

March 5, 2015

Notice of the 96th Ordinary General Meeting of Shareholders

Dear Shareholders,

Please be advised that the 96th 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: Friday, March 27, 2015, from 10:00 a.m.

(The date of the meeting differs considerably from the corresponding date of the previous Ordinary General Meeting of Shareholders [June 27, 2014] because the final date of the Company's fiscal year was changed from March 31 to December 31 from the 96th fiscal year.)

**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 96th fiscal year (from April 1, 2014 to December 31, 2014)
2. Non-consolidated financial statements for the 96th fiscal year (from April 1, 2014 to December 31, 2014)

Proposals:

- Proposal 1:** Distribution of Surplus
Proposal 2: Partial Amendments of the Article of Incorporation
Proposal 3: Election of Eight (8) Directors
Proposal 4: Election of Three (3) Corporate Auditors
Proposal 5: Election of One (1) Substitute Corporate Auditor
Proposal 6: 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 96th Fiscal Year

Period from April 1, 2014
to December 31, 2014

The Company (“NEG”) changed the final date of its fiscal year from March 31 to December 31 from the 96th fiscal year.

Accordingly, as for the 96th fiscal year the nine-month period from April 1, 2014 to December 31, 2014 has been designated as the period for the consolidation of the Company and its domestic consolidated subsidiaries and the twelve-month period from January 1, 2014 to December 31, 2014 is the period for the consolidation of the Company’s overseas consolidated subsidiaries. We have therefore omitted year-on-year changes in earnings in the business report for this fiscal year.

1. Status of Corporate Group

(1) Progress and results of operations

Overall trend

In the global economy, Europe showed a modest recovery, but the outlook remained uncertain due to geopolitical risks in some regions and the impact of cheap crude oil. The U.S. economy recovered on a solid job market and an expansion in personal consumption. Although there were signs that the economy had slowed in China, growth remained stable. The Japanese economy gradually recovered on the back of stronger employment conditions and a solid stock market, despite the reactionary decline following the rush in demand before the consumption tax rate hike.

Consolidated results of operations for the fiscal year under review

	95th Fiscal Year (April 2013 to March 2014)	96th Fiscal Year (April 2014 to December 2014)
	Millions of yen	Millions of yen
Net sales	252,548	192,692
Operating income	16,170	5,223
Ordinary income	14,372	6,883
Net income	12,431	5,938

In the NEG Group, sales of substrate glass for liquid crystal displays (LCDs) and cover glass for mobile devices (specialty glass for chemical strengthening) undercut forecasts. However, sales of glass fiber and glass for optical devices attracted solid demand, which boosted sales.

Although improved productivity and cost-cutting yielded some results, operating income declined due to lower product prices, higher costs of raw fuels, costs related to the operation of new facilities at Electric Glass (Korea) Co., Ltd., and development costs. At the same time, foreign

exchange gains from yen depreciation boosted ordinary income, while the reversal of provision for special repairs accompanying a suspension of production facilities boosted net income.

Sales by business category are as follows:

Category		95th Fiscal Year (April 2013 to March 2014)		96th Fiscal Year (April 2014 to December 2014)	
		Net sales	Breakdown	Net sales	Breakdown
Glass Business	Glass for electronic and information devices	Millions of yen 180,920	% 71.6	Millions of yen 133,680	% 69.4
	Glass for others	71,627	28.4	59,011	30.6
	Total	252,548	100	192,692	100

Glass for electronic and information devices:

Demand for substrate glass for LCDs recovered, but product prices continued to decline and sales were sluggish. Sales of cover glass for mobile devices also slowed due to the impact of falling demand for high-end models, despite the results of an expansion in models adopted and sales channels. With regard to glass for electronic devices, sales of cover glass for image sensors slowed due to stagnation in demand for digital cameras. However, sales of glass for optical devices remained strong, thanks to demand for communications infrastructure. Sales of substrate glass for solar cells were generally firm. We completed sales of substrate glass for plasma display panels in the second quarter (July 1 to September 30, 2014) due to the withdrawal of the client, and we also concluded forming production for glass for cathode ray tubes in the third quarter (October 1 to December 31, 2014) due to a shrinking market (we continue to process and sell some products remaining in inventory).

As a result, net sales of glass for electronic and information devices amounted to ¥133,680 million.

Glass for others:

Sales increased for glass fiber on the back of the demand for its applications in high-function plastics for auto parts due to the expanding auto market, particularly in North America, as well as an increase in orders for reinforced cement, particularly overseas. Sales recovered for glass for building materials owing to an increase in orders for large buildings in Japan and buildings overseas. Sales of heat resistant glass recovered gradually in line with the economic recovery. Sales of glass tubes for pharmaceutical and medical use were solid, particularly sales to overseas clients.

As a result, the net sales of glass for others amounted to ¥59,011 million.

(2) Capital investment

The NEG Group's capital investment amounted to ¥45,213 million in the fiscal year under review.

In the Glass for electronic and information devices sector, capital investment was made

primarily for construction of additional production facilities at Electric Glass (Korea) Co., Ltd. In the Glass for others, capital investment was made mainly for enhancing production capacity.

(3) Fund procurement status

Funds required in the fiscal year under review were for capital investment, bond redemption and working capital, which the Company financed with its own funds, bond issuance and borrowings, among other means.

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 aforementioned bonds is as follows.

Category	Total amount issued	Interest rate (p.a.)	Date of issuance	Maturity date
Ninth Series Unsecured Bond	¥10 billion	0.334%	December 5, 2014	December 4, 2020
Tenth Series Unsecured Bond	¥10 billion	0.579%	December 5, 2014	December 5, 2022

(4) Main Lenders (as of December 31, 2014)

Lender	Borrowing Amount
Sumitomo Mitsui Banking Corporation	¥12.6 billion
Sumitomo Mitsui Trust Bank, Limited	¥8.6 billion
The Shiga Bank, Ltd.	¥7.8 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 develops and produces a wide range of high-tech glass products that society and technological development demand and supplies these products to global markets.

