

Translation

Notice: This English version is a translation of the original disclosure in Japanese released on April 30, 2015 at 15:00 (GMT+9) and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

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MEMBERSHIP
April 30, 2015

CONSOLIDATED FINANCIAL RESULTS for the First Quarter of the Year Ending December 31, 2015 (Unaudited) <under Japanese GAAP>

Company name: **Nippon Electric Glass Co., Ltd.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities identification code: 5214
 URL: <http://www.neg.co.jp/>
 Representative: Motoharu Matsumoto, President and Representative Director
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Scheduled date to file quarterly report: May 15, 2015
 Scheduled date to commence dividend payments: -
 Supplementary material on quarterly financial results: None
 Quarterly financial results presentation meeting: None

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

1. Consolidated performance for the first quarter of the year ending December 31, 2015 (From January 1, 2015 to March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income	
For the three months ended		%		%		%		%
March 31, 2015	61,094	-	4,594	-	2,298	-	(508)	-
June 30, 2014	65,440	-	1,234	-	1,415	-	3,013	-

Note: Comprehensive income:

For the three months ended March 31, 2015: 1,277 million yen [-%]
 For the three months ended June 30, 2014: 3,521 million yen [-%]

	Net income per share	Diluted net income per share
For the three months ended	yen	yen
March 31, 2015	(1.02)	-
June 30, 2014	6.06	-

Note: The Company has changed its fiscal year end (last date of its business year) from March 31 to December 31 effective from the year ending December 31, 2014. As the period corresponding to the consolidated first quarter (the Company and its consolidated subsidiaries in Japan and overseas: January 1 to March 31, 2015) differs from the previous first quarter (the Company and its consolidated subsidiaries in Japan: April 1 to June 30, 2014, the Company's consolidated subsidiaries overseas: January 1 to June 30, 2014), year-on-year changes have not been noted. Profit and loss from January 1 to March 31, 2014 for overseas consolidated subsidiaries are directly added to or subtracted from retained earnings recorded under shareholders' equity on the consolidated balance sheet in the previous first quarter.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of			%
March 31, 2015	722,356	519,299	71.0
December 31, 2014	731,184	522,577	70.2

Reference: Equity:

As of March 31, 2015: 512,797 million yen

As of December 31, 2014: 513,633 million yen

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
For the year ended December 31, 2014	-	8.00	-	4.00	12.00
For the year ending December 31, 2015	-	—	—	—	—
For the year ending December 31, 2015 (Forecasts)	—	8.00	-	8.00	16.00

Note: 1. Revision of the forecasts most recently announced: None

2. As the previous fiscal year was a nine-month period, annual dividends were 12 yen per share (interim dividend of 8 yen and year-end dividend of 4 yen), adjusted from a 16 yen per share dividend paid in a twelve-month period.

3. Consolidated earnings forecasts for the year ending December 31, 2015 (From January 1, 2015 to December 31, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
		%		%		%		%	yen
For the six months ending June 30, 2015	120,000 - 126,000	-	7,000 - 9,000	-	4,000 - 6,000	-	1,000 - 2,000	-	2.01 - 4.02
For the year ending December 31, 2015	257,000 - 263,000	-	13,000 - 15,000	-	9,000 - 11,000	-	8,000 - 10,000	-	16.08 - 20.11

Note: 1. Revision of the forecasts most recently announced: Yes

2. As the corresponding period for comparison differs for this fiscal period and the previous fiscal period, the year-on-year change and quarter-on-quarter change are not noted.

*** Notes**

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

(4) **Number of issued shares (common stock)**

- A. Total number of issued shares at the end of the period (including treasury stock)

As of March 31, 2015	497,616,234 shares
As of December 31, 2014	497,616,234 shares

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

As of March 31, 2015	231,024 shares
As of December 31, 2014	228,870 shares

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

For the three months ended March 31, 2015	497,386,515 shares
For the three months ended June 30, 2014	497,394,402 shares

* Indication regarding execution of quarterly review procedures

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

* Proper use of earnings forecasts, and other special directions

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company and its subsidiaries (“the NEG Group”) and include risks and contingencies. Actual business results may differ substantially due to a number of factors. For more details, please refer to the section of “(2) Information regarding consolidated earnings forecasts and other forward-looking statements in Qualitative Information Regarding Consolidated Results for the Three Months” on page 5.

Qualitative Information Regarding Consolidated Results for the Three Months

(1) Information regarding operating results (Three months ended March 31, 2015)

A. Overview

In the global economy, although there were concerns over geopolitical risks and government debt problems in some European regions, the economy continued to recover. The US economy remained on a recovery track on the back of solid employment conditions and personal consumption. However, the pace of growth slowed in China. The Japanese economy continued to make a modest recovery, as indicated by signs of improvement in corporate earnings and employment conditions, while personal consumption remained steady.

