

FORM 1 (6/92)

**TRANSMITTAL OF FINANCIAL REPORTS AND
CERTIFICATION OF COMPLIANCE WITH OPERATING
REQUIREMENTS FOR
THE PERIOD ENDED: February 2005**

In re:

CASE NO: 04-63851

Chapter 11

Judge: John HoffmanNippon Electric Glass Ohio, Inc.

Debtor

As debtor in possession, I affirm:

1. That I have reviewed the financial statements attached hereto, consisting of:

| | | |
|-------------------------------------|--|------------|
| <input checked="" type="checkbox"/> | Operating Statement | (Form 2) |
| <input checked="" type="checkbox"/> | Reimbursement of NEG MEX | (Form 2a) |
| <input checked="" type="checkbox"/> | Balance Sheet | (Form 3) |
| <input checked="" type="checkbox"/> | Aging of Insider Receivables | (Form 3a) |
| <input checked="" type="checkbox"/> | Summary of Operations | (Form 4) |
| <input checked="" type="checkbox"/> | Aging of Post-Petition Account Payable | (Form 4a) |
| <input checked="" type="checkbox"/> | Monthly Cash Statement | (Form 5) |
| <input checked="" type="checkbox"/> | Statement of Compensation | (Form 6-1) |
| <input checked="" type="checkbox"/> | Statement of Compensation | (Form 6-2) |

and that they have been prepared in accordance with normal and customary accounting practices, and fairly and accurately reflect the debtor's financial activity for the period stated;

2. That the insurance as described in Section 4 of the Operating Instructions and Reporting Requirements For Chapter 11 Cases IS/IS NOT in effect; and, (if not, attach written explanation).

3. That all post petition taxes as described in Sections 1 and 14 of the Operating Instructions and Reporting Requirements For Chapter 11 Cases ARE/ARE NOT current. (if not, attach written explanation).

4. No professional fees (attorney, accountant, ect.) have been paid without specific court authorization. Explain on separate sheet, if not true.

I hereby certify, under penalty of perjury, that the information provided herein is true and correct to the best of my information and belief.

Dated: Mar, 18, 2005

Akira Murakami
Debtor in Possession

Vice President
Title

Phone

OPERATING STATEMENT (P&L)
(Accrual Basis)

Debtor: Nippon Electric Glass Ohio, Inc.Case No: 04-63851Month Ending: February 2005

| | Current Month | Total Since Filing |
|--|-------------------------------|-------------------------------|
| Total Revenue/Sales | \$ 2,944,242.04 | \$ 7,143,842.74 |
| Cost of Sales | 2,845,010.83 | 6,787,326.69 |
| Gross Profit | <u>\$ 99,231.21</u> | <u>\$ 356,516.05</u> |
| <u>EXPENSES</u> | | |
| Compensation of Officers | <u>\$ 10,210.12</u> | <u>\$ 147,138.90</u> |
| Employee Salaries | | |
| Employee Benefits & Pensions | | |
| Payroll Taxes | <u>1,000.23</u> | <u>2,488.00</u> |
| Other Taxes | <u>567.11</u> | <u>2,355.41</u> |
| Rent & Lease Expenses | <u>1,440.00</u> | <u>8,616.60</u> |
| Interest Expense | | |
| Insurance | <u>92.36</u> | <u>507.98</u> |
| Transportation Expenses | <u>9,062.32</u> | <u>65,809.57</u> |
| Utilities (gas, electric, phone) | | <u>235.53</u> |
| Depreciation | <u>131.89</u> | <u>750.51</u> |
| Travel & Entertainment | <u>-</u> | <u>2,863.66</u> |
| Repairs & Maintenance | | |
| Advertising | | |
| Miscellaneous Expenses | <u>320.68</u> | <u>1,451.96</u> |
| Other: <u>Reimbursement of NEG MEX</u> | <u>37,630.46</u> | <u>222,925.56</u> |
| Other: <u>Royalty</u> | | <u>6,881.03</u> |
| TOTAL EXPENSES: | <u>\$ 60,455.17</u> | <u>\$ 462,024.71</u> |
| NET OPERATING PROFIT/(LOSS) | <u>\$ 38,776.04</u> | <u>\$ (105,508.66)</u> |
| Add: Non-Operating Income: | | |
| Interest Income | <u>-</u> | <u>4,986.30</u> |
| Other Income | <u>9,168,361.11</u> NOTE 1 | <u>9,172,431.88</u> |
| Less: Non-Operating Expense: | | |
| Professional Fees | <u>40,378.52</u> | <u>268,563.29</u> |
| Federal Income Tax | <u>169,073.00</u> | <u>169,073.00</u> |
| Other Loss | <u>7,863,154.89</u> NOTE 1 | <u>8,243,445.82</u> |
| NET INCOME/(LOSS) | <u>\$ 1,134,530.74</u> | <u>\$ 390,827.41</u> |

