	68,608 million
Net income per share	105.29	43.89	110.41	137.92
Total assets	588,030 million	588,413 million	646,443 million	692,622 million
Net assets	347,785 million	352,744 million	406,306 million	468,037 million
Net assets per share	691.27	701.62	808.75	932.17

(7) Important subsidiaries (as of March 31, 2011)

1) Status of important subsidiaries

Company name	Capital stock	Investment stake of the Company	Description of main business
Nippon Electric Glass (Malaysia) Sdn. Bhd.	M\$ 1,270 million	100%	Production and sale of glass for electronics and information devices
Nippon Electric Glass (Korea) Co., Ltd.	KRW 5,000 million	100%	Processing and sale of glass for the electronics and information devices
Nippon Electric Glass Taiwan Co., Ltd.	TW\$ 210 million	100%	Processing and sale of glass for the electronics and information devices
Paju Electric Glass Co., Ltd.	KRW 73,120 million	60%	Processing and sale of glass for the electronics and information devices

Note 1: Nippon Electric Glass (Malaysia) Sdn. Bhd. increased its capital by M\$ 911 million in total during the consolidated fiscal year under review.

Note 2: Paju Electric Glass Co., Ltd. increased its capital by KRW 37,120 million during the fiscal year under review.

Note 3: The Company liquidated two consolidated subsidiaries during the fiscal year under review. As a result, the number of consolidated subsidiaries including four important subsidiaries above is now 20.

(8) Description of main businesses (as of March 31, 2011)

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

The Group changed product categories for disclosure during the fiscal year under review and accordingly the descriptions of main products were revised as follows.

Category	Main products
Glass for electronic and information 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 Optical Devices Capillary and Ferrule for Optical Connectors Parts for Spherical Lenses “Micro Preform” Glass Materials for Aspherical Lenses Glass for Electronic Devices Powdered Glass Sheet Glass Glass Tube Glass for solar batteries
Glass for others	Glass Fiber Chopped Strands for Function Plastic Yarns for Printed Circuit Boards Roving Glass for Reinforced Plastics Alkali-Resistant Glass Fiber 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 Glass for Lighting Use Glass for Ampules, Vials, and Laboratory Use Glass for Thermos Flasks Glass Making Machinery

(9) Main sales offices and factories (as of March 31, 2011)

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	Nagahama, 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
Nippon Electric Glass (Korea) Co., Ltd.	Kyong-buk, Korea
Nippon Electric Glass Taiwan Co., Ltd.	Taichung City, Taiwan
Paju Electric Glass Co., Ltd.	Gyeonggi-do, Korea

(10) Status of employees (as of March 31, 2011)

Number of employees	Change from previous fiscal year
5,259	Increase of 262

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

Note 2: The number of employees of the Company is 1,856 (decrease of 10 compared with the previous fiscal year.)

2. Matters related to shares of the Company (As of March 31, 2011)**(1) Total number of shares authorized to be issued:** 1,200,000,000 shares**(2) Total number of shares issued:** 497,616,234 shares

Note: Total number of shares issued includes 166,179 shares of treasury stock.

(3) Number of shareholders 12,696**(4) Major shareholders (Top 10 shareholders)**

Name	Number of shares held (Thousands of shares)	Ratio of shareholding
NIPRO CORPORATION	56,967	11.5%
Japan Trustee Services Bank, Ltd. (Sumitomo Trust & Banking Sai-Shintaku (“Re-Trust”) / NEC Corporation Employee Pension Trust Account)	55,780	11.2%
Japan Trustee Services Bank, Ltd. (Trust account)	31,489	6.3%
The Master Trust Bank of Japan, Ltd. (Trust account)	25,160	5.1%
JP MORGAN CHASE BANK 380055	19,420	3.9%
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	8,664	1.7%
Shiga Bank, Ltd.	8,089	1.6%
STATE STREET BANK AND TRUST COMPANY	7,822	1.6%
STATE STREET BANK AND TRUST COMPANY 505223	7,546	1.5%
National Mutual Insurance Federation of Agricultural Cooperatives	6,930	1.4%

Note 1: The ratio of shareholding is calculated by excluding treasury stock (166,179 shares).

Note 2: Together with its subsidiaries, NIPRO CORPORATION holds 58,991 thousand shares (ratio of shareholding 11.9%) of the Company.

Note 3: The shares (55,780 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. The authority to give instructions on the exercise of voting rights for these shares is held by NEC Corporation. NEC Corporation holds 56,525 thousand shares of the Company including the above-mentioned contributions to the Employee Pension Trust Account and shares held by its affiliate, and is a major shareholder of the Company with the ratio of shareholding of 11.4%.

Note 4: The Company received a copy of the Amended Report (Amended Substantial Shareholding Report) dated January 21, 2011 sent by BlackRock Japan Co., Ltd. and five joint shareholders to the effect that they held 20,504 thousand shares as of January 14, 2011, but the Company did not include them in the major shareholders as the Company could not confirm the number of shares held by beneficial shareholders.

Note 5: The Company received a copy of the Substantial Shareholding Report dated November 8, 2010 sent by The Sumitomo Trust and Banking Co., Ltd. and one joint shareholder to the effect that they held 25,042 thousand shares as of October 29, 2010, but the Company did not include them in the major shareholders as the Company could not confirm the number of shares held by beneficial shareholders.