The NEG Group has seen significant changes in its environment, such as harsh competition between companies worldwide, changes in product needs as the social structure changes and more sophisticated technology and shorter product life. The NEG Group’s basic management policy is to ensure the continuation and development of business into the future by establishing a solid management strength and base while promptly and appropriately addressing with the aforementioned changes. The Group also strives 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 contributions to local communities as major themes.

[Management target indicators]

The Company is committed to building a solid financial position that will enable it to flexibly execute financial and investment strategies and withstand sudden changes in the business environment in order to appropriately address changes in market trends. To achieve this goal, with the basic plan of reducing interest-bearing debt to the level of 20% as a percentage of consolidated net sales, the Company will endeavor to decrease its interest-bearing debt and at the same time grow its business.

[Medium and long term management strategies of the Company]

1) Establish a well-balanced business structure and achieve sustainable growth

—Pursue operations under the slogan “strengthen display glass business, expand non-display glass business”—

· “Strengthen display glass business”

In the display glass business, we will emphasize the role that the domestic plants play as the “mother” factory developing cutting-edge manufacturing technologies as well as the role that overseas plants serve as factories for highly efficient mass production using state-of-the-art equipment based on these technologies. Aiming to strengthen profitability by raising productivity and cutting costs, as well as aggressively expanding business in growth markets, we will build up a position enabling the Group to generate stable profits. At the same time, we will also focus on developing and cultivating products and new technologies that correspond to further advances in high-definition, high-performance displays to rapidly and accurately keep pace with developments in the various displays.

· “Expand non-display glass business”

The Group will expand the non-display glass business, particularly in the fields below that are expected to grow as society and people’s lifestyles develop. This, in conjunction with the display glass business, will enable the Group to build a balanced and solid business structure and achieve sustainable and stable growth.

- Mobility

As the car, railway and other sectors in the mobility industry advance, we expect demand to pick up for a wide range of glass products that help to enhance functions promoting comfort and environmental performance. By establishing the Group’s global supply system, we will proactively meet heightened demand for glass fiber for high-function plastics that contribute to lightweight cars and help lower fuel costs. The Group will also develop and launch new products to contribute to realization of next-generation cars and next-generation operating systems for electronic- and computer-controlled parts, sensors, in-car display devices, IT equipment and in-car

cameras.

- Information-communication technology

The sheer volume of communications is expected to increase by leaps and bounds throughout the world as information and communications technology takes a greater role in people's lives, corporate activities and social infrastructure. In this environment, demand for telecommunications infrastructure such as communications base stations and high-volume data centers is growing rapidly to keep pace with the development of telecommunications devices and other information and communications technology capable of accelerating communications speed even further. In glass for optical and electronic devices, we will develop products adapted to this cutting-edge information and communications technology and accurately meet growing demand related to telecommunications equipment and telecommunications facilities.

- Medicine

We will supply glass products used in state-of-the art medical treatment, such as glass tubes with high chemical resistance for pharmaceutical and medical use and glass for simultaneous radiation and electromagnetic wave shielding that makes it possible to use positron emission tomography-computed tomography (PET/CT) and magnetic resonance imaging (MRI) at the same time. The Group will also focus on developing products that enhance the performance of examination equipment and laboratory diagnostic tools. This not only contributes to further advancements in the medical field, but also meets growing demand for medical treatment in emerging countries.

- Lighting

The growing popularity of LED lighting is creating new needs for lighting with an emphasis on energy conservation, design and function. Providing phosphor glass, which is ideal for lighting such as LED with higher output and semiconductor lasers, the Group will bring out the advantages of these lighting devices and expand its application. We will develop products for organic EL lighting that capitalize on the superior characteristics of glass and provide high performance such as high brightness, flexibility and long life. The Group will proactively expand its business in this market, which is expected to benefit from growing applications for surface light sources, a key feature of organic EL lighting.

- Energy

Growing awareness of environmental conservation, such as interest in creating a low-carbon society, is leading to increased use of natural energy such as solar light and solar heat. This has encouraged the development of related technology. In addition to developing glass products that

contribute to next-generation solar cells, solar power systems and battery materials, we will develop and foster products that help to conserve energy and resources in various lifestyle areas and industrial fields. We will expand our business in line with the growth of the energy-related industries and the development of the energy-conserving society.

- Social infrastructure

The durability and safety of social infrastructure such as buildings and transportation must be improved. In buildings and tunnels using cement materials as a structural material, falling masonry resulting from aging degradation has become a problem. Glass fiber for reinforced cement is a promising material that can help to reinforce this infrastructure. Combined with fire rated glass with high resistance to thermal shock and high transparency and “ultra-thin glass laminated resin” (a compound material consisting of glass and plastic bonded together and laminated), the Group will address social needs for safety and security and expand its business.

2) Development of products and promotion of business for the next generation

In addition to these unique features and functions, glass is an amazing material to which new functions can be added through crystallization, precision work, and combining with film, plastic and metals. Based on the Group’s wide range of foundational technologies (materials design technology, manufacturing process technology, evaluation technology), we will create and foster innovative new products through research and development, tirelessly pursuing more advanced functions by capitalizing on glass’s original features and their combination with other materials. At the same time, we will actively pursue outside affiliations to promote basic research and develop new materials, raise the added value of products and rapidly commercialize the products we develop.

3) 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) Steps toward improving performance

The Company will implement the steps detailed below in order to halt the drop in earnings and return to a path of growth.

