

Translation

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MEMBERSHIP
April 27, 2010

CONSOLIDATED FINANCIAL RESULTS for the Year Ended March 31, 2010 (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
URL: <http://www.neg.co.jp/>
Representative: Masayuki Arioka, President and Representative Director
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Scheduled date of ordinary general meeting of shareholders: June 29, 2010
Scheduled date to commence dividend payments: June 30, 2010
Scheduled date to file securities report: June 30, 2010

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

1. Consolidated performance for the year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

For the year ended	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
March 31, 2010	332,387	(1.0)	98,426	28.8	91,419	42.1	54,926	151.6
March 31, 2009	335,662	(8.9)	76,416	(24.3)	64,319	(33.7)	21,831	(56.9)

	Net income per share	Diluted net income per share	Net income/ equity	Ordinary income/ total assets	Operating income/ net sales
For the year ended	yen	yen	%	%	%
March 31, 2010	110.41	-	14.6	14.8	29.6
March 31, 2009	43.89	-	6.3	10.9	22.8

Reference: Equity in earnings of affiliates

For the year ended March 31, 2010: None

For the year ended March 31, 2009: None

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
March 31, 2010	646,443	406,306	62.2	808.75
March 31, 2009	588,413	352,744	59.3	701.62

Reference: Equity

As of March 31, 2010: 402,327 million yen

As of March 31, 2009: 349,043 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
For the year ended				
March 31, 2010	118,720	(86,847)	(35,134)	91,667
March 31, 2009	89,873	(121,975)	27,438	94,623

2. Cash dividends

	Cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
For the year ended	yen	yen	yen	yen	yen		%	%
March 31, 2009	-	5.00	-	5.00	10.00	4,974	22.8	1.4
March 31, 2010	-	5.00	-	6.00	11.00	5,472	10.0	1.5
For the year ending March 31, 2011 (Forecast)	-	6.00	-	6.00 - 7.00	12.00 - 13.00		-	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

The Company discloses earnings forecasts for the first quarter instead of for the first six months and for the full year. Please refer to page 4 for the earnings forecasts for the first quarter of the fiscal year ending March 31, 2011.

4. Others

- (1) **Changes in significant subsidiaries during the period** (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) **Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated financial statements** (changes to be described in the section of "Changes in basis of preparation for consolidated financial statements")
 - A. Changes due to revisions to accounting standards: None
 - B. Changes due to other reasons: None
- (3) **Number of issued shares (common stock)**
 - A. Total number of issued shares at the end of the period (including treasury stock)
 - As of March 31, 2010 497,616,234 shares
 - As of March 31, 2009 497,616,234 shares
 - B. Number of treasury shares at the end of the period
 - As of March 31, 2010 148,073 shares
 - As of March 31, 2009 131,778 shares

SUMMARY OF NON-CONSOLIDATED FINANCIAL RESULTS (Reference)

1. Non-consolidated performance for the year ended March 31, 2010 (From April 1, 2009 to March 31, 2010)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
For the year ended								
March 31, 2010	302,130	11.3	96,339	44.8	95,470	51.4	59,250	143.5
March 31, 2009	271,571	(10.6)	66,548	(28.1)	63,059	(32.7)	24,328	(54.2)

	Net income per share	Diluted net income per share
For the year ended	yen	yen
March 31, 2010	119.10	-
March 31, 2009	48.91	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
March 31, 2010	598,637	368,249	61.5	740.25
March 31, 2009	533,398	311,558	58.4	626.27

Reference: Equity

As of March 31, 2010: 368,249 million yen

As of March 31, 2009: 311,558 million yen

* Proper use of earnings forecasts, and other special directions

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 “(iii) Outlook for the fiscal year ending March 31, 2011 of (1) Analysis regarding operating results in 1. Operating results” on page 6.

**5. Consolidated earnings forecasts for the fiscal year ending March 31, 2011
(From April 1, 2010 to June 30, 2010)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
For the first quarter ending June 30, 2010	100,000 - 110,000	60 - 76	36,000 - 41,000	248 - 296	34,000 - 39,000	321 - 383	21,000 - 24,000	-	42 - 48

Note: As detailed on pages 6-7, in “(iii) Outlook for the fiscal year ending March 31, 2011 of (1) Analysis regarding operating results in 1. Operating results,” earnings forecasts will be disclosed in the form of a range.