3. Matters related to Directors and Corporate Auditors of the Company**(1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2011)**

Name	Position in the Company	Assignment of work and significant concurrent positions
Yuzo Izutsu	Chairman of the Board (Representative Director)	
Masayuki Arioka	President (Representative Director)	CEO [In charge of Auditing]
Katsumi Inada	Director	Executive Vice President [Supervising: Consumer Glass Business, Glass Fiber Business and Building Materials Business] Group General Manager, Glass Fiber Products Group
Masami Atsuji	Director	Executive Vice President [Supervising: Accounting] [In charge of Administrative and Purchasing]
Shuji Ito	Director	Executive Vice President [In charge of Environmental Management, Furnace Design & Engineering, Engineering and Plant Engineering]
Shigeru Yamamoto	Director	Senior Vice President [Supervising: Patent, Electronic Products Business, Thin Film Business] [In charge of Technology, Advanced Material & Technology, Research & Development and New Products] President, Nippon Electric Glass Technical Information Center Co., Ltd.
Koichi Inamasu	Director	Senior Vice President [Supervising: CRT Glass Business, PDP Glass Plate Business] Group General Manager, CRT Glass Group Group General Manager, PDP Glass Plate Group Chairman, Nippon Electric Glass (Malaysia) Sdn. Bhd.
Masanori Yokota	Director	Senior Vice President [Supervising: LCD Glass Business] Group General Manager, LCD Glass Business

TRANSLATION FOR REFERENCE ONLY

Name	Position in the Company	Assignment of work and significant concurrent positions
Hitoshi Yasuda	Full-time Corporate Auditor	
Nobuhiro Miyamoto	Full-time Corporate Auditor	
Takuro Takeuchi	Corporate Auditor	Attorney at Law, Takeuchi Law Office
Kazuhiro Ito	Corporate Auditor	Certified Public Accountant, Certified Public Tax Accountant, Kazuhiro Ito CPA Office

Note 1: Mr. Kazuhiro Ito was newly elected as a corporate auditor at the 91st Ordinary General Meeting of Shareholders held on June 29, 2010.

Note 2: Corporate Auditors Mr. Takuro Takeuchi and Mr. Kazuhiro Ito are Outside Corporate Auditors.

Note 3: Corporate Auditor Mr. Kazuhiro Ito is qualified as a certified public accountant as well as certified public tax accountant and has deep insight into financial affairs and accounting.

Note 4: Corporate Auditors Mr. Takuro Takeuchi and Mr. Kazuhiro Ito are an Independent Auditors registered pursuant to the provisions set forth by the Financial Instruments Exchanges.

Note 5: The Company has adopted Executive Officer System. “Supervising” and “In charge” in the “Assignment of work and significant concurrent positions” indicate work assignments of Executive Officers. As of March 31, 2011, there are 13 Executive Officers who are not Directors.

Note 6: The following is the names of directors and auditors who retired during the fiscal year under review and their positions at the retirement and retirement dates.

Name	Position at the retirement	Year, month and date of retirement
Tetsuji Mori	Chairman of the Board (Representative Director)	June 29, 2010 (expiration of the term of office)
Hiroshi Kato	Director	June 29, 2010 (expiration of the term of office)
Fujio Okada	Corporate Auditor	June 29, 2010 (expiration of the term of office)

Note 7: Effective April 1, 2011, “Assignment of work and significant concurrent positions” of Directors Mr. Katsumi Inada, Mr. Masami Atsuji, Mr. Masanori Yokota and Mr. Shigeru Yamamoto are changed as follows:

Name	Position in the Company	Assignment of work and significant concurrent positions
Katsumi Inada	Director	Executive Vice President [Supervising: Consumer Glass Business, Glass Fiber Business] President, Electric Glass Butsuryu Service Co., Ltd.
Masami Atsuji	Director	Executive Vice President [Supervising: Administration, Human Resources, Accounting, Purchasing] President, Nippon Electric Glass Health Insurance Association
Masanori Yokota	Director	Executive Vice President [Supervising: LCD Glass Business] Group General Manager, LCD Glass Group
Shigeru Yamamoto	Director	Senior Vice President [Supervising: Technology, Advanced Materials & Technology, Research & Development, Intellectual Property, Electronic Products Business, Thin Film Business] [In Charge of New Products]

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

Category	Number	Total amount of remuneration
Director	10	¥392 million
Corporate Auditor (of which, Outside Corporate Auditor)	5 (3)	¥58 million (¥12 million)
Total	15	¥450 million

Note: The total amount of remunerations for Directors includes a bonus to Directors of ¥127 million, which is to be resolved at the 92nd Ordinary General Meeting of Shareholders scheduled to be held on June 29, 2011.

(3) Matters related to Outside Corporate Auditors

- 1) Significant concurrent position of Outside Corporate Auditors for other entities and relationships between the Company and such other entities (as of March 31, 2011)

Category	Name	Significant concurrent positions
Corporate Auditor	Takuro Takeuchi	Attorney at Law, Takeuchi Law Office
Corporate Auditor	Kazuhiro Ito	Certified Public Accountant, Certified Public Tax Accountant, Kazuhiro Ito CPA Office

Note: There is no special relationship between the Company and Takeuchi Law Office and Kazuhiro Ito CPA Office, respectively.

