

Notice of the 94th Ordinary General Meeting of Shareholders

Dear Shareholders,

Please be advised that the 94th Ordinary General Meeting of Shareholders will be held as follows, and we would be grateful if you could attend the meeting.

If you are unable to attend the meeting in person, you are entitled to vote by mail or via the Internet, etc. In this case, we cordially request that you review the attached Reference Document for the Ordinary General Meeting of Shareholders and exercise your voting rights.

Yours faithfully,
Yuzo Izutsu, Chairman of the Board
Nippon Electric Glass Co., Ltd.
7-1, Seiran 2-chome, Otsu, Shiga, Japan

- 1. Date and Time:** Thursday, June 27, 2013, from 10:00 a.m.
2. Venue: Conference Room at the Head Office of the Company
7-1, Seiran 2-chome, Otsu, Shiga, Japan

3. Meeting Agenda:

Reporting:

1. Business report, consolidated financial statements and results of audits of consolidated financial statements by Independent Auditors and the Board of Corporate Auditors for the 94th fiscal year (from April 1, 2012 to March 31, 2013)
2. Non-consolidated financial statements for the 94th fiscal year (from April 1, 2012 to March 31, 2013)

Proposals:

- Proposal 1:** Distribution of Surplus
Proposal 2: Election of Eight (8) Directors
Proposal 3: Election of One (1) Substitute Corporate Auditor
Proposal 4: Payment of Bonuses to Directors

4. Handling the exercising of voting rights

- (1) If you exercise your voting rights twice through voting by mail and via the Internet, etc., we will deem the vote cast via the Internet, etc. to be the effective one.
- (2) If you exercise your voting rights more than once via the Internet, etc., we will deem the last vote cast to be the effective one.

* Any revisions in Reference Document for the Ordinary General Meeting of Shareholders, business report, non-consolidated financial statements and consolidated financial statements will be disclosed on the internet at the Company's website (<http://www.neg.co.jp/JP/ir/>).

Business Report for the 94th Fiscal Year

Period from April 1, 2012
to March 31, 2013

1. Status of Corporate Group

(1) Progress and results of operations

Overall trend

In the global economy, there was continued economic stagnation in Europe as a result of the protracted debt crisis, while growth weakened in China due to the impact of the situation in Europe and a slowdown in domestic demand. In the U.S., there was a moderate economic recovery despite severe employment conditions and concerns about the prospects of fiscal problems. In Japan, the economy continued to go through a recessionary phase due to low exports caused by anemic overseas demand as well as weak domestic personal consumption. Following the change of government, however, expectations of the economy to be boosted resulted in signs of economic recovery.

Consolidated results of operations for the fiscal year under review

| | 93rd Fiscal Year (April 2011 to March 2012) | 94th Fiscal Year (April 2012 to March 2013) | Increase or decrease |
|------------------|--|--|-------------------------|
| | Millions of yen | Millions of yen | % |
| Net sales | 338,214 | 287,303 | (15.1) |
| Operating income | 61,638 | 24,967 | (59.5) |
| Ordinary income | 56,855 | 22,767 | (60.0) |
| Net income | 19,408 | 10,603 | (45.4) |

The NEG Group's core business of substrate glass for liquid crystal displays (LCDs) showed an improvement during the first quarter (from April 1, 2012 to June 30, 2012) and the second quarter (from July 1, 2012 to September 30, 2012), putting the Group's business performance on a moderate recovery track. Nevertheless, overall business performance weakened from the third quarter (from October 1, 2012 to December 31, 2012), with a slowdown in shipments caused by continuing adjustment phases in a number of product fields and persistent price falls in substrate glass for LCDs among other factors. As a result, our performance in the fiscal year under review was significantly lower than that of the previous fiscal year.

Although profits were on a recovery track during the first quarter and the second quarter, from the third quarter, there was downward pressure on profits mainly from a slowdown in sales of substrate glass for LCDs, which resulted in production adjustments, falling product prices, and costs of starting mass production of new materials. Other fields also experienced falls in demand, leading to weak sales. As a result, profits decreased significantly compared to the previous fiscal year.

Sales by business category are as follows:

| Category | | 93rd Fiscal Year (April 2011 to March 2012) | | 94th Fiscal Year (April 2012 to March 2013) | | Increase or decrease | |
|----------------|--|---|-----------|---|-----------|-----------------------------|-------------|
| | | Net sales | Breakdown | Net sales | Breakdown | Amount | Percentage |
| Glass Business | Glass for electronic and information devices | Millions of yen 272,481 | % 80.6 | Millions of yen 226,240 | % 78.7 | Millions of yen (46,240) | % (17.0) |
| | Glass for others | 65,732 | 19.4 | 61,062 | 21.3 | (4,669) | (7.1) |
| Total | | 338,214 | 100 | 287,303 | 100 | (50,910) | (15.1) |

Glass for electronic and information devices:

Sales of substrate glass for LCDs continued on a recovery track during the first quarter and the second quarter. From the third quarter, however, sales decreased due to the effect of production adjustments by customers. Sales of substrate glass for plasma display panels declined under significant downward pressure from the shrinking market. Although sales of cover glass for image sensors fell from the third quarter amid weakening demand for digital single lens cameras, glass related to optical products sold firmly on the back of communications infrastructure demand.

As a result, net sales of glass for electronic and information devices amounted to ¥226,240 million, a year-on-year decrease of 17.0%.

Glass for others:

Sales of glass fiber were on a recovery track in the first quarter, particularly for auto parts. In the second quarter, sales took a downward turn and there was an adjustment phase, which continued to the fiscal year-end. In the business of heat resistant glass, building materials and others, sales were weak due to sluggishness in the recovery of related markets.

As a result, the net sales of glass for others amounted to ¥61,062 million, a year-on-year decrease of 7.1%.

(2) Capital investment

The NEG Group's capital investment amounted to ¥37,486 million in the fiscal year under review.

In the Glass for electronic and information devices sector, capital investment was made primarily for substrate glass for LCDs to respond to thinner sheets and to improve the productivity. In the Glass for others, capital investment was made mainly for enhancing production capacity for heat resistant glass and glass fiber. In addition, the Company also made investment for construction of P&P Technology Center Otsu, a new research and development center.

(3) Fund procurement status

Funds required in the fiscal year under review were for capital investment and for working capital, which the Company financed with its own funds, issuance of bonds and borrowings, etc.

Aiming at efficient and flexible fund-raising, the Company has entered into a commitment line agreement for a total amount of ¥25 billion with financial institutions in Japan.

An outline of the above-mentioned bonds is as below.

| Category | Total amount of issue | Interest rate (p.a.) | Date of issue | Maturity date |
|-------------------------------|-----------------------|----------------------|---------------|---------------|
| Seventh Series Unsecured Bond | ¥10 billion | 0.408% | May 30, 2012 | May 30, 2017 |
| Eighth Series Unsecured Bond | ¥10 billion | 0.678% | May 30, 2012 | May 30, 2019 |

(4) Main Lenders (as of March 31, 2013)

| Lender | Borrowing Amount |
|-------------------------------------|------------------|
| Sumitomo Mitsui Banking Corporation | ¥12.4 billion |
| Sumitomo Mitsui Trust Bank, Limited | ¥10.3 billion |
| The Shiga Bank, Ltd. | ¥9.2 billion |

(5) Issues to be addressed

[Basic management policy]

Under the corporate philosophy of “contributing to the welfare and prosperity of society by means of creating high-technology glass in harmony with the environment”, the Company broadly develops and produces the various kinds of high-tech glass products that society and technological development demand and supplies the products to world markets.