1. Operating results

(1) Analysis regarding operating results

(i) Overview of the fiscal year under review (from April 1, 2009 to March 31, 2010)

Thanks to the positive effects from economic stimulus measures by governments around the world to counter the devastating post-Lehman Shock recession, in Asia, China's economy recovered mostly on domestic demand. Meanwhile, in America and Europe, the U.S. economy crept up slightly while Europe's bottomed out, however, conditions overall continue to be stringent. In Japan, there was an increase in exports to Asia, in particular, while personal consumption showed a tendency of recovery. Nevertheless, capital investment and housing investment remained sluggish and corporate earnings and the employment situation continued to be severe. Against the backdrop of such circumstances, the Company and its consolidated subsidiaries ("the NEG Group") saw a steady recovery in the sales of glass for flat panel displays (FPDs), as a result of a recovery in demand in our customer industry. In the other business sector, glass fiber and other products enjoyed a recovery in sales, however, overall increases were modest at best.

(ii) Operating results for the fiscal year under review

(Billions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Change (%)
Net sales	335.6	332.3	(1.0)
Operating income	76.4	98.4	28.8
Ordinary income	64.3	91.4	42.1
Net income	21.8	54.9	151.6

Note: Amounts less than 100 million yen are omitted.

(Net sales)

As sales followed a course of recovery from the bottom level in the fourth quarter of the previous fiscal year (January 1 to March 31, 2009), net sales were roughly the same year on year.

Glass for display devices:

Sales of glass for FPDs rebounded, but glass for cathode ray tubes contracted in market size and its sales decreased.

Glass for electronic devices:

Sales maintained a path of recovery, particularly glass related to optical communication and cover glass for image sensors.

Glass fiber:

Sales of glass fiber for auto parts, a mainstay product, recovered despite a decrease compared to the previous fiscal year.

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

Sales decreased due to stagnant demand for housing and construction both in Japan and overseas.

(Profits)

Profits increased year on year as profitability improved every quarter as a result of the sales recovery of glass for FPDs along with an increase of utilization and effects from productivity improvements and so on. A loss on retirement of noncurrent assets arising from the reorganization of assets and a loss on liquidation of subsidiaries and affiliates related to the dissolution of a subsidiary in China were recognized and recorded in extraordinary loss.

(Sales by segment)

Segment by business type	Sector	Product	Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2010		Change	
			billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Information and Communications	Glass for display devices	262.5	78.2	272.0	81.9	9.5	3.6
		Glass for electronic devices	11.6	3.5	11.7	3.5	0.1	0.9
		Total	274.1	81.7	283.7	85.4	9.6	3.5
	Other Products	Glass fiber	29.6	8.8	22.6	6.8	(7.0)	(23.6)
		Building materials, heat-resistant glass, glass tubing and other products	30.4	9.1	24.8	7.5	(5.6)	(18.4)
		Total	60.0	17.9	47.4	14.3	(12.6)	(21.0)
Total glass business		334.2	99.6	331.2	99.7	(3.0)	(0.9)	
Other	-	1.4	0.4	1.1	0.3	(0.3)	(21.4)	
Total		335.6	100	332.3	100	(3.3)	(1.0)	

Notes: 1. Amounts less than 100 million yen are omitted.

2. The above figures do not include intersegment transactions.

(iii) Outlook for the fiscal year ending March 31, 2011

(Billions of yen)

	First quarter ended June 30, 2009	First quarter ending June 30, 2010	Change (%)
Net sales	62.6	100.0 - 110.0	60 - 76
Operating income	10.3	36.0 - 41.0	248 - 296
Ordinary income	8.0	34.0 - 39.0	321 - 383
Net income	0.8	21.0 - 24.0	-

Note: Amounts less than 100 million yen are omitted.

Demand for glass for FPDs is expected to exceed that of the previous quarter (January to March 2010). In the other business sector, despite continuing to have recovery expectations for glass fiber and other products, a recovery in products targeting the construction, housing and other fields is likely to take some time.

From the above, we expect significant improvements in the first quarter compared to the previous fiscal year, which saw an extreme deceleration of the economy.

Because conditions both in Japan and overseas surrounding the Company have been changing dramatically and at an extremely fast pace, it is difficult to accurately forecast earnings for six months to one year in the future. For this reason, the Company discloses earnings forecasts for the first quarter instead of for the first six months and for the full year, in the form of a range. If the various factors turn out more favorable than the Company expected (plan at the beginning of the fiscal year), earning results are expected to be close to the higher limit of the range; conversely, if the various factors deteriorate, then the earning results are expected to be close to the lower limit of the range.