2) Main activities during the fiscal year under review

Category	Name	Status of main activities
Corporate Auditor	Takuro Takeuchi	Mr. Takuro Takeuchi attended all of the Board of Directors Meetings and Corporate Auditors Meetings held during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert viewpoint of an Attorney at Law.
Corporate Auditor	Kazuhiro Ito	Mr. Kazuhiro Ito attended all of the Board of Directors Meetings and Board of Corporate Auditors Meetings held after assuming the office on June 29, 2010 during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the viewpoint of a Certified Public Accountant and Certified Tax Accountant.

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 Corporation Law, when Outside Corporate Auditors bear liability for damage against the Company as stipulated in Article 423, Paragraph 1 of the Corporation Law, the relevant liability for damages shall be limited to the minimum liability for damages as stipulated in Article 425, Paragraph 1 of the Corporation Law, provided that said persons execute their duties as Outside Corporate Auditors of the Company unintentionally and without gross negligence.

4. Status of Independent Auditor**(1) Name of Independent Auditor****KPMG AZSA LLC**

Note: On July 1, 2010, the former KPMG AZSA & Co. became KPMG AZSA LLC, a limited liability audit corporation.

(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	¥68 million
Total amount of money and other property benefits that shall be paid by the Company and its subsidiaries	¥68 million

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, the amount of remuneration regarding the audit of the English version of the consolidated financial statements and the amount of remuneration for auditing in compliance with the Financial Instruments and Exchange Act have not been separated distinctly, nor can they be separated in essence. Accordingly, the above amount indicates the total of these amounts.

Note 2: The Company entrusts the Independent Auditor with services other than service as

provided in Article 2, Paragraph 1 of the Certified Public Accountants Act and pays such fees accordingly.

Note 3: Four important subsidiaries of the Company listed in “(7) Important subsidiaries” in “1. Status of Corporate Group” are audited by accounting firms other than the said Independent Auditor of the Company.

(3) 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 may dismiss said Independent Auditor upon unanimous consent of the Corporate Auditors.

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 may propose at a shareholders' meeting of the Company the agenda concerning dismissal or non-reappointment of the Independent Auditor with approval of, or by demand of, the Board of Corporate Auditors.

5. Systems to ensure execution of duties by Directors complying 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 a law firm). The details of these implemented actions shall be regularly reported to the Board of Directors and the Corporate Auditors.

The Internal Auditing Department (the Auditing Division) shall implement internal auditing of each division and Group companies from an independent position based on internal auditing regulations and the auditing plan, and shall report the status of implementation to the President as necessary.

(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 the document management rules and other rules set by the Company.

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

The Company assesses risks periodically, identifies any management risks and takes

necessary measures to mitigate or eliminate them.

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.

Issues of particular importance to management shall be discussed at and reported to the Management Conference and the Board of Directors Meeting.

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

The Company has introduced the Executive Officer System and business division 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 and an appropriate decision is made on a timely basis, information technology such as electronic approval systems is 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.

Furthermore, to ensure the appropriateness of the Group’s financial reporting, the Company and its Group companies shall improve and operate the necessary organizational systems and the Internal Auditing Department (the Auditing Division) shall evaluate the validity of such systems.

Besides the above actions, 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 departments of the Head Office or relevant business divisions exchange information regularly with subsidiaries. The top management of the Company and subsidiaries shall hold meetings to improve management efficiency as the need arises.

(6) Matters related to employees assigned to assist Corporate Auditors in their duties and independence of such employees from Directors in the event Corporate Auditors’ request such employees

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 without delay 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.

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

Considering that the shares of the Company, being a publicly-traded company, are traded freely in the market, the Company believes that the nature of entities that control the Company should ultimately be left to the decision of its shareholders. Having said that, we think that it is important for our shareholders in making a decision on whether or not to accept a large-scale purchase of the Company's shares (hereinafter, referred to as the Large-Scale Purchase) to be provided sufficient information from the entities that are attempting to execute such Large-Scale Purchase of the Company's Shares (hereinafter, referred to as Large-Scale Purchasers), and for the Board of Directors to make an assessment and review of such information and to provide the result and its opinion to our shareholders.

We believe that the nature of entities that control decisions on financial and business policies of the Company should be those entities which adequately understand the Company's management philosophy, characteristics of its businesses, various sources of corporate value and relationship with its stakeholders, and secure and enhance the common interest of the shareholders and corporate value of the Company in the medium and long terms.

(2) Overview of specific efforts

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

The Company is engaged in the business of manufacturing and selling special glass and high technology glass. A large portion of the Company's sales depends on transactions with specific customers, and we cannot continue to improve our corporate value without placing emphasis on close business relationships with these customers in proceeding with management.

By taking full advantage of the 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, the Company is investing management resources intensively in growth fields, increasing profitability, building a well-balanced business structure and promoting proactive R&D activities. This is in an effort to secure and enhance the common interest of the shareholders and corporate value.

2) 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

When the Large-Scale Purchase is being executed to increase the ratio of voting rights of holders of the Company's stocks or such like (hereinafter, referred to as the Special Shareholders Group) to 20% or above, or resulting in the ratio of voting rights of the Special Shareholders Group going to 20% or above, the Company will introduce the Large-Scale Purchase Rules to ensure sufficient provision of information and time required for making a decision for the shareholders and has established the Response Policy for the cases where the Large-Scale Purchase Rules are observed or not observed.

