



**Nippon Electric Glass**

# ESG Data Book 2025

For the year ended December 31, 2025



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### On the Issuance of Our Databook

This Databook has been prepared based on sustainability information available on our website as of May 2026.

### Organizations covered

The Nippon Electric Glass Group's 9 companies in Japan and 14 companies outside Japan are covered in this report. In cases where the coverage area of the data differs, we have indicated the appropriate coverage areas respectively.

### Period of reporting

Fiscal 2025 (January 2025 to December 2025).

Some qualitative information regarding fiscal 2026 has also been included in this report.

### Publication, next scheduled publication

Issued in May 2026. Next scheduled issue in May 2027.

# Message from the President

## Building a Better Society for the Future

President and Representative Director

**Akira Kishimoto**



Addressing pollution issues at our facilities in the early 1970s taught us the critical importance of environmental conservation for sustaining our business. Glass manufacturing requires substantial energy and resources, and we use what we have learned to reduce consumption and minimize the environmental impact of our operations. We are committed to conducting our business in harmony with the environment. We also recognize the importance of strengthening human capital, the driving force behind long-term value creation, as well as fostering harmonious coexistence with local communities.

In 2017, we established a fundamental philosophy clarifying that these initiatives are integral to our business operations, that we conduct our activities in line with our corporate philosophy, and that we are committed to enhancing corporate value while contributing to a sustainable society. Building on our history of environmental awareness and action, we identified materiality issues and established the policies that form the foundation of our corporate social responsibility initiatives.

To further advance Group strategies for sustainable growth, we redefined our fundamental approach to sustainability and revised our sustainability promotion structure and materiality, effective January 1, 2026. Sustainability is a core element in our strategy for achieving sustainable growth that is in harmony with the environment, society, and the economy, and it is essential to continuing to build our corporate value.

To support these initiatives, we will make effective use of our management resources, including human resources, capital, assets, technology, and information, while maintaining robust corporate governance to ensure effective execution of sustainability management.

We look forward to your continued support as we work to further strengthen the trust and confidence of our stakeholders.

# Sustainability Foundation

Discover an overview of our history, challenges, and fundamental philosophy on sustainability.

## History of Sustainability Initiatives

In the early 1970s, addressing pollution issues at our Fujisawa Plant (which closed in 2015) taught us the critical importance of environmental conservation for sustaining our business. Glass manufacturing requires substantial energy and resources, and we use what we have learned to reduce consumption and minimize the environmental impact of our operations. We are committed to conducting our business in harmony with the environment. Alongside this, we have made community contributions, focusing on local education initiatives and active efforts to employ individuals with disabilities.

Building on this history, the Company defined the guiding principles for these activities, identified material issues, and established basic policies in 2017, and continues to advance initiatives as part of its CSR activities.

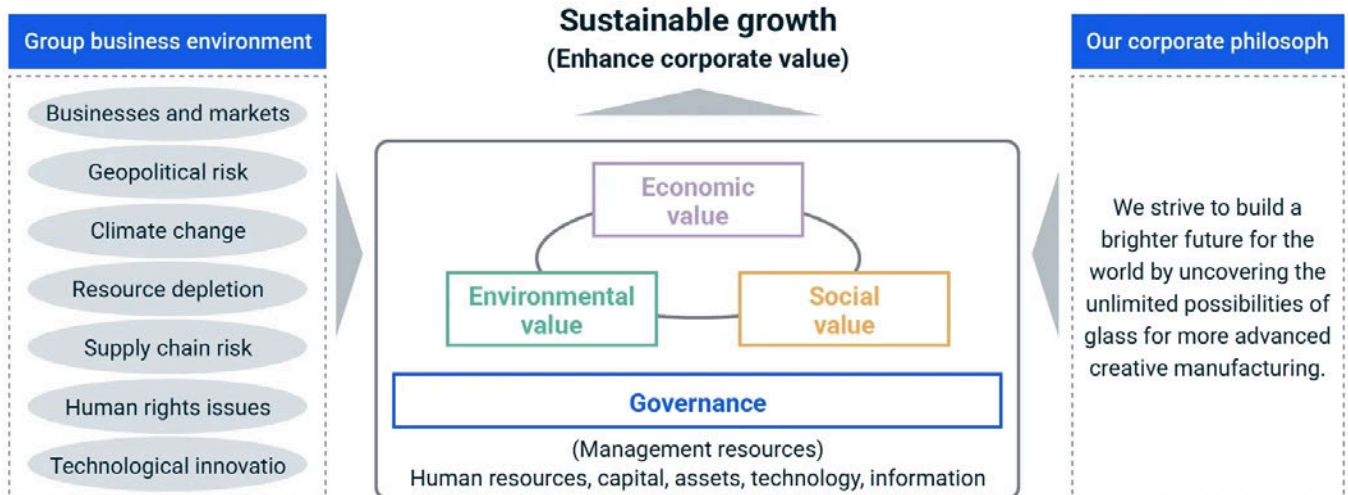
To further advance Group strategies for sustainable growth, we redefined our fundamental approach to sustainability and revised our sustainability promotion structure and materiality, effective January 1, 2026. Sustainability is central to our commitment to achieving sustainable growth in harmony with the environment, society, and the economy, and it is essential to continuing to build our corporate value.

## Basic Approach to Sustainability

The Nippon Electric Glass Group will conduct its business activities in harmony with the environment, society, and economy, and seek to achieve sustainable growth and enhance its corporate value.

To support these initiatives, we will make effective use of our management resources, including human resources, capital, assets, technology, and information, while maintaining robust corporate governance to ensure effective implementation of our sustainability initiatives.

### Basic Approach to Sustainability

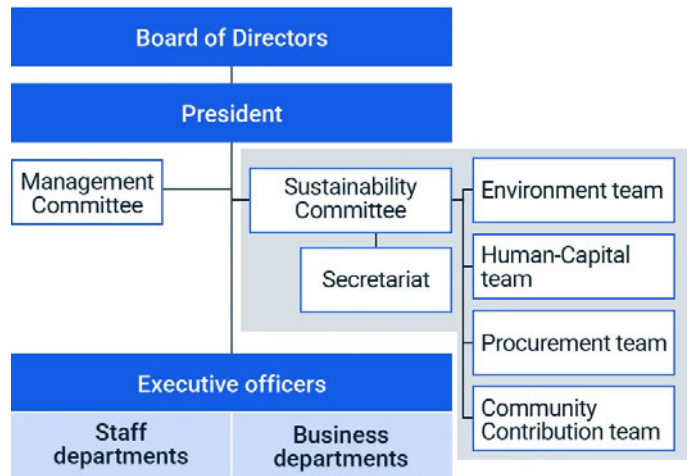


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## Sustainability Promotion Structure

On January 1, 2026, we reorganized the former CSR Committee into the Sustainability Committee to comprehensively review the direction and scope of our sustainability initiatives, provide recommendations to management, promote agile implementation, and ensure timely and accurate information disclosure.

### Sustainability Organizational Structure



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## Board of Directors

The Board of Directors makes decisions on important management affairs of the NEG Group and supervises the execution of business affairs. The Board of Directors also addresses sustainability-related management issues, including establishing the sustainability structure; setting priority issues, measures, and targets toward resolution; and providing the president, who serves as the person in charge of business execution, with assessments and counsel on sustainability activities. Outside officers (four outside directors and two outside corporate auditors) participate in meetings of the Board of Directors.

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## President

The president is responsible for the execution of business and implements measures in accordance with the resolutions and advice of the Board of Directors.

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## Management Committee

The Management Committee deliberates matters important to company management and draws up detailed action plans for decisions made at the Board of Directors meetings.

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## **Sustainability Committee**

The Sustainability Committee formulates basic policies related to Group sustainability, identifies material issues, and develops, reviews, and advances measures for each issue. It also establishes and deliberates on information disclosure policies and content. In addition, the committee addresses a broad range of topics, including the Sustainable Development Goals, with a focus on materiality.

The committee is chaired by an executive officer in charge of corporate communications and is composed of heads of departments related to sustainability. The secretariat is located in the Corporate Communications Department. Four working teams have been established and work together to increase the effectiveness of activities for the materiality issues. The Environmental Team focuses on climate change response and environmental conservation; the Human Capital Team promotes the active participation of diverse talent, enhances the workplace environment, and oversees health and safety; the Procurement Team addresses environmental and human rights issues within the supply chain; and the Community Contribution Team is dedicated to educational support.

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## **Executive officers, staff and business departments**

Executive officers, staff and business departments implement initiatives formulated, reviewed, and promoted by the Sustainability Committee to mitigate risks and capitalize on opportunities related to the items of materiality.

# Materiality

We identify materiality in the environmental, social, and governance areas.

## Materiality Determination and Review

We reviewed our materiality items and related initiatives in light of changes in the external and internal environment since the materiality items were originally identified in 2017. The following process was used to analyze and evaluate materiality issues from both Company and stakeholder perspectives.

### Materiality Determination Process

<b>Step 1</b>	Confirm our corporate objectives Reaffirm our foundation in our corporate philosophy, vision, and values
<b>Step 2</b>	Identify internal and external issues Internal issues: Identify relevant issues through the corporate philosophy, the Group Code of Conduct, the Principles of Activities, the basic CSR policy, risk assessment results, the EGP2028 Medium-term Business Plan, and interviews with each department External issues: Identify items based on the Global Reporting Initiative (GRI) Standards, the Responsible Business Alliance (RBA), and the expectations of investors, business partners, and other stakeholders
<b>Step 3</b>	Evaluate materiality Organize and assess the identified issues, and designate the prioritized items as materiality items
<b>Step 4</b>	Verify suitability Items are compiled by the CSR Committee and reviewed and approved by the Management Committee and the Board of Directors

## Materiality / Initiatives / Indicators and Targets

The materiality review identified 13 items of materiality in fiscal 2025. We accordingly launched initiatives for each materiality and set key performance indicators (KPIs) and targets.

### Environment

Materiality	Conditions and issues	Initiatives	Indicators	Target
<b>Addressing climate change</b>	Glass manufacturing requires a significant amount of energy, making the reduction of greenhouse gas emissions from our melting furnaces an important issue. We are also adapting our business activities to address the risks and opportunities arising from climate change.	<ul style="list-style-type: none"> <li>Carbon Neutrality Action Plan (e.g., reducing GHG emissions)</li> </ul>	CO2 emissions (Scope 1 + 2) (consolidated) Note: Production weight ratio  CO2 emissions intensity (Scope 1 + 2) (consolidated) Note: Production weight ratio	36% decrease in fiscal 2030 (compared to fiscal 2018)  60% decrease in fiscal 2030 (compared to fiscal 2018)  Carbon neutral in 2050
<b>Using resources efficiently</b>	Glass manufacturing requires substantial natural resources, and we have made it a top priority to reduce consumption, improve production efficiency, and minimize waste.	<ul style="list-style-type: none"> <li>Reduce natural resource consumption</li> <li>Reduce waste generation</li> </ul>	Landfill waste intensity (domestic, consolidated) Notes: 1. Landfill waste generated from normal production activities 2. Weight-to-sales ratio	Domestic: maintain at 0.1% or lower  Consolidated: reduce to 5.3% or lower (fiscal 2026)
<b>Consideration for the environment</b>	We operate several manufacturing sites near Lake Biwa and strive to maintain world-class production processes with minimal environmental impact to support sustainable development and protect the region's biodiversity.	<ul style="list-style-type: none"> <li>Reduce water usage and protect the environment</li> <li>Participate in forest conservation activities to preserve biodiversity</li> </ul>	Water withdrawal per unit (consolidated) Note: Weight-to-sales ratio  Wastewater discharge per unit (consolidated) Note: Weight-to-sales ratio	Water intake intensity of 7.8m <sup>3</sup> /t or less (fiscal 2026)  Wastewater intensity of 5.3m <sup>3</sup> /t or less (fiscal 2026)

## Social

Materiality	Conditions and issues	Initiatives	Indicators	Target
Diversity and inclusion	We believe that the collective strength of a diverse workforce drives corporate growth. We actively recruit diverse talent and foster a workplace environment where employees respect one another's human rights and work with motivation and a sense of purpose.	<ul style="list-style-type: none"> <li>• Hire diverse human resources (women, people with disabilities, non-Japanese)</li> <li>• Human resources system (evaluation, promotion, salary, benefits)</li> <li>• Human rights (prohibition of discrimination and harassment, prohibition of child labor and forced labor, respect for workers' rights)</li> <li>• Employee engagement</li> </ul>	Percentage of employees with disabilities (NEG and consolidated subsidiaries in Japan)	Medium-term: minimum 4.4% (by fiscal 2030) Long-term: minimum 4.6% (by fiscal 2035)
			Percentage of women among new hires(non-consolidated)	Minimum 25% (new graduates in career-track positions)
			Percentage of female managers (non-consolidated)	Minimum 2.0% (by fiscal 2028)
Human resources	We will work to elevate the capabilities of our workforce in pursuit of our vision of a workforce composed of "individuals capable of world-class performance in all areas."	<ul style="list-style-type: none"> <li>• Training and education (competence development, self-development, knowledge and skill transfer)</li> </ul>	We cultivate employees capable of independently advancing and improving operations through ongoing programs and on-the-job training.	–
Safety and health	We seek to enhance employee motivation and retention and ultimately strengthen productivity and creativity across the company by continuously minimizing occupational risks and fostering a workplace where everyone can work with energy, safety, and well-being.	<ul style="list-style-type: none"> <li>• Occupational health and safety (safety, workplace environment)</li> </ul>	Occupational injury rate per 1,000 employees (consolidated)	1.1 or less
		<ul style="list-style-type: none"> <li>• Health and productivity management (physical and mental health, stress check analysis)</li> </ul>	Presenteeism loss rate (non-consolidated)	Less than 23%
Responsible sourcing	We fulfill our social responsibilities concerning the environment, human rights, and in all areas throughout the entire supply chain.	<ul style="list-style-type: none"> <li>• Consider the environment and human rights in supply chain procurement</li> </ul>	Percentage of high-risk suppliers evaluated for quality, environment, and human rights (NEG and major consolidated subsidiaries)	100% (by fiscal 2028)
Coexistence with local communities	Good relationships with local communities are essential for the continuation of business activities. We build relationships of trust with local communities and contribute to their development by supporting local education, welfare, and environmental initiatives.	<ul style="list-style-type: none"> <li>• Promoting the potential of glass (in-class presentations, participation in scientific events)</li> <li>• Community contribution activities (food donations, cleanups)</li> </ul>	Continuously conduct each activity	–
Advance glass science	We believe supporting basic research in glass, which is our core technology, and nurturing talent are essential for our sustainable growth. We advance the science of glass by working with higher education institutions and supporting education on glass topics.	<ul style="list-style-type: none"> <li>• Develop human resources in the sciences (present university lectures)</li> <li>• Support glass research at universities and other institutions (endowment lectures)</li> </ul>	Continuously conduct each activity	–

## Corporate Governance

Materiality	Conditions and issues	Initiatives	Indicators	Target
Compliance	A significant share of our manufacturing and sales is conducted overseas. Accordingly, we comply with international rules and all applicable laws and regulations and conduct our business with a strong commitment to ethics and integrity.	<ul style="list-style-type: none"> <li>• Ensure compliance with laws and regulations and provide anti-corruption education</li> <li>• Implement an annual Compliance Awareness Month</li> <li>• Identify, assess, and respond to risks</li> <li>• Ensure tax compliance</li> </ul>	Number of legal actions for bribery, anti-competitive practices, and other violations (consolidated)	0 cases per year
Corporate governance	Ensuring diversity on the Board of Directors strengthens the supervisory function and enhances the competitiveness of business activities.	<ul style="list-style-type: none"> <li>• Ensure diversity on the Board of Directors</li> </ul>	Percentage of outside directors, including women	50% or higher
Management of confidential information	We take steps to minimize the risk of information leaks and cyberattacks that could disrupt corporate activities and to prevent incidents with significant impact.	<ul style="list-style-type: none"> <li>• Committee activities</li> <li>• In-house training (compliance, IT)</li> <li>• Conduct incident response drills</li> </ul>	Number of serious information security incidents (consolidated)	0 cases per year
Information disclosure	We disclose necessary information in a timely and appropriate manner to maintain strong relationships with all stakeholders.	<ul style="list-style-type: none"> <li>• Disseminate information through various media</li> <li>• Communicate with investors</li> </ul>	Enhance continuous disclosure Increase dialogue with investors	–

# Our Approach to Protecting the Environment

Explore our approach to environmental conservation.

