

Translation

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MEMBERSHIP

October 26, 2009

CONSOLIDATED FINANCIAL RESULTS for the Second 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: November 13, 2009

Scheduled date to commence dividend payments: November 30, 2009

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

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

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

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
For the six months ended								
September 30, 2009	143,936	(28.9)	32,377	(50.1)	29,471	(52.6)	13,927	(59.6)
September 30, 2008	202,437	-	64,855	-	62,212	-	34,449	-

	Net income per share	Diluted net income per share
For the six months ended	yen	yen
September 30, 2009	28.00	-
September 30, 2008	69.25	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
September 30, 2009	612,981	366,858	59.3	730.48
March 31, 2009	588,413	352,744	59.3	701.62

Reference: Equity

As of September 30, 2009: 363,397 million yen

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

2. Cash dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	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	-	5.00	—	—	—
For the year ending March 31, 2010 (Forecasts)	—	—	-	5.00 - 6.00	10.00 - 11.00

Note: Revision of the forecasts in the second 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)

Note: Revision of the forecasts in the second quarter of the year ending March 31, 2010: Yes
The Company has disclosed earnings forecasts for the nine months ending December 31, 2009 instead of for the full year. Please see page 3 for earnings forecasts for the nine months ending December 31, 2009.

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 September 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 September 30, 2009:	141,455 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 six months ended September 30, 2009:	497,479,626 shares
For the six months ended September 30, 2008:	497,443,867 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.

**5. Consolidated earnings forecasts for the nine months of the fiscal year ending March 31, 2010
(From April 1, 2009 to December 31, 2009)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
For the nine months ending December 31, 2009	228,000 - 238,000	(17.4) - (13.8)	55,000 - 60,000	(27.6) - (21.0)	49,000 - 54,000	(30.6) - (23.5)	26,000 - 29,000	(34.9) - (27.3)	52.26 - 58.29

As described in (Concerning Disclosure of Earnings Forecasts) on page 6, the Company has disclosed the information in the form of a range.

[Qualitative Information and Financial Statements]

1. Qualitative information regarding consolidated operating results (Six months ended September 30, 2009)

(1) Overview

Circumstances of the global economy continued to be serious despite a rebound in the Chinese economy in Asia and signs that the economy has stopped the downward slide in parts of the U.S. and Europe.

In the Japanese economy, despite signs of a recovery that reflect not only increased exports, particularly to Asia, but also the effect of economic stimulus measures by the government reflected in personal consumption, capital investment and housing investment decreased and the employment situation deteriorated to a higher level of severity causing the overall economic circumstances to remain severe.

The Company and its consolidated subsidiaries (“the NEG Group”) enjoyed a recovery in the sales of glass for flat panel displays (FPDs), a mainstay product, as a result of a recovery in demand by our customer industry. In the other business sector, also, there are signs that many business areas are bottoming out, but the pace of this recovery is comparatively gradual.

(2) Operating results

(Billions of yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009	Change (%)
Net sales	202.4	143.9	(28.9)
Operating income	64.8	32.3	(50.1)
Ordinary income	62.2	29.4	(52.6)
Net income	34.4	13.9	(59.6)

Note: Amounts less than 100 million yen are omitted.

(Net sales)

Although the first quarter and second quarter have followed a course of recovery from the bottom level experienced in the fourth quarter of the previous fiscal year (January 1 to March 31, 2009), net sales fell considerably year on year.

Glass for display devices:

Sales of glass for FPDs rebounded, but sales of glass for cathode ray tubes were sluggish.

Glass for electronic devices:

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

Glass fiber:

Sales of glass fiber for auto parts, a mainstay product, turned around towards recovery.

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)

Despite being lower than the same period of the previous fiscal year, profits improved from the first quarter to the second quarter as a result of the sales recovery of glass for FPDs, a lift in operations and productivity improvements. A loss on retirement of noncurrent assets arising from the reorganization of assets and 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 September 30, 2009	Change
Total assets	588.4	612.9	24.5
Liabilities	235.6	246.1	10.5
Net assets	352.7	366.8	14.1

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, there was an increase in income taxes payable accompanying the recovery of profits. In noncurrent liabilities, while there was a decrease in long-term loans payable, there was an increase in provision for special repairs.

(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. Foreign currency translation adjustments increased because of the depreciation of the yen.

3. Qualitative information regarding consolidated earnings forecasts

(Billions of yen)

	Nine months ended December 31, 2008	Nine months ending December 31, 2009	Change (%)
Net sales	276.0	228.0 – 238.0	(17.4) – (13.8)
Operating income	75.9	55.0 – 60.0	(27.6) – (21.0)
Ordinary income	70.6	49.0 – 54.0	(30.6) – (23.5)
Net income	39.9	26.0 – 29.0	(34.9) – (27.3)

Note: Amounts less than 100 million yen are omitted.

Looking at the third quarter, despite uncertainty about the market trend of glass for FPDs in the latter half of the quarter onwards, based on the current situation, demand is expected to steady. While ensuring production output corresponds to this demand, the Company shall also aim to raise profitability through productivity improvements and cost reductions. In other business sectors also, the Company shall focus on improving profitability while accurately responding to the respective market trends of each product sector.

The immense change occurring in the business environments surrounding the Company, in particular, future trends of product demand and prices will significantly impact earnings. It is therefore difficult to provide accurate forecasts of future earnings. Consequently, earnings forecasts for the nine months ending December 31, 2009 are disclosed 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	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 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.