The Board of Directors of the Company shall (a) require Large-Scale Purchasers to provide adequate information, (b) set a certain period for assessment and review by the Board of Directors of the Company after receiving the pertinent information and (c) present alternative proposals as necessary. When the Large-Scale Purchase Rules are not observed by Large-Scale Purchasers or when the Board of Directors of the Company judges the Large-Scale Purchase to significantly damage the common interest of the shareholders and corporate value of the Company and the Special Committee, which is comprised of outside experts, makes a recommendation to permit implementation of countermeasures such as allocating stock acquisition rights, free of charge, such countermeasures may be put into action by the resolution of the Board of Directors (General Meeting of Shareholders may be convened by the decision of the Board of Directors of the Company in order to confirm the intention of the shareholders.) The Large-Scale Purchase shall be commenced only after the assessment and review period or the closing of General Meeting of Shareholders. Meanwhile, the relevant information will be disclosed when deemed appropriate.

(3) The judgement of the Board of Directors of the Company that the measures described above in (2) are in line with the basic policy and will not impair the common interest of shareholders and therefore the corporate value of the Company, and that they will not be implemented for the purpose of maintaining the positions of directors of the Company, and the reasons thereof

- 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 and take into consideration the "Takeover Defense Measures in Light of Recent Environmental Changes" issued on June 30, 2008 by the Corporate Value Study Group.
- The measures are introduced to secure and improve the common interest of the shareholders, by securing the information and time necessary for the shareholders to determine whether or not the relevant Large-Scale Purchase is appropriate and by enabling negotiations for the benefit of the shareholders.
- The Ordinary General Meeting of Shareholders of the Company held in 2009 has approved continuous introduction of the Response Policy with the effective period set at the closing of the Ordinary General Meeting of Shareholders of the Company to be held in 2012, and the Response Policy can be abolished by a resolution of the General Meeting of Shareholders of the Company.
- The Special Committee has been established to ensure appropriate implementation and fairness of the Large-Scale Purchase Rules with importance placed on its decisions, and a system for

ensuring elimination of arbitrary implementation of the counter measures by the Board has been established.

The above-mentioned basic policy on control of publicly traded companies is an overview. For details of the Response Policy, please refer to the “Continuation of the Response Policy (Countermeasures against acquisition) regarding Large-Scale Purchase of the Company’s Shares” (disclosure documents dated April 27, 2009) on the Company’s website (<http://www.neg.co.jp/>).

Note: Monetary amounts and numbers of shares in this business report are rounded down, whereas percentages and per-share data are rounded to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2011)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<u>Current assets</u>	238,908	<u>Current liabilities</u>	142,326
Cash and cash equivalents	118,808	Notes and accounts payable-trade	42,757
Notes and accounts receivable-trade	64,357	Short-term loans payable	41,534
Merchandise and finished goods	24,733	Accrued income taxes	15,462
Work in process	1,585	Other reserves	147
Raw materials and supplies	19,054	Others	42,425
Deferred tax assets	7,283	<u>Non-current liabilities</u>	82,257
Others	3,623	Bonds	20,000
Allowance for doubtful accounts	(539)	Long-term loans payable	29,738
<u>Fixed assets</u>	453,714	Reserve for special repairs	29,766
<u>Tangible fixed assets</u>	417,422	Other reserves	1,679
Buildings and structures	62,529	Others	1,073
Machinery, equipment and vehicles	319,105	<u>Total Liabilities</u>	<u>224,584</u>
Land	13,426	(Net Assets)	
Construction in progress	18,837	<u>Shareholders' equity</u>	469,634
Others	3,523	Common stock	32,155
<u>Intangible fixed assets</u>	1,340	Capital surplus	34,357
<u>Investments and other assets</u>	34,950	Retained earnings	403,355
Investment securities	23,447	Treasury stock	(233)
Deferred tax assets	10,272	<u>Accumulated other comprehensive income</u>	(5,925)
Others	1,501	Net unrealized gain on other securities	3,139
Allowance for doubtful accounts	(271)	Deferred gains or losses on hedges	(32)
		Foreign currency translation adjustments	(9,032)
		<u>Minority interests</u>	4,328
		<u>Total Net Assets</u>	<u>468,037</u>
<u>Total Assets</u>	<u>692,622</u>	<u>Total Liabilities and Net Assets</u>	<u>692,622</u>

Note: Amounts less than ¥1 million are rounded down.

Consolidated Statement of Income

(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Item	Amount	
Net sales		390,195
Cost of sales		246,981
Gross profit		143,211
Selling, general and administrative expenses		25,740
Operating income		117,471
Non-operating income		
Interest and dividend income	1,988	
Others	1,316	3,305
Non-operating expenses		
Interest expenses	1,081	
Foreign exchange losses	737	
Loss on disposal of property, plant and equipment	2,119	
Depreciation of inactive property, plant and equipment	815	
Loss on spoiled work	789	
Others	933	6,476
Ordinary income		114,299
Extraordinary income		
Gain on prior period adjustment	4,077	
Gain on sales of fixed assets	473	4,551
Extraordinary loss		
Loss on disposal of property, plant and equipment	5,293	
Effect of application of accounting standard for asset retirement obligations	865	
Impairment loss	639	
Others	180	6,979
Income before income taxes		111,871
Income taxes-current	35,700	
Income taxes-deferred	(6,692)	42,393
Net income before minority interests		69,478
Minority interests		869
Net income		68,608

Note: Amounts less than ¥1 million are rounded down.

