

Nippon Electric Glass Co., Ltd.

Masayuki Arioka, President

Securities identification code: 5214

First Section of the Tokyo Stock Exchange

First Section of the Osaka Securities Exchange

Contact: Motoharu Matsumoto, Director and Senior Vice President

Phone: +81-77-537-1700

Notice Concerning Establishment of Subsidiary

Nippon Electric Glass Co., Ltd. (head office: Otsu, Shiga, Japan, President: Masayuki Arioka, "NEG") has decided to establish a new company in Korea, as described below, to manufacture and sell glass for flat panel displays (FPDs).

Details

1. Purpose of establishment

Against the background of a dramatically changing FPD market, technical requirements are growing, particularly with respect to movements toward higher functionality and higher definition. In order for NEG to strengthen its glass for FPD business, there is an increasing necessity to respond to its customers' needs more rapidly, through the establishment of an integrated manufacturing base in the areas where demand is strongest. It is also becoming increasingly important for NEG to diversify its manufacturing base to reduce the risk of concentrating too much on one area.

In view of these circumstances, NEG has made the decision to establish a new company in Korea. NEG intends to strengthen its production structure while also using funds efficiently by relocating state-of-the-art manufacturing equipment from Japan.

2. Overview of new company

• Company name	Electric Glass (Korea) Co., Ltd.
• Location	Paju City, Gyeonggi, Republic of Korea
• Representative	Jun Oishi, Representative Director
• Scope of business	Manufacture and sale of glass for FPDs
• Equity	Approximately 22.0 billion yen (of which approximately 7.0 billion yen is capital stock)
• Investment stake	NEG (100%)
• Date of establishment	May 2012 (planned)
• Capital investment	Approximately 33.0 billion yen (including equipment to be relocated)
• Commencement of operations	September 2013 (planned)

3. Future outlook

The establishment of the new company is forecast to result in approximately 20.0 billion yen in sales for the NEG Group in fiscal 2014.