Translation

Notice: This English version is a translation of the original disclosure in Japanese released on April 28, 2016 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.

Member of the Financial Accounting Standards Foundation

April 28, 2016

CONSOLIDATED FINANCIAL RESULTS for the First Quarter of the Year Ending December 31, 2016 (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 13, 2016
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, 2016 (From January 1, 2016 to March 31, 2016)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
For the three months ended		%		%		%		%
March 31, 2016	57,998	(5.1)	5,179	12.7	2,454	6.8	648	-
March 31, 2015	61,094	-	4,594	-	2,298	-	(508)	-

Note: Comprehensive income:
For the three months ended March 31, 2016: (6,252) million yen [-%]
For the three months ended March 31, 2015: 1,277 million yen [-%]

	Earnings per share	Diluted Earnings per share
For the three months ended	yen	yen
March 31, 2016	1.30	-
March 31, 2015	(1.02)	-

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 first quarter in the fiscal year ended December 2015 (January 1 to March 31, 2015) differs from the previous first quarter for the fiscal year ended December 2014 (the Company and its consolidated subsidiaries in Japan: April 1 to June 30, 2014; overseas consolidated subsidiaries: January 1 to June 30, 2014), year-on-year changes have not been prepared.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of			%
March 31, 2016	706,154	507,549	71.2
December 31, 2015	726,937	519,801	70.6

Reference: Equity:
As of March 31, 2016: 502,776 million yen
As of December 31, 2015: 513,218 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, 2015	-	8.00	-	8.00	16.00
For the year ending December 31, 2016	-	——	——	——	——
For the year ending December 31, 2016 (Forecasts)	——	8.00	-	8.00	16.00

Note: Revision of the forecasts most recently announced: None

3. Consolidated earnings forecasts for the year ending December 31, 2016 (From January 1, 2016 to December 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
		%		%		%		%	yen
For the six months ending June 30, 2016	120,000	(3.2)	9,000	(2.8)	5,000	(23.0)	3,000	128.8	6.03
For the year ending December 31, 2016	248,000	(1.3)	19,000	(13.8)	14,000	(1.9)	10,000	3.8	20.11

Note: Revision of the forecasts most recently announced: Yes

*** 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: Yes
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, 2016	497,616,234 shares
As of December 31, 2015	497,616,234 shares

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

As of March 31, 2016	245,078 shares
As of December 31, 2015	243,750 shares

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

For the three months ended March 31, 2016	497,371,791 shares
For the three months ended March 31, 2015	497,386,515 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 Company 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, 2016)

A. Overview

In the global economy, although there were concerns over geopolitical risks, the economy continued to recover gradually in Europe. The US economy remained on a recovery track on the back of solid employment conditions and personal consumption. However, there were further signs of a slowdown in the Chinese economy as exports and fixed asset investments declined. Although personal consumption appeared weak, the Japanese economy continued to make a modest recovery, due in part to improved employment conditions.
In this environment, on the sales side in the first quarter (from January 1 to March 31, 2016), while sales of glass fiber and glass for optical devices were robust despite the effects of the strong yen, sales of substrate glass for liquid crystal displays (LCDs) were weak. As a result, sales fell below levels in the first quarter of the previous year (January 1 to March 31, 2015). On the profit/loss side, profits exceeded the previous year due to progress in improving productivity and cutting costs.

B. Operating results

(Billions of yen)

	Three months ended March 31, 2015	Three months ended March 31, 2016	Change (%)
Net sales	61.0	57.9	(5)
Operating income	4.5	5.1	13
Ordinary income	2.2	2.4	7
Profit attributable to owners of parent	(0.5)	0.6	-

Note: Amounts less than 100 million yen are omitted.

(Sales by products)

Reporting segment	Category	Three months ended March 31, 2015		Three months ended March 31, 2016		Change	
		billions of yen	(%)	billions of yen	(%)	billions of yen	(%)
Glass Business	Electronics and Information Technology	40.9	67	35.3	61	(5.5)	(14)
	Performance Materials and Others	20.1	33	22.6	39	2.4	12
Total		61.0	100	57.9	100	(3.0)	(5)

Note: 1. Amounts less than 100 million yen are omitted.
2. Beginning in the first quarter of this consolidated fiscal period, the categories of the reporting segments for sales by product were changed from “Glass for Electronic and Information Devices” to “Electronics and Information Technology” and from “Glass for Others” to “Performance Materials and Others”.