In this environment, on the sales side in the first quarter (from January 1 to March 31, 2015), the price of substrate glass for liquid crystal displays (LCDs) fell, but sales of glass fiber and glass for optical devices were robust. On the profit/loss side, productivity improved and the Company has cut costs.

B. Operating results

(Billions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Net sales	65.4	61.0
Operating income	1.2	4.5
Ordinary income	1.4	2.2
Net income	3.0	(0.5)

Note: Amounts less than 100 million yen are omitted.

(Sales by products)

Reporting segment	Category	Three months ended June 30, 2014		Three months ended March 31, 2015	
		billions of yen	(%)	billions of yen	(%)
Glass Business	Glass for electronic and information devices	46.2	71	40.9	67
	Glass for others	19.1	29	20.1	33
Total		65.4	100	61.0	100

Note: Amounts less than 100 million yen are omitted.

(Net sales)

Glass for electronic and information devices:

Shipments of substrate glass for LCDs remained steady, but product prices declined, and cover glass for mobile devices (specialty glass for chemical strengthening) was affected by seasonal fluctuations. As a result, sales of both declined. In glass for electronic devices, sales of cover glass for image sensors were stable, particularly for digital single-lens cameras. Sales of glass for optical devices remained strong on the back of growing demand for communications infrastructure. Substrate glass for solar cells was generally firm.

Glass for others:

Sales of glass fiber increased due to strong demand for application in high-function plastics for auto parts and reinforced cement. In the area of building materials, heat resistant glass and others, sales of glass for building materials were weak, particularly domestic sales, but sales of heat resistant glass and glass tubing for pharmaceutical and medical use were generally solid.

(Profit/loss)

Operating income improved due to cost-cutting and enhanced productivity in substrate glass for LCDs and glass fiber, etc. However, ordinary income was pulled down by foreign exchange losses related to foreign currency-denominated loans taken out by a Malaysian subsidiary, while net income was pushed down by the reversal of deferred tax assets following fiscal 2015 revisions to the tax system (lowering of income and other tax rates).

**(2) Information regarding consolidated earnings forecasts and other forward-looking statements
(Consolidated earnings forecasts for the six months and for the year ending December 31, 2015)**

(Billions of yen)

	Six months ending June 30, 2015	Year ending December 31, 2015
Net sales	120.0 - 126.0	257.0 - 263.0
Operating income	7.0 - 9.0	13.0 - 15.0
Ordinary income	4.0 - 6.0	9.0 - 11.0
Net income	1.0 - 2.0	8.0 - 10.0

Note: Amounts less than 100 million yen are omitted.

The outlook for the global economy is unclear, given geopolitical risks and government debt problems in some regions and China's economic trends, but we expect the modest recovery to continue overall, buoyed by the solid US economy. The Japanese economy is expected to remain on a recovery track as various policies take effect and the employment and income environment continues to improve.

For the second quarter of this fiscal year (from April 1 to June 30, 2015), shipment of substrate glass for LCDs of electronic and information devices is expected to continue to be stable. Glass for optical devices and glass for electronic devices are expected to see gains in line with the growth of related markets, such as the telecommunications and home appliances sectors. We forecast stable shipments of substrate glass for solar cells. In glass for others, amidst robust demand for glass fiber, increased production at the Malaysian subsidiary's new facility, which began operating this spring, should contribute to sales expansion. We forecast a gradual recovery for glass for building materials and heat resistant glass.

At the same time, on the profit/loss side, we anticipate depreciation costs and start-up costs related to the new facility in the glass fiber business, however these costs will be absorbed as this facility's operations were quickly stabilized. Moreover, the Group will work together to improve productivity and cut costs to improve profitability.

In light of the above outlook, the NEG Group's consolidated earnings forecasts for the second quarter of the year ending December 31, 2015 are shown in the table above. We have left the consolidated forecasts for the full year unchanged.