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Item	Amount	Item	Amount
Shareholders' equity		Accumulated other comprehensive income	
Common stock		Net unrealized gain on other securities	
Beginning balance	32,155	Beginning balance	3,897
Change during the current fiscal year		Change during the current fiscal year	
Total change during the current fiscal year	-	Net change of items other than shareholders' equity during the current fiscal year	(758)
Ending balance	32,155	Total change during the current fiscal year	(758)
Capital surplus		Ending balance	3,139
Beginning balance	34,357	Deferred gains or losses on hedges	
Change during the current fiscal year		Beginning balance	(45)
Disposition of treasury stock	(0)	Change during the current fiscal year	
Total change during the current fiscal year	(0)	Net change of items other than shareholders' equity during the current fiscal year	12
Ending balance	34,357	Total change during the current fiscal year	12
Retained earnings		Ending balance	(32)
Beginning balance	340,013	Foreign currency translation adjustments	
Change during the current fiscal year		Beginning balance	(7,839)
Dividends from surplus	(5,969)	Change during the current fiscal year	
Net income	68,608	Net change of items other than shareholders' equity during the current fiscal year	(1,192)
Change of scope of consolidation	702	Total change during the current fiscal year	(1,192)
Total change during the current fiscal year	63,341	Ending balance	(9,032)
Ending balance	403,355	Total accumulated other comprehensive income	
Treasury stock		Beginning balance	(3,987)
Beginning balance	(212)	Change during the current fiscal year	
Change during the current fiscal year		Net change of items other than shareholders' equity during the current fiscal year	(1,937)
Acquisition of treasury stock	(22)	Total change during the current fiscal year	(1,937)
Disposition of treasury stock	0	Ending balance	(5,925)
Total change during the current fiscal year	(21)	Minority interests	
Ending balance	(233)	Beginning balance	3,979
Total shareholders' equity		Change during the current fiscal year	
Beginning balance	406,314	Net change of items other than shareholders' equity during the current fiscal year	348
Change during the current fiscal year		Total change during the current fiscal year	348
Dividends from surplus	(5,969)	Ending balance	4,328
Net income	68,608	Total net assets	
Acquisition of treasury stock	(22)	Beginning balance	406,306
Disposition of treasury stock	0	Change during the current fiscal year	
Change of the scope of consolidation	702	Dividends from surplus	(5,969)
Total change during the current fiscal year	63,320	Net income	68,608
Ending balance	469,634	Acquisition of treasury stock	(22)
		Disposition of treasury stock	0
		Change of scope of consolidation	702
		Net change of items other than shareholders' equity during the current fiscal year	(1,589)
		Total change during the current fiscal year	61,730
		Ending balance	468,037

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated Balance Sheet

(As of March 31, 2011)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<u>Current assets</u>	215,080	<u>Current liabilities</u>	138,773
Cash and cash equivalents	87,392	Accounts payable-trade	46,413
Notes receivable-trade	1,380	Short-term loans payable	34,000
Accounts receivable-trade	82,592	Current portion of long-term loans payable	6,272
Merchandise and finished goods	17,097	Accounts payable-other	21,908
Work in process	1,668	Accrued expenses	9,689
Raw materials and supplies	14,715	Accrued income taxes	13,400
Deferred tax assets	5,459	Other reserves	127
Others	4,823	Others	6,961
Allowance for doubtful accounts	(51)	<u>Non-current liabilities</u>	76,729
<u>Fixed assets</u>	428,375	Bonds	20,000
<u>Tangible fixed assets</u>	343,239	Long-term loans payable	25,816
Buildings and structures	51,053	Reserve for special repairs	29,766
Machinery and equipment	266,304	Other reserves	162
Vehicles and equipment	2,800	Others	985
Land	8,768	Total Liabilities	215,503
Lease assets	105	(Net Assets)	
Construction in progress	14,205	<u>Shareholders' equity</u>	424,844
<u>Intangible fixed assets</u>	1,187	Common stock	32,155
<u>Investments and other assets</u>	83,948	Capital surplus	34,357
Investment securities	21,759	Capital reserve	33,885
Stocks of affiliates	48,318	Other capital surplus	471
Investments in capital of affiliates	1,197	Retained earnings	358,565
Long-term loans	4,382	Legal reserve	2,988
Deferred tax assets	7,313	Other retained earnings	355,577
Others	986	General reserve	205,770
Allowance for doubtful accounts	(10)	Retained earnings brought forward	149,807
		Treasury stock	(233)
		<u>Valuation and translation adjustments</u>	3,106
		Net unrealized gain on other securities	3,139
		Deferred gains or losses on hedges	(32)
		Total Net Assets	427,951
Total Assets	643,455	Total Liabilities and Net Assets	643,455