Nippon Electric Glass Ohio, Inc.
Note 1 to Operating Statement (Form 2)
For month of February, 2005

The "Other Income" item of \$9,168,361.11 in the Operating Statement (P&L) (Form 2) consists of the Debtor's insurance claim arising out of the October, 2004 fire at the Debtor's Mexicali plant facility that resulted in the destruction of the Debtor's inventory and machinery. In prior monthly operating reports, an insurance claim in an amount reflecting the book value of the inventory and machinery that was destroyed was recorded as an asset on the Balance Sheet, but not as income on the Operating Statement. The insurance claim, adjusted to reflect the current estimate of the recovery, has been included as Non-Operating Income in the Operating Statement for February, 2005. The Debtor has to date received approximately \$1,500,000 in insurance proceeds. The balance of the insurance claim, \$7,667,940.26, is reflected in the asset item "Others: Insurance fire claim" on the Balance Sheet (Form 3).

Similarly, the losses and liabilities incurred by the Debtor as a result of the fire, including the book value of the lost inventory and machinery, have been booked as a Non-Operating Expense under "Other Loss" on the Operating Statement. The \$7,863,154.89 for "Other Loss" consists of the following:

| | |
|-------------------------------|-----------------|
| Inventory (book value) | \$ 2,396,623.08 |
| Machinery (book value) | 4,426,689.34 |
| Third party claims for losses | 620,198.25 |
| Glass removal expenses | 395,684.73 |
| Other | 23,959.49 |
| Total | \$ 7,863,154.89 |

Nippon Electric Glass Ohio, Inc.
Reimbursement of NEG MEX

Form 2a

| <u>Description</u> | <u>Amount</u> |
|-----------------------|---------------------|
| Payroll | \$ 15,128.44 |
| Electricity | 2,772.56 |
| Depreciation | 1,012.30 |
| Other Taxes | 4,985.03 |
| Fee | 5,948.23 |
| Surveillance Services | 2,969.03 |
| Insurance | 329.02 |
| Telephone | 680.74 |
| Logistic Fee | 1,822.87 |
| Others | 1,982.24 |
| Total | \$ 37,630.46 |

BALANCE SHEETDebtor: Nippon Electric Glass Ohio, Inc.Case No: 04-63851Month Ending: February 2005