The NEG Group has seen significant changes in its environment, including not only severe competition between companies worldwide but also demands for higher quality product and sophistication of technology. The NEG Group’s basic management policy is to ensure the continuation and development of business in the future by establishing a solid management strength and base and while promptly and appropriately coping with the above-mentioned changes, and to strive to increase corporate value by meeting its social responsibilities as a company, setting compliance as well as environmental conservation, promotion of employment of people with disabilities and contribution to local communities as major themes.

[Management target indicators]

The Company is committed to continuously reducing and curtailing interest-bearing debts by setting the future goal of strengthening its financial position through various measures and formulas to reduce and curtail interest-bearing debts to the level of 20% as a percentage of consolidated net sales.

[Medium and long term management strategies of the Company]

- 1) Enhancement of the core business, establishment of a well-balanced business structure, and development of products and promotion of businesses for the next generation
(Enhancement of the core business)

The Company will strive to reinforce technological capabilities, improve its productivity, and reorganize global production/supply systems according to market trends, positioning the field of glass for display devices as its core business. At the same time, with a strong focus on developing and advancing new products and technologies in new business fields with high

future growth potential, such as touch panel display market, in addition to the existing business fields, the Company will reinforce the field of glass for display devices by taking a flexible response to changing market conditions.

(Establishment of a well-balanced business structure)

The Company intends to expand businesses in fields of glass for non-display devices with the aim of establishing a well-balanced business structure in order to avoid excessive reliance on a single business field and achieve stable corporate growth.

Business fields of glass for optical and electronic devices, glass for solar cells and solar power generation, glass fiber, glass for medical applications and glass for heat resistance and building materials, in which the NEG Group is engaged, are those with stable future growth potential. In line with the policy to provide these markets with unique products capitalizing on excellent properties of glass, the Company will try its best to foster these businesses so as to not only expand each of them but also to generate earnings with certainty.

- Glass for optical and electronic devices

The demand of glass for electronic devices is expected to expand further in future along with the growth in relevant markets, such as consumer-electronic appliances, information technologies and automobiles. In addition, the demand of optical components is also likely to be consistent reflecting the expanding demand for communication infrastructure, such as mobile communication base stations, with the progress of highly information-based society. The Company will cope with these demands appropriately with the use of its combined technological and supply capabilities and thus expand the business.

- Glass for solar cells and solar power generation

The Company will try to increase sales in line with the market growth in compound semiconductor solar cells. Specifically, looking ahead to the future business deployment, the Company will promote to develop a new glass for next generation solar cells, such as dye-sensitized solar cells, and ultra-thin lightweight mirrors for use in space solar power systems currently under research by the Japan Aerospace Exploration Agency (JAXA), an incorporated administrative agency in Japan.

- Glass fiber

The Company will proactively improve its global production and supply systems with the aim of coping with the increasing demand for fiber-reinforced thermoplastic (FRTP) products along with growing automobile market, accelerating energy saving in automobiles and expanding hybrid and electric vehicle market. On that basis, the Company will promote developments in reply to various technological demands in the market in order to keep the top market share in the world.

- Glass for medical applications

The Company will try to expand sales of high-quality glass tube for medical use in response to growing medical needs in emerging countries arising from the economic growth. The Company will proactively keep up with manufacturing radiation-shielding

glass along with the growth in demand for advanced medical facilities. In addition, the Company will also focus on new development of glass instruments for specimen testing and glass tube corresponding to advanced medical treatment with the aim of expanding the glass field for medical applications.

- Glass for heat resistance and building materials

In fire rated glass with high resistance to thermal shock and high transparency, the Company will add new models to expand its product portfolio, for example, glass coated with a special film for improving thermal resistance or adding low reflection function and glass with higher strength by lamination technology, so as to expand the sales.

(Development of products and promotion of businesses for the next generation)

Glass has unique characteristics and functions by nature, but it can also achieve new additional functions when it is crystallized, highly precisely processed, coated with thin film, covered with plastic, or compounded with metals. Leveraging its wide range of fundamental technologies (materials and products design, process technology, and appraisal technology), the NEG Group will concentrate on creating innovative products that have never been seen before by conducting intensive research and development to achieve high functionalities through combination of the innate characteristics of glass and additional elements. By doing so, the NEG Group will proactively foster new businesses in the fields with high future growth potential in parallel with social development, such as next-generation display devices, energy, new-type lighting, and state-of-the-art medical treatment.

2) Improvement of management/financial strength

The Company will aim to have solid management/financial strength resistant to changes in business environment through pursuit of further efficiency in its overall management and cash flow centric management.

[Issues to be addressed]

1) Improvement in earnings of glass for display devices, and positive response to market trends

The market environment surrounding the NEG Group has changed drastically. For example, the market for substrate glass for liquid crystal displays (LCD), our core products has shifted to a stable growth while the prices have been continuously declining. The NEG Group will do its utmost to improving its productivity and profitability at the same time with a strong focus on ramping up new overseas business bases, such as Electric Glass Korea Co., Ltd. as early as possible. In addition, the NEG Group will meet the accelerating needs for high-definition displays with 'OA-11' and 'OA-12', new materials with characteristics of less stress distortion, lower gravity sag and less thermal shrinkage, the development of which was completed during the fiscal year under review. With regard to cover glass for touch panels whose demand has been increasing with the market growth in smart phones and tablet PCs, the NEG Group will launch full-scale sales of 'T2X' series, new materials for specialty glass for chemical strengthening in order to improve the overall sales of glass for display devices.

2) Expansion of glass for non-display devices field

The NEG Group will make every effort to improve sales of existing products with the aim of expanding glass for non-display devices field and will also promote rationalization and efficiency in operations for the improvement of profitability.

Recently, the NEG Group has achieved good sales performance in ‘Lumiphous’ (phosphor glass) for light source of super luminosity LED which has been attracted attention for its uniqueness, ‘Invisible glass’ (glass with an extremely low reflective coating) for display cases, ‘Glass-ribbon’ (ribbon-like extremely thin glass with a few micrometers) for chips for micro total analysis systems. We will accelerate the commercialization of the products currently under development, such as ‘Liquid crystal lenses’ and will also focus on new product development so as to expand the business area of glass for non-display devices field.

3) Enhancement of research and development

It is essential for any company to promote research and development towards creation and development of new products and technologies for sustained growth. The Company opened P&P Technology Center Takatsuki in the site of Shiga-Takatsuki Factory for the process development of ultra-thin board glass in June 2011, and we have been engaged in research and development of ‘Ultra-thin glass roll’, ‘Ultrathin glass laminated on resin’ and other new products with various potential uses. In addition, the market requires the manufacturers to have strong proposal capabilities with innovative ideas. Based on these movements, the Company reformed its R&D system in October 2012 and opened P&P Technology Center Otsu, a new research and development center in the site of Otsu Factory in April 2013. Leveraging these bases to full effect, the NEG Group will develop and provide highly-functional glass products with unprecedented innovative ideas in many product fields with high future growth potential, such as ultra-precision display, touch panel, solar cells, organic EL lighting and advanced medicine components with the aim of attaining sustained growth.

4) Reduction of interest-bearing debt and cash flow centric business management

As part of our effort to improve the NEG Group’s financial strength, we have been continuously working to reduce interest-bearing debt to the level of 20% as a percentage of consolidated net sales. Interest-bearing debt as of the end of the fiscal year under review increased by ¥15.7 billion from the end of the previous fiscal year because the NEG Group newly borrowed loans to meet the financial requirement of overseas operations. As a result, the ratio of interest-bearing debt to consolidated net sales was 35.7%, an increase of 10.0 percentage points from the end of the previous fiscal year. The NEG Group will, however, continue working to manage and reduce interest-bearing debt, and at the same time we will also conduct a cash-flow centric business management with efficient management of funds.