(Glass for display devices)

- Focusing on overseas production and improving profitability

The Group will gradually shift its production capacity (melting and forming) for substrate glass for LCDs overseas. In South Korea, the largest market, the Group has completed shifting about 25% of its capacity to Electric Glass (Korea) Co., Ltd. In addition, in China, which is expected to see significant growth going forward, we plan to begin operations at Electric Glass (Xiamen) Co., Ltd. (first melting and forming site for LCDs in China) by the end of 2015 and at Electric Glass (Nanjing) Co., Ltd. (third processing site in China) by the second quarter of 2016 (Apr-Jun 2016). This will lower costs, ensure sales volume, achieve highly efficient production with cutting-edge facilities at overseas bases and raise competitiveness, and improve profitability.

- Expanded sales of cover glass for mobile devices (specialty glass for chemical strengthening)

In cover glass for mobile devices, the Group will endeavor to boost the penetration of its own brand, Dinorex, while increasing sales to existing clients, attracting new clients and expanding the models adopting this glass. In addition, we will focus on developing cover glass with even more advanced functions.

- Adapting to trend for high-definition, thin and lightweight products

The Group will develop new products and technologies to adapt to the trend for higher-definition, thin and lightweight products in the display market.

(Glass for non-display devices field)

In April 2015, the Group's subsidiary in Malaysia will begin operating a new manufacturing facility producing glass fiber for high-function plastics for auto parts. In conjunction with glass for reinforced cement, the Group will strive to expand the business so that it contributes to the stability of our corporate foundation. We will expand the business for glass for optical and electronic devices to take advantage of the technological advancements and growth in various industrial sectors, such as telecommunications, autos and home appliances. We will focus on increasing sales of glass tubes for pharmaceutical and medical use in the Chinese market, where demand for glass containers with high chemical resistance for pharmaceutical and medical use is increasing. The Group will also cultivate demand for radiation-shielding glass at advanced medical facilities in Japan and overseas. We will develop new products to keep pace with medical progress and expand business with prompt launches onto the market. Use of phosphor glass for lighting is expected to increase in the auto sector in particular, and we will conscientiously meet this demand. In addition, we will adapt glass for solar cells, heat-resistant glass and glass for building materials to meet market trends.

Moreover, we will focus on cultivating new products and technologies such as "Invisible glass" (glass with an extremely low reflective coating), "Lamion" (glass resin laminate), "ZERO" (glass with a coefficient of thermal expansion of zero) and glass substrates with an

Internal Extraction Layer (IEL) for organic EL lighting, which is a product of a joint venture with Saint-Gobain Group, with the aim of expanding business domains in the glass for non-display devices field.

2) Enhancement of research and development

To secure sustainable growth, the Company recognizes the importance of exploring new businesses with growth potential and promoting research and development from medium- and long-term perspectives in addition to existing business fields. In addition to our own initiatives based on our wide-ranging foundational technologies and composites, we will pursue joint research with universities and research institutions in Japan and overseas. We will also aggressively carry out activities such as collaborations and affiliations with other companies. Through these efforts, we will accelerate the development of new glass compositions, commercialization of new products that we have developed, and enhancement of the added value of existing products to provide high-performance glass products in a range of lifestyle and industrial fields.

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

As part of our effort to improve the NEG Group's financial position to flexibly execute financial and investment strategies and adapt to sudden changes in the business environment, we have continuously worked to reduce interest-bearing debt (long- and short-term borrowings, bonds and commercial paper) to 20% of consolidated net sales. Interest-bearing debt stood at ¥109.14 billion at the end of the fiscal year under review (¥99.492 billion at the end of the previous fiscal year), but the Group will continue working to manage and reduce interest-bearing debt. At the same time, we will focus on cash flow in our business management and ensure efficient management of funds.

(6) Changes in assets and profit/loss

(Yen)

Item	93rd Fiscal Year (April 2011 to March 2012)	94th Fiscal Year (April 2012 to March 2013)	95th Fiscal Year (April 2013 to March 2014)	96th Fiscal Year (April 2014 to December 2014)
Net sales	338,214 million	287,303 million	252,548 million	192,692 million
Operating income	61,638 million	24,967 million	16,170 million	5,223 million
Ordinary income	56,855 million	22,767 million	14,372 million	6,883 million
Net income	19,408 million	10,603 million	12,431 million	5,938 million
Net income per share	39.02	21.32	24.99	11.94
Total assets	687,069 million	697,385 million	707,021 million	731,184 million
Net assets	475,736 million	495,294 million	510,807 million	522,577 million
Net assets per share	945.47	982.97	1,011.46	1,032.66

Note: As a result of changes in the final date of its fiscal year, the period under consolidation in the

96th fiscal year is the nine-month period from April 1, 2014 to December 31, 2014 for the Company and its domestic consolidated subsidiaries and the twelve-month period from January 1, 2014 to December 31, 2014 for the Company's overseas consolidated subsidiaries.

(7) Status of important subsidiaries (as of December 31, 2014)

Subsidiary name	Capital stock	Investment stake of the Company	Main business
Nippon Electric Glass (Malaysia) Sdn. Bhd.	MYR 1,303 million	100%	Production and sale of glass for electronics and information devices, and glass for others
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 167,177 million	100%	Production and sale of glass for the electronics and information devices
Electric Glass (Xiamen) Co., Ltd.	CNY 461 million	100%	Production and sale of glass for the electronics and information devices

- Note 1. Electric Glass (Korea) Co., Ltd. increased its capital by KRW 41,398 million during the fiscal year under review.
- Note 2. Electric Glass (Xiamen) Co., Ltd. was established during the fiscal year under review. As a result of subsequent capital increase, it is newly included as an important subsidiary in the above table.
- Note 3. The number of consolidated subsidiaries, including the four important subsidiaries above, is now 23 as of the end of the fiscal year under review due to the liquidation of one consolidated subsidiary and the new establishment of two consolidated subsidiaries during the fiscal year under review.