| ASSETS: | Current Month | Prior Month | At Filing |
|---|-------------------------|-------------------------|-------------------------|
| Cash: | \$ 6,696,290.27 | \$ 7,609,196.15 | \$ 2,378,494.87 |
| Inventory: | 741,975.47 | 1,009,398.04 | 3,807,578.90 |
| Accounts Receivables: | 3,471,958.63 | 1,387,524.80 | 2,041,230.01 |
| Insider Receivables: | 2,108,624.95 | 2,108,624.95 | 2,217,746.11 |
| Land & Buildings: | | | |
| Furn., Fixtures & Equip: | 226,104.43 | 226,104.43 | 9,432,235.08 |
| Accumulated Depreciation: | (224,204.86) | (224,072.97) | (4,926,766.22) |
| Others: Investments in Subsidiary | 8,913,098.00 | 8,913,098.00 | 8,913,098.00 |
| Others: Prepaid Expenses | 215,482.05 | 241,897.93 | 451,184.30 |
| Others: Deferred Taxes | 68,561.00 | 127,500.00 | 127,500.00 |
| Others: Insurance fire claim (machinery & inventory) | 7,667,940.26 | 5,344,760.38 | - |
| TOTAL ASSETS: | \$ 29,885,830.20 | \$ 26,744,031.71 | \$ 24,442,301.05 |
| LIABILITIES: | | | |
| Postpetition Liabilities: | | | |
| Accounts Payable: | \$ 4,295,773.89 | \$ 2,908,704.39 | N/A |
| Wages & Salaries: | | | |
| Taxes Payable: | | | |
| Others: Fire loss claims | 620,198.25 | | |
| TOTAL Postpetition Liabilities: | \$ 4,915,972.14 | \$ 2,908,704.39 | \$ - |
| Secured Liabilities: | | | |
| Subject to Postpetition Collateral of Financing Order All Other Secured Liab. | | | |
| TOTAL Secured Liabilities: | \$ - | \$ - | \$ - |
| Prepetition Liabilities: | | | |
| Accounts Payable: | \$ 13,018,834.13 | \$ 13,018,834.13 | \$ 12,882,104.53 |
| Taxes & Others Priority Liabs. | | | |
| Unsecured Liabilities: | | | |
| Other: | | | |
| TOTAL Prepetition Liabilities: | \$ 13,018,834.13 | \$ 13,018,834.13 | \$ 12,882,104.53 |
| Equity: | | | |
| Owner's Capital: | \$ 9,000,000.00 | \$ 9,000,000.00 | \$ 9,000,000.00 |
| Retained Earnings-Prepetition | 2,560,196.52 | 2,560,196.52 | 2,560,196.52 |
| Retained Earnings-Postpetition | 390,827.41 | (743,703.33) | N/A |
| TOTAL Equity: | \$ 11,951,023.93 | \$ 10,816,493.19 | \$ 11,560,196.52 |
| TOTAL LIABILITIES AND EQUITY: | \$ 29,885,830.20 | \$ 26,744,031.71 | \$ 24,442,301.05 |

Nippon Electric Glass Ohio, Inc.
 Aging of Insider Receivables

Form 3a

| Owed from: | Amount: | 1-30 days | 31-60 days | Over 60 days | |
|--|-----------------|------------------------|-------------|-----------------|------------------------|
| Techneglas Inc. | \$ 1,585,841.52 | | | \$ 1,585,841.52 | |
| Nippon Electric Glass Co., Ltd. | 17,896.83 | | | 17,896.83 | |
| Nippon Electric Glass Mexico, SA de CV | 500,000.00 | | | 500,000.00 | |
| Nippon Electric Glass (Malaysia) Sdn. Bhd. | 4,886.60 | | | 4,886.60 | |
| Total | | \$ 2,108,624.95 | \$ - | \$ - | \$ 2,108,624.95 |

SUMMARY OF OPERATIONS

Period Ended: February 2005
 Debtor: Nippon Electric Glass Ohio, Inc. Case No: 04-63851