(6) Changes in assets and profit/loss

(Yen)

| Item | 91st Fiscal Year (April 2009 to March 2010) | 92nd Fiscal Year (April 2010 to March 2011) | 93rd Fiscal Year (April 2011 to March 2012) | 94th Fiscal Year (April 2012 to March 2013) |
|----------------------|---|---|---|---|
| Net sales | 332,387 million | 390,195 million | 338,214 million | 287,303 million |
| Operating income | 98,426 million | 117,471 million | 61,638 million | 24,967 million |
| Ordinary income | 91,419 million | 114,299 million | 56,855 million | 22,767 million |
| Net income | 54,926 million | 68,608 million | 19,408 million | 10,603 million |
| Net income per share | 110.41 | 137.92 | 39.02 | 21.32 |
| Total assets | 646,443 million | 692,622 million | 687,069 million | 697,385 million |
| Net assets | 406,306 million | 468,037 million | 475,736 million | 495,294 million |
| Net assets per share | 808.75 | 932.17 | 945.47 | 982.97 |

(7) Status of important subsidiaries (as of March 31, 2013)

| Subsidiary name | Capital stock | Investment stake of the Company | Main business |
|---|--------------------|------------------------------------|---|
| Nippon Electric Glass (Malaysia) Sdn. Bhd. | M\$ 1,303 million | 100% | Production and sale of glass for electronics and information devices, and glass for others |
| Nippon Electric Glass (Korea) Co., Ltd. | KRW 5,000 million | 100% | Processing and sale of glass for the electronics and information devices |
| Nippon Electric Glass Taiwan Co., Ltd. | NT\$ 210 million | 100% | Processing and sale of glass for the electronics and information devices |
| Paju Electric Glass Co., Ltd. | KRW 84,120 million | 60% | Processing and sale of glass for the electronics and information devices |
| Electric Glass Korea Co., Ltd. | KRW 43,100 million | 100% | Production and sale of glass for the electronics and information devices |

Note 1: Electric Glass Korea Co., Ltd. was established in the fiscal year under review, and it has fallen under the status of important subsidiaries as a result of increase in capital stock. Therefore, it is listed in the table above.

Note 2: While one consolidated subsidiary was excluded from the scope of consolidation due to the merger between two consolidated subsidiaries in the fiscal year under review, two subsidiaries newly established were included in the scope of consolidation. As a result, the number of consolidated subsidiaries including five important subsidiaries above is now 22.

(8) Description of main businesses (as of March 31, 2013)

The NEG Group mainly produces and sells special glass products including glass for electronic and information devices, as well as glass making machinery.

| Category | Main products |
|--|---|
| Glass for electronic and information devices | Glass for Flat Panel Displays (FPD) Glass for Liquid Crystal Displays (LCD) Glass for Plasma Display Panels (PDP) Glass for Cathode Ray Tubes (CRT) Specialty Glass for Chemical Strengthening Glass for Optical Devices Capillary and Ferrule for Optical Communication Devices Lens for Optical Communication Devices “Micro Preform” Glass Materials for Aspherical Lenses Glass for Electronic Devices Functional Powdered Glass Sheet Glass for Image Sensors Glass Tube for Small Electronic Products Glass for Solar Cells |
| Glass for others | Glass Fiber Chopped Strands for Function Plastic Roving Glass for Reinforced Plastics Chopped-Strand Mats for Automobiles Alkali-Resistant Glass Fiber Glass for Building Materials Glass Blocks “Neoparies” Glass Ceramics Building Materials “FireLite” Fire Rated Glass “LX Premium” Radiation-Shielding Glass Glass for Interiors/Exteriors Heat-Resistant Glass “Neoceram” Super Heat-Resistant Glass Ceramic “Neorex” Heat-Resistant Glass Glass for Lighting Use Glass for Ampules, Vials, and Laboratory Use Glass for Thermos Flasks Glass Making Machinery |

(9) Main sales offices and factories (as of March 31, 2013)

1) The Company

| Name | Location |
|-----------------------------------|----------------------------|
| Head Office | Otsu, Shiga |
| Osaka Office & Sales Headquarters | Yodogawa-ku, Osaka |
| Tokyo Office & Sales Headquarters | Minato-ku, Tokyo |
| Otsu Factory | Otsu, Shiga |
| Fujisawa Factory | Fujisawa, Kanagawa |
| Shiga-Takatsuki Factory | Nagahama, Shiga |
| Notogawa Factory | Higashiomi, Shiga |
| Wakasa-Kaminaka Factory | Mikata-Kaminaka-gun, Fukui |
| Precision Glass Processing Center | Kusatsu, Shiga |

2) Subsidiaries

| Company name | Location |
|--|--------------------|
| Nippon Electric Glass (Malaysia) Sdn. Bhd. | Selangor, Malaysia |
| Nippon Electric Glass (Korea) Co., Ltd. | Kyong-buk, Korea |
| Nippon Electric Glass Taiwan Co., Ltd. | Taichung, Taiwan |
| Paju Electric Glass Co., Ltd. | Gyeonggi, Korea |
| Electric Glass Korea Co., Ltd. | Gyeonggi, Korea |

(10) Status of employees (as of March 31, 2013)

| Number of employees | Change from previous fiscal year |
|---------------------|----------------------------------|
| 5,164 | Decrease of 137 |

Note 1: The number of employees represents the number of working employees.

Note 2: The number of employees of the Company is 1,835 (decrease of 9 compared with the previous fiscal year.)

2. Matters related to shares of the Company (As of March 31, 2013)**(1) Total number of shares authorized to be issued:** 1,200,000,000 shares**(2) Total number of shares issued:** 497,616,234 shares

Note: Total number of shares issued includes 208,204 shares of treasury stock.

(3) Number of shareholders 19,381**(4) Major shareholders (Top 10 shareholders)**

| Name | Number of shares held (Thousands of shares) | Ratio of shareholding |
|--|--|--------------------------|
| NIPRO CORPORATION | 84,687 | 17.0% |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 28,009 | 5.6% |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 28,008 | 5.6% |
| Japan Trustee Services Bank, Ltd. (Trust Account No.4) | 8,875 | 1.8% |
| The Shiga Bank, Ltd. | 8,089 | 1.6% |
| THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT | 6,190 | 1.2% |
| BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) | 6,058 | 1.2% |
| Nippon Life Insurance Company | 5,850 | 1.2% |
| Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 5,749 | 1.2% |
| NORTHERN TRUST CO AVFC RE NORTHERN TRUST GUERNSEY IRISH CLIENTS | 5,290 | 1.1% |

Note 1: The ratio of shareholding is calculated by excluding treasury stock (208,204 shares).

Note 2: The Company received a copy of the Change Report (the Change Report pertaining to Report of Possession of Large Volume) dated November 7, 2012 sent by BlackRock Japan Co., Ltd. to notice that BlackRock Japan Co., Ltd. and other five companies held 17,984 thousand shares as of October 31, 2012, but the Company did not include them in the major shareholders above as the Company could not confirm the number of shares beneficially held by them as of the end of the fiscal year under review.

Note 3: The Company received a copy of the Change Report (the Change Report pertaining to Report of Possession of Large Volume) dated January 9, 2013 sent by Sumitomo Mitsui Trust Bank, Limited to notice that Sumitomo Mitsui Trust Bank, Limited and other two companies held 27,157 thousand shares as of December 31, 2012, but the Company did not include them in the major shareholders above as the Company could not confirm the number of shares beneficially held by them as of the end of the fiscal year under review.