(Concerning Disclosure of Earnings Forecasts)

To deliver earlier and more appropriate earnings information, in addition to disclosing earnings forecasts according to timely disclosure standards 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

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. Factors that may impact 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 as well as the financial situation showing extensive changes in prices on capital markets and extensive changes in exchange rates between the yen and other major currencies such as the U.S. dollar and the Euro, interest rates and rapid technological advancement. Factors not mentioned here also could have a significant impact on business results.

(2) Analysis regarding financial position

(i) Overview of consolidated financial position for the fiscal year under review (Billions of yen)

	As of March 31, 2009	As of March 31, 2010	Change
Total assets	588.4	646.4	58.0
Liabilities	235.6	240.1	4.5
Net assets	352.7	406.3	53.6

Note: Amounts less than 100 million yen are omitted.

(Total assets)

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

(Liabilities)

In current liabilities, short-term borrowings declined as well as current portion of bonds due to bonds reaching maturity. However, income taxes payable increased due to a recovery in profit. In noncurrent liabilities, new bonds were issued.

(Net assets)

In addition to an increase in retained earnings, valuation difference on available-for-sale securities increased due to a recovery in the stock market.

(ii) Overview of consolidated cash flows for the fiscal year under review (Billions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Change
Cash flows from operating activities	89.8	118.7	28.9
Cash flows from investing activities	(121.9)	(86.8)	35.1
Cash flows from financing activities	27.4	(35.1)	(62.5)
Period-end cash and cash equivalents	94.6	91.6	(3.0)

Note: Amounts less than 100 million yen are omitted.

Cash flows from operating activities

Net cash provided by operating activities increased compared to the previous fiscal year.

Components included, on the one hand, increases in income before income taxes and notes and accounts payable-trade as well as decreases in inventories and income taxes paid, with an increase in notes and accounts receivable-trade.

Cash flows from investing activities

Net cash used in investing activities decreased compared with the previous fiscal year despite the acquisition of fixed assets mainly facilities related to glass for FPDs.

Cash flows from financing activities

Net cash used in financing activities increased compared with the previous fiscal year as outlays were effected for the repayment of short- and long-term loans.

(iii) Trends of cash-flow related indices

Fiscal year ended	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
Equity ratio (%)	47.5	52.3	58.5	59.3	62.2
Market value-based equity ratio (%)	192.3	190.1	130.4	58.0	101.3
Interest-bearing debt to cash flows ratio (years)	1.7	1.1	0.9	1.5	0.8
Interest coverage ratio (times)	38.1	82.3	69.4	53.2	66.6

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest paid

Notes: 1. All calculations are based on consolidated financial figures.

2. Market capitalization was calculated based on the number of issued shares excluding treasury stock.

3. For cash flows and interest paid, calculations use "cash flows from operating activities" and "interest expenses paid," respectively, in the consolidated statement of cash flows. Moreover, interest-bearing debt corresponds to long- and short-term loans payable, bonds payable and commercial papers included in liabilities presented in the consolidated balance sheet.

(3) Basic policy on allocation of profits and cash dividends for this fiscal year and next fiscal year (Basic policy)

While ensuring adequate retained earnings to provide for reinforcement of the Company's financial standing and future business development, the Company decides on the amount of dividend payment based on a basic policy of maintaining a long-term and stable return of profits to shareholders that is not significantly affected by fluctuations in earnings, but it also takes the financial situation etc. into consideration.

Regarding the funds from retained earnings, the Company aims to fulfill the expectations of shareholders through boosting its corporate value by appropriating retained earnings funds for future research and development and future business expansion, focusing on glass for FPDs.

(Year-end dividend)

The Company shall present the year-end dividend payment of 6 yen per share (which combined with the 5 yen per share interim dividend makes an annual dividend of 11 yen per share, an increase of 1 yen from the previous fiscal year) for approval at the Ordinary General Meeting of Shareholders scheduled to be held on June 29.

(Dividend forecast for the next fiscal year)

The company expects to pay an interim dividend of 6 yen per share and a year-end dividend of 6 yen to 7 yen per share, but plans to base its decision on future earnings.