Schedule of Postpetition Taxes Payable

| | Beginning Balance | Accrued/ Withheld | Payments/ Deposits | Ending Balance |
|--|----------------------|----------------------|-----------------------|-------------------|
| Income Taxes Withheld | | | | |
| Federal: | | \$ 2,272.98 | \$ 2,272.98 | |
| State: | | \$ 705.09 | \$ 705.09 | |
| Local: | | | | |
| FICA Withheld: | | | | |
| | | \$ 891.24 | \$ 891.24 | |
| Employers FICA: | | | | |
| | | \$ 891.24 | \$ 891.24 | |
| Unemployment Tax: | | | | |
| Federal: | | 19.38 | 19.38 | |
| State: | | 89.61 | 89.61 | |
| Sales, Use & Excise Tax: | | | | |
| | | | | |
| Property Taxes: | | | | |
| | | | | |
| Other: (State Disability Insurance) | | 125.81 | 125.81 | |
| TOTALS: | | \$ 4,995.35 | \$ 4,995.35 | |

**AGING OF ACCOUNTS RECEIVABLE
AND POST-PETITION ACCOUNTS PAYABLE**

| Age in Days | 0-30 | 30-60 | Over 60 |
|-----------------------------------|---------------------|---------------------|---------------------|
| Post Petition Accounts Payable | <u>2,734,714.28</u> | <u>579,189.73</u> | <u>981,869.87</u> |
| Accounts Receivable | <u>557,872.74</u> | <u>3,197,865.60</u> | <u>2,069,890.05</u> |

For all post-petition accounts payable over 30 days old, please attach a sheet listing each such account, to whom the account is owed, the date the account was opened, and the reason for non-payment of the account.

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a Plan of Reorganization.

Nippon Electric Glass Ohio, Inc.
Aging of Post-Petition Account Payable

Form 4a

| Owed to: | Date opened: | Amount: | Reason for non-payment: |
|--|--------------|------------------------|---|
| Nippon Electric Glass Mexico, SA de CV | 12/31/04 | 1,790.24 | Adjustment Dec-04 (annual closing) |
| Nippon Electric Glass Mexico, SA de CV | 01/31/05 | 43,661.33 | Paid in Mar-05 |
| Nippon Electric Glass Co., Ltd. | 12/31/04 | 781,979.56 | 90 days payment term: deadline 03/31/05 |
| Nippon Electric Glass Co., Ltd. | 01/31/05 | 535,493.40 | 90 days payment term: deadline 04/30/05 |
| Nippon Electric Glass (Malaysia) Sdn. Bhd. | 09/30/04 | (1,274.50) | 90 days payment term: deadline 12/31/04 |
| Sumitomo Corporation | 12/31/04 | 4,845.28 | No term |
| Nippon Electric Glass UK | 11/30/04 | 105,523.68 | Paid in Mar-05 |
| Industrial Link | 12/31/04 | 89,005.61 | Glass removal costs (final payment in Mar-05) |
| Others | | 35.00 | |
| Total | | \$ 1,561,059.60 | |

FORM 5 (6/92)

MONTHLY CASH STATEMENT

Debtor: Nippon Electric Glass Ohio, Inc.

Statement for the period:

Case No: 04-63851

From: February 1st, 2005

To: February 28th, 2005

Cash Activity Analysis (Cash Basis Only):

| | General Acct. | Payroll Acct. | Tax Acct. | Cash Coll. Acct. |
|--|------------------------|------------------|--------------|---------------------|
| A. Beginning Balance: | <u>\$ 7,609,196.15</u> | _____ | _____ | _____ |
| B. Receipts, Attach separate schedule: | <u>752,644.21</u> | _____ | _____ | _____ |
| C. Balance Available (A + B): | <u>\$ 8,361,840.36</u> | _____ | _____ | _____ |
| D. Less Disbursements Attach separate schedule | <u>1,665,550.09</u> | _____ | _____ | _____ |
| E. ENDING BALANCE (C-D). | <u>\$ 6,696,290.27</u> | _____ | _____ | _____ |

(PLEASE ATTACH COPIES OF MOST RECENT RECONCILED BANK STATEMENTS FROM EACH ACCOUNT)

General Account:

1. Depository Name & Add. KeyBank, 127 Public Square, Cleveland, OH 44114-1306
2. Account Number 3596-8100-8058

General Account:

1. Depository Name & Add. _____
2. Account Number _____

Tax Account:

1. Depository Name & Add. _____
2. Account Number _____

Other monies on hand (specify type and location) (i.e., CD's, petty cash, ect.):

None

Date: Mar. 18, 2005

Akira Murakami
Debtor in Possession

Nippon Electric Glass Ohio, Inc.
Accounts Activity from 02/01/2005 to 02/28/2005
Currency: USD

Form 5 B

| KeyBank 3596-8100-8058 | | |
|-------------------------------|-----------------------|-------------------|
| 02/08/2005 Income | Sony Electronics Inc. | 27,146.96 |
| 02/08/2005 Income | Industrial Link Inc. | 7,289.00 |
| 02/08/2005 Income | Samsung | 243,425.18 |
| 02/16/2005 Income | Thomson | 121,697.75 |
| 02/18/2005 Income | Thomson | 96,280.00 |
| 02/22/2005 Income | Sony Electronics Inc. | 245,044.80 |
| 02/24/2005 Income | Sony Electronics Inc. | 11,760.52 |
| Total: \$ | | 752,644.21 |

Nippon Electric Glass Ohio, Inc.
Accounts Activity from 02/01/2005 to 02/28/2005
Currency: USD

Form 5 D

KeyBank 3596-8100-8058

| | | | |
|------------|----------|--|------------|
| 02/01/2005 | Expenses | Industrial Link Inc. | 32,996.11 |
| 02/02/2005 | Expenses | Nippon Electric Glass Co., Ltd. | 2,305.20 |
| 02/02/2005 | Expenses | Nippon Electric Glass (Malaysia) Sdn. Bhd. | 430,090.56 |
| 02/02/2005 | Expenses | Nippon Electric Glass Co., Ltd. | 257,344.80 |
| 02/08/2005 | Expenses | Hitachi Transport System (America) | 10,331.19 |
| 02/09/2005 | Expenses | Litoimpresiones de Baja California | 25.74 |
| 02/15/2005 | Expenses | Galaz, Yamazaki, Ruiz Urquiza, SC | 567.11 |
| 02/17/2005 | Expenses | Hitachi Transport System (America) | 7,000.00 |
| 02/17/2005 | Expenses | Industrial Link Inc. | 124,611.67 |
| 02/24/2005 | Expenses | ADP processing charges payroll | 160.00 |
| 02/24/2005 | Expenses | Deloitte Tax LLP | 14,055.00 |
| 02/24/2005 | Expenses | Palm Garden | 720.00 |
| 02/24/2005 | Expenses | Palm Garden | 720.00 |
| 02/25/2005 | Expenses | Nippon Electric Glass Co., Ltd. | 773,251.68 |
| 02/28/2005 | Expenses | ADP payroll service | 6,215.00 |
| 02/28/2005 | Expenses | ADP payroll service | 4,995.35 |
| 02/28/2005 | Expenses | ADP processing charges payroll | 160.68 |

Total: \$ 1,665,550.09

FORM 6 (6/92)

MONTHLY STATEMENT OF COMPENSATION

Month Ending: February 2005

The following information is to be provided for each share holder, officer, director, manager, insider, or owner that is employed by the debtor in possession. Attach additional pages if necessary.

Name: KATSUO TAKEDA Capacity: Principal
 X Officer
 X Director
 Insider

Detailed Description of Duties: General supervision of the business of the company

| | | | |
|-----------------------------------|-------------------|----|--------------------|
| Current Compensation Paid: | Weekly | or | Monthly |
| | <u> </u> | | <u>\$ 5,470.48</u> |

| | | | |
|-----------------------------------|-------------------|----|-------------------|
| Current Benefits Received: | Weekly | or | Monthly |
| Healty Insurance | <u> </u> | | <u> </u> |
| Life Insurance | <u> </u> | | <u> </u> |
| Retirement | <u> </u> | | <u> </u> |
| Company Vehicle | <u> </u> | | <u> </u> |
| Entertainment | <u> </u> | | <u> </u> |
| Travel | <u> </u> | | <u> </u> |
| Other Benefits: Housing Allowance | <u> </u> | | <u>720.00</u> |

| | | | |
|-----------------------|-------------------|----|--------------------|
| CURRENT TOTAL: | Weekly | or | Monthly |
| | <u> </u> | | <u>\$ 6,190.48</u> |