3. Matters related to Directors and Corporate Auditors of the Company

(1) Names, etc. of Directors and Corporate Auditors (as of March 31, 2013)

| Name | Position in the Company | Assignment of work and significant concurrent positions |
|-----------------------|--|---|
| Yuzo Izutsu | Chairman of the Board (Representative Director) | |
| Masayuki Arioka | President (Representative Director) | CEO [In charge of Auditing] |
| Masanori Yokota | Director | Executive Vice President [Supervising: LCD Glass Business] Group General Manager, LCD Glass Business Chairman, Board of Directors, Electric Glass (Guangzhou) Co., Ltd. |
| Shigeru Yamamoto | Director | Executive Vice President [Supervising: Technology, Intellectual Property, Consumer Glass Business, Electronic Products Business, Thin Film Business] |
| Koichi Inamasu | Director | Executive Vice President [Supervising: Glass Fiber Business, CRT Glass Business, PDP Glass Plate Business] Group General Manager, CRT Glass Group Group General Manager, PDP Glass Plate Group Chairman, Board of Directors, Nippon Electric Glass (Malaysia) Sdn. Bhd. |
| Masahiro Miyake | Director | Senior Vice President [In charge of Environmental Management, Furnace Design & Engineering, Engineering, Plant Engineering, Security Trade Control] |
| Tamotsu Kitagawa | Director | Senior Vice President [In charge of LCD Glass Business (Sales & STN Glass Business), Sales Management] Deputy Group General Manager, LCD Glass Business President, Electric Glass Trade, Co., Ltd. |
| Motoharu Matsumoto | Director | Senior Vice President [Supervising: Administration, Human Resources] [In charge of Accounting, Purchasing, Tokyo Branch Office] |
| Nobuhiro Miyamoto | Full-time Corporate Auditor | |
| Fujio Kishi | Full-time Corporate Auditor | |
| Kazuhiro Ito | Corporate Auditor | Certified Public Accountant, Certified Public Tax Accountant, Kazuhiro Ito CPA Office Professor, The Konan Graduate School of Accountancy Auditor, Nara Medical University Auditor, Sakai City Hospital Organization |

TRANSLATION FOR REFERENCE ONLY

| Name | Position in the Company | Assignment of work and significant concurrent positions |
|----------------|-------------------------|--|
| Mineya Hamaoka | Corporate Auditor | Attorney at Law, Seiwa Law Office Outside Corporate Auditor, Hanshin Electric Railway, Co., Ltd. Outside Director, ASICS Corporation |

Note 1: Corporate Auditors Mr. Kazuhiro Ito and Mr. Mineya Hamaoka are Outside Corporate Auditors.

Note 2: Corporate Auditor Mr. Kazuhiro Ito is qualified as a certified public accountant as well as a certified public tax accountant and has deep insight into financial affairs and accounting.

Note 3: Corporate Auditors Mr. Kazuhiro Ito and Mr. Mineya Hamaoka are Independent Auditors filed at the financial instrument exchanges pursuant to the provisions set forth by the same exchanges.

Note 4: The Company has adopted Executive Officer System. “Supervising” and “In charge” in the “Assignment of work and significant concurrent positions” indicate work assignments of Executive Officers. As of March 31, 2013, there are 13 Executive Officers who are not Directors.

Note 5: The following is the name of a director who retired during the fiscal year under review and their positions at the retirement and retirement dates.

| Name | Position at the retirement | Year, month and date of retirement |
|-----------|----------------------------|--|
| Shuji Ito | Director | June 28, 2012 (expiration of the term of office) |

Note 6: Effective April 1, 2013, “Assignment of work and significant concurrent positions” of Directors Mr. Masanori Yokota, Mr. Koichi Inamasu, Mr. Motoharu Matsumoto and Mr. Tamotsu Kitagawa, and a Corporate Auditor Mr. Kazuhiro Ito are changed as follows:

| Name | Position in the Company | Assignment of work and significant concurrent positions |
|--------------------|-------------------------|--|
| Masanori Yokota | Director | Executive Vice President [Supervising: LCD Glass Business] Chairman, Board of Directors, Electric Glass (Guangzhou) Co., Ltd. |
| Koichi Inamasu | Director | Executive Vice President [Supervising: Corporate Strategy, Administration, Human Resources, Glass Fiber Business] [In charge of Accounting, Purchasing, Tokyo Branch Office, CRT Glass Business] Chairman, Board of Directors, Nippon Electric Glass (Malaysia) Sdn. Bhd. |
| Motoharu Matsumoto | Director | Executive Vice President [Supervising: PDP Glass Plate Business] [In charge of LCD Glass Business] Group General Manager, LCD Glass Business |
| Tamotsu Kitagawa | Director | Senior Vice President [In charge of LCD Glass Business (Sales & STN Glass Business), Sales Management] President, Electric Glass Trade, Co., Ltd. |

| Name | Position in the Company | Assignment of work and significant concurrent positions |
|--------------|-------------------------|---|
| Kazuhiro Ito | Corporate Auditor | Certified Public Accountant, Certified Public Tax Accountant, Kazuhiro Ito CPA Office Professor, The Konan Graduate School of Accountancy Auditor, Sakai City Hospital Organization |

(2) The amount of remunerations for Directors and Corporate Auditors

| Category | Number | Total amount of remuneration |
|--|----------|------------------------------|
| Director | 9 | ¥332 million |
| Corporate Auditor (of which, Outside Corporate Auditor) | 4 (2) | ¥51 million (¥10 million) |
| Total | 13 | ¥384 million |

Note: The total amount of remunerations for Directors includes a bonus to Directors of ¥84 million, which is to be resolved at the 94th Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2013.

(3) Matters related to Outside Corporate Auditors

- 1) Significant concurrent position of Outside Corporate Auditors for other entities and relationships between the Company and such other entities (as of March 31, 2013)

| Category | Name | Significant concurrent positions |
|-------------------|----------------|---|
| Corporate Auditor | Kazuhiro Ito | Certified Public Accountant, Certified Public Tax Accountant, Kazuhiro Ito CPA Office Professor, The Konan Graduate School of Accountancy Auditor, Nara Medical University Auditor, Sakai City Hospital Organization |
| Corporate Auditor | Mineya Hamaoka | Attorney at Law, Seiwa Law Office Outside Corporate Auditor, Hanshin Electric Railway, Co., Ltd. Outside Director, ASICS Corporation |

Note: There is no special relationship between the Company and the entities for which Mr. Kazuhiro Ito and Mr. Mineya Hamaoka work as described in "Significant concurrent positions."

2) Main activities during the fiscal year under review

| Category | Name | Status of main activities |
|-------------------|----------------|---|
| Corporate Auditor | Kazuhiro Ito | Mr. Kazuhiro Ito attended all of the Board of Directors Meetings and Corporate Auditors Meetings held during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert viewpoint of a Certified Public Accountant and Certified Tax Accountant. |
| Corporate Auditor | Mineya Hamaoka | Mr. Mineya Hamaoka attended the Board of Directors Meeting 12 times out of 13 and all of the Corporate Auditors Meetings held during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert viewpoint of an Attorney at Law. |

3) Outline of the liability limitation agreement

The Company has concluded a liability limitation agreement with each of the Outside Corporate Auditors. This agreement specifies that, in compliance with Article 427, Paragraph 1 of the Corporation Law, when an Outside Corporate Auditor bears liability for damage against the Company as stipulated in Article 423, Paragraph 1 of the Corporation Law, the relevant liability for damages shall be limited to the minimum liability for damages as stipulated in Article 425, Paragraph 1 of the Corporation Law, provided that said person execute his or her duties as an Outside Corporate Auditors of the Company unknowingly and without gross negligence.

