

Translation

Notice: This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

Member of the Financial Accounting Standards Foundation



MEMBERSHIP
July 24, 2013

CONSOLIDATED FINANCIAL RESULTS
for the First Quarter of the Year Ending March 31, 2014 (Unaudited)
<under Japanese GAAP>

Company name: **Nippon Electric Glass Co., Ltd.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities identification code: 5214
 URL: <http://www.neg.co.jp/>
 Representative: Masayuki Arioka, President and Representative Director
 Inquiries: Koichi Inamasu, Director and Executive Vice President
 TEL: +81-77-537-1700 (from overseas)

Scheduled date to file quarterly report: August 13, 2013
 Scheduled date to commence dividend payments: -
 Supplementary material on quarterly financial results: None
 Quarterly financial results presentation meeting: None

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

1. Consolidated performance for the first quarter of the year ending March 31, 2014
(From April 1, 2013 to June 30, 2013)

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

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
For the three months ended								
June 30, 2013	62,003	(17.2)	3,359	(56.9)	3,614	(49.5)	1,857	202.4
June 30, 2012	74,921	(21.7)	7,794	(72.2)	7,152	(74.0)	614	(95.5)

Note: Comprehensive income:
 For the three months ended June 30, 2013: 11,238 million yen [94.9%]
 For the three months ended June 30, 2012: 5,765 million yen [(59.5%)]

	Net income per share	Diluted net income per share
For the three months ended	yen	yen
June 30, 2013	3.74	-
June 30, 2012	1.24	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of			%
June 30, 2013	705,906	502,552	70.2
March 31, 2013	697,385	495,294	70.1

Reference: Equity:

As of June 30, 2013: 495,874 million yen

As of March 31, 2013: 488,936 million yen

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
For the year ended March 31, 2013	-	8.00	-	8.00	16.00
For the year ending March 31, 2014	-	—	—	—	—
For the year ending March 31, 2014 (Forecasts)	—	8.00	-	8.00	16.00

Note: Revision of the forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)

(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, 2013	126,000 - 131,000	(16.7) - (13.4)	9,000 - 11,000	(46.4) - (34.5)	8,000 - 10,000	(46.4) - (33.0)	5,000 - 6,000	8.7 - 30.4	10.05 - 12.06
For the year ending March 31, 2014	270,000 - 290,000	(6.0) - 0.9	15,000 - 21,000	(39.9) - (15.9)	13,000 - 19,000	(42.9) - (16.5)	8,000 - 12,000	(24.5) - 13.2	16.08 - 24.13

Note: Revision of the forecasts most recently announced: Yes

*** Notes**

- (1) **Changes in significant subsidiaries during the three months under review** (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) **Application of special accounting for preparing the quarterly consolidated financial statements:** Yes
- (3) **Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections**
- A. Changes in accounting policies due to revisions to accounting standards: None
 - B. Changes in accounting policies due to other reasons: None
 - C. Changes in accounting estimates: None
 - D. Restatement of prior period financial statements after error corrections: 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, 2013	497,616,234 shares
As of March 31, 2013	497,616,234 shares

- B. Number of treasury shares at the end of the period

As of June 30, 2013	210,264 shares
As of March 31, 2013	208,204 shares

- C. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the three months ended June 30, 2013	497,407,135 shares
For the three months ended June 30, 2012	497,409,917 shares

* Indication regarding execution of quarterly review procedures

At the time of disclosure of this quarterly financial results report, the quarterly review procedures for the quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act were incomplete.

* 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 its subsidiaries (“the NEG Group”) 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 “(2) Qualitative information regarding consolidated earnings forecasts in Qualitative Information Regarding Consolidated Results for the Three Months” on page 5.

Qualitative Information Regarding Consolidated Results for the Three Months

(1) Qualitative information regarding consolidated operating results (Three months ended June 30, 2013)

A. Overview

In the global economy, there was continued economic stagnation in Europe, while there was a growing sense of economic slowdown in China as a result of weaker domestic demand and exports. On the other hand, the U.S. showed signs of economic recovery mainly on the back of a revival in the housing market, an improvement in the employment situation and an increase in personal consumption. The Japanese economy was put on a moderate recovery track, mainly as a result of increased exports and improvement in the stock market on the back of yen depreciation associated with the financial policies in addition to a recovery in personal consumption.