(Net sales)
Electronics and Information Technology:
With the LCD panel market slowing, sales of substrate glass for LCDs decreased as a result of the impact of key customers’ operational adjustments. Moreover, cover glass for mobile devices (specialty glass for chemical strengthening) was affected by seasonal fluctuations and sluggish growth in the market, and as a result, sales declined. In glass for electronic devices, sales of cover glass for image sensors were stable. In addition, sales of newly developed products also increased. 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.

Performance Materials and Others:
Sales of glass fiber remained solid, particularly applications in high-function plastics for auto parts. In the area of building materials, heat-resistant glass and others, sales of glass for building materials declined, particularly overseas sales. Sales of heat-resistant glass and glass for pharmaceutical and medical use were weak due to year-end inventory adjustments by major customers.

(Profit/loss)
Operating income improved year-on-year due to enhanced productivity and minimal facility repairs, despite a decline in sales, lower product prices, and costs associated with the launch of Electric Glass (Xiamen) Co., Ltd. However, ordinary income was pulled down by foreign exchange losses attributable to exchange rate fluctuations affecting foreign currency-denominated loans taken out by some overseas subsidiaries, while net income was pushed down by the reversal of deferred tax assets following the FY2016 tax reform (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 ending June 30, 2016)

(Billions of yen)

	Six months ending June 30, 2016		Change (B – A)	Change (%)
	Previous forecast (A)	Revised forecast (B)		
Net sales	125.0	120.0	(5.0)	(4)
Operating income	10.0	9.0	(1.0)	(10)
Ordinary income	9.0	5.0	(4.0)	(44)
Profit attributable to owners of parent	7.0	3.0	(4.0)	(57)

Note: Amounts less than 100 million yen are omitted.

(Consolidated earnings forecasts for the year ending December 31, 2016)

(Billions of yen)

	Year ending December 31, 2016		Change (B – A)	Change (%)
	Previous forecast (A)	Revised forecast (B)		
Net sales	256.0	248.0	(8.0)	(3)
Operating income	22.0	19.0	(3.0)	(14)
Ordinary income	20.0	14.0	(6.0)	(30)
Profit attributable to owners of parent	16.0	10.0	(6.0)	(38)

Note: Amounts less than 100 million yen are omitted.

The outlook for the global economy is increasingly unclear, given the economic slowdown in China, US monetary policies, and crude oil prices, among other factors. However, we expect the Japanese economy to continue recovering gradually as various policies take effect, although consideration must be given to the impact of the earthquake in Kumamoto, global economic trends, and volatility in the foreign exchange market.
Given this environment, in the Electronics and Information Technology segment, we expect the shipment of substrate glass for LCDs to fall short of estimates made at the start of the year as the current slowdown in the LCD panel market worsens. At the same time, glass for optical devices is expected to be solid due to demand for information infrastructure in emerging economies. In glass for electronic devices, we anticipate a recovery in demand ahead of the year-end shopping season and expanded sales of newly developed products.
In the Performance Materials and Others segment, we expect shipments of glass fiber to remain at high levels on the back of solid demand for applications in high-function plastics for auto parts. Glass for building materials, heat-resistant glass, and glass for pharmaceutical and medical use got

off to a lackluster start as a result of inventory adjustments in related markets, but we are working to expand sales, particularly in overseas markets.
On the profit/loss side, we expect profit/loss to be affected by future market and product price trends, fluctuations in exchange rates, and repairs to facilities, but we will endeavor to ensure profits by improving productivity and cutting costs.
In light of the above outlook, we have revised the Company Group's consolidated earnings forecasts for the second quarter ending June 30, 2016 and the full year ending December 31, 2016, as shown in the table above.