(8) Description of main businesses (as of December 31, 2014)

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 Organic Light-Emitting Diode (OLED) Displays “Dinorex” 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 “Lumiphous” Phosphor Glass 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 for Cement Reinforcement Glass for Building Materials Glass Blocks “Neoparies” Glass Ceramics Building Materials “FireLite” Fire Rated Glass “Lamion” Ultra-thin Glass Laminated Resin “Invisible glass” Glass with an Extremely Low Reflective Coating Heat-Resistant Glass “Neoceram” Super Heat-Resistant Glass Ceramic “Neorex” Heat-Resistant Glass Glass for Lighting Use Glass for Pharmaceutical and Medical Applications Glass tubing for Pharmaceutical and Medical Use “LX Premium” Radiation-Shielding Glass Glass for Thermos Flasks Glass Making Machinery

(9) Main sales offices and factories (as of December 31, 2014)

1) The Company

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

2) Subsidiaries

Company name	Location
Nippon Electric Glass (Malaysia) Sdn. Bhd.	Selangor, Malaysia
Paju Electric Glass Co., Ltd.	Gyeonggi, Korea
Electric Glass (Korea) Co., Ltd.	Gyeonggi, Korea
Electric Glass (Xiamen) Co., Ltd.	Fujian, China

(10) Status of employees (as of December 31, 2014)

Number of employees	Change from previous fiscal year
5,084	Decrease of 191

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

Note 2: The number of employees of the Company is 1,733 (decrease of 41 compared with the previous fiscal year.)

2. Matters related to shares of the Company (As of December 31, 2014)**(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 228,870 shares of treasury stock.

(3) Number of shareholders 15,812**(4) Major shareholders (Top 10 shareholders)**

Name	Number of shares held (Thousands of shares)	Ratio of shareholding
NIPRO CORPORATION	76,230	15.3%
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,906	5.8%
Japan Trustee Services Bank, Ltd. (Trust Account)	26,182	5.3%
Trust & Custody Services Bank, Ltd. (Collateral on Unit Trust Account)	12,052	2.4%
THE BANK OF NEW YORK 133524	9,952	2.0%
The Shiga Bank, Ltd.	8,089	1.6%
BNP Paribas Securities (Japan) Limited	6,643	1.3%
Japan Trustee Services Bank, Ltd. (Trust Account No.4)	6,555	1.3%
SAJAP	6,230	1.3%
TAM TWO	6,088	1.2%

Note 1: The ratio of shareholding is calculated by excluding treasury stock (228,870 shares).

Note 2: The Company received a copy of the Change Report (the Change Report pertaining to Report of Possession of Large Volume) dated February 20, 2014 sent by GLG Partners LP to notice that GLG Partners LP held 31,400 thousand shares as of February 14, 2014, but the Company did not include it in the major shareholders above as the Company could not confirm the number of shares beneficially held by it as of the end of the fiscal year under review.

Note 3: The Company received a copy of the Report of Possession of Large Volume dated October 21, 2014 sent by Baillie Gifford & Co to notice that Baillie Gifford & Co and other one companies held 25,037 thousand shares as of October 15, 2014, 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 4: The Company received a copy of the Change Report (the Change Report pertaining to Report of Possession of Large Volume) dated October 21, 2014 sent by Sumitomo Mitsui Trust Bank, Limited to notice that Sumitomo Mitsui Trust Bank, Limited and other two companies held 28,107 thousand shares as of October 15, 2014, 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 December 31, 2014)**

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]
Shigeru Yamamoto	Director	Executive Vice President [Supervising: Technology, Intellectual Property, Consumer Glass Business and Thin Film Business]
Koichi Inamasu	Director	Executive Vice President [Supervising: Corporate Strategy, Administration and Human Resources] [In charge of Accounting, Purchasing, Tokyo Branch Office and CRT Glass Business] Chairman, Board of Directors, Nippon Electric Glass (Malaysia) Sdn. Bhd.
Motoharu Matsumoto	Director	Executive Vice President [Supervising: Display Glass Business] Group General Manager, Display Glass Group Chairman, Board of Directors, Electric Glass (Xiamen) Co., Ltd.
Masahiro Tomamoto	Director	Senior Vice President [In charge of Environmental Management, Furnace Design & Engineering, Engineering and Plant Engineering] Group General Manager, Corporate Engineering Group
Hirokazu Takeuchi	Director	Senior Vice President [Supervising: Glass Fiber Business and Electronic Products Business] Group General Manager, Electronic Products Group Representative Director, Dong Yang Electronic Glass Co., Ltd. President, OLED Material Solutions Co., Ltd.
Akihisa Saeki*	Director	Senior Vice President [In charge of Display Glass Business, Production] General Manager, Display Glass Division, Production, Display Glass Group
Nobuhiro Miyamoto	Full-time Corporate Auditor	
Fujio Kishi	Full-time Corporate Auditor	
Mineya Hamaoka	Corporate Auditor	Attorney at Law, Seiwa Law Office Outside Corporate Auditor, Hanshin Electric Railway, Co., Ltd.

Name	Position in the Company	Assignment of work and significant concurrent positions
Kazuya Ishii*	Corporate Auditor	Certified Public Accountant Partner & Chairman of Seiryō Audit Corporation

Note 1: Director and Corporate Auditor marked with asterisks (*) are those who were newly elected at the 95th Ordinary General Meeting of Shareholders held on June 27, 2014 and accordingly assumed their positions.

Note 2: Corporate Auditors Mr. Mineya Hamaoka and Mr. Kazuya Ishii are Outside Corporate Auditors and Independent Auditors filed at Tokyo Stock Exchange Inc. pursuant to the provisions set forth by that company.

Note 3: Corporate Auditor Mr. Kazuya Ishii is qualified as a certified public accountant and has deep insight into financial affairs and accounting.