4. Status of Independent Auditor**(1) Name of Independent Auditor**

KPMG AZSA LLC

(2) Amount of remuneration for Independent Auditor in the fiscal year under review

| | Amount paid |
|--|-------------|
| Amount of remuneration for auditing service stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Law | ¥63 million |
| Total amount of money and other property benefits that shall be paid by the Company and its subsidiaries | ¥65 million |

Note 1: In the auditing contract between the Company and the Independent Auditor, the amount of remuneration for auditing in compliance with the Corporation Law, the amount of remuneration regarding the audit of the English version of the consolidated financial statements and the amount of remuneration for auditing in compliance with the Financial Instruments and Exchange Act have not been separated distinctly, nor can they be separated in essence. Accordingly, the above amount indicates the total of these amounts.

Note 2: The Company commissioned the Independent Auditor to prepare a comfort letter in association with the issuance of bonds and other duties in addition to service as provided in Article 2, Paragraph 1 of the Certified Public Accountants Act and paid fees for the services accordingly.

Note 3: Five important subsidiaries of the Company listed in “(7) Status of important subsidiaries”

in “1. Status of Corporate Group” are audited by accounting firms other than the said Independent Auditor of the Company.

(3) Policy on decision to dismiss or not reappoint Independent Auditor

In cases where an Independent Auditor is considered to fall under any section of Article 340, Paragraph 1 of the Corporation Law, the Board of Corporate Auditors may dismiss said Independent Auditor upon unanimous consent of the Corporate Auditors.

In cases in which it is considered difficult for an Independent Auditor to execute its duties appropriately, as well as for reasons of the Company, the Board of Directors may propose at a shareholders’ meeting of the Company the agenda concerning dismissal or non-reappointment of the Independent Auditor with approval of, or by demand of, the Board of Corporate Auditors.

5. Systems to ensure execution of duties by Directors complying with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of operations of stock companies

(1) Systems to ensure that the execution of duties by Directors and employees shall comply with laws and regulations and the Articles of Incorporation

The Company has established the Compliance Committee as a specialized body that continuously ensures compliance with laws and regulations as well as corporate ethics within the NEG Group, and the committee shall implement the following: 1) planning of revision of “Corporate Philosophy”, “The NEG Group Code of Conduct” and “Principles of Activities,” and planning, preparing and implementing various measures to disseminate them throughout the NEG Group companies; 2) collecting and analyzing information about compliance including movement of social conditions, relevant laws and regulations at home and abroad, and providing training; and 3) operating an Internal Reporting System (Liaison Offices: Compliance Committee and a law firm). The details of these implemented actions shall be regularly reported to the Board of Directors and the Corporate Auditors.

The Internal Auditing Department (the Auditing Division) shall implement internal auditing of each division and Group companies from an independent position based on internal auditing regulations and the auditing plan, and shall report the status of implementation to the President as necessary.

(2) Systems for storage and management of information related to execution of duties by Directors

Documents concerning execution of duties by Directors (approval documents and other decision-making documents, minutes of meetings, etc.) shall be kept and managed appropriately in compliance with laws and regulations as well as the document management rules and other rules set by the Company.

(3) Regulations and other systems concerning risk management for loss

The Company assesses risks periodically, identifies any management risks and takes necessary measures to mitigate or eliminate them.

Risks of businesses of the Company which it recognizes as important (such as compliance, finance, environment, disaster, security trade control, information management, quality, safety

and health) shall be overseen by the responsible departments or by specialized committees through means such as establishing regulations and guidelines, providing training and preparing manuals as the need arises.

As for risks that have newly arisen, the CEO will promptly determine the personnel responsible for them and implement countermeasures.

Issues of particular importance to management shall be discussed at and reported to the Management Committee and the Board of Directors Meeting.

(4) Systems to ensure efficient execution of duties by Directors

The Company has introduced the Executive Officer System and business group system approach in order to clarify management targets and efficiently operate businesses, and will set an annual budget (business plan) by business group and on a company-wide basis at the Board of Directors Meeting. In addition, the Company shall manage business achievements on a monthly basis and discuss and examine important management issues from various perspectives at the Board of Directors Meeting, Management Committee and meetings of business groups.

In order to make sure that necessary information is conveyed to interested parties and an appropriate decision is made on a timely basis, information technology such as electronic approval systems is utilized.

(5) Systems to ensure the appropriateness of operations of the NEG Group comprising the Company and its subsidiaries

The Company has established and is ensuring compliance with the “The Group Code of Conduct” and the “Principle of Activities”, which are the standards for judgment and behavior of Directors and employees of the NEG Group, and also operates the Internal Reporting System.

Furthermore, to ensure the appropriateness of the NEG Group’s financial reporting, the Company and its Group companies have established and are operating the necessary organizational systems and the Internal Auditing Department (the Auditing Division) evaluates the validity of such systems.

Besides the above actions, the Company shall keep track of and solve management issues of subsidiaries as deemed appropriate, by means such as dispatching Directors to subsidiaries and having the administration departments of the Head Office or relevant business groups exchange information regularly with subsidiaries. The top management of the Company and subsidiaries shall hold meetings to improve management efficiency as the need arises.

(6) Matters related to employees assigned to assist Corporate Auditors in their duties and independence of such employees from Directors in the event Corporate Auditors’ request such employees

Employees who belong to the Administrative Division shall assist the duties of Corporate Auditors as the need arises. In the meantime, opinions of Corporate Auditors concerning transfer, etc. of such employees shall be respected.

(7) Systems for Directors and employees to report to Corporate Auditors, and other systems concerning reporting to Corporate Auditors

Directors and employees shall report without delay before or after the fact on matters that

would have an important influence on the Company and the Group. In addition, responsible personnel shall report the status of operation of the Internal Reporting System and the status of implementation of internal auditing as deemed appropriate.

Directors and employees shall report promptly when requested by the Board of Corporate Auditors.

(8) Other systems to ensure that auditing by Corporate Auditors will be performed effectively.

The Corporate Auditors shall exchange opinions with the Representative Director, Independent Auditor and the Auditing Division as deemed appropriate.

Note: Monetary amounts and numbers of shares in this business report are rounded down, whereas percentages and per-share data are rounded to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2013)

(Millions of yen)

| Item | Amount | Item | Amount |
|-------------------------------------|----------------|---|----------------|
| (Assets) | | (Liabilities) | |
| <u>Current assets</u> | 243,576 | <u>Current liabilities</u> | 88,038 |
| Cash and deposits | 129,420 | Notes and accounts payable-trade | 35,805 |
| Notes and accounts receivable-trade | 45,824 | Short-term loans payable | 22,712 |
| Finished and purchased goods | 31,552 | Accrued income taxes | 1,423 |
| Work in process | 2,479 | Other reserves | 94 |
| Raw materials and supplies | 21,203 | Others | 28,003 |
| Deferred tax assets | 4,901 | <u>Non-current liabilities</u> | 114,052 |
| Others | 8,298 | Bonds | 40,000 |
| Allowance for doubtful accounts | (103) | Long-term loans payable | 36,891 |
| <u>Fixed assets</u> | 453,809 | Provision for special repairs | 35,032 |
| <u>Tangible fixed assets</u> | 395,375 | Other reserves | 989 |
| Buildings and structures | 62,800 | Others | 1,138 |
| Machinery, equipment and vehicles | 303,742 | <u>Total Liabilities</u> | <u>202,091</u> |
| Land | 13,337 | (Net Assets) | |
| Construction in progress | 12,988 | <u>Shareholders' equity</u> | 484,657 |
| Others | 2,506 | Common stock | 32,155 |
| <u>Intangible fixed assets</u> | 2,090 | Capital surplus | 34,351 |
| <u>Investments and other assets</u> | 56,342 | Retained earnings | 418,419 |
| Investment securities | 37,262 | Treasury stock | (270) |
| Deferred tax assets | 17,720 | <u>Accumulated other comprehensive income</u> | 4,279 |
| Others | 1,400 | Net unrealized holding gains on securities | 10,852 |
| Allowance for doubtful accounts | (40) | Deferred gains or losses on hedges | (67) |
| | | Foreign currency translation adjustments | (6,506) |
| | | <u>Minority interests</u> | 6,358 |
| | | <u>Total Net Assets</u> | <u>495,294</u> |
| <u>Total Assets</u> | <u>697,385</u> | <u>Total Liabilities and Net Assets</u> | <u>697,385</u> |

Note: Amounts less than ¥1 million are rounded down.

