

Translation

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MEMBERSHIP

January 28, 2009

CONSOLIDATED FINANCIAL RESULTS for the Third 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: February 13, 2009

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

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

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

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
For the nine months ended								
December 31, 2008	276,045	-	75,987	-	70,617	-	39,913	-
December 31, 2007	265,564	4.0	68,225	0.4	66,818	2.6	34,613	(3.7)

	Net income per share	Diluted net income per share
For the nine months ended	yen	yen
December 31, 2008	80.24	-
December 31, 2007	72.37	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
December 31, 2008	639,275	376,496	58.2	748.14
March 31, 2008	588,030	347,785	58.5	691.27

Reference: Equity

As of December 31, 2008: 372,192 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	-	5.00	-	—	—
For the year ending March 31, 2009 (Forecasts)	—	—	—	5.00	10.00

Note: Revision of the forecasts in the third quarter of the year ending March 31, 2009: Yes

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 year ending March 31, 2009	310,000 - 340,000	(15.8) - (7.7)	55,000 - 70,000	(45.5) - (30.6)	45,000 - 60,000	(53.6) - (38.1)	20,000 - 30,000	(60.5) - (40.8)	40.20 - 60.30

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

As detailed on page 6, in the section of “3. Qualitative information regarding consolidated earnings forecasts (Concerning Disclosure of Earnings Forecasts) of [Qualitative Information and Financial Statements],” earnings forecasts are disclosed in the form of a range.

4. Others

- (1) **Changes in significant subsidiaries during the period** (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) **Application of simplified accounting and special 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 December 31, 2008:	497,616,234 shares
As of March 31, 2008:	497,616,234 shares
 - B. Number of treasury shares at the end of the period

As of December 31, 2008:	127,881 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 nine months ended December 31, 2008:	497,446,843 shares
For nine months ended December 31, 2007:	478,257,347 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 (Nine months ended December 31, 2008)

(1) Overview

The global economy during the third quarter took a drastic turn for the worse as the real economy substantially deteriorated in the wake of the global financial crisis and a fall in stock prices originally sparked by the subprime mortgage crisis in the U.S.

This business climate was also reflected in the Japanese economy. Against the backdrop of a decelerating global economy, consumer sentiment deteriorated due to factors such as falling stock prices and nervousness towards the current business climate. Also, we saw the continuing trend of a drastically appreciating yen beginning from the latter half of the second quarter.

These economic conditions blunted exports and capital investment and greatly drove down production in the manufacturing industry including the automobile and electric and electronic industries, which caused a rapidly deepening economic downturn.

Under these very difficult economic circumstances, in the field of glass for flat panel displays (FPDs), the sales of substrate glass for LCDs was impacted by weakening demand and falling product prices as a result of production adjustments made by our customers from the middle of the second quarter. The third quarter began with a global cooling of the economy that caused demand for products to drop significantly in many fields, including substrate glass for LCDs and glass fiber, and the business environment worsened at a pace well beyond expectations.

(2) Operating results

(Billions of yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2007
Net sales	276.0	265.5
Operating income	75.9	68.2
Ordinary income	70.6	66.8
Net income	39.9	34.6

Note: Amounts less than 100 million yen are omitted.

(Net sales)

Sales during the third quarter sharply decreased, however, thanks to the favorable performance witnessed mostly during the first quarter, sales over the nine months under review actually exceeded those of the same period in the previous fiscal year.

Glass for display devices:

Concerning substrate glass for LCDs, although sales showed strength in the first quarter, from the second quarter onward, the market environment made a sudden change driving sales down, most notably during the third quarter.

Glass for electronic devices:

Sales slowed due to worsening market conditions for electronic devices.

Glass fiber:

Although sales exceeded those of the same period in the previous fiscal year, the third quarter saw demand plunge in the wake of drastic cuts in production in the automotive industry.

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

Sales were down as a result of the slowdown in the housing construction market both in Japan and overseas.

(Profits)

The first quarter saw steady profits provided by glass for FPDs despite profit restricting factors such as soaring raw materials and fuel prices and increased depreciation expenses. This is in contrast to the easing in demand and falls in product prices for substrate glass for LCDs in the second quarter. The third quarter had significantly worse operating results due to a sudden drop in product demand and falling profitability as a consequence of the aforementioned sales reduction. As a result of the above, although profits in the nine months under review exceeded those of the same period in the previous fiscal year, the margin of increase is much smaller than that which was recorded up to the six months ended September 30, 2008.

2. Qualitative information regarding consolidated financial position

(Billions of yen)

	As of December 31, 2008	As of March 31, 2008
Total assets	639.2	588.0
Liabilities	262.7	240.2
Net assets	376.4	347.7

Note: Amounts less than 100 million yen are omitted.

(Total assets)

In current assets, a drop in sales brought a decrease of notes and accounts receivable-trade and an increase of merchandise and finished goods. In fixed assets, tangible fixed assets increased mostly with the expansion of facilities related to glass for FPDs.

(Liabilities)

In current liabilities, bonds payable (to be redeemed within one year) increased due to a transfer from non-current liabilities. Also, accrued income taxes decreased after a payment of taxes was effectuated. In non-current liabilities, long-term loans payable increased in spite of a decrease in bonds payable.

(Net assets)

Mainly retained earnings increased. On the other hand, net unrealized holding gains on other securities fell due to a drop in stock prices and an appreciated yen caused foreign currency translation adjustments to also fall.

3. Qualitative information regarding consolidated earnings forecasts

Even in the fourth quarter (January 1, 2009 to March 31, 2009), the current difficult business environment is expected to continue with operating results significantly constricted by waning demand, falling product prices and lower profitability in the wake of substantial production cuts. In an effort to weather the storm, the Company will run its business with an emphasis on cash flow by effectuating operations that correspond to actual demand and by focusing on the reduction of inventories and costs.

Based on the above, and compared with the same period in the previous fiscal year, the Company forecasts for the fourth quarter, a change in net sales of between -30% and -60% and a change in operating income of between -100% and -145%.

In light of the above, the consolidated earnings forecasts for the fiscal year ending March 31, 2009, announced on April 30, 2008, were amended on December 25 as stated on page 2.

Taking into consideration the current business situation, we intend to pay year-end cash dividends of 5 yen per share.

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 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.
