

**Translation**

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MEMBERSHIP  
July 24, 2009

## CONSOLIDATED FINANCIAL RESULTS for the First Quarter of the Year Ending 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 to file quarterly report: August 13, 2009

Scheduled date to commence dividend payments: —

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

### 1. Consolidated performance for the first quarter of the year ending March 31, 2010 (From April 1, 2009 to June 30, 2009)

#### (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, 2009	62,605	(39.9)	10,342	(69.8)	8,068	(75.7)	832	(95.6)
June 30, 2008	104,234	-	34,232	-	33,136	-	18,861	-

	Net income per share	Diluted net income per share
For the three months ended	yen	yen
June 30, 2009	1.67	-
June 30, 2008	37.91	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
June 30, 2009	588,034	353,522	59.5	703.76
March 31, 2009	588,413	352,744	59.3	701.62

Reference: Equity

As of June 30, 2009: 350,107 million yen

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

## 2. Cash dividends

Record date	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	yen	yen	yen	yen	yen
For the year ended March 31, 2009	-	5.00	-	5.00	10.00
For the year ending March 31, 2010	-	—	—	—	—
For the year ending March 31, 2010 (Forecasts)	—	5.00	-	5.00 - 6.00	10.00 - 11.00

Note: Revision of the forecasts in the first quarter of the year ending March 31, 2010: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(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, 2009	134,000 - 144,000	(33.8) - (28.9)	21,000 - 27,000	(67.6) - (58.4)	17,000 - 23,000	(72.7) - (63.0)	6,000 - 10,000	(82.6) - (71.0)	12.06 - 20.10
For the year ending March 31, 2010	-	-	-	-	-	-	-	-	-

Note: Revision of the forecasts in the first quarter of the year ending March 31, 2010: Yes

As detailed on page 5, in the section of “3. Qualitative information regarding consolidated earnings forecasts of [Qualitative Information and Financial Statements],” earnings forecasts for the six months ending September 30, 2009 are disclosed in the form of a range.

## 4. Others

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

As of June 30, 2009:	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 June 30, 2009:	137,713 shares
As of March 31, 2009:	131,778 shares
  - C. Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

For the three months ended June 30, 2009:	497,481,628 shares
For the three months ended June 30, 2008:	497,494,911 shares

\* 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 “3. Qualitative information regarding consolidated earnings forecasts of [Qualitative Information and Financial Statements]” on page 5.

## [Qualitative Information and Financial Statements]

### 1. Qualitative information regarding consolidated operating results (Three months ended June 30, 2009)

#### (1) Overview

In the global economy, although markets appear to be moving towards recovery in Asia, the situation remains grave for the U.S. and Europe and, overall, the economy remains in recession. In the Japanese economy, the rebound in exports, particularly to Asia, and the result of economic stimulus measures by the government, buoyed up consumer spending. However, capital investment and housing investment decreased significantly, the employment situation remained severe and there is still no telling what the future holds.

Against the backdrop of such circumstances, the condition of the business environment of the NEG Group remained difficult overall, despite experiencing a sharp recovery in demand for glass for liquid crystal displays (LCDs) which accompanied a rapid rise in production by our customer industry, and observing signs that part of the other business sector are bottoming out.

#### (2) Operating results

(Billions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009	Change (%)
Net sales	104.2	62.6	(39.9)
Operating income	34.2	10.3	(69.8)
Ordinary income	33.1	8.0	(75.7)
Net income	18.8	0.8	(95.6)

Note: Amounts less than 100 million yen are omitted.

#### (Net sales)

Although, as mentioned below, sales in some product sectors recovered from the bottom level experienced in the previous quarter, (January 1, 2009 to March 31, 2009), sales overall remained below the peak of the previous fiscal year. As a result, sales dropped considerably when compared with the same period of the previous fiscal year (April 1, 2008 to June 30, 2008).

#### Glass for display devices:

Sales of glass for LCDs rebounded favorably due to a sharp recovery in demand, but sales of glass for cathode ray tubes fell.

#### Glass for electronic devices:

Sales turned around towards recovery, particularly glass related to optical communication and glass for image sensors.

#### Glass fiber:

Mainstay sales for automobile parts showed signs of a bottoming out with respect to demand, but stayed at a low level.

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

Under the influence of the stagnation of demand for housing and construction both in Japan and overseas, sales remained weak.

#### (Profits)

As a result of sales and production levels remaining at low levels, profits were considerably down from the same period of the previous fiscal year. However, demand for glass for LCDs recovered and compared with the previous quarter, profits were higher.

A loss on disposal of property, plant and equipment, arising from reorganization of assets, and a loss on liquidation of subsidiaries and affiliates related to the dissolution of a subsidiary in China occurred and these were recorded as extraordinary loss.

## 2. Qualitative information regarding consolidated financial position

(Billions of yen)

	As of March 31, 2009	As of June 30, 2009	Change
Total assets	588.4	588.0	(0.4)
Liabilities	235.6	234.5	(1.1)
Net assets	352.7	353.5	0.8

Note: Amounts less than 100 million yen are omitted.

### (Total assets)

In current assets, cash and cash equivalents decreased as a result of an increase in payment of facility costs. Also, a recovery in sales brought an increase of notes and accounts receivable-trade and a decrease of merchandise and finished goods. In fixed assets, tangible fixed assets increased, mostly facilities related to glass for flat panel displays (FPDs).

### (Liabilities)

In current liabilities, notes and accounts payable-trade declined due to the reduction in production but accrued income taxes increased. In non-current liabilities, there was an increase in reserve for special repairs.

### (Net assets)

In addition to a decline in retained earnings, which was mainly due to payment of cash dividends, net unrealized gain on other securities increased due to a recovery in the stock market. Foreign currency translation adjustments increased because of the depreciation of the yen.

## 3. Qualitative information regarding consolidated earnings forecasts

(Billions of yen)

	Six months ended September 30, 2008	Six months ending September 30, 2009	Change (%)
Net sales	202.4	134.0 – 144.0	(33.8) – (28.9)
Operating income	64.8	21.0 – 27.0	(67.6) – (58.4)
Ordinary income	62.2	17.0 – 23.0	(72.7) – (63.0)
Net income	34.4	6.0 – 10.0	(82.6) – (71.0)

Note: Amounts less than 100 million yen are omitted.

Robust demand is expected to continue for substrate glass for LCDs. While aiming to further lift up supply capacity, the Company will put full energy into raising profitability by pushing ahead with productivity improvements and cost cutting. Demand is expected in other business sector also. Glass fiber and glass for electronic devices have turned towards recovery and the Company is accurately responding to the demand trend by lifting its production levels in a timely fashion. The immense change occurring in the business environments surrounding the Company, in particular, the trends of product demand and prices will significantly impact earnings. It is therefore difficult to provide accurate earnings forecasts for the six months to one year in the future. Consequently, earnings forecasts for the six months ending September 30, 2009 are disclosed in the form of a range. If the various factors turn out more favorable than the Company expected, 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	Three months	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 business results forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and include risks and contingencies. Actual business results may differ substantially due to a number of factors. Factors that have impact on actual business results include the economic conditions of global markets, various rules and regulations such as those concerning trade, significant fluctuation of supply and demand of products in principal markets, extensive changes in exchange rates between the yen and other major currencies such as the U.S. dollar and the Euro, extensive changes to interest rates, other changes to the financial situation, and rapid technological advancement. Factors not mentioned here also could have a significant impact on business results.