Consolidated Statement of Income

(From April 1, 2012 to March 31, 2013)

(Millions of yen)

| Item | Amount | |
|---|---------|---------|
| Net sales | | 287,303 |
| Cost of sales | | 235,226 |
| Gross profit | | 52,077 |
| Selling, general and administrative expenses | | 27,109 |
| Operating income | | 24,967 |
| Non-operating income | | |
| Interest and dividend income | 1,018 | |
| Insurance income | 347 | |
| Others | 1,399 | 2,765 |
| Non-operating expenses | | |
| Interest expenses | 680 | |
| Loss on disposal of fixed assets | 1,085 | |
| Depreciation of inactive fixed assets | 2,097 | |
| Others | 1,102 | 4,965 |
| Ordinary income | | 22,767 |
| Extraordinary income | | |
| Reversal of provision for special repairs | 2,406 | |
| Others | 294 | 2,701 |
| Extraordinary loss | | |
| Loss on disposal of fixed assets | 1,114 | |
| Impairment loss | 2,690 | |
| Loss from valuation of investment securities | 4,074 | |
| Others | 478 | 8,357 |
| Income before income taxes and minority interests | | 17,111 |
| Income taxes-current | 9,492 | |
| Income taxes-deferred | (4,228) | 5,263 |
| Net income before minority interests | | 11,847 |
| Minority interests | | 1,244 |
| Net income | | 10,603 |

Note: Amounts less than ¥1 million are rounded down.

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2012 to March 31, 2013)

(Millions of yen)

| Item | Amount | Item | Amount |
|---|---------|--|----------|
| Shareholders' equity | | Accumulated other comprehensive income | |
| Common stock | | Net unrealized holding gains on securities | |
| Beginning balance | 32,155 | Beginning balance | 824 |
| Change during the current fiscal year | | Change during the current fiscal year | |
| Total change during the current fiscal year | - | Net change of items other than shareholders' equity during the current fiscal year | 10,028 |
| Ending balance | 32,155 | Total change during the current fiscal year | 10,028 |
| Capital surplus | | Ending balance | 10,852 |
| Beginning balance | 34,355 | Deferred gains or losses on hedges | |
| Change during the current fiscal year | | Beginning balance | (5) |
| Disposition of treasury stock | (4) | Change during the current fiscal year | |
| Total change during the current fiscal year | (4) | Net change of items other than shareholders' equity during the current fiscal year | (61) |
| Ending balance | 34,351 | Total change during the current fiscal year | (61) |
| Retained earnings | | Ending balance | (67) |
| Beginning balance | 415,799 | Foreign currency translation adjustments | |
| Change during the current fiscal year | | Beginning balance | (12,572) |
| Dividends from surplus | (7,958) | Change during the current fiscal year | |
| Net income | 10,603 | Net change of items other than shareholders' equity during the current fiscal year | 6,065 |
| Others | (24) | Total change during the current fiscal year | 6,065 |
| Total change during the current fiscal year | 2,620 | Ending balance | (6,506) |
| Ending balance | 418,419 | Total accumulated other comprehensive income | |
| Treasury stock | | Beginning balance | (11,753) |
| Beginning balance | (274) | Change during the current fiscal year | |
| Change during the current fiscal year | | Net change of items other than shareholders' equity during the current fiscal year | 16,033 |
| Acquisition of treasury stock | (2) | Total change during the current fiscal year | 16,033 |
| Disposition of treasury stock | 6 | Ending balance | 4,279 |
| Total change during the current fiscal year | 3 | Minority interests | |
| Ending balance | (270) | Beginning balance | 5,452 |
| Total shareholders' equity | | Change during the current fiscal year | |
| Beginning balance | 482,037 | Net change of items other than shareholders' equity during the current fiscal year | 905 |
| Change during the current fiscal year | | Total change during the current fiscal year | 905 |
| Dividends from surplus | (7,958) | Ending balance | 6,358 |
| Net income | 10,603 | Total net assets | |
| Acquisition of treasury stock | (2) | Beginning balance | 475,736 |
| Disposition of treasury stock | 2 | Change during the current fiscal year | |
| Others | (24) | Dividends from surplus | (7,958) |
| Total change during the current fiscal year | 2,619 | Net income | 10,603 |
| Ending balance | 484,657 | Acquisition of treasury stock | (2) |
| | | Disposition of treasury stock | 2 |
| | | Others | (24) |
| | | Net change of items other than shareholders' equity during the current fiscal year | 16,938 |
| | | Total change during the current fiscal year | 19,558 |
| | | Ending balance | 495,294 |

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated Balance Sheet

(As of March 31, 2013)

(Millions of yen)

| Item | Amount | Item | Amount |
|---|----------------|--|----------------|
| (Assets) | | (Liabilities) | |
| <u>Current assets</u> | 198,368 | <u>Current liabilities</u> | 84,828 |
| Cash and deposits | 90,443 | Accounts payable-trade | 41,389 |
| Notes receivable-trade | 1,499 | Short-term loans payable | 19,000 |
| Accounts receivable-trade | 61,291 | Current portion of long-term loans payable | 2,472 |
| Finished and purchased goods | 15,262 | Accounts payable-other | 8,141 |
| Work in process | 5,736 | Accrued expenses | 6,325 |
| Raw materials and supplies | 15,993 | Other reserves | 84 |
| Deferred tax assets | 3,603 | Others | 7,415 |
| Others | 4,575 | <u>Non-current liabilities</u> | 111,195 |
| Allowance for doubtful accounts | (37) | Bonds | 40,000 |
| <u>Fixed assets</u> | 440,678 | Long-term loans payable | 35,372 |
| <u>Tangible fixed assets</u> | 320,677 | Provision for special repairs | 35,032 |
| Buildings and structures | 49,389 | Other reserves | 117 |
| Machinery and equipment | 257,003 | Others | 673 |
| Vehicles, tools, furniture and fixtures | 1,517 | Total Liabilities | 196,024 |
| Land | 8,607 | (Net Assets) | |
| Lease assets | 124 | <u>Shareholders' equity</u> | 432,236 |
| Construction in progress | 4,033 | Common stock | 32,155 |
| <u>Intangible fixed assets</u> | 1,765 | Capital surplus | 34,351 |
| <u>Investments and other assets</u> | 118,236 | Capital reserve | 33,885 |
| Investment securities | 35,578 | Other capital surplus | 465 |
| Stocks of affiliates | 60,080 | Retained earnings | 365,999 |
| Investments in capital of affiliates | 2,190 | Legal reserve | 2,988 |
| Long-term loans | 5,519 | Other retained earnings | 363,011 |
| Deferred tax assets | 13,990 | Reserve for special depreciation | 1,571 |
| Others | 882 | General reserve | 205,770 |
| Allowance for doubtful accounts | (5) | Retained earnings brought forward | 155,670 |
| | | Treasury stock | (270) |
| | | <u>Valuation and translation adjustments</u> | 10,785 |
| | | Net unrealized holding gains on securities | 10,852 |
| | | Deferred gains or losses on hedges | (67) |
| | | Total Net Assets | 443,022 |
| Total Assets | 639,047 | Total Liabilities and Net Assets | 639,047 |