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## Our Approach to Protecting the Environment

As a glass manufacturer that relies heavily on resources and energy, protecting the environment is a top management priority. We view environmental responsibility as a core value, and in all our operations we are strongly committed to protecting the environment. We believe the key to environmentally friendly manufacturing lies in creating the most efficient processes possible. To that end, we continually strive to reduce our environmental footprint and develop operations that promote sustainability and protect biodiversity.

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## Environmental Charter

The Environmental Charter serves as our foundational policy, guiding the direction of our environmental initiatives and activities. In line with this Charter, Nippon Electric Glass (NEG) and its Group companies are united in leveraging our glass technologies and products to protect the global environment and contribute to a recycling-oriented society.

### Environmental Principles

Preserving the global environment is essential for the prosperity of people and society in the 21st century.

Nippon Electric Glass, guided by the corporate philosophy of “Exploring Glass’s Creative Potential to Shape a Brighter Future” and committed to “consideration for the environment” as a core value, strives to remain the world’s leading manufacturer of special glass. We achieve this through cutting-edge technological development, top-tier quality standards, efficient production processes, and a steady supply of products. Together with our group companies, NEG is dedicated to preserving the environment and fostering a recycling-based society by adopting highly efficient, environmentally responsible practices.

### Action Plan

1. We comply with all environment-related laws, regulations, conventions, and agreements we have signed, while also establishing and enforcing our own voluntary environmental standards.
2. We aim to minimize our environmental impact across all stages of our corporate activities and product life cycle, from procurement and manufacturing to transportation, sales, use, reuse, treatment, and disposal.
3. We are committed to achieving the world’s most efficient manufacturing processes, which optimize resource and energy use while contributing to biodiversity preservation and greenhouse gas reduction.

4. We strive to adapt to the evolving environmental demands of 21st-century society, taking action to prevent pollution and strengthen our societal presence.
5. We set clear environmental objectives and targets, achieving them through the participation of all employees in environmental protection activities and the continuous improvement of our environmental management system to enhance overall performance.

Established September 1, 1992

Revised January 1, 2023 (8th edition)



**President**

**NEG** Nippon Electric Glass

The Environmental Charter is shared with all employees and affiliated companies and is available to external parties upon request.

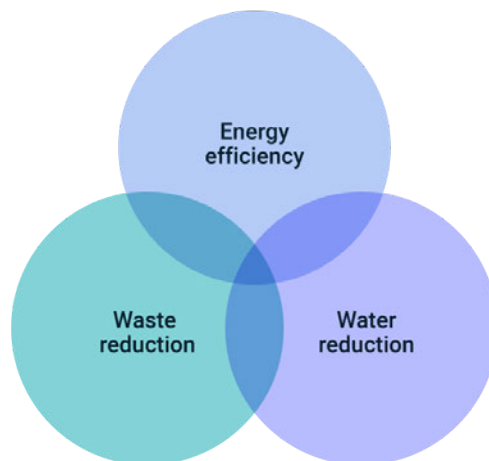
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## Environmental Business Plan

Our Environmental Business Plan is a distinctive initiative that applies business management principles to environmental conservation. The plan promotes wide-ranging efforts to use resources efficiently and minimize waste to protect the environment and contribute to a recycling-oriented society with a focus on three core areas: waste reduction, water conservation, and energy efficiency.

We launched our waste management plan in fiscal 2001, followed by water conservation efforts in fiscal 2003. We set unit-based targets for both waste and water, which we continuously review and lower to reduce our environmental impact over time. Recognizing that the glass melting process is highly energy-intensive, we launched a proactive initiative in fiscal 2021 to reduce energy consumption, using energy intensity as a key performance indicator to guide our efforts. This energy initiative includes improving the electric power ratio, using hydrogen combustion and other new manufacturing processes, and incorporating renewable energy sources. These efforts are further supplemented by our efforts to achieve our CO<sub>2</sub> reduction targets, which are part of our climate change initiatives.

We are advancing similar efforts in all of our business departments based on our view that waste-free manufacturing is both economical and environmentally friendly, and helps preserve biodiversity.



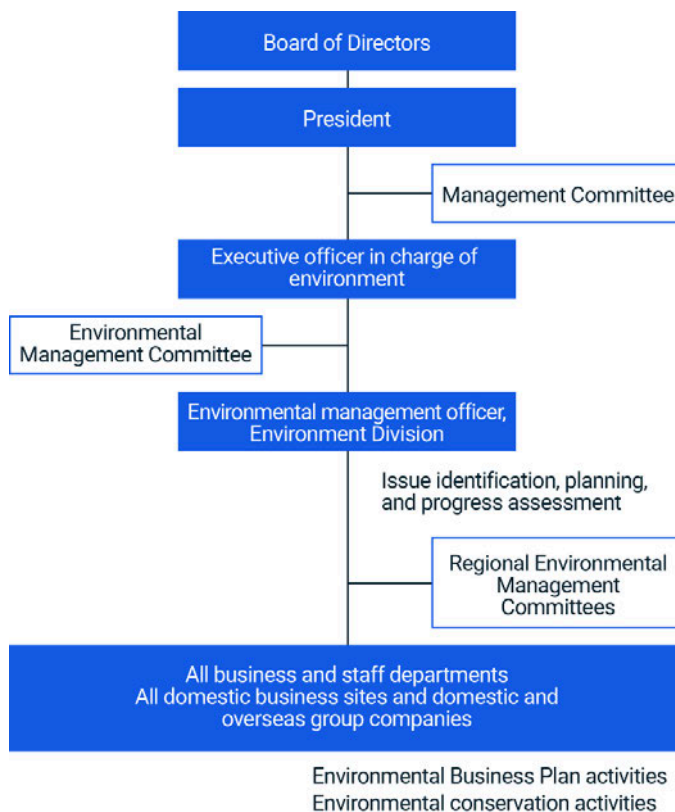
# Environmental Management

Learn about our environmental management system and initiatives.

## Environmental Management System

Our environmental management system, overseen by the president and the executive officer in charge of environmental affairs, promotes environmental activities throughout the Group, including the Environment Division and all business departments, staff functional departments, and domestic and overseas Group companies.

### Environmental Management Organization



## Environmental Management Committee

The Environmental Management Committee convenes every three months. The executive officer in charge of the environment chairs the meeting, which is attended by the president, executive officers, general managers of our business departments, and representatives of our major Group manufacturing companies. The committee discusses topics related to Group-wide environmental conservation activities, covering our responses to climate change, waste, water resources, and other issues raised in the Environment Division's monthly meetings with regional environmental managers. The results of the deliberations and the progress of these initiatives are reported to the Sustainability Committee.

## Environmental Management Activities

Our environmental conservation activities are conducted in accordance with the ISO 14001 environmental management systems.

Nippon Electric Glass Co., Ltd. (four plants in Japan) and its Group companies in Japan and overseas seek to continually improve the organization's environmental performance by applying the ISO 14001 environmental management systems with a PDCA (Plan, Do, Check, Action) cycle to its manufacturing activities. Our environmental activities follow the recommendation of the International Organization for Standardization, and we upgraded to ISO 14001:2015 certification in fiscal 2017. In fiscal 2025, we underwent an audit update for ISO 14001/2015, which includes additional requirements related to climate change. We plan to undergo a recertification audit in fiscal 2026 and are continuing preparations to transition to ISO 14001:2026.

As of the end of January 2026, 88%\*<sup>1</sup> of our production sites have obtained ISO 14001 certification.

\*1 We operate 26 locations in total, comprising 6 in Japan and 20 Group company sites in Japan and overseas. Of these, 17 sites\*<sup>2</sup> conduct production activities, and 15 have obtained ISO 14001 certification.

\*2 The Osaka Sales Office, Tokyo Branch and Sales Office are excluded because they are sales offices.

Among our domestic subsidiaries, Electric Glass Building Materials Co., Ltd., Electric Glass Universupport Co., Ltd., Electric Glass Business Support Co., Ltd., Electric Glass Logistics & Trading Co., Ltd., and Nippon Electric Glass Technical Information Center Co., Ltd. are excluded because they do not engage in manufacturing activities.

Among overseas subsidiaries, Nippon Electric Glass America, Inc., and Nippon Electric Glass Europe GmbH are excluded because they are sales offices.

## ISO 14001 Certification Status

### Group ISO 14001 Certification Status (As of January 2026)

Company name		Date of certification
Head office	Head Office and Otsu Plant	August 27, 1999 (multi-certification at four plants)
	Shiga-Takatsuki Plant	
	Notogawa Plant	
	Precision Glass Center	
Group companies in Japan	SGS Engineering Co., Ltd.	January 19, 2001
	Nichiden Glass Processing Co., Ltd.	November 1, 2002
	LTCC Materials Co., Ltd.	December 25, 2020
Overseas Group companies	Techneglas LLC	January 31, 2000
	Nippon Electric Glass (Malaysia) Sdn. Bhd.	January 12, 2002
	Nippon Electric Glass Taiwan Co., Ltd.	September 18, 2006
	Paju Electric Glass Co., Ltd.	August 28, 2007
	Electric Glass (Shanghai) Co., Ltd.	December 21, 2009
	Electric Glass (Guangzhou) Co., Ltd.	November 11, 2015
	Electric Glass (Xiamen) Co., Ltd.	April 17, 2017
	Electric Glass (Nanjing) Co., Ltd.	April 13, 2018

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## Implementing the Environmental Management Plan

In fiscal 2025, we met 39 of the 43 environmental targets set for four plants in Japan. We have also set 43 targets for fiscal 2026 and are working to improve environmental performance in areas directly tied to key priorities and core operations, including reductions in CO<sub>2</sub> emissions, energy consumption, waste, and water use.

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## Environmental Education

We consider all employees integral to our environmental efforts and provide comprehensive training on environmental management. This includes skill development for employees, internal auditors, and evaluators of environmental management.

In fiscal 2025, we provided training for 34 employees to develop new internal auditors.

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## Environmental Management Logo

Our environmental management logo, created in June 1993, symbolizes our commitment to environmental responsibility. The green leaves represent new environmental technologies, nature, and the hands of our employees, while the blue circle reflects the sky, Earth, employee-made environmental equipment, and the surrounding community. The logo is featured in our environmental management system activities and charter.



# Addressing Climate Change

Learn about our climate change policies and initiatives.

## Basic Policy

Glass manufacturing processes require a significant amount of energy, and we have made it a top priority to reduce the greenhouse gas emissions from our melting furnaces.

In November 2021, we declared our support for the Task Force on Climate-related Financial Disclosures (TCFD)<sup>\*1</sup> recommendations for analyzing climate change risks and opportunities for our business. Our efforts include disclosing the potential financial impacts of the risks and opportunities and details about the measures, metrics and targets of our Carbon Neutrality Action Plan<sup>\*2</sup>.

Our goal is to be the world's most efficient and environmentally friendly glass manufacturer.

\*1 TCFD dissolved in October 2023 and was succeeded by the International Financial Reporting Standards (IFRS) Foundation.

\*2 For further details about our Carbon Neutrality Action Plan, please see the column on "Metrics and Targets" in the section "Initiatives to Achieve Targets."

## Oxy-Fuel Firing Glass Melting Furnaces

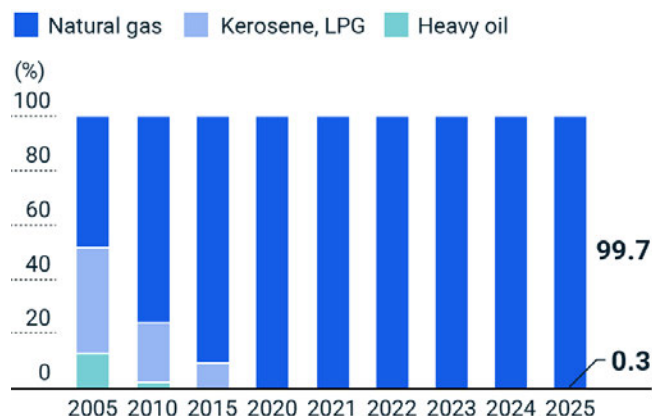
An oxy-fuel firing furnace differs from an air combustion furnace in that nitrogen is not taken into the furnace, which means that less exhaust gas, and consequently exhaust heat, is produced, thus reducing fuel consumption and CO<sub>2</sub> emissions. Furthermore, the generation of thermal nitrogen oxides (NO<sub>x</sub>) in a furnace is reduced. In fiscal 1993, we installed Japan's first oxy-fuel firing glass melting furnace. This technology has now been adopted for almost all of our furnaces.

## Fuel Conversion in Glass Melting Furnaces

For more than 20 years, we have been shifting to fuels that produce lower carbon emissions, actively switching to the use of natural gas. In fiscal 2010 we completely stopped using heavy oil, and in fiscal 2025 we achieved a natural gas usage rate of 99.7%.

We are currently developing combustion technologies that do not emit CO<sub>2</sub>. In fiscal 2022, we developed a hydrogen-oxygen combustion burner, which runs entirely on hydrogen fuel, and used it successfully in glass melting demonstration experiments. The combination of hydrogen fuel and oxygen combustion technology makes possible highly efficient glass melting.

Fuel Conversion



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# Carbon Neutral Initiatives

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## Governance and Risk Management

Our governance framework for overall sustainability is outlined in our Sustainability Foundation. Our approach to climate-related risks and opportunities is as follows.

### Sustainability Committee

The Environmental Team identifies and reviews climate-related risks and opportunities through interviews with staff and business departments in line with the TCFD framework, and conducts scenario analysis to assess and review their potential business impacts. The division responsible for these risks and opportunities promotes the Carbon Neutrality Action Plan, which is central to the Group's strategic resilience. The Environment Team regularly presents regular progress reports to the Sustainability Committee.

The climate-related risks and opportunities, as well as countermeasures, identified and evaluated by the Environment Team are integrated into the periodic risk assessment conducted by the Group in line with our basic policy on internal control. The responsible divisions implement appropriate countermeasures.

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## Strategies

### Scenario Analysis

We have carried out the following scenario analysis in order to evaluate the business impacts under different scenarios, as well as to evaluate our strategic resilience with regard to climate-related risks and opportunities.

### Businesses Targeted for Analysis

All Group businesses are targeted for analysis.

### Evaluation Timeline

The impact of major climate-related risks and opportunities on the Group's business identified from scenario analysis was evaluated on a timeline focused on fiscal 2030.