The forward-looking statements, including earnings forecasts, contained in these materials are based on certain assumptions deemed to be reasonable by the Company 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, 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, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	144,345	135,541
Notes and accounts receivable - trade	47,391	43,612
Merchandise and finished goods	40,084	40,955
Work in process	1,631	1,625
Raw materials and supplies	22,459	22,516
Other	11,592	12,840
Allowance for doubtful accounts	(75)	(65)
Total current assets	267,429	257,027
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	82,687	81,389
Machinery, equipment and vehicles, net	267,932	275,849
Other, net	35,392	24,190
Total property, plant and equipment	386,012	381,429
Intangible assets	4,185	4,087
Investments and other assets		
Other	69,377	63,677
Allowance for doubtful accounts	(67)	(66)
Total investments and other assets	69,309	63,610
Total non-current assets	459,507	449,127
Total assets	726,937	706,154
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,587	26,452
Short-term loans payable	29,230	23,970
Current portion of bonds	10,000	10,000
Income taxes payable	3,428	1,446
Other provision	1,114	828
Other	32,039	25,988
Total current liabilities	105,399	88,685
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	27,500	35,000
Provision for special repairs	31,650	32,245
Other provision	27	27
Net defined benefit liability	1,202	1,175
Other	1,357	1,470
Total non-current liabilities	101,736	109,919
Total liabilities	207,136	198,605

(Millions of yen)

	As of December 31, 2015	As of March 31, 2016
Net assets		
Shareholders' equity		
Capital stock	32,155	32,155
Capital surplus	34,350	34,320
Retained earnings	427,431	424,100
Treasury shares	(289)	(290)
Total shareholders' equity	493,648	490,287
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,290	17,321
Deferred gains or losses on hedges	(205)	(321)
Foreign currency translation adjustment	(3,515)	(4,510)
Total accumulated other comprehensive income	19,570	12,488
Non-controlling interests	6,582	4,773
Total net assets	519,801	507,549
Total liabilities and net assets	726,937	706,154

(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 March 31, 2015	Three months ended March 31, 2016
Net sales	61,094	57,998
Cost of sales	48,986	45,156
Gross profit	12,108	12,842
Selling, general and administrative expenses	7,514	7,663
Operating income	4,594	5,179
Non-operating income		
Interest income	93	56
Dividend income	81	150
Other	333	144
Total non-operating income	508	351
Non-operating expenses		
Interest expenses	212	308
Foreign exchange losses	1,638	2,202
Other	952	565
Total non-operating expenses	2,803	3,076
Ordinary income	2,298	2,454
Extraordinary income		
Gain on sales of non-current assets	—	32
Total extraordinary income	—	32
Extraordinary losses		
Loss on sales and retirement of non-current assets	63	6
Total extraordinary losses	63	6
Income before income taxes and minority interests	2,235	2,481
Income taxes	2,621	1,652
Profit (loss)	(386)	829
Profit attributable to non-controlling interests	122	181
Profit (loss) attributable to owners of parent	(508)	648

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2015	Three months ended March 31, 2016
Profit (loss)	(386)	829
Other comprehensive income		
Valuation difference on available-for-sale securities	3,710	(5,969)
Deferred gains or losses on hedges	249	(116)
Foreign currency translation adjustment	(2,295)	(995)
Total other comprehensive income	1,664	(7,081)
Comprehensive income	1,277	(6,252)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,154	(6,433)
Comprehensive income attributable to non-controlling interests	123	181

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

(Millions of yen)

	Three months ended March 31, 2015	Three months ended March 31, 2016
Cash flows from operating activities		
Income before income taxes and minority interests	2,235	2,481
Depreciation	8,793	7,462
Increase (decrease) in provision for special repairs	847	595
Decrease (increase) in notes and accounts receivable - trade	1,306	3,433
Decrease (increase) in inventories	(2,029)	(1,121)
Increase (decrease) in notes and accounts payable - trade	(5,419)	(3,826)
Income taxes paid	(1,349)	(3,073)
Other, net	1,196	1,333
Net cash provided by (used in) operating activities	5,581	7,285
Cash flows from investing activities		
Purchase of non-current assets	(12,082)	(11,148)
Other, net	3,328	3,296
Net cash provided by (used in) investing activities	(8,754)	(7,851)
Cash flows from financing activities		
Net increase (decrease) inn short-term loans payable, long-term loans payable	(215)	2,419
Cash dividends paid	(1,855)	(3,745)
Other, net	(2,180)	(1,823)
Net cash provided by (used in) financing activities	(4,251)	(3,149)
Effect of exchange rate change on cash and cash equivalents	241	(1,156)
Net increase (decrease) in cash and cash equivalents	(7,182)	(4,872)
Cash and cash equivalents at beginning of period	129,823	133,856
Cash and cash equivalents at end of period	122,640	128,984