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated Statement of Income

(From April 1, 2012 to March 31, 2013)

(Millions of yen)

| Item | Amount | |
|--|---------|---------|
| Net sales | | 222,850 |
| Cost of sales | | 191,065 |
| Gross profit | | 31,784 |
| Selling, general and administrative expenses | | 19,035 |
| Operating income | | 12,749 |
| Non-operating income | | |
| Interest and dividend income | 3,039 | |
| Technical support fee | 2,408 | |
| Others | 2,209 | 7,657 |
| Non-operating expenses | | |
| Interest expenses | 574 | |
| Loss on disposal of fixed assets | 1,052 | |
| Depreciation of inactive fixed assets | 1,986 | |
| Others | 964 | 4,577 |
| Ordinary income | | 15,829 |
| Extraordinary income | | |
| Reversal of provision for special repairs | 2,406 | |
| Gain on sales of fixed assets | 226 | 2,632 |
| Extraordinary loss | | |
| Loss on disposal of fixed assets | 463 | |
| Impairment loss | 2,570 | |
| Loss on sales of investment securities | 474 | |
| Loss from valuation of investment securities | 4,074 | 7,583 |
| Income before income taxes | | 10,879 |
| Income taxes-current | 7,429 | |
| Income taxes-deferred | (2,649) | 4,780 |
| Net income | | 6,099 |

Note: Amounts less than ¥1 million are rounded down.

Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2012 to March 31, 2013)

(Millions of yen)

| Item | Amount | Item | Amount |
|---|---------|--|---------|
| Shareholders' equity | | Treasury stock | |
| Common stock | | Beginning balance | (274) |
| Beginning balance | 32,155 | Change during the current fiscal year | |
| Change during the current fiscal year | | Acquisition of treasury stock | (2) |
| Total change during the current fiscal year | - | Disposition of treasury stock | 6 |
| Ending balance | 32,155 | Total change during the current fiscal year | 3 |
| Capital surplus | | Ending balance | (270) |
| Capital reserve | | Total shareholders' equity | |
| Beginning balance | 33,885 | Beginning balance | 434,096 |
| Change during the current fiscal year | | Change during the current fiscal year | |
| Total change during the current fiscal year | - | Dividends from surplus | (7,958) |
| Ending balance | 33,885 | Net income | 6,099 |
| Other capital surplus | | Acquisition of treasury stock | (2) |
| Beginning balance | 470 | Disposition of treasury stock | 2 |
| Change during the current fiscal year | | Total change during the current fiscal year | (1,859) |
| Disposition of treasury stock | (4) | Ending balance | 432,236 |
| Total change during the current fiscal year | (4) | Valuation and translation adjustments | |
| Ending balance | 465 | Net unrealized holding gains on securities | |
| Total capital surplus | | Beginning balance | 824 |
| Beginning balance | 34,355 | Change during the current fiscal year | |
| Change during the current fiscal year | | Net change of items other than shareholders' equity during the current fiscal year | 10,028 |
| Disposition of treasury stock | (4) | Total change during the current fiscal year | 10,028 |
| Total change during the current fiscal year | (4) | Ending balance | 10,852 |
| Ending balance | 34,351 | Deferred gains or losses on hedges | |
| Retained earnings | | Beginning balance | (5) |
| Legal reserve | | Change during the current fiscal year | |
| Beginning balance | 2,988 | Net change of items other than shareholders' equity during the current fiscal year | (61) |
| Change during the current fiscal year | | Total change during the current fiscal year | (61) |
| Total change during the current fiscal year | - | Ending balance | (67) |
| Ending balance | 2,988 | Total valuation and translation adjustments | |
| Other retained earnings | | Beginning balance | 818 |
| Reserve for special depreciation | | Change during the current fiscal year | |
| Beginning balance | 1,890 | Net change of items other than shareholders' equity during the current fiscal year | 9,967 |
| Change during the current fiscal year | | Total change during the current fiscal year | 9,967 |
| Provision of reserve for special depreciation | 39 | Ending balance | 10,785 |
| Reversal of reserve for special depreciation | (359) | Total net assets | |
| Total change during the current fiscal year | (319) | Beginning balance | 434,915 |
| Ending balance | 1,571 | Change during the current fiscal year | |
| General reserve | | Dividends from surplus | (7,958) |
| Beginning balance | 205,770 | Net income | 6,099 |
| Change during the current fiscal year | | Acquisition of treasury stock | (2) |
| Total change during the current fiscal year | - | Disposition of treasury stock | 2 |
| Ending balance | 205,770 | Net change of items other than shareholders' equity during the current fiscal year | 9,967 |
| Retained earnings brought forward | | Total change during the current fiscal year | 8,107 |
| Beginning balance | 157,210 | Ending balance | 443,022 |
| Change during the current fiscal year | | | |
| Provision of reserve for special depreciation | (39) | | |
| Reversal of reserve for special depreciation | 359 | | |
| Dividends from surplus | (7,958) | | |
| Net income | 6,099 | | |
| Total change during the current fiscal year | (1,539) | | |
| Ending balance | 155,670 | | |
| Total retained earnings | | | |
| Beginning balance | 367,859 | | |
| Change during the current fiscal year | | | |
| Dividends from surplus | (7,958) | | |
| Net income | 6,099 | | |
| Total change during the current fiscal year | (1,859) | | |
| Ending balance | 365,999 | | |

Note: Amounts less than ¥1 million are rounded down.

(Reference)

Consolidated Statement of Cash Flows (Summary)

(From April 1, 2012 to March 31, 2013)

(Millions of yen)

| Item | Amount |
|--|----------|
| Net cash provided by operating activities | 55,111 |
| Income before income taxes and minority interests | 17,111 |
| Depreciation and amortization | 46,104 |
| Decrease in notes and accounts receivable | 11,145 |
| Increase in inventories | (1,294) |
| Decrease in notes and accounts payable | (18,593) |
| Payment for income taxes, net | (8,543) |
| Others | 9,181 |
| Net cash used in investing activities | (46,545) |
| Purchases of fixed assets | (33,176) |
| Others | (13,369) |
| Net cash provided by financing activities | 7,666 |
| Decrease in long- and short-term loans, net | (4,239) |
| Proceeds from issuance of bonds | 20,000 |
| Cash dividends paid | (7,957) |
| Others | (136) |
| Effect of exchange rate changes on cash and cash equivalents | 298 |
| Net increase in cash and cash equivalents | 16,530 |
| Cash and cash equivalents at beginning of fiscal year | 105,209 |
| Cash and cash equivalents at end of fiscal year | 121,740 |

Note: Amounts less than ¥1 million are rounded down.

Reference Document for the Ordinary General Meeting of Shareholders

Proposal 1: Distribution of Surplus

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.

Under this policy, the Company has continuously increased the dividend amount while addressing matters such as enhancement of the glass for display field and expansion of the glass for non-display field, as well as reducing interest-bearing debt.

For year-end dividends for the fiscal year under review, we will pay ¥8 per share based on this policy. As a result, the annual dividend will be ¥16 per share, an increase of ¥1 from the previous fiscal year, including the interim dividend of ¥8.