### Analysis Steps

<b>Step 1</b>	Identify important climate-related risks and opportunities; establish parameters
<b>Step 2</b>	Establish climate-related scenarios
<b>Step 3</b>	Evaluate business impact under the different scenarios
<b>Step 4</b>	Evaluate strategic resilience with regard to climate-related risks and opportunities; investigate further countermeasures

## Established Scenarios

Category	Scenario overview	Main reference scenarios
<b>1.5°C/2°C scenario</b>	This scenario involves the enactment of policies and regulations aimed at achieving a decarbonized society and which seek to keep global warming to within 1.5°C/2°C above the pre-industrial revolution global temperature. Compared with the 4°C scenario, the transition risks are high, but the physical risks can be kept low. Demand for products that contribute to the achievement of a decarbonized society will become high.	<ul style="list-style-type: none"> <li>• IEA World Energy Outlook 2025 Net-Zero Emissions by 2050 Scenario</li> <li>• IEA World Energy Outlook 2019 Sustainable Development Scenario</li> <li>• IPCC RCP2.6</li> </ul>
<b>4°C scenario</b>	This scenario assumes that the policies and regulations announced by various countries are fully implemented, but no new policies or regulations are introduced. Energy-derived CO <sub>2</sub> emissions continue to increase worldwide. Compared with the 1.5°C/2°C scenario, transition risks are low, but the physical risks will grow larger.	<ul style="list-style-type: none"> <li>• IEA World Energy Outlook 2025, 2019 Stated Policies Scenario</li> <li>• IEA World Energy Outlook 2025 Current Policies Scenario</li> <li>• IPCC RCP8.5</li> </ul>

## Major Climate Risks and Opportunities, Impact on Business, and Countermeasures

Type		Risks and opportunities	Impact on business	Countermeasures
<b>Transition risks</b>	<b>Policy and legal</b>	Carbon pricing introduction and increase	Increase in manufacturing costs ¥23 billion for 1.5°C/2°C ¥2 billion for 4°C	Execution of the Carbon Neutrality Action Plan
	<b>Technology</b>	Investment in manufacturing facilities to reduce CO <sub>2</sub> emissions	Increase in depreciation costs Impact on business*1: Medium	
	<b>Reputation</b>	Negative criticism of energy-intensive companies	Decreased sales*2	
	<b>Market</b>		Increase in energy prices	Increase in logistics costs Impact on business*1: Medium for 1.5°C/2°C High for 4°C
Soaring glass raw material prices due to changes in resource supply and demand structure			Increase in procurement costs*2	
<b>Physical risks</b>	<b>Acute</b>	Negative impact on operations and logistics due to increased frequency of disasters, extreme weather, typhoons, and flooding	Decreased sales*2 Increase in facility repair costs*2	Implement business continuity planning, carry out disaster prevention activities, and disperse operations among different manufacturing bases
	<b>Chronic</b>	Negative impact on operations due to drought		
<b>Opportunities</b>	<b>Resource efficiency</b>	Reduced energy consumption and Scope 1 and Scope 2 CO <sub>2</sub> emissions as a result of highly efficient production (implementation of Carbon Neutrality Action Plan)	Reduction in manufacturing costs Impact on business*1: High	Execution of the Carbon Neutrality Action Plan
	<b>Products</b>	Increased demand for low-carbon products (thin sheet glass for FPDs), which contribute to reduced production and shipping costs in customer processes	Increased sales*2	Promote R&D, pursue active sales to respond to new needs
		Increased demand for glass fiber for strengthening functional plastics, which will be used to lighten automotive bodies and in battery casings as EVs become more widespread		
<b>Market</b>	Increased demand for all-solid-state Na-ion batteries as they go to market and society transitions to becoming decarbonized			

\*1 Estimated impact on business: Low: below 10 billion yen, Medium: 10 billion yen to 30 billion yen, High: above 30 billion yen

\*2 Due to a lack of data for calculating impact on business, qualitative descriptions are utilized.

## Strategic Resilience

Following updates to the reference scenarios, we reviewed the impacts on our business. These impacts have changed due to global inflation and other factors that have led to soaring costs for raw material and fuel, and fluctuations in foreign exchange rates. We are incorporating new technologies and solutions from inside and outside the company, and implementing the Carbon Neutrality Action Plan and other initiatives to further fortify our business resilience.

## Metrics and Targets

Cognizant of the urgent global need for climate change action, we pursue sustainable manufacturing practices and strive to effectively address climate change. In February 2022, we set Scope 1 and Scope 2 CO<sub>2</sub> emissions reduction targets for fiscal 2030 and committed to achieving carbon neutrality by fiscal 2050. We are undertaking ambitious measures to achieve our targets, including introducing all-electric melting furnaces across our product lines, switching over to energy-efficient facilities, and investing in renewable energy. We are also creating a system for calculating and disclosing Scope 3 emission data.

### CO<sub>2</sub> Emissions Reduction Targets

- Reduce CO<sub>2</sub> emissions by 36% and emissions intensity\* by 60% in fiscal 2030 (compared to fiscal 2018)
- Achieve carbon neutrality by fiscal 2050

\* Production weight ratio

### Initiatives to Achieve Targets

In fiscal 2021, the Group established an interdepartmental Carbon Neutrality Project team and launched the Carbon Neutrality Action Plan to accelerate efforts toward achieving its CO<sub>2</sub> reduction targets. All departments advance initiatives to carry out the plan with a focus in the areas in the following table. These initiatives will help us achieve our targets for 2030, after which we will redirect our efforts to attaining carbon neutrality by 2050.

Category	Initiatives
Manufacturing process	<ul style="list-style-type: none"><li>● Promoting all-electric melting and improving melting efficiency</li><li>● Switching to energy-saving facilities</li><li>● Technological improvement and electrification for forming and processing facilities</li><li>● Operations automation and optimization</li></ul>
Utility facilities	<ul style="list-style-type: none"><li>● Upgrading to high-efficiency facilities</li><li>● Facility optimization</li><li>● Operation optimization</li></ul>
Technological development	<ul style="list-style-type: none"><li>● Combustion technology development for CO<sub>2</sub>-free fuels (hydrogen, etc.)</li></ul>
Procurement	<ul style="list-style-type: none"><li>● Investing in and procuring renewable energy</li></ul>

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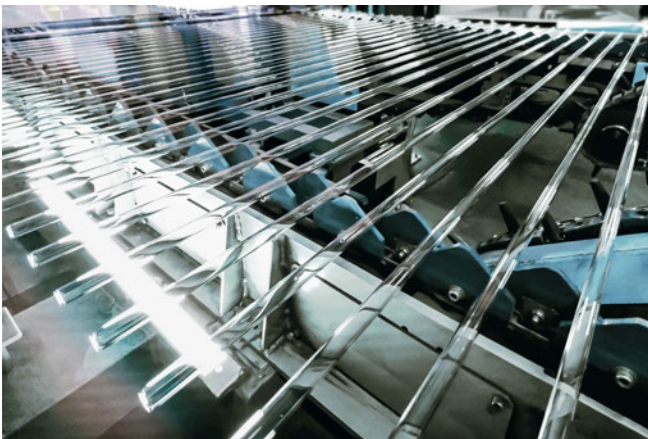
## Progress of the Carbon Neutrality Action Plan

The Environment Team meets with each department at least once a year to review progress on the Carbon Neutrality Action Plan and the status of CO<sub>2</sub> reduction targets. When necessary, the team consults with the departments to determine whether revisions to the plan and targets are required.

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## Installation of All-electric Melting Furnaces

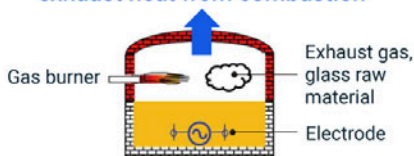
We currently use both gas and electricity as power sources for our glass melting processes. When using electricity, we insert electrodes into the molten glass, a method of heating that uses the direct passage of electric current. This method is highly energy efficient and produces less exhaust heat than gas combustion. Electric processes also make it possible to reduce carbon emissions even further by introducing renewable energy sources. We are currently shifting to hybrid melting furnaces partially powered by electricity and ultimately intend to incorporate all-electric melting furnaces. Nippon Electric Glass (Malaysia) Sdn. Bhd., a Group company based in Selangor, Malaysia, which mass-produces high-quality pharmaceutical glass tube containers, converted a portion of its production to all-electric melting furnaces and began operating them in December 2025.



### Gas-fired Furnace and All-electric Melting Furnace

#### Gas-fired furnace

Lot of exhaust gas and exhaust heat from combustion



CO<sub>2</sub> emissions from combustion: **A lot**

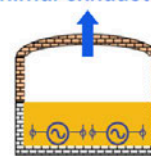
Energy loss due to exhaust gas: **Large**

Furnace wall temperature: **High**  
Heat dissipation: **Large**

Switch from gas-fired furnaces to all-electric melting furnaces

#### All-electric melting furnaces

Exhaust gas only from raw material, minimal exhaust heat

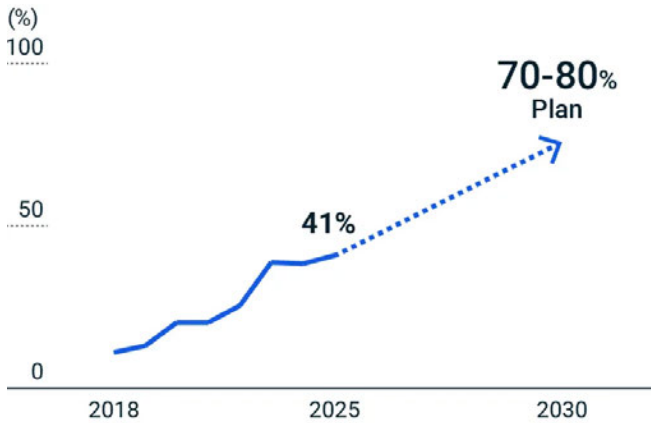


CO<sub>2</sub> emissions from combustion: **None**

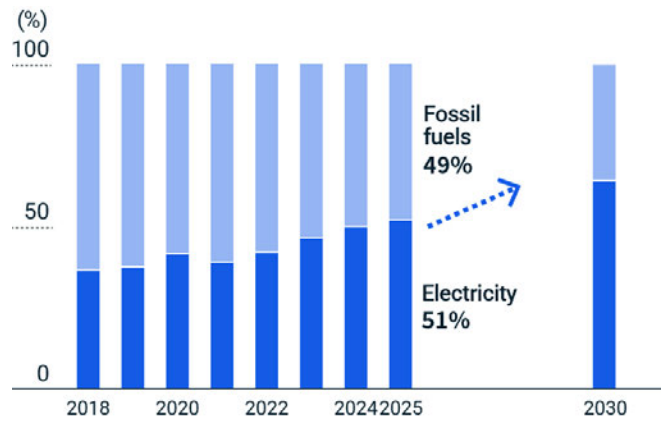
Energy loss due to exhaust gas: **Small**

Furnace wall temperature: **Low**  
Heat dissipation: **Small**

### Percentage of All-electric Melting Furnaces



### Electrification for Melting, Forming, and Processing Facilities (Energy Consumption Percentages)



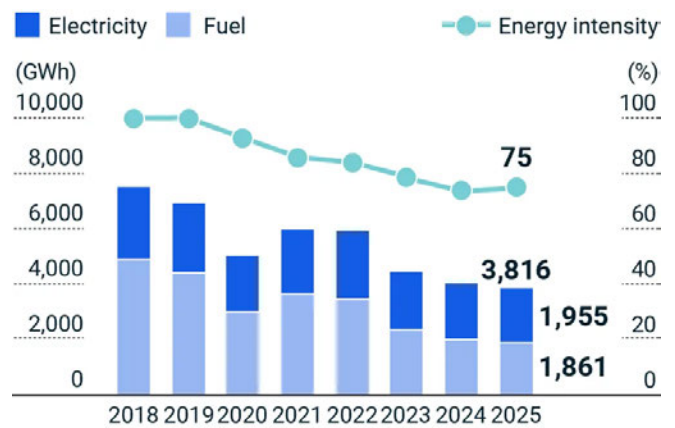
## Improving Energy Usage Efficiency

In fiscal 2021, we launched an energy business plan aimed at making energy usage visible across our global manufacturing processes (melting, forming, processing) and utility facilities. The plan focuses on promoting energy efficiency and reducing wasteful energy consumption.

We use the data we obtain to analyze and plan measures to boost productivity and with the aim of continually reducing energy intensity (the ratio of production weight). Each business division formulates specific plans to improve energy efficiency and meet intensity targets and applies the PDCA cycle to improve the effectiveness of their efforts. The targets and improvement measures align with our Carbon Neutrality Action Plan.

Energy intensity in fiscal 2025 was 25% lower than in fiscal 2018 and remained virtually unchanged from the previous fiscal year.

### Energy Intensity



## Utilizing Renewable Energy

We use renewable energy for part of our electricity consumption in order to reduce its CO<sub>2</sub> emissions.

In fiscal 2025, the Group's total renewable electricity usage, including both in-house generation and purchased electricity, amounted to 22.8 GWh, accounting for 1.2% of the Company's total electricity consumption.

We installed a new solar power generation system off-site at the Shiga-Takatsuki Plant in fiscal 2025. The facility came online in February 2026. The electricity generated, supplied to the plant through a self-consignment system, is expected to reduce CO<sub>2</sub> emissions by approximately 500 tons per year.



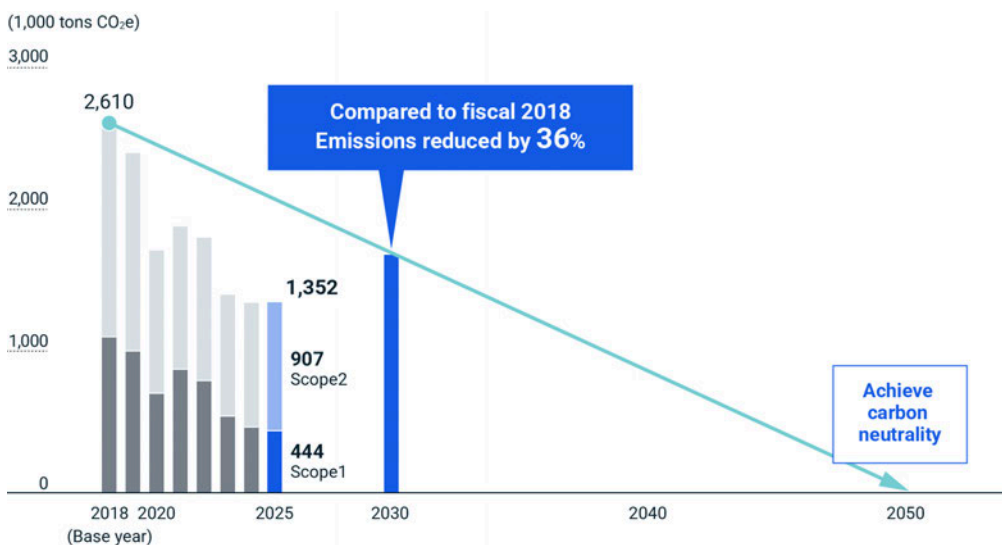
Solar power generation systems installed off-site at the Shiga Takatsuki Plant

## CO<sub>2</sub> Emissions and CO<sub>2</sub> Emissions Intensity

In fiscal 2025, energy consumption decreased from the previous fiscal year, mainly due to productivity improvements in the displays business and business restructuring in the composites business. However, Scope 1 plus 2 CO<sub>2</sub> emissions increased due to a revised CO<sub>2</sub> emission factor used in the third-party verification process, resulting in Scope 1 plus 2 CO<sub>2</sub> emissions intensity increasing to 77% of the fiscal 2018 level.