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the NEG Group and include risks and contingencies. Actual business results may differ substantially due to a number of factors. Factors that may impact actual business results include the economic conditions of global markets, various rules and regulations such as those concerning trade, significant fluctuation of supply and demand of products in principal markets as well as the financial situation showing extensive changes in prices on capital markets, exchange rates between the yen and other major currencies such as the U.S. dollar and the Euro, and interest rates, in addition to rapid technological advancement. Factors not mentioned here also could have a significant impact on business results.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	149,742	138,760
Notes and accounts receivable - trade	48,026	46,099
Merchandise and finished goods	33,603	36,387
Work in process	1,620	1,363
Raw materials and supplies	20,837	21,189
Other	10,240	8,386
Allowance for doubtful accounts	(71)	(67)
Total current assets	264,001	252,119
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	286,979	291,712
Other, net	110,293	104,971
Total property, plant and equipment	397,273	396,683
Intangible assets	2,948	3,543
Investments and other assets		
Other	67,025	70,075
Allowance for doubtful accounts	(62)	(66)
Total investments and other assets	66,962	70,009
Total non-current assets	467,183	470,236
Total assets	731,184	722,356
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,180	27,916
Short-term loans payable	15,340	22,624
Income taxes payable	1,301	1,689
Other provision	49	32
Other	33,827	31,678
Total current liabilities	82,700	83,941
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	40,800	33,300
Provision for special repairs	32,854	33,702
Other provision	62	28
Net defined benefit liability	1,217	1,235
Other	971	848
Total non-current liabilities	125,906	119,115
Total liabilities	208,607	203,056

(Millions of yen)

	As of December 31, 2014	As of March 31, 2015
Net assets		
Shareholders' equity		
Capital stock	32,155	32,155
Capital surplus	34,350	34,350
Retained earnings	423,763	421,265
Treasury shares	(280)	(281)
Total shareholders' equity	489,989	487,489
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,882	21,592
Deferred gains or losses on hedges	(763)	(513)
Foreign currency translation adjustment	6,525	4,229
Total accumulated other comprehensive income	23,644	25,307
Minority interests	8,943	6,502
Total net assets	522,577	519,299
Total liabilities and net assets	731,184	722,356

(2) Quarterly consolidated statement of income (cumulative) and quarterly consolidated statement of comprehensive income (cumulative)
Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Net sales	65,440	61,094
Cost of sales	57,232	48,986
Gross profit	8,208	12,108
Selling, general and administrative expenses	6,973	7,514
Operating income	1,234	4,594
Non-operating income		
Interest income	49	93
Dividend income	503	81
Foreign exchange gains	271	—
Other	324	333
Total non-operating income	1,148	508
Non-operating expenses		
Interest expenses	181	212
Foreign exchange losses	—	1,638
Depreciation of inactive non-current assets	563	572
Other	222	380
Total non-operating expenses	967	2,803
Ordinary income	1,415	2,298
Extraordinary income		
Reversal of provision for special repairs	3,935	—
Other	98	—
Total extraordinary income	4,033	—
Extraordinary losses		
Loss on retirement of non-current assets	64	63
Impairment loss	1,323	—
Total extraordinary losses	1,387	63
Income before income taxes and minority interests	4,061	2,235
Income taxes	815	2,621
Income before minority interests	3,245	(386)
Minority interests in income	231	122
Net income	3,013	(508)

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Income before minority interests	3,245	(386)
Other comprehensive income		
Valuation difference on available-for-sale securities	636	3,710
Deferred gains or losses on hedges	(233)	249
Foreign currency translation adjustment	(126)	(2,295)
Total other comprehensive income	275	1,664
Comprehensive income	3,521	1,277
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,296	1,154
Comprehensive income attributable to minority interests	225	123

(3) Reference: Summarized quarterly consolidated statement of cash flows (cumulative)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	4,061	2,235
Depreciation	8,517	8,793
Increase (decrease) in provision for special repairs	(3,067)	847
Decrease (increase) in notes and accounts receivable - trade	(176)	1,306
Decrease (increase) in inventories	2,735	(2,029)
Increase (decrease) in notes and accounts payable - trade	(208)	(5,419)
Income taxes paid	(1,926)	(1,349)
Other, net	(1,655)	1,196
Net cash provided by (used in) operating activities	8,279	5,581
Cash flows from investing activities		
Purchase of non-current assets	(7,682)	(12,082)
Other, net	(4,633)	3,328
Net cash provided by (used in) investing activities	(12,315)	(8,754)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable, long-term loans payable and corporate bonds, etc	(65)	(215)
Cash dividends paid	(3,678)	(1,855)
Cash dividends paid to minority shareholders	—	(2,162)
Other, net	(19)	(18)
Net cash provided by (used in) financing activities	(3,763)	(4,251)
Effect of exchange rate change on cash and cash equivalents	81	241
Net increase (decrease) in cash and cash equivalents	(7,717)	(7,182)
Cash and cash equivalents at beginning of period	123,887	129,823
Decrease in cash and cash equivalents due to changes in accounting period	(6,381)	—
Cash and cash equivalents at end of period	109,788	122,640