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Nippon Electric Glass Co., Ltd
Motoharu Matsumoto, President
Securities identification code: 5214
First Section of the Tokyo Stock Exchange
Contact: Koichi Tsuda, Director and Senior Vice President
TEL +81 77 537 1700

Notice regarding Signing a Definitive Agreement to Acquire US Glass Fiber Business

Nippon Electric Glass Co., Ltd. (“NEG”) is pleased to announce that it has entered into a definitive agreement (“DA”) with PPG Industries, Inc. to acquire its US glass fiber business (“Target Business”) through NEG’s US subsidiary (the “Transaction”) today.

1. Purpose of the Transaction

Today, the automobile industry is actively engaged in developing advanced composite materials for lightweight vehicles, and global demand is increasing for NEG’s glass fiber products for its high functional properties used in such materials.

Given the situation, NEG is aiming to expand in the area of “Performance Materials and Others” as stated in its medium-term business plan "EGP 2018" (duration: 2016-2018) through strategic investments. After the acquisition of European glass fiber business from PPG Industries, Inc. last October, NEG has been considering further constructive investments, and the acquisition of the Target Business has been determined today based on the following reasons.

Through the acquisition of the Target Business, a global supply base spanning across four major locations of Japan, Malaysia, Europe and the U.S. will be established. Furthermore, NEG’s global presence will be enhanced through extended development capabilities for advanced composite materials, and far-reaching synergies are expected as well.

2. Transaction Summary

(1) Target Shares and Assets

- I. 100% of outstanding shares of PPG Industries Fiber Glass Products, Inc. (Delaware, US) owned by PPG Industries Securities, LLC. (PPG Industries, Inc. 100% subsidiary, Delaware, US)
- II. All intellectual property (“IP”) and licenses pertaining to the glass fiber business owned by PPG Industries Ohio, Inc. (100% subsidiary of PPG Industries Securities, LLC., Delaware, US)
- III. Certain other assets (including the sales function and IT division personnel) of the glass fiber business owned by PPG Industries, Inc.

In addition to the acquisition of I (manufacturing and R&D operation of the Target Business), necessary assets for the operation of the Target Business are also acquired from II and III.

(2) Acquisition Value (the total of I, II and III)

USD 545 million (the respective acquisition value of I, II, and III is confidential according to DA)

(3) Closing Condition

Closing of this Transaction is subject to obtaining anti-trust approvals in all relevant jurisdictions.

3. Projected Schedule

| | |
|---|---------------------|
| Application for anti-trust review in relevant countries | June 2017 |
| Closing | Second half of 2017 |

4. Impact on FY2017 Performance

As the timing of closing of the Transaction has not been yet determined, the impact of the Transaction is not currently reflected in the FY2017 financial estimates.

5. Overview of the Acquiring Entity (NEG's US subsidiary)

| | |
|--------------------------|-------------------------------------|
| (1) Name | Nippon Electric Glass America, Inc. |
| (2) Location | Schaumburg, Illinois, US |
| (3) Representative | President and CEO: Tsuyoshi Ii |
| (4) Business Description | Sales of glass products |
| (5) Capital | USD 2.25 million |

6. Overview of PPG Industries, Inc., as the present owner of the personnel and other assets

| | | | |
|---|---|--------------------|--------------------|
| (1) Name | PPG Industries, Inc. | | |
| (2) Head Office | Pittsburgh, Pennsylvania, US | | |
| (3) Representative | Chairman and CEO: Michael H. McGarry | | |
| (4) Business Description | Manufacture and sales of paints, coating and specialty materials | | |
| (5) Common Stock | USD 969 million | | |
| (6) Founded | 1883 | | |
| (7) Main Shareholders and Shareholding | The Vanguard Group, Inc. (7.4%) Massachusetts Financial Service Company (7.1%) BlackRock, Inc. (5.8%) | | |
| (8) Employees | Approx. 47,000 | | |
| (9) Relationship with the Company | Capital | None | |
| | Personnel | None | |
| | Business | None | |
| | Apply as Related Party | None | |
| (10) Consolidated results of operations and consolidated financial condition of the company in the past three years (USD million) | | | |
| Fiscal term | FY ending Dec 2014 | FY ending Dec 2015 | FY ending Dec 2016 |
| Shareholders' equity | 5,180 | 4,983 | 4,826 |
| Total assets | 17,535 | 17,076 | 15,769 |
| Revenue | 14,791 | 14,766 | 14,751 |
| Income before income taxes | 1,346 | 1,783 | 827 |
| Net income (attributable to PPG) | 2,102 | 1,406 | 877 |
| Earnings per common share (attributable to PPG) | 7.60 | 5.18 | 3.30 |

(Source: PPG INDUSTRIES INC, 10-K, February 18, 2016 and PPG INDUSTRIES INC, 10-K, February 16, 2017 available at www.sec.gov.)

7. Overview of the Acquiring Subsidiaries

As described above, NEG will acquire 100% of the outstanding shares of PPG Industries Fiber Glass Products, Inc. and all glass fiber IP assets owned by PPG Industries Ohio Inc. as well as certain other assets (including the sales function and IT division personnel) of the glass fiber business owned by PPG Industries, Inc.

(1) Overview of the Acquiring Subsidiary

| | | |
|--|--|--|
| (1) Name | PPG Industries Fiber Glass Products, Inc. | |
| (2) Location | Head office | Delaware, US |
| | Main operations | Shelby, North Carolina, US Lexington, North Carolina, US Chester, South Carolina, US |
| (3) Representative | President: S. Todd Douthit | |
| (4) Business Description | Manufacture and sale of glass fiber products serving many end-use segments | |
| (5) Common Stock | USD 100 | |
| (6) Founded | October 14, 1998 | |
| (7) Main Shareholders and Shareholding | PPG Industries Securities, LLC. (100%) | |
| (8) Employees | Approx. 1,000 | |
| (9) Relationship with the Company | Capital | None |
| | Personnel | None |
| | Business | A related company of NEG purchases and sells certain products of PPG Industries Fiber Glass Products, Inc. |

(2) Overview of the present owner of IP

| | |
|-----------------------------------|--|
| (1) Name | PPG Industries Ohio, Inc. |
| (2) Head Office | Delaware, US |
| (3) Main Shareholders | PPG Industries Securities, LLC. (100%) |
| (4) Relationship with the Company | There is no capital, personnel, business relationship with NEG |

Results of operations and financial condition of Target Business in the past three years (USD million)

| Fiscal term | FY ending Dec 2014 | FY ending Dec 2015 | FY ending Dec 2016 |
|----------------------------|--------------------|--------------------|--------------------|
| Parent Company Equity | 191 | 203 | 186 |
| Total assets | 231 | 249 | 233 |
| Revenue | 343 | 363 | 343 |
| Income before income taxes | 37 | 47 | 54 |

The financial information presented in the table immediately above also includes other assets of glass fiber business of PPG Industries, Inc. to be acquired by NEG as noted above.