We have already achieved our fiscal 2030 Scope 1 plus 2 CO<sub>2</sub> emissions target. The Group will continue to monitor our targets and initiatives while reviewing each country's CO<sub>2</sub> emission reduction targets and trends in green transformation (GX) policies.

## CO<sub>2</sub> Emissions (Scope 1 and 2)



Calculated based on the GHG Protocol and ISO 14064-1. Scope 2 figures calculated using a market-based approach. The Group conducts third-party verification through limited assurance engagements.

## C02 Emissions (Scope 3)

(1,000 t-CO2e)

Category		Fiscal 2025
1	Purchased goods and services	615
2	Capital goods	105
3	Fuel and energy-related activities	188
4	Upstream transportation and distribution	416
5	Waste generated in operations	12
6	Business travel	1
7	Employee commuting	2
8	Upstream leased assets*1	(Excluded categories)
9	Downstream transportation and distribution*2	(Excluded categories)
10	Processing of sold products*2	(Excluded categories)
11	Use of sold products*3	(Not applicable)
12	End-of-life treatment of sold products	175
13	Downstream leased assets*4	(Not applicable)
14	Franchises*4	(Not applicable)
15	Investments*4	(Not applicable)
<b>Total</b>		1,516

\*1 Category 8: Included in Scope 1 and 2 emissions

\*2 Categories 9 and 10: Not calculated due to the difficulty of obtaining reliable data because our products are used in a wide variety of applications and usage methods among customers

\*3 Category 11: No products directly emit GHG during use.

\*4 Categories 13, 14, 15: No business activities fall under these categories.

Note: Emissions intensity figures are derived from the Japanese Ministry of the Environment's Database for Calculating Greenhouse Gas Emissions from Organizations through the Supply Chain Ver. 3.5 and the Inventory Database for Environmental Analysis (IDEA) Ver 3.5.1.

# Using Resources Efficiently

Explore our waste reduction policies and initiatives.

## Basic Policy

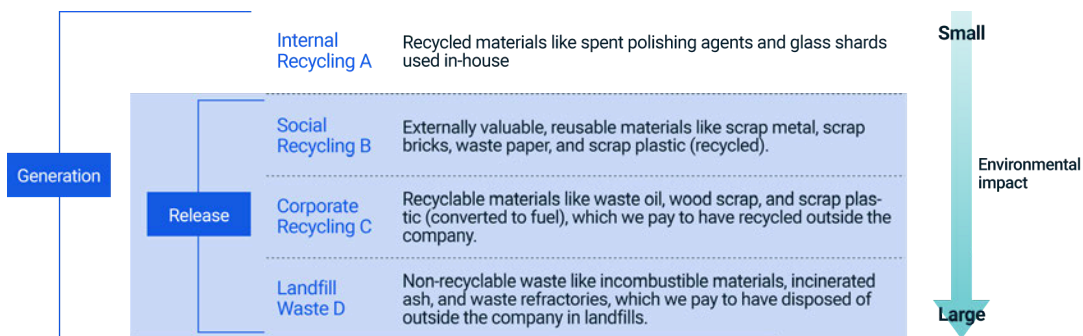
Realizing a recycling-oriented society requires a strong commitment to using resources efficiently by developing internal recycling technologies and by promoting broader societal recycling systems that span the entire product lifecycle from production to consumption and disposal. Following our policy to “internally recycle all solid waste related to the glass business,” we adopted a Waste Business Plan in fiscal 2001 aimed at minimizing and recycling waste generated during manufacturing. The goal is to significantly lower the volume of waste sent to landfills, which has a considerable environmental impact. Minimizing and reusing waste products are part of our ongoing efforts to make the most efficient use of resources.

## Waste Classification

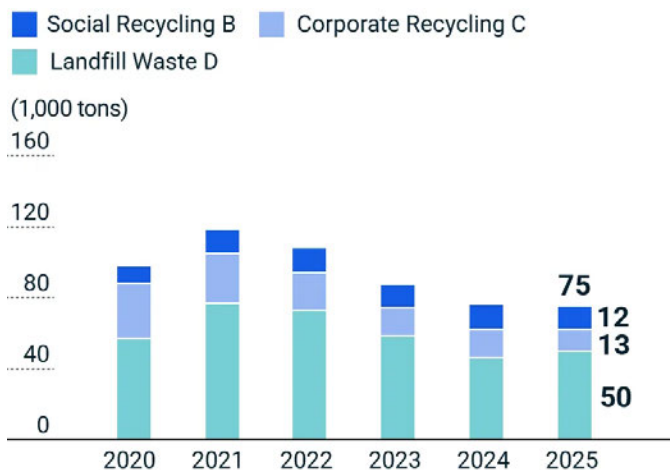
Waste is categorized into Regular Waste generated from regular production activities, and Bulky Construction Waste generated from activities such as glass melting furnace maintenance.

These are further divided into four subcategories, with Landfill Waste D being the highest priority for reduction due to its significant environmental impact.

### Waste Classification



### Total Waste Generated

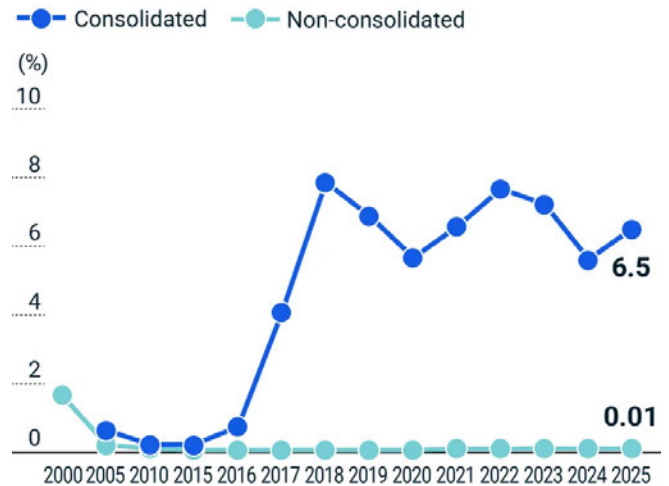


# Waste Reduction and Recycling

## Reduction of Landfill Waste D

We use Regular Waste – Landfill Waste D as a key performance indicator, for which we set annual targets and implement measures to reduce the waste-to-sales intensity ratio (tons of waste per unit of sales weight). In Japan, we set a target to maintain annual waste intensity at 0.1% or lower, and our initiatives to reduce daily waste generation to the absolute minimum and promote recycling have enabled us to achieve our target every year since 2009. We are also implementing measures to reduce the volume of regular waste from our operations overseas. This is particularly important following the significant increase in waste volume after the acquisition and consolidation of composites business units in the United Kingdom, the Netherlands, and the United States in 2016 and 2017.

**Regular Waste – Landfill Waste D per Total Weight of Products Sold**



In fiscal 2025, we achieved our waste intensity target of 0.1% or lower per unit of production in Japan. In addition, the overall waste intensity per unit of sales by weight for business divisions in Japan and overseas was 6.5%, an increase of 16% from the previous fiscal year. In fiscal 2026, we are taking steps to further improve production efficiency and implementing reduction measures aimed at achieving an intensity per unit of production of 5.3%. The Environmental Management Committee develops and formulates these measures, while the Sustainability Committee oversees their implementation and monitors progress.

Bulky Construction Waste – Landfill Waste D consists mainly of unrecyclable waste bricks from glass melting furnace repairs.

In fiscal 2017, we converted waste bricks from the Landfill Waste D to the Social Recycling B category by having refractory manufacturers repurpose waste chromium and zirconium bricks as raw materials. This has significantly reduced landfill disposal associated with chromium bricks, a specially controlled industrial waste material. We also sort bricks made of alumina, mullite, and other refractory materials recovered during the repair and dismantling of glass melting furnaces. We engage certified recycling operators to convert recyclable bricks to Social Recycling B materials.

## Recycling Initiatives

For waste categorized as Social Recycling B and Corporate Recycling C, we work to reduce waste generation, separate materials for reuse, and repurpose waste to incinerate for thermal energy.

In fiscal 2025, our facilities in Japan generated 1,201 tons of plastic waste, which has become an item of particular concern in recent years. Of this, 463 tons were classified as Corporate Recycling C and Landfill Waste D that are treated as waste, and 738 tons classified as Social Recycling B that is recyclable.

We are also continuing efforts to reduce waste at our business sites overseas.

In the Internal Recycling A waste category, we have developed technology to recycle glass raw materials by recovering and reusing grinding sludge, electrostatic precipitator dust, and boric acid dust, which is a primary substance in the gas emissions during molten glass evaporation.

Glass fibers used to reinforce composite materials are coated with an organic surface treatment that protects the fibers and ensures proper adhesion to resins. However, this treatment makes it difficult to recycle waste and scrap generated during manufacturing, leading many glass fiber producers to dispose of it. We have developed a proprietary technology that removes and pulverizes the surface treatment agent, allowing the recovered material to be reused as a raw material for glass production. In recent years, we have expanded our efforts to accept and reuse waste glass fibers generated both within the Company and from certain clients.

### Plastic Waste Generation in Japan



# Consideration for the Environment

We are pleased to introduce our approach to consideration for the environment and our initiatives for water management and protection of biodiversity.

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## Basic Policy

We regard consideration for the environment as one of our core values. Our business operations have long been guided by a strong awareness of environmental responsibility, as glass production requires significant natural resources, including raw materials, energy, and water, while also generating CO<sub>2</sub> emissions, waste, and wastewater.

Water stewardship is a particular priority given that many of our manufacturing facilities are located near Lake Biwa. We recognize both our dependence on water and the impact of our discharge on local communities. Accordingly, we implement ongoing measures to reduce environmental impact, including lowering water consumption, ensuring appropriate wastewater treatment, and securing sustainable water resources.

We also recognize that lean manufacturing delivers both economic and environmental benefits. By improving operational efficiency, we reduce resource use and contribute to biodiversity conservation, which we further support with targeted initiatives to protect and sustain ecosystems. We will continue to promote environmental stewardship and work toward harmonious coexistence with the natural environment in the communities where we operate.

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## Water Management

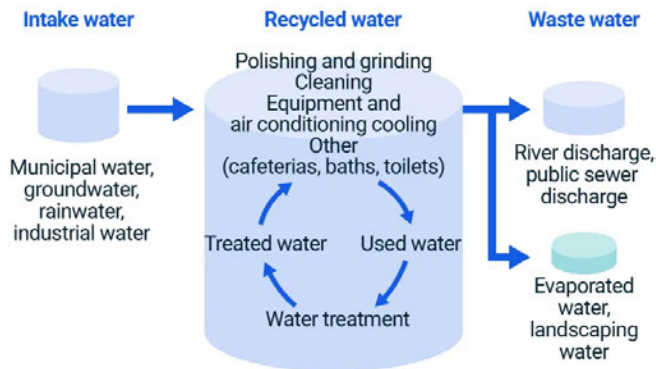
Recognizing the fundamental importance of water to our business, we introduced the Water Business Plan in fiscal 2003 to promote the effective and efficient use of water. We view water usage not only as an environmental concern but also as an indicator of our manufacturing sophistication. Our water management efforts help us better understand and optimize the glass melting, forming, and processing operations, leading to continuous technological and facility improvements.

Rising demand for water worldwide, driven by population growth and economic development, together with challenges such as water shortages, resource depletion, and pollution, has made access to stable, high-quality water an increasingly important management issue at our overseas sites. We are addressing these challenges through coordinated global initiatives.

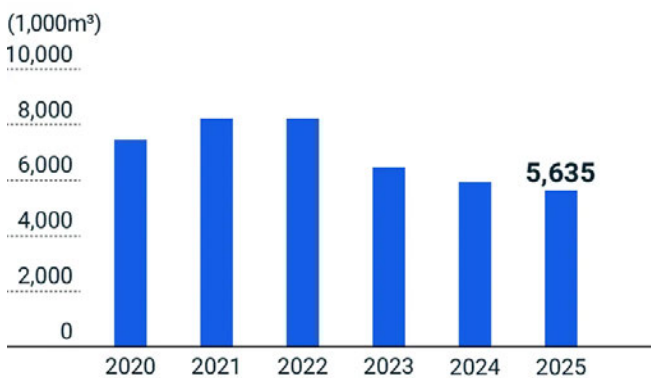
Recognizing that water conditions vary by location, we conduct risk assessments at each site to evaluate water-related issues, including potential supply restrictions due to natural disasters or extreme weather, as well as applicable regulatory requirements. Risks are assessed using the World Resources Institute's Aqueduct Water Risk Atlas. At our sites identified as high risk, we implement measures to reduce water consumption and secure stable water supplies.

Glass manufacturing requires substantial water use, particularly for cooling during melting and forming processes and for cleaning during production. We classify water use into three categories: intake water (water brought into our facilities), wastewater (water discharged externally), and recycled water (water reused internally). Based on this framework, we implement measures to reduce both water consumption and discharge, and establish key indicators for total water intake and wastewater intensities. Our water management practices include thorough recycling of water used within our facilities, appropriate treatment of wastewater using on-site treatment systems, and regular water quality testing based on internal standards that exceed regulatory requirements. In fiscal 2025, our water recycling efforts remained highly effective, with recycled water accounting for 98% of our total water usage.