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 December 31, 2014, there are 12 Executive Officers who are not Directors.

Note 5: The following is the names of directors 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
Masahiro Miyake	Director	June 27, 2014 (expiration of the term of office)
Kazuhiro Ito	Corporate Auditor	June 27, 2014 (expiration of the term of office)

Note 6: As of April 22, 2014, Mr. Motoharu Matsumoto assumed the office of Chairman, Board of Directors, Electric Glass (Xiamen) Co., Ltd.

Note 7: As of June 19, 2014, Mr. Hirokazu Takeuchi assumed the office of President, OLED Material Solutions Co., Ltd.

Note 8: Effective January 1, 2015, “Assignment of work and significant concurrent positions” of Directors Mr. Shigeru Yamamoto, Mr. Koichi Inamasu, Mr. Masahiro Tomamoto and Mr. Hirokazu Takeuchi are changed as follows:

Name	Position in the Company	Assignment of work and significant concurrent positions
Shigeru Yamamoto	Director	Executive Vice President [Supervising: Technology, Intellectual Property and Thin Film Business]
Koichi Inamasu	Director	Executive Vice President [Supervising: Corporate Strategy, Administration and Human Resources] [In charge of Accounting, Purchasing and Tokyo Branch Office] Chairman, Board of Directors, Nippon Electric Glass (Malaysia) Sdn. Bhd.
Masahiro Tomamoto	Director	Senior Vice President [Supervising: Engineering and Plant Engineering] [In charge of Environmental Management and Furnace Design & Engineering] Group General Manager, Corporate Engineering Group

Name	Position in the Company	Assignment of work and significant concurrent positions
Hirokazu Takeuchi	Director	Senior Vice President [Supervising: Consumer Glass Business, Glass Fiber Business and Electronic Products Business] Group General Manager, Electronic Products Group Representative Director, Dong Yang Electronic Glass Co., Ltd. President, OLED Material Solutions Co., Ltd.

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

Category	Number	Total amount of remuneration
Director	9	¥240 million
Corporate Auditor (of which, Outside Corporate Auditor)	5 (3)	¥39 million (¥7 million)
Total	14	¥280 million

Note: The total amount of remunerations for Directors includes a bonus to Directors of ¥41 million, which is to be resolved at the 96th Ordinary General Meeting of Shareholders scheduled to be held on March 27, 2015.

(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 December 31, 2014)

Category	Name	Significant concurrent positions
Corporate Auditor	Mineya Hamaoka	Attorney at Law, Seiwa Law Office Outside Corporate Auditor, Hanshin Electric Railway, Co., Ltd.
Corporate Auditor	Kazuya Ishii	Certified Public Accountant Partner & Chairman of Seiryō Audit Corporation

Note: There is no special relationship between the Company and the entities for which Mr. Mineya Hamaoka and Mr. Kazuya Ishii work as described in “Significant concurrent positions.”

2) Main activities during the fiscal year under review

Category	Name	Status of main activities
Corporate Auditor	Mineya Hamaoka	Mr. Mineya Hamaoka 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 an Attorney at Law.
Corporate Auditor	Kazuya Ishii	Mr. Kazuhiro Ito attended all of the Board of Directors Meetings and Corporate Auditors Meetings held after his assuming the office of the Corporate Auditor during the fiscal year under review, and made inquiries and expressed opinions where appropriate, mainly from the expert viewpoint of a Certified Public Accountant.

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 in good faith 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	¥58 million
Total amount of money and other property benefits that shall be paid by the Company and its subsidiaries	¥60 million

Note 1: In the auditing contract between the Company and the Independent Auditor, the amount of remuneration for auditing under the Corporation Law and the amount of remuneration for auditing under 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 issue confirmation regarding application for reduction or exemption of the amount of charge imposed under the Feed-in Tariff Scheme for Renewable Energy and prepare a comfort letter and other related works in association with the issuance of bonds 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: Four 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 request 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 identify 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 less than stated units in this business report are rounded down, whereas percentages and per-share data are rounded to the nearest unit.

Consolidated Balance Sheet

(As of December 31, 2014)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<u>Current assets</u>	264,001	<u>Current liabilities</u>	82,700
Cash and deposits	149,742	Notes and accounts payable - trade	32,180
Notes and accounts receivable – trade	48,026	Short-term loans payable	15,340
Merchandise and finished goods	33,603	Income taxes payable	1,301
Work in process	1,620	Other provision	49
Raw materials and supplies	20,837	Other	33,827
Deferred tax assets	3,703	<u>Non-current liabilities</u>	125,906
Other	6,537	Bonds payable	50,000
Allowance for doubtful accounts	(71)	Long-term loans payable	40,800
<u>Non-current assets</u>	467,183	Provision for special repairs	32,854
<u>Property, plant and equipment</u>	397,273	Other provision	62
Buildings and structures	75,252	Other	2,189
Machinery, equipment and vehicles	286,979	<u>Total Liabilities</u>	208,607
Land	13,191	(Net Assets)	
Construction in progress	19,870	<u>Shareholders' equity</u>	489,989
Other	1,979	Capital stock	32,155
<u>Intangible assets</u>	2,948	Capital surplus	34,350
<u>Investments and other assets</u>	66,962	Retained earnings	423,763
Investment securities	48,723	Treasury shares	(280)
Deferred tax assets	16,344	<u>Accumulated other comprehensive income</u>	23,644
Other	1,958	Valuation difference on available-for-sale securities	17,882
Allowance for doubtful accounts	(62)	Deferred gains or losses on hedges	(763)
		Foreign currency translation adjustment	6,525
		<u>Minority interests</u>	8,943
		<u>Total Net Assets</u>	522,577
<u>Total Assets</u>	731,184	<u>Total Liabilities and Net Assets</u>	731,184

