



June 20, 2016

Nippon Electric Glass Co., Ltd.  
Motoharu Matsumoto, President  
Securities identification code: 5214  
First Section of the Tokyo Stock Exchange  
Contact: Koichi Tsuda, Director and Senior Vice President  
TEL: +81-77- 537-1700

**Notice regarding signing of a Preliminary Agreement relating to the Acquisition of PPG's  
European Glass Fiber Business**

Nippon Electric Glass Co., Ltd. (the "Company") is pleased to announce that it has entered into a preliminary agreement ("PA") with the PPG Industries, Inc. ("PPG") to acquire the European glass fiber business of PPG ("Target Business") (the "Transaction") today.

1. Purpose of the PA and the Transaction

Through the Transaction, the Company aims to expand its glass fiber business 1) by fortifying its global supply capabilities by acquisition of production base in Europe, 2) by increasing sales of chopped strands, a main product of the Company and 3) by adding other glass fiber products to the current lineup. Furthermore, as the Company believes that the Target Business is highly complementary to the Company's glass fiber business and is expected to create significant synergies for future growth, the Company has entered into PA with PPG.

The Company is working on three-year Medium-term Business Plan, "EGP2018" ending in FY2018. On "EGP2018", the Company has set aside 50 billion yen for strategic investments such as M&A and alliances in addition to expanding business through utilizing its own business resources. Also the Company sets forth one of the basic policy of the plan to expand business for "Performance Materials and Others" including glass fiber in order to improve business portfolio.

The Company believes that the acquisition of the Target Business will present a meaningful step towards promoting "EGP2018" and realizing the Company's ultimate aim of achieving sustainable growth as a leading manufacturer of special glass with a balanced business portfolio.

2. Summary of Transaction

(1) Target Assets

Assets relating to the glass fiber business of the Wigan Factory owned by PPG Industries (UK) Limited (Wigan, UK) and all of the shares of outstanding stock of PPG Industries Fiber Glass B.V. (Hoogezand, Netherlands)

(2) Conditions precedent to acquiring the Target Assets

- Completion of the consultation process with the Target Business Dutch Works Council regarding the acquisition of PPG Industries Fiber Glass B.V.
- Approval by the competition law authorities of relevant countries regarding the acquisition of the Target Assets

3. Projected Schedule

Start of consultation process with Works Council of PPG Industries Fiber Glass B.V.	June 2016
Competition law authorities of relevant countries	June 2016
Definitive agreement	Second half of 2016
Closing	Second half of 2016

4. Impact on FY2016 Performance

As the timing of the Closing of the Transaction is not yet determined, the impact of the Transaction is currently not reflected in the FY2016 financial estimates.

[Overview of the Target Assets]

	PPG Industries (UK) Limited Wigan Factory (UK)	PPG Industries Fiber Glass B.V. (Netherlands)
Main Products	Direct rovings for reinforced plastics	Chopped strands for reinforced plastics
Main Purpose of the Use	Blades for wind power generation, Composite materials for auto parts	Composite materials for auto parts
Total Assets	Approximately EUR 90 million	
Revenue	Approximately EUR 150 million	
Number of Employees	Approximately 550	

[Overview of PPG]

Company name	PPG Industries, Inc.
Headquarters	Pennsylvania, USA
Established	1883
Business	Manufacturer and distributor of paints, coatings, glass products, etc.
Revenue	USD 15,330 million