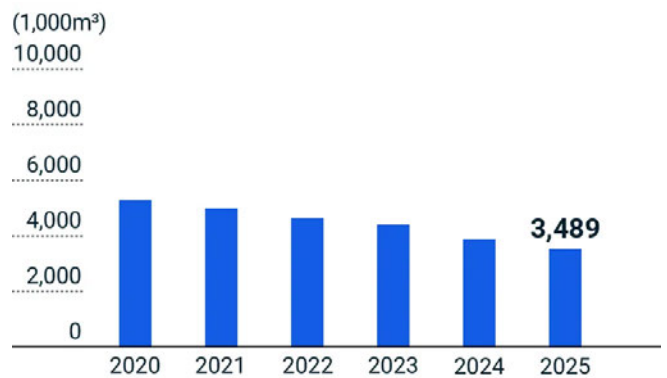
### Water Flow



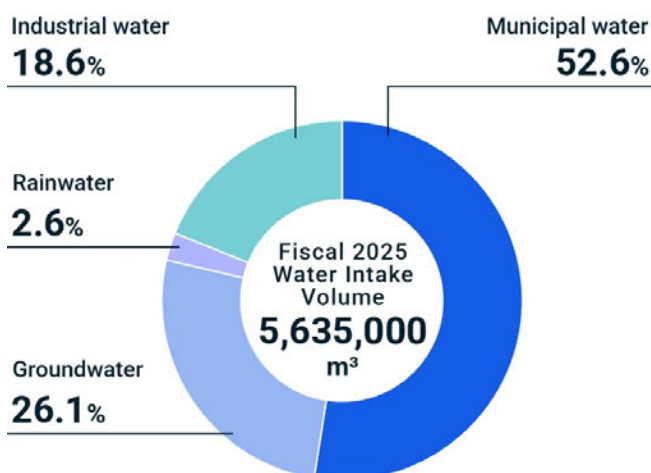
### Water Intake Volume



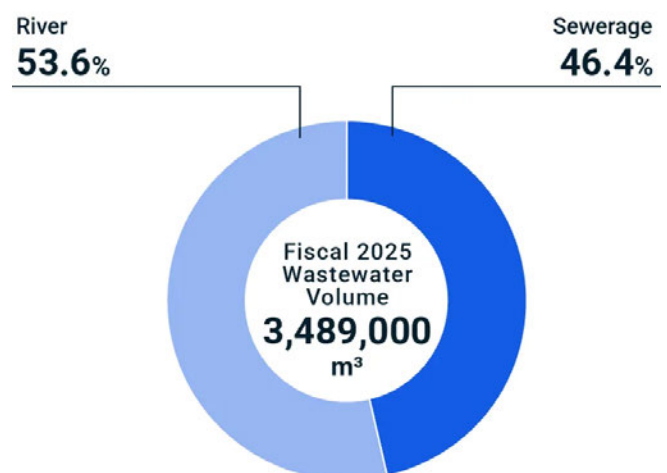
### Wastewater Volume



### Water by Intake Source



### Wastewater by Discharge Destination



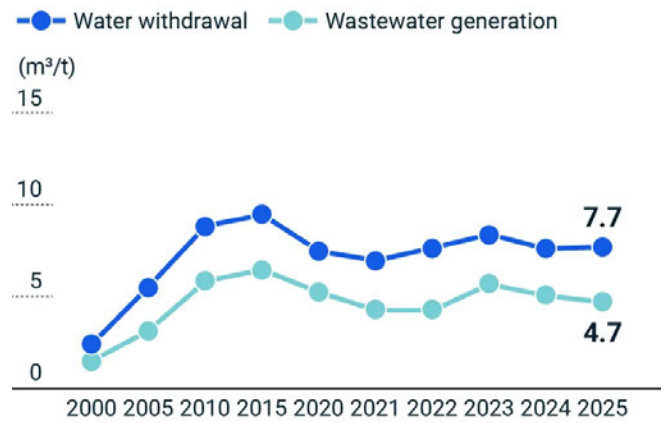
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## Water Intake and Wastewater Management

Each year, we formulate site-specific water reduction plans based on local water conditions and reduction efforts. To ensure the highest level of water-use efficiency, we monitor and set intensity indicators for both water intake and wastewater discharge, using the metric of cubic meters per ton of product sold (m<sup>3</sup>/ton).

Management's commitment to enhancing water use efficiency has led to a steady decline in water intensity within our displays business since 2014. This follows a successful reversal of the rise in water intensity that occurred during the transition from CRTs to LCDs in 2004.

### Intake and Wastewater Intensity Per Unit of Sales by Weight



In fiscal 2025, the water intake intensity per unit of sales by weight across all business divisions in Japan and overseas was 7.7 m<sup>3</sup>/ton. Water discharge intensity was 4.7 m<sup>3</sup>/ton, remaining essentially unchanged from the previous fiscal year. Taking into account changes in our product mix, we have set fiscal 2026 targets of 7.8 m<sup>3</sup>/ton for water intake intensity and 5.3 m<sup>3</sup>/ton for water discharge intensity, while continuing to actively promote initiatives to reduce water usage. The Environmental Management Committee reviews reports and deliberates on these measures, while the Sustainability Committee oversees and monitors their progress.

To sustainably use valuable water resources, we actively promote the reuse of water in high-volume stages, such as cooling during melting and forming, as well as cleaning during processing. Additionally, we are minimizing water intake and wastewater generation for other applications by implementing cascading strategies tailored to the specific purposes and quality requirements of water use, alongside recycling water through purification methods.

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## Biodiversity Conservation

We view the pursuit of lean manufacturing as both economically beneficial and environmentally responsible, and as an important contributor to biodiversity conservation. We also actively promote initiatives that support biodiversity, including efforts to maintain local natural forests and participation in forest conservation activities around our manufacturing facilities in the Lake Biwa region.

We are committed to the principle of leaving nature untouched, except for areas that necessarily must be used for our business operations. The Notogawa Plant maintains natural forests with native vegetation and has always carefully preserved streams near its facilities. The plant also grows flowers in a greenhouse inside the plant, which it uses to beautify the local community.

Forests play a vital role supporting the ecosystem, including nurturing the water supply of Lake Biwa, providing habitats for numerous animals and plants, and maintaining biodiversity. We support forest stewardship activities by regularly purchasing J-Credits and joining volunteer maintenance programs led by the local forestry cooperative. In 2021, in collaboration with the local government, we signed the Lake Biwa Carbon Credit Partner Agreement with the Shiga Prefecture Afforestation Public Corporation, a general incorporated association led by governor Taizo Mikazuki.

We support the Shiga Prefectural Lake Biwa Floating School Program, which promotes nature and biodiversity conservation and provides environmental education, as well as the Lake Biwa Museum. We also endorse the Shiga Biodiversity Strategy 2024 and engage in a range of initiatives, including the conservation and cleanup of riverside forests near our facilities, activities we have continued for more than half a century. Through these activities, as well as by being part of the Shiga Nature Positive Network hosted by Shiga Prefecture, we seek opportunities to work together with local communities as a way to deepen our connections and mutual understanding.

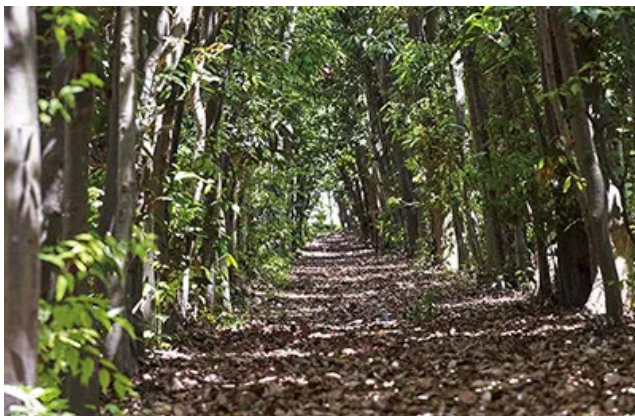
These ongoing efforts earned us the highest three-star rating once again in fiscal 2025 under the Shiga Prefecture Biodiversity Initiative Certification System.



Renewal of certification for the highest three-star rating under the fiscal 2025 Shiga Biodiversity Initiative Certification System



The Mokumoku River that flows through the Notogawa Plant



Pedestrian path through native natural vegetation

# Environmentally Friendly Products and Services

Explore our active development and supply of innovative products and services that promote energy and resource conservation, and renewable energy for a healthier planet.

## Developing Environmentally Friendly Products and services

We are committed to sustainability by offering products that support global environmental conservation.

Sales of environmentally friendly products and services : approximately 840 billion yen (fiscal 2025)



## Saving Energy and Resources

### E Glass Fiber: Chopped Strands

Our E Glass Fiber improves plastic strength, heat resistance, rigidity, and dimensional stability. E Glass Fiber used to reduce automobile weight and enable miniaturized and thinner electronic devices.

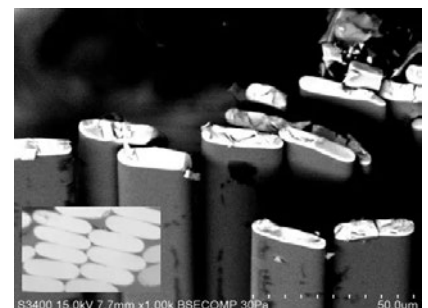
[Product Information](#) →



### E Glass Fiber Flat Glass Fiber: INNOFIBER™

INNOFIBER™ is a high-performance material offering numerous outstanding properties, including dimensional stability, strength, surface smoothness, and impact resistance in molded products. The versatility of the material allows it to be used for complex and thin-walled shapes that significantly improve product quality. The material is also highly recyclable, contributing to environmentally friendly and sustainable product development.

[Product Information](#) →



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## Low-Dielectric Glass Fiber: D2 Fiber Yarn

D2 Fiber Yarn's excellent low-dielectric properties reduce transmission loss, heat generation, cooling load, and power consumption, supporting the sustainable operation of infrastructure, such as AI servers, high-frequency communication equipment substrates, and semiconductor packaging substrates.



[Product Information](#) →

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## Ultra-Thin Glass: G-Leaf™, Dinorex UTG™

G-Leaf™ is an ultra-thin, bendable glass with a thickness of only tens of microns. Dinorex UTG™ is an ultra-thin glass for chemical strengthening developed for foldable display cover glass. The high surface smoothness and uniform thickness of these glasses allow excellent bending properties, opening the door for development of new electronic devices. These glass products also increase manufacturing process efficiency by reducing device weight and being suitable for roll-to-roll manufacturing, and saving resources by eliminating the need for chemical glass slimming processes.



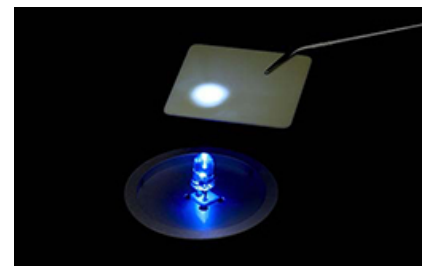
[Product Information: G-Leaf™](#) →

[Product Information: Dinorex UTG™](#) →

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## Phosphor-Glass Composite: Lumiphous™

Lumiphous™ is a wavelength-conversion material that expands the range of applications for energy-saving LED lighting.



[Product Information](#) →

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## Composite Powder for LTCC

Our composite powder for low-temperature co-fired ceramics (LTCC) incorporates highly conductive gold or silver in the inner layer of the conductor, enabling circuit boards that deliver excellent electrical performance while reducing energy consumption.

[Product Information](#)



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## Insulating Glass Unit: FireLite™

Our FireLite™ insulating glass is the only fire-resistant glass capable of withstanding both intense heat during a fire and rapid cooling from firefighting efforts. Combining FireLite™ and low-radiation glass with plastic or wooden sashes creates a highly insulated fire window that enhances building and home safety, comfort, and energy performance.

[Product Information](#)



### Acquired Environmental Product Declaration for Firelight™

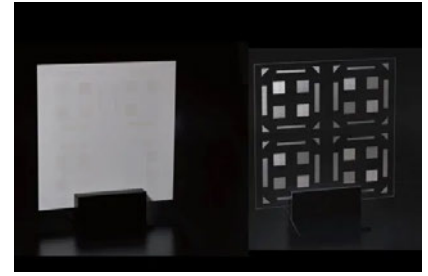
Firelight™ received approval for the SuMPO EPD environmental label program of the Sustainable Management Promotion Organization (SuMPO). An Environmental Product Declaration (EPD) is an international environmental label awarded based on a comprehensive assessment of a product's lifecycle environmental impact, including CO<sub>2</sub> emissions, and verified by an independent third party. Using Firelight™ in building construction enables the tracking of environmental impacts from raw material procurement through to factory shipment, thereby meeting the need for building materials selected based on their environmental impact.



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## Inorganic Core Substrate: Glass-Ceramic Core GC Core™

GC Core™ products are substrate materials for next-generation semiconductor packaging used in data centers and generative AI. The products are large through glass vias (TGV) glass-core substrates compatible with CO<sub>2</sub> laser processing, and glass-ceramic (GC) core substrates capable of high-speed, crack-free drilling. The inorganic core substrates conserve energy and improve semiconductor performance and density.



[Product Information](#) →

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## Creating Energy

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### E Glass Fiber: Roving

Our Roving E Glass Fiber is gaining increased use as reinforcement material for hydrogen tanks in fuel cell vehicles.



[Product Information](#) →

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### All-Solid-State Sodium Ion Secondary Battery

Our proprietary glass-ceramic technology integrates the anode, cathode, and solid electrolyte, all composed of stable oxides, into a strong, unified structure. This innovative all-solid-state sodium-ion secondary battery operates in extreme conditions (-40°C to 200°C) with no risk of fire or toxic gas emissions. Using sodium, a readily available resource, it also alleviates concerns about raw material procurement.



[Product Information](#) →

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## Ultra-Thin Cover Glass for Satellite Solar Panels

Our ultra-thin cover glass protects satellite solar cells from ultraviolet light deterioration in outer space while also reducing their weight.

[Product Information](#) →



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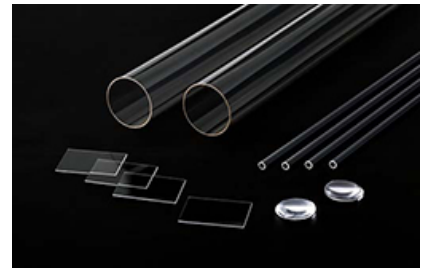
## Reducing Environmental Impact

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### High-Efficiency Deep UV Transmitting Glass

Designed for use in LED antiseptic lamps, this glass helps replace lamps that contain environmentally harmful mercury.

[Product Information](#) →



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### Fluorine-Free Water- and Oil-Repellent Films

We have succeeded in developing a fluorine-free, water- and oil-repellent membrane that complies with regulations on per- and poly-fluoroalkyl substances (PFAS). These films offer excellent visible light transmission and heat resistance. We will continue developing our coating and coating material design technologies while working to create new markets and contribute to a safe and healthy living environment.

[Product Information](#) →



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## Oxy-Fuel Combustion Technology: NOFC™

Our oxy-fuel combustion glass melting technology significantly reduces CO<sub>2</sub> emissions compared with air combustion, improving the energy efficiency of glass melting furnaces and helping customers save energy and reduce emissions. We also support hydrogen fuel combustion, enabling even cleaner manufacturing processes.

[Learn more](#)

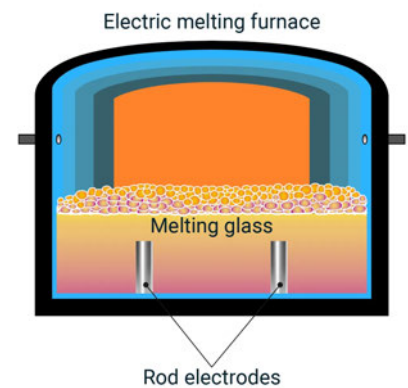


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## Electric Melting Technology: NEMT™

NEMT™ employs electrodes inserted into the glass to enable direct electric melting. This technology improves energy efficiency, reduces CO<sub>2</sub> emissions, and supports resource conservation.

[Learn more](#)



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## Furnace Control System: NFCS™

The NFCS™ combustion control system maintains optimal combustion conditions through real-time monitoring and control of fuel supply, temperature, and heat fluctuations in glass melting furnaces. The system enhances glass product quality while ensuring safe and reliable operation. Highly fuel efficient, NFCS™ also reduces environmental impact, delivering both significant energy savings and CO<sub>2</sub> emissions reductions.

[Learn more](#)



# Green Loan

Learn how we secure funding through green loans to support our environmental conservation activities.

## Reporting on Green Loan

On November 22, 2022, we secured funding through green loan financing to support projects aimed at reducing our environmental impact. Below are the projects funded through this initiative, all of which meet the eligibility criteria for green loan financing, along with the resulting environmental benefits.

### 1. Allocation Reporting (As of December 31, 2025)

Eligibility criteria	Amount procured (billion yen)	Amount allocated (billion yen)	Amount unallocated (billion yen)
Transition to all-electric melting furnaces and installation of solar power generation systems	10.0	10.0	–

Note: 1. Out of the allocated amount, ¥1.4 billion was used for refinancing.

2. All remaining unallocated funds have been allocated to projects meeting the eligibility criteria.

### 2. Environmental Improvement Effects in Fiscal 2025

Business area	Eligibility criteria	Power generated (MWh)	CO2 emission reductions (tons)
Energy efficiency (energy-efficient equipment)	Switch to all-electric melting furnaces	–	67,993
Renewable energy	Solar power generation systems	3,945	1,637

# Human Resources Policy

Our personnel management is guided by the Human Resources Policy. The Human Resources Policy serves as a guiding framework for planning and refining human resource initiatives aimed at enhancing both individual and organizational performance, while supporting sustainable growth.