- (1) Type of dividend assets:
Cash
- (2) Matters related to allocation of dividend assets to shareholders and the total amount thereof:
¥8 per share of common stock of the Company; a total amount of ¥3,979,264,240
- (3) Effective date of distribution of surplus:
June 28, 2013

Proposal 2: Election of Eight (8) Directors

The terms of office for all eight (8) Directors will expire as of the close of this Ordinary General Meeting of Shareholders. Therefore, we propose the election of eight (8) Directors.

The candidates for Directors are as follows:

| No. | Name (Date of birth) | Brief personal profile, position, responsibilities and significant concurrent positions | Number of the Company shares held |
|-----|---|---|-----------------------------------|
| 1 | Yuzo Izutsu (December 12, 1944) | Apr. 1967: Joined Nippon Electric Glass June 1996: Director (Incumbent) June 2000: Senior Director June 2002: Executive Vice President June 2003: President CEO June 2009: Vice Chairman June 2010: Chairman (Incumbent) | 76,500 |
| 2 | Masayuki Arioka (September 28, 1948) | Apr. 1978: Joined Nippon Electric Glass June 1999: Director (Incumbent) June 2002: Vice President June 2004: Senior Vice President Apr. 2008: Executive Vice President June 2009: President (Incumbent) CEO (Incumbent) [Assignment of work for executive officers] In charge of Auditing | 44,000 |
| 3 | Shigeru Yamamoto (December 19, 1953) | Apr. 1978: Joined Nippon Electric Glass Oct. 1997: General Manager, Technical Division June 2002: Vice President June 2005: Director (Incumbent) Senior Vice President Apr. 2012: Executive Vice President (Incumbent) [Assignment of work for executive officers] Supervising: Technology, Intellectual Property, Consumer Glass Business, Electronic Products Business, Thin Film Business | 20,000 |

TRANSLATION FOR REFERENCE ONLY

| No. | Name (Date of birth) | Brief personal profile, position, responsibilities and significant concurrent positions | Number of the Company shares held |
|-----|---------------------------------------|---|-----------------------------------|
| 4 | Koichi Inamasu (January 30, 1952) | <p>Apr. 1974: Joined Nippon Electric Glass</p> <p>June 1998: General Manager, Personnel Division</p> <p>June 2002: Vice President</p> <p>June 2006: Director (Incumbent) Senior Vice President</p> <p>Apr. 2012: Executive Vice President (Incumbent) [Assignment of work for executive officers] Supervising: Corporate Strategy, Administration, Human Resources, Glass Fiber Business In charge of Accounting, Purchasing, Tokyo Branch Office, CRT Glass Business [Concurrent significant positions] Chairman, Board of Directors, Nippon Electric Glass (Malaysia) Sdn. Bhd.</p> | 34,000 |
| 5 | Motoharu Matsumoto (May 30, 1957) | <p>Apr. 1982: Joined Nippon Electric Glass</p> <p>Feb. 2005: General Manager, Accounting Division</p> <p>Apr. 2007: Vice President</p> <p>June 2011: Director (Incumbent) Senior Vice President</p> <p>Apr. 2013: Executive Vice President (Incumbent) Group General Manager, LCD Glass Business (Incumbent) [Assignment of work for executive officers] Supervising: PDP Glass Plate Business In charge of LCD Glass Business</p> | 11,000 |
| 6 | Masahiro Miyake (October 18, 1950) | <p>Apr. 1975: Joined Nippon Electric Glass</p> <p>Oct. 1997: General Manager, General Glass Division, Fujisawa Plant</p> <p>June 2001: Vice President</p> <p>June 2011: Director (Incumbent) Senior Vice President (Incumbent) [Assignment of work for executive officers] In charge of Environmental Management, Furnace Design & Engineering, Engineering, Plant Engineering, Security Trade Control</p> | 25,000 |

TRANSLATION FOR REFERENCE ONLY

| No. | Name (Date of birth) | Brief personal profile, position, responsibilities and significant concurrent positions | Number of the Company shares held |
|-----|--------------------------------------|--|-----------------------------------|
| 7 | Masahiro Tomamoto (July 19, 1955) | Apr. 1978: Joined Nippon Electric Glass Apr. 2009: Vice President (Incumbent) General Manager, LCD Glass Division, Production, LCD Glass Group Apr. 2012: Deputy Group General Manager, LCD Glass Group (Incumbent) [Assignment of work for executive officers] In charge of LCD Glass Business (Production) | 7,000 |
| 8 | Hirokazu Takeuchi (June 7, 1959) | Apr. 1982: Joined Nippon Electric Glass Apr. 2010: Vice President (Incumbent) Group General Manager, Electronic Products Group (Incumbent) [Assignment of work for executive officers] In charge of Electronic Products Business [Current Significant Position] Representative Director, Dong Yang Electronic Glass Co., Ltd. | 11,000 |

- Notes: 1. All candidates have no conflicts of interest with the Company.
 2. The Company has adopted the Executive Officer System. “Supervising” and “In charge of” in the “Brief personal profile, position, responsibilities and significant concurrent positions” indicate work assignments of executive officers.

Proposal 3: Election of One (1) Substitute Corporate Auditor

To prepare for the case in which the Company does not have the number of Corporate Auditors stipulated in laws and regulations, we propose the election of one (1) substitute Corporate Auditor in advance.

The Board of Corporate Auditors has already approved this proposal.

The candidate for substitute Corporate Auditor is as follows:

| Name (Date of birth) | Brief personal profile, position and significant concurrent positions | Number of the Company shares held |
|------------------------------------|--|-----------------------------------|
| Keijiro Kimura (April 14, 1961) | Apr. 1987: Registered as an Attorney at Law Joined Showa Law Office Jan. 1994: Registered at New York State Bar Association July 1995: Registered as Patent Attorney May 1998: Established Kyoei Law Office (existing) [Concurrent significant positions] Professor, Kwansai Gakuin University Law School Outside Corporate Director, NAGAOKA INTERNATIONAL CORPORATION | None |

Notes: 1. The abovementioned candidate has no conflicts of interest with the Company.

2. Matters related to the candidate for substitute Outside Corporate Auditor are as follows:

(1) Mr. Keijiro Kimura is candidate for substitute Outside Corporate Auditor.

(2) Reason for selecting the candidate as the candidate for substitute Outside Corporate Auditor:

Mr. Keijiro Kimura has expertise and extensive experience as an Attorney at Law. The Company proposes that Mr. Kimura be elected as the substitute Corporate Auditor in the hope that he will reflect such expertise and experience when auditing the Company.

(3) Reason that the Company determined that the above candidate can execute his duties as Outside Corporate Auditor appropriately:

Mr. Keijiro Kimura has no experience of involvement in corporate management in a way other than as an outside director or corporate auditor. However, since Mr. Kimura has expertise and extensive experience as an Attorney at Law, the Company judges that he can execute his duties as Outside Corporate Auditor appropriately.

(4) Outline of limited liability agreement:

Provided that Mr. Keijiro Kimura assumes the office of Outside Corporate Auditor of the Company, it shall conclude an agreement with him concerning liability for damages as specified in Article 423, Paragraph 1 of the Corporation Law that his relevant liabilities for damages shall be limited to the minimum liability amounts as stipulated in Article 425, Paragraph 1 of the Corporation Law.

3. Mr. Keijiro Kimura fulfills the requirements for the Independent Auditor pursuant to the provisions of the Financial Instruments Exchanges.

Proposal 4: Payment of Bonuses to Directors

The Company proposes that it shall pay Directors' bonuses totaling ¥84.74 million to eight (8) Directors as of the end of the fiscal year under review in consideration of earnings, etc. during the fiscal year under review.