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated Statement of Income

(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Item	Amount	
Net sales		338,166
Cost of sales		221,437
Gross profit		116,728
Selling, general and administrative expenses		18,266
Operating income		98,461
Non-operating income		
Interest and dividend income	11,065	
Technical support fee	1,895	
Others	1,772	14,733
Non-operating expenses		
Interest expenses	855	
Loss on disposal of property, plant and equipment	1,639	
Depreciation of inactive property, plant and equipment	775	
Loss on spoiled work	789	
Others	1,093	5,153
Ordinary income		108,041
Extraordinary income		
Gain on prior period adjustment	3,996	3,996
Extraordinary loss		
Loss on disposal of property, plant and equipment	5,293	
Effect of application of accounting standard for asset retirement obligations	865	
Impairment loss	639	
Others	427	7,226
Income before income taxes		104,810
Income taxes-current	32,716	
Income taxes-deferred	5,655	38,371
Net income		66,438

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Item	Amount
Shareholders' equity	
Common stock	
Beginning balance	32,155
Change during the current fiscal year	
Total change during the current fiscal year	-
Ending balance	32,155
Capital surplus	
Capital Reserve	
Beginning balance	33,885
Change during the current fiscal year	
Total change during the current fiscal year	-
Ending balance	33,885
Other Capital surplus	
Beginning balance	471
Change during the current fiscal year	
Disposition of treasury stock	(0)
Total change during the current fiscal year	(0)
Ending balance	471
Total capital surplus	
Beginning balance	34,357
Change during the current fiscal year	
Disposition of treasury stock	(0)
Total change during the current fiscal year	(0)
Ending balance	34,357
Retained earnings	
Legal reserve	
Beginning balance	2,988
Change during the current fiscal year	
Total change during the current fiscal year	-
Ending balance	2,988
Other Retained earnings	
General reserve	
Beginning balance	205,770
Change during the current fiscal year	
Total change during the current fiscal year	-
Ending balance	205,770
Retained earnings	
Beginning balance	89,337
Change during the current fiscal year	
Dividends from surplus	(5,969)
Net income	66,438
Total change during the current fiscal year	60,469
Ending balance	149,807
Total retained earnings	
Beginning balance	298,095
Change during the current fiscal year	
Dividends from surplus	(5,969)
Net income	66,438
Total change during the current fiscal year	60,469
Ending balance	358,565

Item	Amount
Treasury stock	
Beginning balance	(212)
Change during the current fiscal year	
Acquisition of treasury stock	(22)
Disposition of treasury stock	0
Total change during the current fiscal year	(21)
Ending balance	(233)
Total shareholders' equity	
Beginning balance	364,396
Change during the current fiscal year	
Dividends from surplus	(5,969)
Net income	66,438
Acquisition of treasury stock	(22)
Disposition of treasury stock	0
Total change during the current fiscal year	60,447
Ending balance	424,844
Valuation and translation adjustments	
Net unrealized gain on other securities	
Beginning balance	3,897
Change during the current fiscal year	
Net change of items other than shareholders' equity during the current fiscal year	(758)
Total change during the current fiscal year	(758)
Ending balance	3,139
Deferred gains or losses on hedges	
Beginning balance	(45)
Change during the current fiscal year	
Net change of items other than shareholders' equity during the current fiscal year	12
Total change during the current fiscal year	12
Ending balance	(32)
Total valuation and translation adjustments	
Beginning balance	3,852
Change during the current fiscal year	
Net change of items other than shareholders' equity during the current fiscal year	(745)
Total change during the current fiscal year	(745)
Ending balance	3,106
Total net assets	
Beginning balance	368,249
Change during the current fiscal year	
Dividends from surplus	(5,969)
Net income	66,438
Acquisition of treasury stock	(22)
Disposition of treasury stock	0
Net change of items other than shareholders' equity during the current fiscal year	(745)
Total change during the current fiscal year	59,702
Ending balance	427,951

Note: Amounts less than ¥1 million are rounded down.

(Reference)

Consolidated Statement of Cash Flows (Summary)

(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Item	Amount
Net cash provided by operating activities	133,390
Income before income taxes and minority interests	111,871
Depreciation and amortization	52,698
Decrease in notes and accounts receivable	15,010
Increase in inventories	(8,614)
Increase in notes and accounts payable	6,025
Payment for income taxes, net	(53,959)
Other	10,357
Net cash used in investing activities	(96,822)
Purchases of property, plant and equipment	(95,642)
Other	(1,179)
Net cash used in financing activities	(11,773)
Decrease in long- and short-term loans, net	(5,516)
Cash dividends paid	(5,965)
Other	(291)
Effect of exchange rate changes on cash and cash equivalents	(96)
Net Increase in cash and cash equivalents	24,698
Cash and cash equivalents at beginning of fiscal year	91,667
Cash and cash equivalents at end of fiscal year	116,366

Note: Amounts less than ¥1 million are rounded down.

Reference Document for the Ordinary General Meeting of Shareholders

Proposal 1: Distribution of Surplus

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.

Under this policy, the Company has continuously increased the dividend amount while addressing matters such as enhancement of the glass for display field and expansion of the glass for non-display field, as well as reducing interest-bearing debt.

For year-end dividends for the fiscal year under review, we will pay ¥7 per share as described below in comprehensive view of factors such as the earnings for the fiscal year under review and the use of internal retained fund. As a result, the annual dividend will be ¥13 per share, an increase of ¥2 from the previous fiscal year, including the interim dividend of ¥6.

An internal retained fund will be provided for research and development with an eye toward future and business expansion in growth fields etc., and we will endeavor to respond to expectations of shareholders by improving corporate value.