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## Human Resources Policy

The glass business requires significant time and investment to develop new materials and processes. To innovate and achieve sustainable growth, focusing only on short-term profit is not sufficient. Maximizing the power of our personnel development and organizational strength are essential to creating long-term value and sustaining growth. This concept underpins the Human Resources Policy, which forms the foundation of our human resource management and is a core element of the personnel vision established in 2020. The Human Resources Policy serves as a guiding framework for planning and refining human resource initiatives aimed at enhancing both individual and organizational performance, while supporting sustainable growth.

This policy is based on the principle of maximizing the capabilities of our people and organization to achieve sustainable corporate growth and is built around the following three core pillars.

- Manufacturing that harnesses the full strength of our people and organization
- Creating an environment that encourages employees to embrace challenges
- Harnessing diversity as a source of strength and unlocking the infinite potential of people

Creating an environment where employees can take on challenges without fear of failure is essential for their growth. Embracing challenges and change fosters a positive cycle, where success builds the motivation to pursue further challenges. Respect for each individual's differences in experience, values, and perspectives provides a stimulus for growth and helps each person realize their full potential.

Employee growth drives corporate growth.

We will continue to support individual development as a foundation of a strong and thriving organization. We will amplify our collective strength by enabling highly skilled professionals to apply their expertise beyond their own departments and work in cross-functional teams. This cross-organizational collaboration energizes the organization and creates a powerful engine for sustainable growth.

This policy links directly to the goals of the EGP2028 Medium-term Business Plan. The EGP2028 strategies and initiatives will be advanced by creating an environment where diverse talent can develop their abilities, deepen their expertise, and continue to take on new challenges.

By promoting employee growth and strengthening our organization, we will continue to create value and move closer to our goal of becoming the world's leading manufacturer of special glass.

## Sustainable corporate growth



We will generate sustainable corporate growth by maximizing the capabilities of our people and organization, with employee growth and a thriving organization as our dual engines.



### Manufacturing that harnesses the full strength of our people and organization

We bring together the strengths of a full workforce of highly professional employees. Cross-departmental, interdisciplinary teams work together to meet challenges and to position NEG as a world-leading manufacturer.



### Creating an environment that encourages employees to embrace challenges

We foster an environment where employees have opportunities to take on challenges without fear of failure, creating a positive cycle of challenge, success, and renewed pursuit. NEG's future will be shaped by each employee's commitment to take on challenges and seeing them through.



### Harnessing diversity as a source of strength and unlocking the infinite potential of people

We respect differences in experience, values, and backgrounds and strive to create an environment where everyone can maximize their abilities. Diverse talent stimulates mutual growth and brings out individual potential. We are building a workplace where diversity is a true strength.

# Respecting Human Rights

Our Group Code of Conduct and Principles of Activities uphold respect for human rights and aim to raise awareness of human rights issues.

## Human Rights Initiatives

### Basic Stance on Human Rights

In line with the spirit of our corporate philosophy, the Group advocates respect for human rights and ensures workplace safety and health. These principles are embedded in the Group Code of Conduct and Principles of Activities.

Additionally, we comply with laws, regulations, and Company rules while adhering to international standards, such as the United Nations' Universal Declaration of Human Rights and the International Labour Organization's (ILO) Fundamental Human Rights Conventions.

#### Group Code of Conduct: 7. Respect for Human Rights

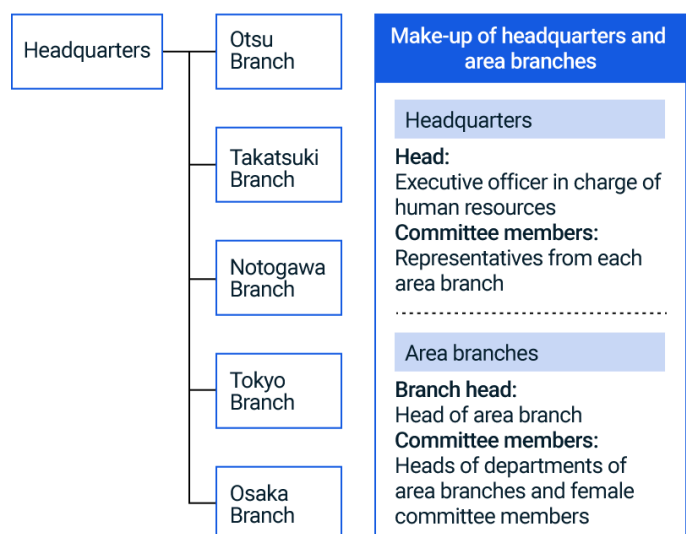
- NEG Group respects fundamental human rights of all people in all aspects of our corporate activities.
- NEG Group ensures a safe work labor environment under which diverse human resources can fully demonstrate their abilities, and strives to human resource development.

## Structure

We have established the Committee on Human Rights Issues to promote human rights-related activities.

Comprised of members from various departments, the committee works year-round to implement action plans set by both headquarters and regional branches. Key initiatives include conducting human rights training for all new employees, organizing sessions led by external instructors for current employees, and facilitating participation in local government and external organization projects, where our executives are often dispatched. Additionally, the Company serves as a board member of the Shiga Prefecture Human Rights Issues Liaison Committee, allowing us to take a leading role in promoting human rights within the region where our main operations are located.

#### Organization Chart of the Committee on Human Rights Issues



In cases where a human rights risk arises, the Compliance Committee is notified through the NEG Hotline whistleblowing system. From there, the entire Group undertakes collective risk management to address the issue.

## Initiatives

### Supply Chain

Preventing and mitigating human rights risks within our suppliers' supply chains is a top priority. To address this across the entire supply chain, we updated our Supply Chain Guidelines in fiscal 2023, and established a human rights due diligence framework. Moving forward, we will continue to identify human rights risks within the supply chain and collaborate with our business partners to mitigate them.

### Human Rights Due Diligence

<b>Step 1</b>	Survey business partners and identify human rights risks
<b>Step 2</b>	Identify, assess, and analyze human rights risks
<b>Step 3</b>	Implement measures to prevent and mitigate critical human rights risks
<b>Step 4</b>	Verify effectiveness

### New Human Rights Consultation Desk

In 2025, we set up the Human Rights Consultation Desk to handle concerns about actual or potential human rights issues related to our business activities. This includes matters involving international standards, local laws, and our internal rules, such as the Code of Conduct, Principles of Activities, and Supply Chain Guidelines.

### NEG Group

The Committee on Human Rights Issues leads our efforts to deepen understanding of human rights among committee members and regional representatives, while promoting awareness initiatives for employees and advancing human rights activities within local communities. In addition, we actively implement our policy that 100% of new graduate and mid-career hires receive education about human rights issues.

Main activities for the fiscal 2025:

- Human rights training for new employees (topics on life fulfillment)
- Compliance training
- Participation in Shiga Prefecture Human Rights Issues Liaison Committee events and training sessions
- Participation in government-sponsored human rights training sessions and training for human rights awareness-raising personnel

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>Cumulative number of employees participating in and dispatched to outside activities (government and external organizations)</b>	270	126	148	287
<b>Number of employees participating in in-house human rights activities</b>	818	1,360	1,328	107

Note: The lower number of participating employees in fiscal 2025 was due to the Employee Human Rights Training Session not taking place within the fiscal year.

# Human Resource Development

We established a training system to develop individuals capable of world-class performance in all areas.

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## Our Approach to Human Resources

We view our people as the drivers of long-term value creation and are committed to creating a work environment where employees with diverse values and long-term perspectives can take on challenging work.

In 2020, we introduced a vision for our personnel, aiming to develop individuals capable of world-class performance in all areas. To support this, we offer a variety of growth and development programs, such as level-specific training, career education, and self-development opportunities. Additionally, we are promoting flexible work styles, improving occupational health and safety, and managing health and productivity. In human resource management, we are revising our remuneration system based on skills and performance, improving the treatment of rehired employees, and taking steps to increase overall employee motivation.

### Essential Qualifications and Character



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## Human Resource Development

To fulfill our vision of becoming the world's leading manufacturer of special glass, we must develop talent capable of performing at a world-class level across all areas. We complement on-the-job training with structured programs that build advanced knowledge and skills and foster the ability to carry out and continuously improve operations independently. We will continue to invest in our people, the foundation of corporate value, with a focus on further elevating the quality of our talent through enhanced training.

# Education and Training Held

## Education and Training Held

		Fiscal 2023	Fiscal 2024	Fiscal 2025
Training hours per person (under head office education section)		61 hours	49 hours	44 hours
Training spending	(non-consolidated)	392 million yen	329 million yen	316 million yen
	(consolidated)	–	–	364 million yen
	Per person (non-consolidated)	229 thousand yen	189 thousand yen	177 thousand yen

## Education and Training System

Level	By level			Career development	Language study	By job category	By skill/purpose	Self-development	Outside training
Top Management	Executive training						Compliance training and seminars		
Senior Manager	Senior manager training						Human rights training		
Manager	Management training	Secondary evaluator training		Life plan and career development training	GCP* practical business English training	Sales training	Compliance training Human rights training Electronic information security seminars Accounting seminars Intellectual property seminars DX/data science training Occupational health and safety seminars (mental health, other) "The Unlimited Possibilities of Glass" course ISO training Small-group activities on the manufacturing floor	Language: evening classes in English/Chinese	Qualification acquisition system
	New appointee manager training	Primary evaluator training							
		New appointee evaluator training							
Middle Intermediate	Managerial and technical course	General course	Comprehensive skill and technical course						
	Pre-management training	OJT	Mid-level employee training						
	Transition training	General course employee training	OJT						
	New mid-career employee orientation		3rd-year training						
Introductory	Managerial and technical course	General course	Comprehensive skill and technical course						
	Review training after 1st year on the job	Review training after OJT	Review training after 1st year on the job						
	Technical practical training at assigned post, R&D training	OJT	OJT						
	Administrative practical training at assigned post and overseas								
	Practical training in shift work								
	Group training upon joining company								

\* GCP: Global Communications Program



Orientation for mid-career hires

## Global Communications Program (GCP)

As our business continues to globalize, communication in English has become a necessity. To support this, we offer small-group English classes to help our Japanese employees develop and enhance practical English skills.

These classes are open not only to new career-track employees but also to anyone who needs English for their job and is highly motivated, regardless of their role or tenure.

Level upon completion			
<b>Can conduct business in English around the world</b> <ul style="list-style-type: none"> <li>• Can communicate in any situation</li> <li>• Can express well-understood opinions</li> </ul>			
Class	TOEIC L&R	% of participants	Target/year
A	600 or higher	51%	Scores required to complete course: TOEIC Listening & Reading: 730 TOEIC Speaking: 140 TOEIC Writing: 150
B	400 to 599	41%	TOEIC L&R +100
C	Less than 400	8%	

} Completion  
} Advancement

### Number of Participants

Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
119	125	162	151	146

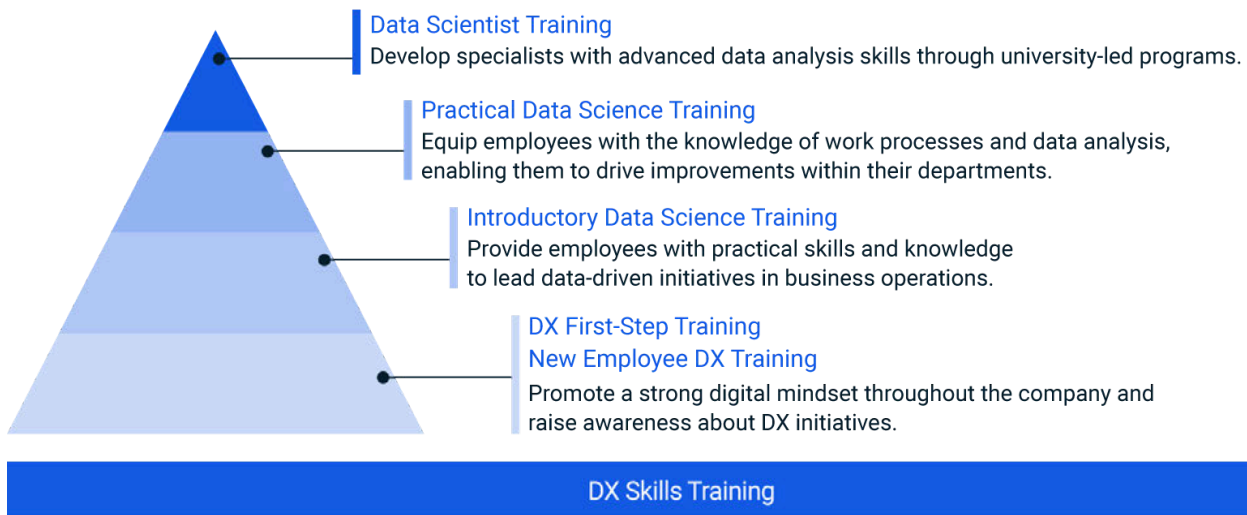
Total program hours per person per year: 46 (within standard working hours)

## DX and Data Science Training / Problem-Solving Training

To raise awareness of digital transformation (DX) within our organization and develop employees who can deliver added value to customers through work reform and improved efficiency, we launched a training program in fiscal 2022 replacing the existing AI and IoT training with the programs presented below.

To date, completion rates for Company-wide DX literacy training have reached nearly 80% of all employees for DX first-step training and nearly 30% for Excel skills training. In fiscal 2024, we launched an additional problem-solving training program to build capabilities in data-driven analysis, operational reform, and structured problem solving. Combining DX skills with problem-solving capabilities will enable us to fully leverage digital technologies to address fundamental challenges and enhance business value.

We will follow up with employees who have yet to participate in the training as we continue to nurture talent with advanced expertise capable of using data to drive process improvements and innovation.



Focus on IT skills that improve work efficiency across all roles.

#### Topic examples

- Using Microsoft Office
- Programming basics
- No-code/low-code application development
- RPA software development

## Number of Participants

Training		Number of participants
Fiscal 2022	DX literacy training (DX first-step training after fiscal 2024)	1,184
	New employee DX training	25
	Programming basics training	30
Fiscal 2023	New employee DX training	51
	DX data training	77
	DX leader training	25
	RPA software training	50
	Data scientist training (Participants dispatched to graduate school master's course)	A few people
Fiscal 2024	New employee DX training	35
	DX first-step training	186
	Introductory data science training	21
	Practical data science training	25
	Excel skills training	425
	Data scientist training (Participants dispatched to graduate school master's course)	A few people
	Problem-solving training for project and team leaders	9
Fiscal 2025	New employee DX training	31
	Data scientist training (Participants dispatched to graduate school master's course)	A few people
	Problem-solving training for project and team leaders	75
	Problem-solving training for department heads	36

## “The Unlimited Possibilities of Glass” Course

All administrative employees have the opportunity to take a glass basics course taught by employees from our basic research department. Most eligible employees have already completed this course, which covers beginner and intermediate levels, broadening their understanding of glass and fostering greater awareness of our corporate philosophy. In fiscal 2022, a video version of the course was created, allowing employees to review the material anytime, reinforcing their foundational knowledge of glass.

The course will continue to be offered, helping employees deepen and expand their expertise in glass.