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

TRANSLATION FOR REFERENCE ONLY

Consolidated Statement of Income
(From April 1, 2014 to December 31, 2014)

(Millions of yen)

Item	Amount	
Net sales	192,692	
Cost of sales	164,694	
Gross profit	27,997	
Selling, general and administrative expenses	22,773	
Operating income	5,223	
Non-operating income		
Interest and dividend income	1,306	
Foreign exchange gains	2,672	
Other	842	4,822
Non-operating expenses		
Interest expenses	486	
Depreciation of inactive non-current assets	1,836	
Other	840	3,162
Ordinary income	6,883	
Extraordinary income		
Reversal of provision for special repairs	5,736	
Gain on sales of non-current assets	325	
Other	128	6,190
Extraordinary losses		
Loss on retirement of non-current assets	831	
Impairment loss	3,042	
Other	16	3,890
Income before income taxes and minority interests	9,183	
Income taxes - current	2,457	
Income taxes - deferred	44	2,501
Income before minority interests	6,681	
Minority interests in income	743	
Net income	5,938	

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

Consolidated Statement of Changes in Net Assets
(From April 1, 2014 to December 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	32,155	34,351	422,893	(276)	489,124
Changes of items during period					
Dividends of surplus			(7,958)		(7,958)
Net income			5,938		5,938
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		(0)		0	0
Increase in retained earnings in subsidiaries due to changes in accounting period			2,889		2,889
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	869	(4)	865
Balance at end of current period	32,155	34,350	423,763	(280)	489,989

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	13,670	84	214	13,969	7,714	510,807
Changes of items during period						
Dividends of surplus						(7,958)
Net income						5,938
Purchase of treasury shares						(4)
Disposal of treasury shares						0
Increase in retained earnings in subsidiaries due to changes in accounting period						2,889
Net changes of items other than shareholders' equity	4,211	(847)	6,310	9,674	1,229	10,904
Total changes of items during period	4,211	(847)	6,310	9,674	1,229	11,769
Balance at end of current period	17,882	(763)	6,525	23,644	8,943	522,577

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

Non-consolidated Balance Sheet

(As of December 31, 2014)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<u>Current assets</u>	181,653	<u>Current liabilities</u>	66,434
Cash and deposits	95,529	Accounts payable - trade	35,165
Notes receivable - trade	1,674	Short-term loans payable	14,136
Accounts receivable - trade	36,606	Accounts payable - other	3,670
Merchandise and finished goods	16,811	Accrued expenses	6,242
Work in process	2,428	Other provision	42
Raw materials and supplies	15,203	Other	7,177
Deferred tax assets	2,676	<u>Non-current liabilities</u>	124,597
Other	10,745	Bonds payable	50,000
Allowance for doubtful accounts	(23)	Long-term loans payable	40,800
<u>Non-current assets</u>	455,508	Provision for special repairs	32,854
<u>Property, plant and equipment</u>	249,309	Other provision	116
Buildings and structures	44,413	Other	826
Machinery and equipment	192,200	<u>Total Liabilities</u>	191,031
Vehicles, tools, furniture and fixtures	1,197	(Net Assets)	
Land	8,137	<u>Shareholders' equity</u>	428,349
Leased assets	80	Capital stock	32,155
Construction in progress	3,280	Capital surplus	34,350
<u>Intangible assets</u>	1,942	Legal capital surplus	33,885
<u>Investments and other assets</u>	204,256	Other capital surplus	465
Investment securities	47,038	Retained earnings	362,122
Shares of subsidiaries and associates	94,056	Legal retained earnings	2,988
Investments in capital of subsidiaries and associates	14,181	Other retained earnings	359,134
Long-term loans receivable	36,571	Reserve for special depreciation	875
Deferred tax assets	11,525	General reserve	205,770
Other	912	Retained earnings brought forward	152,489
Allowance for doubtful accounts	(30)	Treasury shares	(280)
		<u>Valuation and translation adjustments</u>	17,780
		Valuation difference on available-for-sale securities	17,882
		Deferred gains or losses on hedges	(101)
		<u>Total Net Assets</u>	446,129
<u>Total Assets</u>	637,161	<u>Total Liabilities and Net Assets</u>	637,161

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

Non-consolidated Statement of Income
(From April 1, 2014 to December 31, 2014)

(Millions of yen)

Item	Amount	
Net sales	125,260	
Cost of sales	115,092	
Gross profit	10,167	
Selling, general and administrative expenses	14,978	
Operating loss	4,811	
Non-operating income		
Interest and dividend income	3,865	
Technical support fee	4,042	
Other	1,879	9,787
Non-operating expenses		
Interest expenses	414	
Depreciation of inactive non-current assets	1,283	
Other	478	2,177
Ordinary income	2,798	
Extraordinary income		
Reversal of provision for special repairs	5,736	
Gain on sales of non-current assets	1,828	
Other	176	7,741
Extraordinary loss		
Impairment loss	2,987	
Other	13	3,000
Income before income taxes	7,540	
Income taxes - current	822	
Income taxes - deferred	688	1,510
Net income	6,029	

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

Non-consolidated Statement of Changes in Net Assets

(From April 1, 2014 to December 31, 2014)

(Millions of yen)

	Shareholders' equity										
	Capital stock	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other Retained earnings			Total retained earnings		
						Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance at beginning of current period	32,155	33,885	465	34,351	2,988	1,139	205,770	154,154	364,051	(276)	430,282
Changes of items during period											
Reversal of reserve for special depreciation						(264)		264	-		-
Dividends of surplus								(7,958)	(7,958)		(7,958)
Net income								6,029	6,029		6,029
Purchase of treasury shares										(4)	(4)
Disposal of treasury shares			(0)	(0)						0	0
Net changes of items other than shareholders' equity											
Total changes of items during period	-	-	(0)	(0)	-	(264)	-	(1,664)	(1,928)	(4)	(1,933)
Balance at end of current period	32,155	33,885	465	34,350	2,988	875	205,770	152,489	362,122	(280)	428,349