- (1) Type of dividend assets:
Cash
- (2) Matters related to allocation of dividend assets to shareholders and the total amount thereof:
¥7 per share of common stock of the Company; a total amount of ¥3,482,150,385
- (3) Effective date of distribution of surplus:
June 30, 2011

Proposal 2: 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. Therefore, we propose the election of nine (9) Directors as we add one Director to strengthen the management.

The candidates for Director are as follows:

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
1	Yuzo Izutsu (December 12, 1944)	Apr. 1967: Joined Nippon Electric Glass June 1996: Director (Incumbent) June 2000: Managing Director June 2002: Executive Vice President June 2003: President CEO June 2009: Vice Chairman June 2010: Chairman (Incumbent)	66,500
2	Masayuki Arioka (September 28, 1948)	Apr. 1978: Joined Nippon Electric Glass June 1999: Director (Incumbent) June 2002: Vice President June 2004: Senior Vice President Apr. 2008: Executive Vice President June 2009: President (Incumbent) CEO (Incumbent) [Assignment of work for executive officers] In charge of Auditing	34,000
3	Shuji Ito (December 18, 1948)	Apr. 1971: Joined Nippon Electric Glass May 1999: General Manager, Furnace Design and Engineering Division June 2001: Vice President June 2007: Director (Incumbent) Senior Vice President Apr. 2010: Executive Vice President (Incumbent) [Assignment of work for executive officers] In charge of Environmental Management, Furnace Design & Engineering, Engineering and Plant Engineering	18,000

TRANSLATION FOR REFERENCE ONLY

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
4	Masanori Yokota (June 13, 1950)	<p>Apr. 1976: Joined Nippon Electric Glass</p> <p>June 2005: General Manager, LCD Glass Division, Production</p> <p>Apr. 2006: Vice President</p> <p>Apr. 2009: Group General Manager, LCD Glass Group (Incumbent)</p> <p>June 2009: Director (Incumbent) Senior Vice President</p> <p>Apr. 2011: Executive Vice President (Incumbent)</p> <p>[Assignment of work for executive officers] Supervising: LCD Glass Business</p>	3,000
5	Shigeru Yamamoto (December 19, 1953)	<p>Apr. 1978: Joined Nippon Electric Glass</p> <p>Oct. 1997: General Manager, Technical Division</p> <p>June 2002: Vice President</p> <p>June 2005: Director (Incumbent) Senior Vice President (Incumbent)</p> <p>[Assignment of work for executive officers] Supervising: Technology, Advanced Materials & Technology, Research & Development, Intellectual Property, Electronic Products Business, Thin Film Business</p> <p>In charge of New Products</p>	13,000
6	Koichi Inamasu (January 30, 1952)	<p>Apr. 1974: Joined Nippon Electric Glass</p> <p>June 1998: General Manager, Personnel Division</p> <p>June 2002: Vice President</p> <p>Apr. 2006: Group General Manager, CRT Glass Group (Incumbent)</p> <p>June 2006: Director (Incumbent) Senior Vice President (Incumbent)</p> <p>Apr. 2009: Group General Manager, PDP Glass Plate Group (Incumbent)</p> <p>[Assignment of work for executive officers] Supervising: CRT Glass Business, PDP Glass Plate Business</p> <p>[Concurrent significant positions] Chairman, Board of Directors, Nippon Electric Glass (Malaysia) Sdn. Bhd.</p>	24,000

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No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
7	Masahiro Miyake (October 18, 1950)	Apr. 1975: Joined Nippon Electric Glass Oct. 1997: General Manager, General Glass Division, Fujisawa Plant June 2001: Vice President (Incumbent) Apr. 2009: Group General Manager, Consumer Glass Group (Incumbent), Building Materials Division [Assignment of work for executive officers] In charge of Consumer Glass Business, Building Material Sales	11,000
8	Tamotsu Kitagawa (April 3, 1950)	Apr. 1973: Joined Nippon Electric Glass June 2001: Vice President (Incumbent) June 2005: General Manager, LCD Glass Division, Sales, LCD Glass Group (Incumbent) Apr. 2009: General Manager, Sales Management Division (Incumbent) [Assignment of work for executive officers] In charge of LCD Glass Sales, STN Glass Business, Sales Management [Concurrent significant positions] President, Electric Glass Trade, Co., Ltd.	6,000
9	Motoharu Matsumoto (May 30, 1957)	Apr. 1982: Joined Nippon Electric Glass Feb. 2005: General Manager, Accounting Division (Incumbent) Apr. 2007: Vice President (Incumbent) [Assignment of work for executive officers] In charge of Accounting, Purchasing	9,000

- Notes: 1. The abovementioned candidates have no conflicts of interest with the Company.
 2. The Company has adopted the Executive Officer System. “Supervising” and “In charge of” in the “Brief personal profile, position, responsibilities and significant concurrent positions” indicate work assignments of executive officers.
 3. Number of the Company shares held indicates the number of shares held as of March 31, 2011.

Proposal 3: Election of Three (3) Corporate Auditors

The terms of office for Corporate Auditors Mr. Hitoshi Yasuda, Mr. Nobuhiro Miyamoto and Mr. Takuro Takeuchi will expire as of the close of this Ordinary General Meeting of Shareholders. Therefore, we propose the election of three (3) Corporate Auditors.

The Board of Corporate Auditors has already approved this proposal.