### Course Content and Number of Participants

Target	Level	Content	Cumulative no. of participants	Cumulative no. of video views
Advanced sales	Advanced	Product discussions Future product ideas	38	Advanced: 1,099 Standard: 1,233
Sales	Intermediate	Introduction to products Direction of development	123	
Staff	Elementary	Qualities of glass Applications and characteristics of main products	219	
General employees	Basics	Glass in our lives Definition and characteristics of glass	104	
<b>Total</b>			<b>484</b>	<b>2,332</b>

# Diversity and Inclusion

We are committed to building a diverse workforce and fostering an environment where all individuals can thrive as a driving force for long-term value creation.

## Diversity and Inclusion

We believe that employees are the foundation of a company's growth and accordingly hire a diverse range of human resources regardless of their gender, age, nationality, or other characteristics. We are increasing the hiring of recent graduates and actively adopting new recruitment methods and approaches. Specific hiring initiatives include recruiting highly qualified mid-career professionals and early-career candidates changing careers, as well as utilizing employee referral programs for local hiring. We are also responding to increasing labor market mobility to secure a diverse workforce by expanding recruitment channels, including providing opportunities for former NEG employees to rejoin the Company.



We are also a proactive employer of people with disabilities. In 1980, we established a special-purpose subsidiary aimed at employing people with disabilities. We were among the first six companies in Japan to do so. Since then, we have sought to increase our employment rate for people with disabilities to 4.6%, far above the statutory requirement of 2.5%, and have hired people with disabilities as full-time employees. We will continue actively engaging people with disabilities as valued members of our workforce.

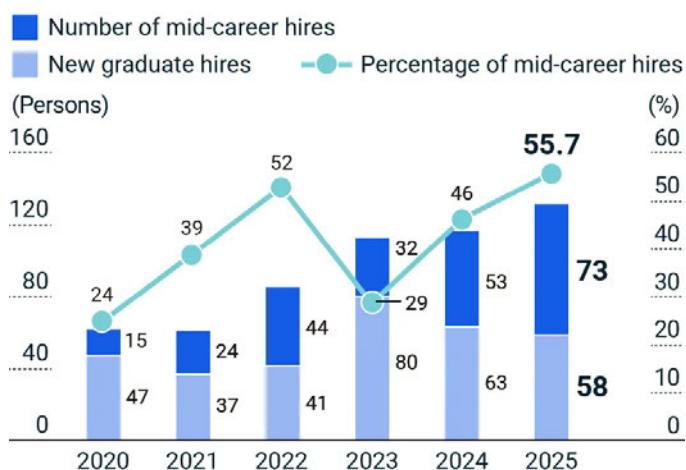
## Hiring Mid-Career Professionals

We strengthen our foundation of human resources by actively hiring mid-career professionals.

In addition to recruiting new graduates and other outstanding talent for the future, we hire experienced professionals with specialized expertise and a strong sense of professionalism.

We will continue pursuing individuals with diverse experiences and skills, to bolster our ranks of human resources capable of leading in our business expansion.

Number of Hires

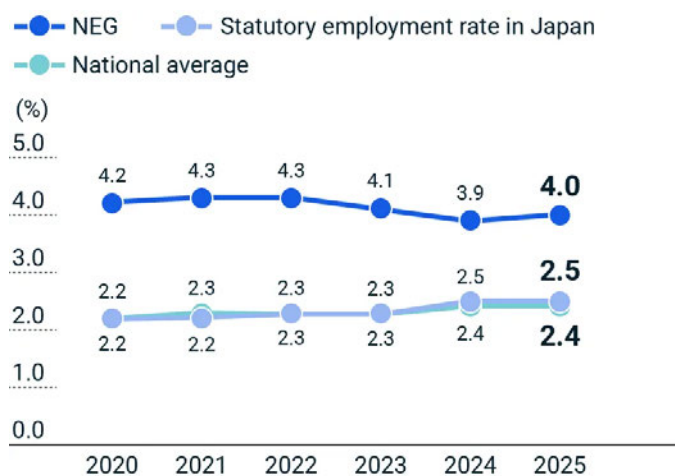


## Employment of People with Disabilities

Our special-purpose subsidiary [E.G. UNIVERSUPPORT CO., LTD.](https://www.us-neg.com/) (<https://www.us-neg.com/>) employs person with disabilities. In 2018, the company became the second special-purpose company to receive Youth Yell Certification from the Ministry of Health, Labour and Welfare for outstanding action in hiring and training young people. In fiscal 2021, the company received Monisu Certification as a small- and medium-sized business with excellent employment for persons with disabilities.

In April 2024, we set a target to raise the employment rate of people with disabilities to 4.6%, well above Japan's statutory level of 2.5%. However, turnover and retirements have kept the rate near 4.0%. Given these circumstances, we have established a medium-term target of 4.4% by the end of fiscal 2030 and a long-term target of 4.6% by the end of fiscal 2035. We plan to achieve these goals by gradually expanding employment opportunities and broadening the range of available positions.

### Percentage of Employees with Disabilities (NEG and consolidated subsidiaries in Japan)



### Aiming to exceed the statutory requirement with 4.6% employment of persons with disabilities

Learn more about the efforts of E.G. UNIVERSUPPORT CO., LTD.

NEG Journal



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## Creating a Thriving Environment for a Diverse Workforce

In addition to our continued commitment to providing employment for people with disabilities, we also strive to cultivate a work environment in which the diverse values and backgrounds of employees, regardless of gender and gender identity, age, and nationality, are respected, and in which employee welfare and happiness are prioritized.

### Workplace Improvement Examples

- People with disabilities: Expanding employees' scope of work, installing wheelchair ramps, elevators, and accessible washrooms
- Women: Providing childcare support (received Platinum Kurumin certification), creating more in-house support systems, holding events for female employees to exchange opinions, and hosting career seminars
- Seniors: Initiating a stepped system for raising the pay of rehired workers, and establishing compensation systems that match job duties
- Foreign nationals: Providing support to ensure understanding of company systems, holding training, Japanese language classes, and mentoring program
- LGBTQ persons: Raising LGBTQ awareness during human rights education, and making things less gender-based (gender-free uniforms, changing rooms, and washrooms)

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## Promoting the Active Participation of Senior Professionals

Securing and actively leveraging the expertise and abilities of senior professionals is becoming increasingly essential. Following the recent changes to laws and the social trends regarding the employment of older individuals, we have set up a system for gradually increasing senior employee compensation levels in accordance with their workload and performance evaluations. We wish to further utilize motivated and capable seniors and promote a smooth handoff to the younger generation.

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## Empowering Employees with Roots in Other Countries

As the number of our non-Japanese employees increases, we are providing follow-up support to ensure their understanding of the company's policies, and supporting their smooth workplace communications through measures such as Japanese language classes and a mentoring system.

In October 2019, we promoted the first foreign national employee to the position of manager, and have promoted more since then. In January 2023, we appointed a foreign national employee of an overseas subsidiary as an executive officer at the head office for the first time. Going forward, we will be putting energy into ensuring workplace environments where employees from diverse backgrounds can work actively and confidently, building synergy through mutual respect for each other's culture.

# Better Workplace Environment

We are committed to cultivating a better workplace environment that supports diverse talent while promoting healthy dialogue among all team members.

## Efforts to Retain and Empower Employees

### Progress in Diverse Work Styles and Work Efficiency

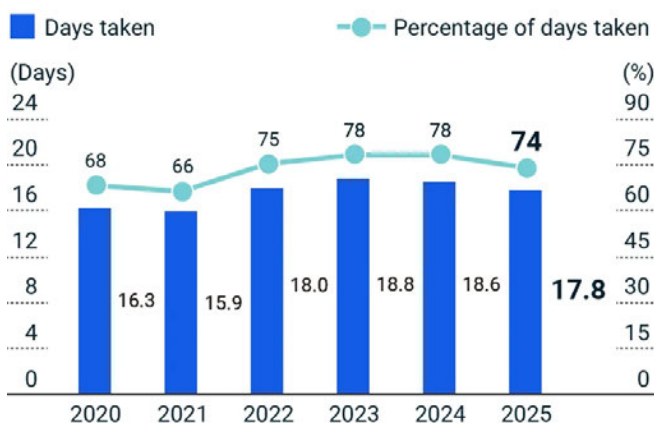
We carry out a wide range of initiatives, including expanding work-style diversity to encompass telecommuting, flextime, and the like, implementing five-day holidays and no-overtime days, supporting employees in balancing work with childcare and nursing care, and hosting work-style reform seminars. These efforts have enabled us to reduce overtime work and increase paid leave utilization. Employees reap the rewards of these efforts in the form of human resource investments such as expanded job benefits and IT funding.

We will continue to pursue improvements as we review and revise our efforts.

#### Main Initiatives

- Inventory business tasks
- Reform meeting processes (shorten meetings, etc.)
- Actively use IT
- Encourage employees to take five consecutive days of leave twice a year
- Implement no-overtime days
- Conduct work-style reform seminars
- Introduce a return-to-work system
- Expand the work-from-home system
- Increase the number of worksites eligible for flextime and shorter core working hours
- Revise the system to comply with the amended Child Care and Family Care Leave Act
- Provide information on childcare and nursing care
- Conduct employee awareness surveys

#### Number and Percentage of Paid Leave Days Taken



#### Average Overtime Hours



Note: Employees are granted 24 days of paid vacation per year.

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## Support for Raising the Next Generation and Women's Empowerment

In February 2019, we received Platinum Kurumin certification under the Act on Advancement of Measures to Support Raising Next-Generation Children in Japan and have continued providing such support in order to expand our employees' options for work styles conducive to childcare and nursing care. These efforts have helped achieve successes such as realizing an 80% or higher rate of male employees taking their childcare leave for three consecutive years.

We have created and will introduce a new voluntary action plan to support employees with children.

We are also working to increase the representation of female employees. Initiatives to develop female leaders include expanding the recruitment of women for career-track positions and offering in-house seminars on women's health. In fiscal 2025, the percentage of female managers reached 2.3% at NEG and 12.6% across the Group, achieving our fiscal 2028 target ahead of schedule.

### **Performance Indicators for Employees with Children (Period: January 1, 2025 to December 31, 2028)**

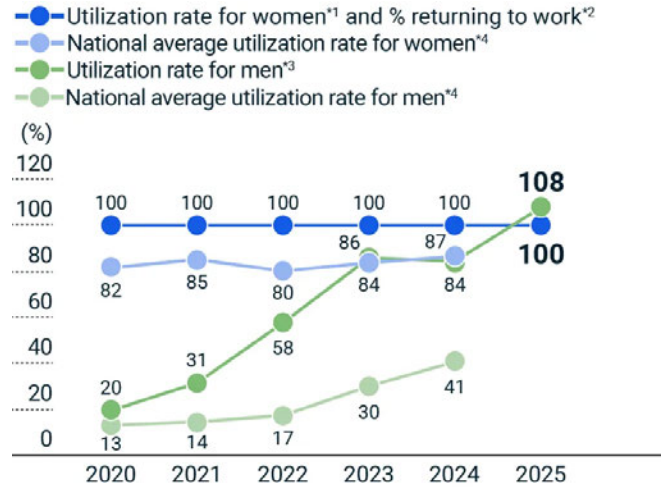
- Maintain at least 80% eligible male employees taking childcare leave and aim for 100%
- Create a flexible family support structure for employees balancing childcare and work based on individual family situations
- Maintain a minimum average of 17 days of paid leave being used

We will continue to implement measures to support diverse work styles according to employee needs by increasing the childcare leave utilization rate among men, reducing overtime work, increasing paid leave taken, and encouraging the use of all programs.

## Childcare Leave Utilization Rate

Since fiscal 2015, both men and women at NEG have taken childcare leave at a rate higher than the national average. With revisions to Japan's Child Care and Family Care Leave Act in fiscal 2022, we held explanatory meetings for the various employee groups eligible for leave. We have seen a particularly large rise in the childcare leave utilization rate for men, which has remained above 80% for three consecutive years.

## Childcare Leave Utilization Rate and Percentage of Women Returning to Work (non-consolidated)

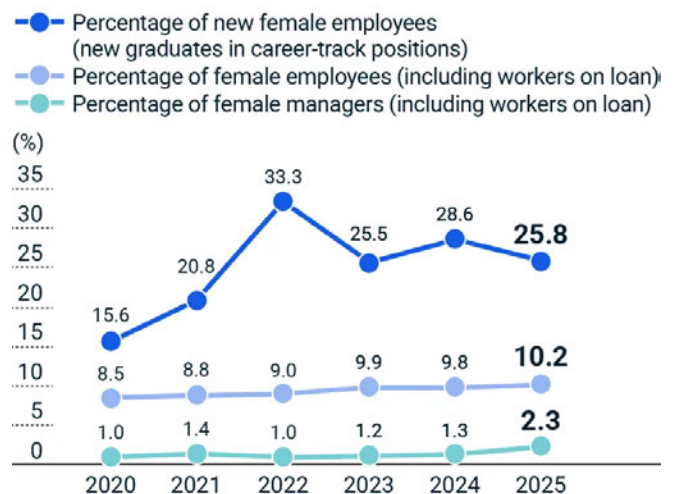


- \*1 Utilization rate for women: Number of people taking childcare leave ÷ number of employees giving birth × 100
- \*2 Percentage of women returning to work: After giving birth, percentage of people working continuously when child has turned 1 year old
- \*3 Utilization rate for men: Number of men taking childcare leave ÷ number whose spouses gave birth × 100  
The utilization rate may exceed 100%, as male employees whose spouses gave birth in the previous fiscal year may take childcare leave in the current fiscal year.
- \*4 Source: Statistics on national average childcare leave utilization rate for men and women, taken from Basic Survey of Gender Equality in Employment Management; Ministry of Health, Labour and Welfare

## Women's Empowerment

We are stepping up recruitment of women in career-track positions, increasing the ratio of female employees, and developing female leaders. We are also creating supportive working environments and workplaces for women by holding in-house seminars on women's health issues and fostering a corporate culture and workplace environment that accommodates diverse opinions and ideas.

## Indicators of Progress in Women's Empowerment



Note: In fiscal 2023, although the percentage of new female employees dropped from the previous fiscal year, the number of new female employees rose by 60%.

## Performance Indicators and Targets for Employees with Children

(Period: January 1, 2025 to December 31, 2028)

- Maintain a recruitment percentage of at least 25.0% women among new-graduate hires for career-track positions at NEG  
(Maintained above the 25.0% target since fiscal 2022)
- Target a minimum female manager percentage of 2.0% at NEG by fiscal 2028, more than doubling the fiscal 2022 level  
(Target achieved with 2.3% in fiscal 2025)
- Target a female manager percentage of at least 10.0% at NEG and its consolidated subsidiaries in Japan and overseas by fiscal 2028  
(Target achieved with 12.6% in fiscal 2025)

## Number of Employees, Years of Continuous Service, Turnover Rate

Item	Gender	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Number of employees	Men	1,530	1,530	1,541	1,569	1,589
	Women	152	157	172	177	189
	Total	1,682	1,687	1,713	1,746	1,778
Average years of service	Men	24.3	23.8	22.9	21.9	20.7
	Women	18.8	17.8	16.2	14.6	14.3
	Total	23.8	23.2	22.2	21.2	20.0
Turnover rate (%)	—	1.2	1.3	1.9	2.0	2.5

Note: Number of employees and average years of service do not include employees on loan.

- Average years of service is on a downward trend because of the increase in male and female new hires.
- We are committed to creating an environment where employees can work with peace of mind for extended careers. Due to these efforts, our Company maintains a relatively low employee turnover rate.