Dated: Mar. 18. 2005

Akira Murakami
Principal, Officer, Director, Insider

359681008058



6 B 0968 00006 R EM B1
NIPPON ELECTRIC GLASS OHIO INC
PO BOX 220
EL CENTRO CA 92244-0220

Questions or comments?
Call 1-800-821-2829

Key Business Checking 359681008058
NIPPON ELECTRIC GLASS OHIO INC

| | |
|-------------------------------|-----------------------|
| Beginning balance 1-31-05 | \$7,619,663.34 |
| 6 Additions | + 740,883.69 |
| 19 Subtractions | -1,657,357.06 |
| Ending balance 2-28-05 | \$6,703,189.97 |

Additions

| Deposits | Date | Serial # | Source | |
|----------|------|----------|------------------------|---------------------|
| | 2-8 | 5229 | Fedwire Deposit | \$243,425.18 ✓ |
| | 2-15 | | Thomson Inc Payments | 121,697.75 ✓ |
| | 2-17 | | Customer Deposit | 7,289.00 ✓ |
| | 2-17 | | Customer Deposit | 27,146.96 ✓ |
| | 2-22 | 10659 | Fedwire Deposit | 245,044.80 ✓ |
| | 2-23 | | Customer Deposit | 96,280.00 ✓ |
| | | | Total additions | \$740,883.69 |

Subtractions

Checks

* check missing from sequence

| | | | | | | | |
|-------|-----|--------------|------|------|----------|--------------------------|-------------------|
| 1518 | 2-1 | \$5,000.00 ✓ | 1524 | 2-4 | 60.00 ✓ | Total checks paid | \$7,254.18 |
| *1522 | 2-3 | 720.00 - | 1525 | 2-15 | 187.07 ✓ | | |
| 1523 | 2-3 | 720.00 ✓ | 1526 | 2-24 | 567.11 ✓ | | |

February 28, 2005

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Subtractions
 (con't)

| <i>Withdrawals</i> | <i>Date</i> | <i>Serial #</i> | <i>Location</i> | |
|--------------------|-------------|-----------------|---|-----------------------|
| | 2-1 | 6521 | Fedwire Withdrawal | \$32,996.11/ |
| | 2-2 | 3759 | International Wire Withdrawal | 2,305.20/ |
| | 2-2 | 3731 | Fedwire Withdrawal | 257,344.80/ |
| | 2-2 | 3768 | Fedwire Withdrawal | 430,090.56/ |
| | 2-8 | 7692 | Fedwire Withdrawal | 10,331.19/ |
| | 2-9 | 3231 | International Wire Withdrawal | 640.64/ |
| | 2-17 | 4019 | Fedwire Withdrawal | 7,000.00/ |
| | 2-17 | 3961 | Fedwire Withdrawal | 124,611.67/ |
| | 2-24 | | Adp Payroll Feesadp - Fees | 160.00/ |
| | 2-24 | | Adp TX/Fincl Svcadp - Tax 03UP4 022507A01 | 4,995.35/ |
| | 2-24 | | Adp TX/Fincl Svcadp - Tax 535001167468UP4 | 6,215.00/ |
| | 2-25 | | Adp Payroll Feesadp - Fees | 160.68/ |
| | 2-25 | 4171 | Fedwire Withdrawal | 773,251.68/ |
| | | | Total subtractions | \$1,657,357.06 |

See your Account Analysis statement for details.

**Fees and
charges**