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	13,670	84	13,754	444,037
Changes of items during period				
Reversal of reserve for special depreciation				-
Dividends of surplus				(7,958)
Net income				6,029
Purchase of treasury shares				(4)
Disposal of treasury shares				0
Net changes of items other than shareholders' equity	4,211	(185)	4,025	4,025
Total changes of items during period	4,211	(185)	4,025	2,092
Balance at end of current period	17,882	(101)	17,780	446,129

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

(Reference)**Consolidated Statement of Cash Flows (Summary)**

(From April 1, 2013 to March 31, 2014)

(Millions of yen)

Item	Amount
Net cash provided by (used in) operating activities	38,837
Income before income taxes and minority interests	9,183
Depreciation	28,419
Decrease in provision for special repairs	(3,082)
Decrease in notes and accounts receivable - trade	292
Increase in inventories	(469)
Increase in notes and accounts payable - trade	2,468
Income taxes paid	(4,109)
Other, net	6,133
Net cash provided by (used in) investing activities	(29,264)
Purchases of non-current assets	(25,642)
Proceeds from sales of non-current assets	1,458
Other, net	(5,081)
Net cash provided by (used in) financing activities	1,698
Net decrease in long- and short-term loans payable	(584)
Proceeds from issuance of bonds	20,000
Redemption of bonds	(10,000)
Cash dividends paid	(7,958)
Other, net	241
Effect of exchange rate changes on cash and cash equivalents	1,045
Net increase in cash and cash equivalents	12,361
Cash and cash equivalents at beginning of period	123,887
Decrease in cash and cash equivalents due to changes in accounting period	(6,381)
Cash and cash equivalents at end of period	129,823

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, and 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 ¥4 per share, as shown below, to correspond to the nine-month duration of the fiscal period under review. This means that dividends of 16 yen per share will continue to be paid out, as in the previous fiscal year, when converting to a full year (12 months). As a result, the annual dividend will be ¥12 per share, 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:
¥4 per share of common stock of the Company; a total amount of ¥1,989,549,456
- (3) Effective date of distribution of surplus:
March 30, 2015

Proposal 2: Partial Amendments of the Articles of Incorporation

1. Reasons for the proposal

In order to ensure that talented human resources can be invited to serve as outside directors and that they can fulfill their roles as expected, the Company will newly establish Article 28 (Liability Limitation Agreement with Outside Directors) in the current Articles of Incorporation. The Company will adjust the article numbers sequentially in Article 28 of the current Articles of Incorporation and below following the addition of the new Article. The Corporate Auditors have agreed to the establishment of Article 28.

2. Details of amendments

We propose to amend part of the existing Articles of Incorporation as follows:

(The underlined portions show the parts to be amended.)

Existing Articles of Incorporation	Proposed Amendment
Chapter IV. Directors and Board of Directors Meetings	Chapter IV. Directors and Board of Directors Meetings
Article 20. (Omitted)	Article 20. (Unchanged)
Through Article 27. (Omitted)	Through Article 27. (Unchanged)
 (Newly established)	 <u>(Liability Limitation Agreement with Outside Directors)</u>
	<u>Article 28.</u> <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Corporation Law, the Company may enter into an agreement with an Outside Director to limit the liabilities to compensate for damages due to his/her failure to perform his/her duties; provided, however, that the limit of liability under such agreement shall be up to the amount prescribed by laws and regulations.</u>
Article <u>28</u> . (Omitted)	Article <u>29</u> . (Unchanged)
Through Article <u>38</u> . (Omitted)	Through Article <u>39</u> . (Unchanged)

Proposal 3: 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	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 an executive officer] In charge of Auditing	54,000
2	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 an executive officer] Supervising: Technology, Intellectual Property and Thin Film Business	28,000
3	Motoharu Matsumoto (May 30, 1957)	Apr. 1982: Joined Nippon Electric Glass Jun. 2003: CEO, Techneglas, Inc. Feb. 2005: General Manager, Accounting Division Apr. 2007: Vice President June 2011: Director (Incumbent) Senior Vice President Apr. 2013: Executive Vice President (Incumbent) Oct. 2013: Group General Manager, Display Glass Group (Incumbent) [Assignment of work for an executive officer] Supervising: Display Glass Business	13,000

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
4	Masahiro Tomamoto (July 19, 1955)	Apr. 1978: Joined Nippon Electric Glass Apr. 2009: Vice President General Manager, LCD Glass Division, Production, LCD Glass Group June 2013: Director (Incumbent) Senior Vice President (Incumbent) Apr. 2014: Group General Manager, Corporate Engineering Group (Incumbent) [Assignment of work for an executive officer] Supervising: Engineering and Plant Engineering In charge of Environmental Management and Furnace Design & Engineering	14,000
5	Hirokazu Takeuchi (June 7, 1959)	Apr. 1982: Joined Nippon Electric Glass Apr. 2010: Vice President Group General Manager, Electronic Products Group (Incumbent) June 2013: Director (Incumbent) Senior Vice President (Incumbent) [Assignment of work for an executive officer] Supervising: Consumer Glass Business, Glass Fiber Business and Electronic Products Business [Current Significant Position] President, OLED Material Solutions Co., Ltd.	12,000
6	Akihisa Saeki (December 23, 1956)	Apr. 1982: Joined Nippon Electric Glass Apr. 2012: Vice President General Manager, LCD Glass Division, Production, LCD Glass Group Oct. 2013: General Manager, Display Glass Division, Production, Display Glass Group (Incumbent) June 2014: Director (Incumbent) Senior Vice President (Incumbent) [Assignment of work for an executive officer] In charge of Display Glass Business, Production	4,000

