

Translation

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MEMBERSHIP
July 25, 2008

CONSOLIDATED FINANCIAL RESULTS for the First Quarter of the Year Ending March 31, 2009 (Unaudited)

Company name: **Nippon Electric Glass Co., Ltd.**
 Listing: First Section of the Tokyo Stock Exchange
 First Section of the Osaka Securities Exchange
 Securities identification code: 5214
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Scheduled date to file quarterly report: August 14, 2008

(in millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first quarter of the year ending March 31, 2009 (From April 1, 2008 to June 30, 2008)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
For the first quarter ended								
June 30, 2008	104,234	-	34,232	-	33,136	-	18,861	-
June 30, 2007	82,756	5.3	18,773	(8.3)	18,375	(8.7)	10,384	(43.7)

	Net income per share	Diluted net income per share
	yen	yen
For the first quarter ended		
June 30, 2008	37.91	-
June 30, 2007	21.71	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
June 30, 2008	603,673	361,409	59.2	718.64
March 31, 2008	588,030	347,785	58.5	691.27

Reference: Equity

As of June 30, 2008: 357,438 million yen
 As of March 31, 2008: 343,953 million yen

2. Cash dividends

Record date	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	yen	yen	yen	yen	yen
For the year ended March 31, 2008	-	4.00	-	5.00	9.00
For the year ending March 31, 2009	-	—	—	—	—
For the year ending March 31, 2009 (Forecast)	—	5.00	-	5.00 - 6.00	10.00 - 11.00

Note: Revision of the forecast in the first quarter of the year ending March 31, 2009: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
For the six months ending September 30, 2008	190,000 - 210,000	-	50,000 - 60,000	-	50,000 - 60,000	-	30,000 - 35,000	-	60.32 - 70.37
For the year ending March 31, 2009	390,000 - 430,000	5.9 - 16.8	100,000 - 130,000	(0.9) - 28.9	100,000 - 130,000	3.2 - 34.1	60,000 - 75,000	18.4 - 48.0	120.63 - 150.79

Note: Revision of the forecasts in the first quarter of the year ending March 31, 2009: None

As detailed on page 6, in "Concerning Disclosure of Earnings Forecasts," earnings forecasts are disclosed in the form of a range.

4. Others

- (1) **Significant changes in subsidiaries during the period** (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) **Application of simple accounting as well as specific accounting for preparing the quarterly consolidated financial statements:** Yes
- (3) **Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements** (changes to be described in the section of "Changes in basis of preparation for quarterly consolidated financial statements")
 - A. Changes due to revisions to accounting standards: Yes
 - B. Changes due to other reasons: None
- (4) **Number of issued shares (common stock)**
 - A. Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2008	497,616,234 shares
As of March 31, 2008	497,616,234 shares
 - B. Number of treasury stock at the end of the period

As of June 30, 2008	230,531 shares
As of March 31, 2008	46,344 shares
 - C. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the first quarter ended June 30, 2008	497,494,911 shares
For the first quarter ended June 30, 2007	478,288,031 shares

* Proper use of earnings forecasts, and other special directions

1. The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and include risks and contingencies. Actual business results may differ substantially due to a number of factors. For more details, please refer to the section of “3. Qualitative information regarding consolidated earnings forecasts (Concerning Disclosure of Earnings Forecasts) of [Qualitative Information and Financial Statements]” on page 6.
2. Commencing with the first quarter ended June 30, 2008, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ [Accounting Standard Board of Japan] Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) are applied. Also, quarterly consolidated financial statements are prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

[Qualitative Information and Financial Statements]

1. Qualitative information regarding consolidated operating results

(1) Overview

As for the global economy, in addition to the confusion in financial markets and the slowdown of the U.S. economy caused by the subprime mortgage crisis, uncertainty over the economic outlook worsened in the face of galloping energy, raw material and food prices.

In this business climate, the Japanese economy also demonstrated clear signs of an economic slowdown such as the increase in commodity prices, the deterioration of consumer sentiment, the blunting of exports, which up to now have led growth, and the constriction of capital expenditures. The supply and demand environment for glass for flat panel displays (FPDs), the core business of the Group, continued to show strength albeit under the above-mentioned economic circumstances.

(2) Operating results

(Billions of yen)

	First quarter ended June 30, 2008	First quarter ended June 30, 2007
Net sales	104.2	82.7
Operating income	34.2	18.7
Ordinary income	33.1	18.3
Net income	18.8	10.3

Note: Amounts less than 100 million yen are omitted.