The candidates for Corporate Auditor are as follows:

No.	Name (Date of birth)	Brief personal profile, position and significant concurrent positions	Number of the Company shares held
1	Nobuhiro Miyamoto (December 3, 1950)	Apr. 1973: Joined Nippon Electric Glass June 2001: General Manager, Patent Division Apr. 2006: Vice President June 2007: Full-time Corporate Auditor (Incumbent)	6,000
2	Fujio Kishi (August 23, 1955)	Apr. 1978: Joined Nippon Electric Glass Mar. 2001: Head, Tokyo Branch Office (Incumbent)	7,000
3	Mineya Hamaoka (November 6, 1955)	Apr. 1987: Registered as Attorney at Law Aug. 2004: Established Komoto, Kawai, Futaba Law Office (currently Seiwa Law Office) (existing) [Concurrent significant positions] Outside Corporate Auditor, HANSHIN ELECTRIC RAILWAY, Co., Ltd.	None

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, 2011.

3. Mr. Mineya Hamaoka is expected to assume the office of outside director of ASICS Corporation on June 24, 2011.

4. Matters related to the candidate for Outside Corporate Auditor are as follows:

(1) Mr. Mineya Hamaoka is a candidate for Outside Corporate Auditor.

(2) Reason for selecting the candidate as the candidate for Outside Corporate Auditor.

Mr. Mineya Hamaoka has expertise and extensive experience as an Attorney at Law. The Company proposes that Mr. Mineya Hamaoka be elected as Outside Corporate Auditor in the hope that he will employ such insight and experience when auditing the Company.

(3) Reason why the Company determined that the above candidate can execute his duties as Outside Corporate Auditor appropriately

Mr. Mineya Hamaoka has not been involved in corporate management in any capacity other than as an outside director or corporate auditor. However he has expertise and extensive experience as an Attorney at Law and the Company judges that he can execute his duties as Outside Corporate Auditor appropriately.

(4) Outline of limited liability agreement

Provided that Mr. Mineya Hamaoka assumes the office of Outside Corporate Auditor of the Company, it shall conclude an agreement with him concerning liability for damages as specified in Article 423, Paragraph 1 of the Corporation Law. This contract shall state that his relevant liabilities for damages shall be limited to the minimum liability amounts as stipulated in Article 425, Paragraph 1 of the Corporation Law.

5. Mr. Mineya Hamaoka is a candidate for the Independent Auditor pursuant to the provisions of the Financial Instruments Exchanges.

Proposal 4: Election of One (1) Substitute Corporate Auditor

To prepare for the case in which the Company does not have the number of Corporate Auditors stipulated in laws and regulations, we propose the election of one (1) substitute Corporate Auditor in advance.

The Board of Corporate Auditors has already approved this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Brief personal profile, position and significant concurrent positions	Number of the Company shares held
Keijiro Kimura (April 14, 1961)	Apr. 1987: Registered as an Attorney at Law Joined Showa Law Office Jan. 1994: Registered at New York State Bar Association July 1995: Registered as Patent Attorney May 1998: Established Kyohei Law Office (existing) [Concurrent significant positions] Outside Director, Chuou Denryoku Co., Ltd. Outside Corporate Director, NAGAOKA INTERNATIONAL CORPORATION Outside Director, OSK Nippon Kagekidan Co., Ltd. Vice Chairman, Osaka Bar Association	None

- Notes: 1. The abovementioned candidate has no conflicts of interest with the Company.
2. Number of Company shares held indicates the number of shares held as of March 31, 2011.
3. Mr. Keijiro Kimura is expected to retire from the office of Outside Corporate Auditor of Okada Aiyon Corporation on June 28, 2011 and from the office of Outside Corporate Auditor of Charle Corporation on June 29, 2011,
4. Matters related to the candidate for substitute Outside Corporate Auditors are as follows:
- (1) Mr. Keijiro Kimura is candidate for substitute Outside Corporate Auditors.
- (2) Reason for selecting the candidate as the candidate for substitute Outside Corporate Auditor:
 Mr. Keijiro Kimura has expertise and extensive experience as an Attorney at Law. The Company proposes that Mr. Kimura be elected as the substitute Corporate Auditor in the hope that he will reflect such expertise and experience when auditing the Company.
- (3) Reason that the Company determined that the above candidate can execute his duties as Outside Corporate Auditor appropriately:
 Mr. Keijiro Kimura has no experience of involvement in corporate management in a way other than as an outside director or corporate auditor. However, since Mr. Kimura has expertise and extensive experience as an Attorney at Law, the Company judges that he can execute his duties as Outside Corporate Auditor appropriately.
- (4) Outline of limited liability agreement:
 Provided that Mr. Keijiro Kimura assumes the office of Outside Corporate Auditor of the Company, it shall conclude an agreement with him concerning liability for damages as specified in Article 423, Paragraph 1 of the Corporation Law that his relevant liabilities for damages shall be limited to the minimum liability amounts as stipulated in Article 425, Paragraph 1 of the Corporation Law.
5. Mr. Keijiro Kimura fulfills the requirements for the Independent Auditor pursuant to the provisions of the Financial Instruments Exchanges.

Proposal 5: Payment of Bonuses to Directors

The Company proposes that it shall pay Directors' bonuses totaling ¥127.74 million to eight (8) Directors as of the end of the fiscal year under review in consideration of earnings, etc. during the fiscal year under review.