Amid this environment, during the first quarter (from April 1, 2013 to June 30, 2013), sales exceeded expectations, mainly in the areas of substrate glass for liquid crystal displays (LCDs) and glass fiber. In addition, further progress was made in efforts to boost productivity and reduce expenses. As a result, both sales and income exceeded the upper level of the initial forecast range (announced on April 26, 2013), and we were able to keep them roughly in line with those of the previous quarter (from January 1, 2013 to March 31, 2013), although our business performance was weak in comparison with the same period of the previous fiscal year (from April 1, 2012 to June 30, 2012).

B. Operating results

(Billions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013	Change (%)
Net sales	74.9	62.0	(17)
Operating income	7.7	3.3	(57)
Ordinary income	7.1	3.6	(49)
Net income	0.6	1.8	202

Note: Amounts less than 100 million yen are omitted.

(Sales by products)

Reporting segment	Category	Three months ended June 30, 2012		Three months ended June 30, 2013		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Glass for electronic and information devices	59.5	80	45.6	74	(13.9)	(23)
	Glass for others	15.3	20	16.3	26	1.0	7
Total		74.9	100	62.0	100	(12.9)	(17)

Note: Amounts less than 100 million yen are omitted.

(Net sales)

Glass for electronic and information devices:

Sales of substrate glass for LCDs exceeded expectations and there were signs that they have bottomed out. Sales of glass for optical devices and glass for electronic devices were boosted by a recovery in demand, while the market for substrate glass for solar cells was boosted by the feed-in tariff scheme for electricity in Japan, resulting in firm sales for each of these products.

Glass for others:

Sales of glass fiber increased on the back of a recovery in demand for glass fiber for auto parts, a mainstay product, but the business environment for building materials, heat resistant glass and others remained difficult.

(Profits)

Although the fall in prices on substrate glass for LCDs eased, fuel prices rose because of the yen's depreciation. On the other hand, sales of glass for optical devices and glass for electronic devices, substrate glass for solar cells and glass fiber were firm, while productivity improvements, cost reductions and decreases in depreciation and amortization costs helped to boost profits. As a result, we were able to keep them in line with those of the previous quarter, although both operating income and ordinary income declined in comparison with the same period of the previous fiscal year.

(2) Qualitative information regarding consolidated earnings forecasts

(Billions of yen)

	Six months ended September 30, 2012	Six months ending September 30, 2013	Change (%)
Net sales	151.3	126.0 - 131.0	(17) - (13)
Operating income	16.7	9.0 - 11.0	(46) - (35)
Ordinary income	14.9	8.0 - 10.0	(46) - (33)
Net income	4.6	5.0 - 6.0	9 - 30

Note: Amounts less than 100 million yen are omitted.

Looking at the global economy, while the situations in Europe and China are expected to remain uncertain, economic recoveries in the U.S. and in Japan are expected to progress further. Amid this environment, in the second quarter (from July 1, 2013 to September 30, 2013), shipments of substrate glass for LCDs are projected to show modest growth in comparison with the first quarter, while shipments of glass for optical devices and glass for electronic devices, substrate glass for solar cells and glass fiber are forecast to remain firm. In terms of costs, on the other hand, rises in fuel prices in line with yen depreciation and others may have an impact on profitability. Nevertheless, we intend to keep costs down by such means as reviewing our procurement methods, boosting productivity and reducing expenses. As a result of these considerations, in our consolidated earnings for the six months, we project an improvement during the second quarter as shown above. The consolidated earnings forecasts for the year ending March 31, 2014, which were announced on April 26, 2013, have been left unchanged for the time being.

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the NEG Group 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, exchange rates between the yen and other major currencies such as the U.S. dollar and the Euro, and interest rates, in addition to rapid technological advancement. Factors not mentioned here also could have a significant impact on business results.