(Net sales)

Sales in the Information and Communications business sector increased with the sales growth of glass for display devices, supported by an expansion in the demand for glass for FPDs. Sales in the Other Products business sector also increased mostly in the area of glass fiber used in high-function plastics for auto parts causing a hike in net sales complementing earnings decreases in building materials, heat-resistant glass, glass tubing and other products.

(Profits)

Plant facilities for FPD glass whose regular maintenance was completed were put back into production and mass production started earlier than anticipated. This, together with the steady progress made in the area of productivity improvement for existing facilities, was successfully translating into an expansion of sales. This had the effect of increasing profit compared to the same period in the previous fiscal year absorbing profit restriction factors such as lowering product prices, soaring raw materials and fuel prices and increasing depreciation expenses as a result of the shortening of depreciation periods (useful lives) due to a revision of the tax system.

2. Qualitative information regarding consolidated financial position

(1) Overview

(Billions of yen)

	As of June 30, 2008	As of March 31, 2008
Total assets	603.6	588.0
Liabilities	242.2	240.2
Net assets	361.4	347.7

Note: Amounts less than 100 million yen are omitted.

(Total assets)

The payment of income taxes and facility costs resulted in a decrease in cash and cash equivalents, however, tangible fixed assets increased with the expansion of production facilities mostly for FPD glass.

(Liabilities)

Current liabilities decreased mostly due to the payment of accrued income taxes, however, non-current liabilities increased as a result of long-term loans.

(Net assets)

Mainly retained earnings increased.

(2) Capital application plan and capital appropriation results relating to a capital increase by public offering of shares issued at market value, etc.

The Company effectuated a public share offering (27,540 million yen procured) and a disposition of treasury stock (1,580 million yen procured) with the paid-in date of February 14, 2008.

The sum of 27,393 million yen in procured funds minus costs from the public share offering and the 1,572 million yen in procured funds minus costs from the disposition of treasury stock were, according to plan, appropriated to capital expenditure relating to the manufacturing of glass for information and communications as of the end of the first quarter.

3. Qualitative information regarding consolidated earnings forecasts

With respect to FPD glass, although a steady sales environment is also expected overall for the second quarter (July 1, 2008 to September 30, 2008), because of signs of a sagging FPD market, the Company would like to proceed with its business activities with a keen eye on future demand trends. Profit restriction factors such as lowering product prices, soaring raw materials and fuel prices and increased depreciation expenses continue to be seen, however, the Company intends to maintain and improve earnings through the improvement of productivity among other efforts.

Based on the above, the Company forecasts for the second quarter, an increase in net sales of between 15% and 25% and an increase in operating income of between 30% and 50%, compared with the same period of the previous year. This signifies that no changes are made to the outlook announced on June 25, 2008.

Please note that no revision has been made to the consolidated earnings forecasts for the year ending March 31, 2009, released on April 30, 2008, at the time of the financial results announcement for the year ended March 31, 2008.

Note: Due to the application of the “Accounting Standard for Quarterly Financial Reporting” from the first quarter ended June 30, 2008, there may be some differences with the accounting standards applied to the same period in the previous fiscal year, however, as a reference for investors, the abovementioned qualitative information is a comparison with the same period in the previous fiscal year (for “2. Qualitative information regarding consolidated financial position,” the end of the previous fiscal year).

(Concerning Disclosure of Earnings Forecasts)

In recent years the Company has been operating in a dramatically changing business environment and it is difficult to accurately forecast earnings for six months to one year in the future. For this reason, the Company will disclose earnings forecasts for the first six months and for the full year in the form of a range. Furthermore, to deliver earlier and more appropriate earnings information, in addition to disclosing earnings forecasts in the “Consolidated Financial Results” report as stipulated by the stock exchanges, the Company will notify shareholders and investors of earnings forecasts according to the following schedule.

Disclosure schedule	Content of forecast	
	Earnings forecast for current reporting period (cumulative basis) (disclosure of numerical figures)	Outlook for next reporting period (three-month basis) (disclosure of range for net sales and operating income)
Late June	First quarter	Second quarter
Late September	Six months	Third quarter
Late December	Nine months	Fourth quarter
Late March	Full year	First quarter

In addition to the above, the Company will also provide notification of revisions to earnings forecasts whenever it is deemed necessary to do so based on the standards for timely disclosure stipulated by the stock exchanges.

The forward-looking statements, including business results forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and include risks and contingencies. Actual business results may differ substantially due to a number of factors. Factors that have impact on actual business results include the economic conditions of global markets, various rules and regulations such as those concerning trade, significant fluctuation of supply and demand of products in principal markets, extensive changes in exchange rates between the yen and other major currencies such as the U.S. dollar and the Euro, extensive changes to interest rates, other changes to the financial situation, and rapid technological advancement. Factors not mentioned here also could have a significant impact on business results.