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
7	Koichi Tsuda (October 15, 1959) (New candidate)	<p>Apr. 1982: Joined Nippon Electric Glass</p> <p>June 2005: General Manager, Administrative Division</p> <p>Apr. 2008: Representative Director, New Manpower Service Co., Ltd.</p> <p>Apr. 2011: Vice President (Incumbent) General Manager, Administrative Division (Incumbent)</p> <p>[Assignment of work for an executive officer] In charge of Administration, Human Resources and Security Trade Control</p> <p>[Current Significant Position] Representative Director, Dong Yang Electronic Glass Co., Ltd.</p>	3,000
8	Sumimaru Odano (September 30, 1945) (New candidate)	<p>Apr. 2000: Professor, Faculty of Economics, Shiga University</p> <p>Apr. 2003: Director of the Center for Risk Research, Faculty of Economics, Shiga University</p> <p>Apr. 2011: Research Professor, Emeritus, Faculty of Economics, Shiga University (Incumbent)</p> <p>[Current Significant Position] Research Professor, Emeritus, Faculty of Economics, Shiga University</p>	None

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.

3. Matters related to the candidate for Outside Director are as follows:

(1) Mr. Sumimaru Odano is a candidate for Outside Director.

(2) Reasons for selecting the candidate as the candidate for Outside Director:

Mr. Sumimaru Odano has expertise and extensive experience of international economy as an economist. The Company proposes that Mr. Odano be approved as Outside Director in the hope that he will reflect such expertise and experience in the Company’s management.

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

Mr. Sumimaru Odano has no experience of involvement in corporate management. However, since Mr. Odano has expertise and extensive experience of international economy as an economist, the Company judges that he can execute his duties as Outside Director appropriately.

(4) Outline of limited liability agreement:

Provided that Proposal 2 (Partial Amendment of the Articles of Incorporation) is approved and that Mr. Sumimaru Odano assumes the office of Outside Director, the Company shall conclude an agreement with him concerning liability for damages as specified in Article 423, Paragraph 1 of the Corporation Law. This agreement shall state 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.

4. Mr. Sumimaru Odano is the candidate for the Independent Director pursuant to the provisions of

Tokyo Stock Exchange Inc.

Proposal 4: Election of Three (3) Corporate Auditors

The terms of office for Corporate Auditors Mr. Nobuhiro Miyamoto, Mr. Fujio Kishi and Mr. Mineya Hamaoka will expire as of the close of this Ordinary General Meeting of Shareholders. Therefore, we would like you to approve appointment of three (3) Corporate Auditors.

The Board of Corporate Auditors has already approved this proposal.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Brief personal profile, position, responsibilities and significant concurrent positions	Number of the Company shares held
1	Fujio Kishi (August 23, 1955)	Apr. 1978: Joined Nippon Electric Glass Mar. 2006: General Manager, Tokyo Blanch Office June 2011: Full-time Corporate Auditor (Incumbent)	10,000
2	Masahiko Oji (September 20, 1959) (New Candidate)	Apr. 1982: Joined Nippon Electric Glass Oct. 2010: General Manager, Development Division Jan. 2015: Special Assistant to President (Incumbent)	3,000
3	Keijiro Kimura (April 14, 1961) (New candidate)	Apr. 1987: Registered as an Attorney at Law Joined Showa Law Office Jan. 1994: Registered at New York State Bar Association May 1998: Established Kyoei Law Office Apr. 2013: Partner of Kyoei Law Office (Incumbent) [Concurrent significant positions] Partner of Kyoei Law Office Outside Director, NAGAOKA INTERNATIONAL CORPORATION	None

Notes: 1. All candidates have no conflicts of interest with the Company.

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

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

(2) Reason for selecting the candidate as the candidate for 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 Corporate Auditor in the hope that he will reflect such expertise and experience when auditing the Company.

(3) Reason why 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, the Company shall conclude an agreement with him concerning liability for damages as specified in Article 423, Paragraph 1 of the Corporation Law. This agreement shall state 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 is the candidate for the Independent Corporate Auditor pursuant to the provisions of Tokyo Stock Exchange Inc.

Proposal 5: 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
Tsukasa Takahashi (December 10, 1962)	Apr. 1989 Registered as an Attorney at Law Joined Katsube Law Office (Currently, Katsube Takahashi Law Office) (Incumbent) [Concurrent significant positions] Attorney at Law of Katsube Takahashi Law Office Outside Director, Inaba Denki Sangyo Co. Ltd. Outside Corporate Auditor, Nippon Paint Holdings Co., Ltd. Outside Corporate Auditor, Aeon Delight Co., Ltd. Adjunct Professor of Kyoto University Law School	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. Tsukasa Takahashi is candidate for substitute Outside Corporate Auditor.
 - (2) Reason for selecting the candidate as the candidate for substitute Outside Corporate Auditor:
Mr. Tsukasa Takahashi has expertise and extensive experience as an Attorney at Law. The Company proposes that Mr. Takahashi be elected as the substitute Corporate Auditor in the hope that he will reflect such expertise and experience when auditing the Company.
 - (3) Reason why the Company determined that the above candidate can execute his duties as Outside Corporate Auditor appropriately:
Mr. Tsukasa Takahashi has no experience of involvement in corporate management in a way other than as an outside director or corporate auditor. However, since Mr. Takahashi 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. Tsukasa Takahashi assumes the office of Outside Corporate Auditor, the Company shall conclude an agreement with him concerning liability for damages as specified in Article 423, Paragraph 1 of the Corporation Law. This agreement shall state 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. Tsukasa Takahashi fulfills the requirements for the Independent Corporate Auditor pursuant to the provisions of Tokyo Stock Exchange Inc.

Proposal 6: Payment of Bonuses to Directors

The Company proposes that it shall pay Directors' bonuses totaling ¥41.99 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.