## Salary

Employee category	Male-female wage gap (female wage as percentage of male wage)	Supplement: Male-female wage gap for regular employees for standard wages excluding allowances, etc.	
All employees	67.8%	Managers	85.8%
Regular employees	68.9%	Career-track (excluding managers)	91.7%
Part-time and fixed-term employees	39.9%	Regular employees other than the above	89.3%

Period: Fiscal 2025 (January 1, 2025 to December 31, 2025)

Wages: Includes compensation for overtime and bonuses, but excludes commuting allowance, etc.

Regular employees: Excludes employees on loan from NEG to other companies, or from other companies to NEG

Part-time and fixed-term employees: Employees who have an employment contract for a fixed period

Note:

1. Although we calculate wages for men and women based on the same standards, male-female wage gaps occur due to differences in factors such as number of employees, employment categories, and years of continuous service. Other factors contributing to wage gaps include various allowances for shift work employees (of whom 97% are men) and the fact that there are relatively fewer women in senior management positions.
2. The primary factor contributing to wage differences among part-time and fixed-term employees is the distribution of job categories between male and female employees.

## Employee Awareness Surveys

We continued conducting the annual employee awareness survey in fiscal 2025 as part of our efforts to create a workplace where employees can thrive while finding their work rewarding. The survey results are shared with the Management Committee and at department head meetings, and feedback is provided to all employees. The results are also analyzed to identify our organizational and individual workplace strengths and weaknesses and to develop improvement initiatives.

### Cycle for Strengthening Engagement

1. Conduct main surveys  
Analyze results, provide feedback to management, department heads, and employees
2. Use results to formulate and implement Company-wide and worksite-specific measures  
Develop improvement activities
3. Conduct focused surveys  
Use issue-specific surveys to monitor measure effectiveness and revise if necessary
4. Conduct main surveys  
Continue annual surveys and confirm yearly changes

## Fiscal 2025 Survey Results

<b>Aim</b>	Visualize state of organization, and improve it at the company-wide and workplace levels
<b>Total number of respondents</b>	1,973 (1,938 for fiscal 2024)
<b>Response rate</b>	99.2% (99.6% for fiscal 2024)
<b>Results summary</b>	<ul style="list-style-type: none"><li>● Satisfaction levels maintained across all areas of engagement compared to the previous fiscal year</li><li>● Higher overall score than the previous fiscal year, likely reflecting the impact of workplace-level improvement efforts</li></ul>

The overall score reached 104, with fiscal 2024 set as the baseline of 100, marking a second consecutive year of improvement. None of the 16 engagement categories showed a decline in satisfaction. We believe the positive changes reflect progress of workplace-level improvement initiatives.

We will continue to conduct employee awareness surveys and use the results to guide improvements as part of our efforts to build vibrant workplaces.

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## Freedom of Association and Labor-management Relations

The Group respects rights afforded to workers by the laws of the countries it operates in, including freedom of association and collective bargaining. Our employees are in the Nippon Electric Glass Labor Union, which is a member of the Japanese Electrical, Electronic & Information Union (JEIU). Based on the union shop agreement, membership in the labor union is open to all regular employees except those in management positions. As of December 2025, 77.8% of all NEG employees were JEIU members.

NEG maintains a labor and labor-management agreement with the NEG Labor Union to confirm working conditions. Besides monthly meetings at NEG sites between the NEG Labor Union and the Company, the Union's executive committee and Company's senior management meet to exchange opinions at least twice a year. We also strive to maintain amicable labor-management relations through a wide range of other cooperation in areas such as occupational safety and health, health and productivity management, and support employees with children.

# Communicating with Stakeholders

The Group Code of Conduct states our commitment to disclosing necessary corporate information in a timely and appropriate manner while engaging in broad communication with stakeholders. To enhance our corporate value, we strive to maintain active communication and foster mutual understanding with all stakeholders.

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## Communicating with Customers

We maintain a quality assurance system to provide our customers with safe and reliable products, and share product information when necessary to ensure that our customers have access to all the information they need.

We also actively distribute information at exhibitions and other events.

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## Product Safety and Quality Assurance

The principle of “customer first” is a key value in our corporate philosophy, and our commitment to achieving the highest level of customer satisfaction is one of our essential management policies. We have established fundamental policies for product safety and quality assurance, which aim to enhance customer satisfaction and ensure the delivery of safe, reliable, and high-quality products.

### **Product Safety Basic Policy**

We are committed to providing safe products that consumers can use with confidence.

1. Strongly prioritizing product safety from the design stage
2. Continuously improving product safety through quality assurance
3. Actively working to reduce risks throughout the product life cycle
4. Promptly disclosing information and ensuring product safety in the event of an accident involving our product

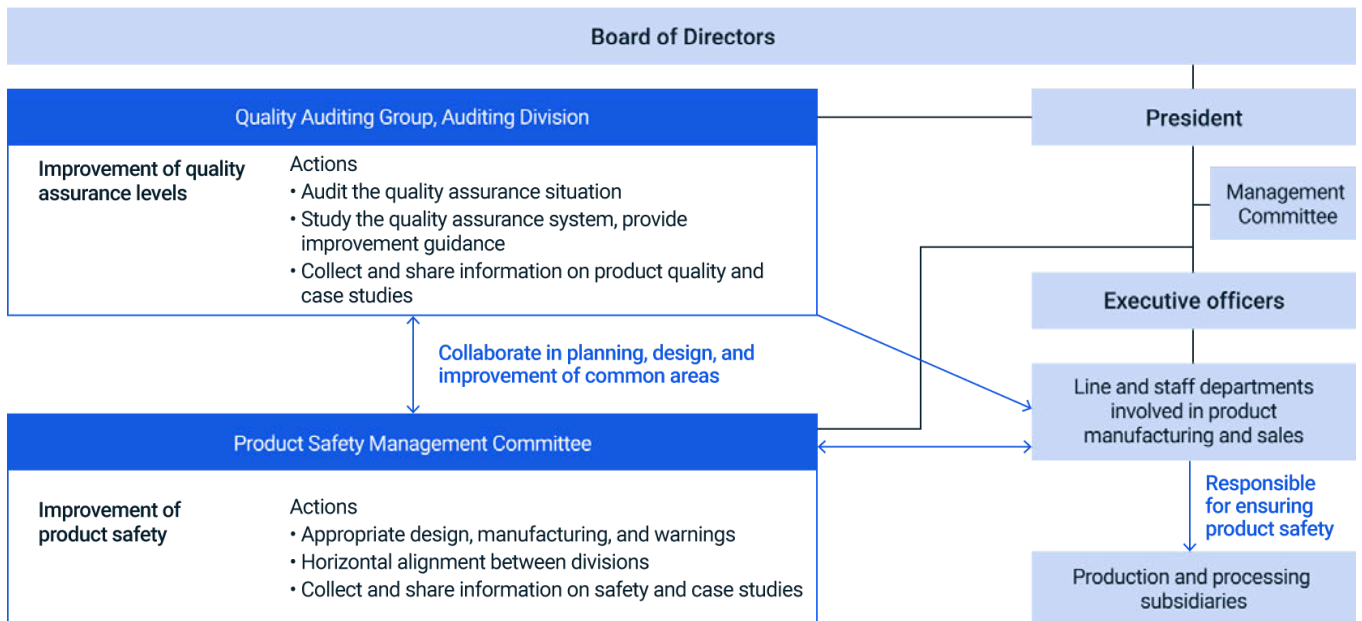
### **Quality Assurance Basic Policy**

Under the principle of “customer first,” we provide products that meet customer satisfaction through the collaboration of all divisions involved in sales, manufacturing, and development.

1. Thoroughly understanding customer needs and consistently reflecting these needs in product specifications
2. Marketing products that adhere to appropriate quality assurance standards
3. Continuously improving product quality and enhancing manufacturing processes to ensure high standards
4. Taking prompt and appropriate action to address any issues reported by customers

## Product Safety and Quality Assurance System

### Diagram of Product Safety and Quality Assurance System



### Product Safety Management Committee

The Product Safety Management Committee is dedicated to enhancing the safety of our products. Committee members are chosen from departments responsible for manufacturing and sales, as well as from departments involved in product design and process design.

The main initiatives are as follows.

- Ensure proper design, manufacture, and safety information
- Promote horizontal deployment across departments
- Collect and share information on safety and case studies

### Quality Assurance Department

Each business division that manufactures products has a dedicated quality assurance department. We deliver highly reliable quality assurance that meets customer requirements for every product and continuously implement measures to enhance our manufacturing standards.

### Quality Auditing Group, Auditing Division

We have established a Quality Auditing Group within the Auditing Division, which operates under the direct control of the president. This group leads cross-company initiatives to enhance quality assurance levels throughout the entire NEG Group.

The main initiatives are as follows.

- Audit quality assurance
- Study the quality assurance system, provide improvement guidance
- Collect and share information on safety and case studies

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## Communicating Product Information

We use exhibitions and our website as communication tools to introduce our products and provide relevant information.

Exhibitions



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## Communicating with Business Partners

We engage with our business partners by sharing our insights and collaborating to deliver better products and services while fostering a sustainable supply chain.

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## Basic Procurement Policy

In line with our established basic procurement policy, we aim to build reliable relationships with business partners who can provide a stable supply of high-quality products and services at competitive prices. To enhance the performance and efficiency of the entire supply chain, we require our business partners to adhere to our Supply Chain Guidelines, ensure a stable supply, improve their competitiveness, comply with laws and regulations, respect human rights, and protect the environment.

We recognize that minerals such as tin, tantalum, tungsten, and gold sourced from the Democratic Republic of the Congo and neighboring countries can be used to finance armed groups engaged in inhumane acts. Therefore, we place great importance on responsible procurement practices to ensure that we do not source conflict minerals.

### Basic Procurement Policy

1. Open and fair business practices
2. Mutual prosperity with partners
3. Compliance with social norms
4. Respect for human rights
5. Environmental awareness
6. Policies on conflict minerals

Procurement



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## Business Partner Briefings

We conduct regular business partner briefings to enhance communication with our partners.

### Number of Companies Attending the Business Partner Briefing

	Fiscal 2025
Participating companies	68

#### Requests for Our Business Partners

1. Maintain and improve product competitiveness and ensure a stable supply
2. Comply with laws, regulations, and social norms; respect human rights; and consider working conditions
3. Prioritize environmental preservation
4. Manage information appropriately
5. Practice sound corporate management
6. Eliminate the use of conflict minerals

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## Supplier Surveys

To promote understanding of our Supply Chain Guidelines and Guideline for Green Procurement, as well as to enhance the effectiveness of our supply chain initiatives, we conduct an annual survey of our major suppliers to seek their commitment to supporting and participating in NEG initiatives. Additionally, we visit key suppliers to assess their efforts in environmental conservation, health and safety, and other related areas.

### Number of Participating Companies in the Supplier Survey

	Fiscal 2025
Participating companies	104

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## Announcement of the Partnership Building Declaration

In March 2022, we announced the Partnership Building Declaration, signaling our commitment to establishing new partnerships through cooperation and mutual prosperity with the companies in our supply chain that help us create value.

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## Communicating with Shareholders and Investors

We will engage in constructive dialogue with stakeholders and investors, and provide timely and relevant information that we believe will be useful in deepening understanding of the Company.

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### Information Disclosure Policy

We utilize the Tokyo Stock Exchange's Timely Disclosure Network (TDnet) and promptly post information on our website to ensure compliance with the disclosure rules it establishes.

Additionally, we actively use news releases and web pages to present information that we believe will help our stakeholders gain a better understanding of our Group. This is done in a timely, appropriate, and fair manner, in accordance with Japan's Fair Disclosure Rules.

Basic Stance on  
Information Disclosure



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### General Meeting of Shareholders

The 107th General Meeting of Shareholders was held on March 27, 2026. After presenting the fiscal year results and the current state of our business, our management openly addressed the issues raised by our shareholders.

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### Communicating with Investors

We engage with institutional investors both in Japan and abroad through various channels, including individual interviews, financial results briefings, and investor events organized by securities firms. The feedback and requests we receive from investors are communicated to our management and used to enhance our investor relations activities.

#### Fiscal 2025 Results

Number of meetings with stakeholders in Japan	147
Number of meetings with stakeholders overseas	188
Total	335
Of which ESG was the main topic	11

#### Main Topics of Dialogue

Key discussion points include business strategies to enhance profitability, financial strategies to improve capital efficiency, sustainability strategies, the growth potential of the electronic device business (especially for semiconductors), shareholder return policies, and the expansion of information disclosure.

#### Feedback to Management

The content of our dialogues with shareholders and investors is regularly reported to the Management Committee.

#### Actions Taken in Response to Dialogue

- Expanding information disclosure, including updates on medium-term management plan progress and analysis of operating income changes
- Calculating Scope 3 emissions

# Employee Health and Safety

We strive for zero workplace accidents by implementing improvement measures based on risk assessments, while also promoting the mental and physical well-being of all employees to maintain and improve their health.

## Company-Wide Health and Safety Committee

Every year, the Company-Wide Health and Safety Committee is convened, attended by the president and the head of the labor union. During this conference, action policies and targets are set regarding health and productivity management at NEG. These are then approved by the Management Committee and disseminated across the Company.



### Action Policies for Company-Wide Health and Safety (Fiscal 2026)

- All NEG employees put safety first in everything they do and strive to create a workplace conducive to working in health and safety.
- Thoroughly understand and implement risk measures in all workplaces, and make continuous improvements through the PDCA cycle.
- In line with our health and productivity management philosophy, maintain and improve the mental and physical health of each employee.

# Occupational Health and Safety

Our occupational health and safety, accident prevention, and other committees lead various initiatives in accordance with our Principles of Activities and Action Policies for Company-Wide Health and Safety. Initiatives include creating safe and healthy workplaces, thoroughly identifying risks and implementing preventive measures across all sites, and continuously improving through the PDCA cycle. The Safety and Health Committees, Health and Safety Promotion Committees, and Accident Prevention Committees in each region also implement various initiatives.

**Organization Chart of Occupational Health and Safety**

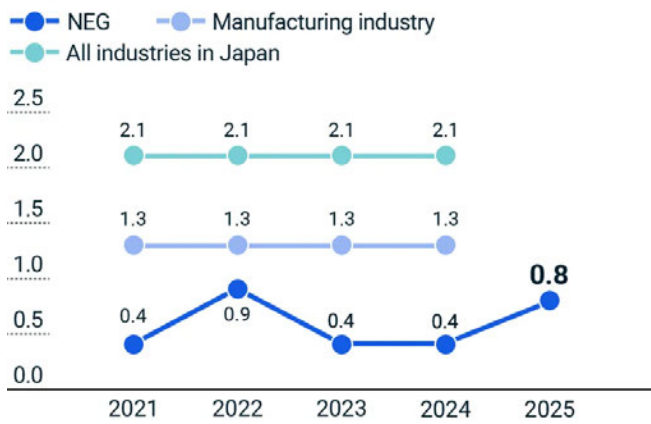


Four accidents were recorded at the Company in fiscal 2025. In addition to occupational health issues, challenges persisted in work procedures, compliance, and adherence to rules. Incidents and issues identified during the year will be reflected in our safety and health activities for fiscal 2026 as part of ongoing efforts to prevent accidents and improve workplace health conditions. The number of accidents has remained steady in recent years, and we continue to conduct risk assessments and implement intrinsic safety measures, workplace patrols, and safety education measures with the aim of achieving zero safety incidents.

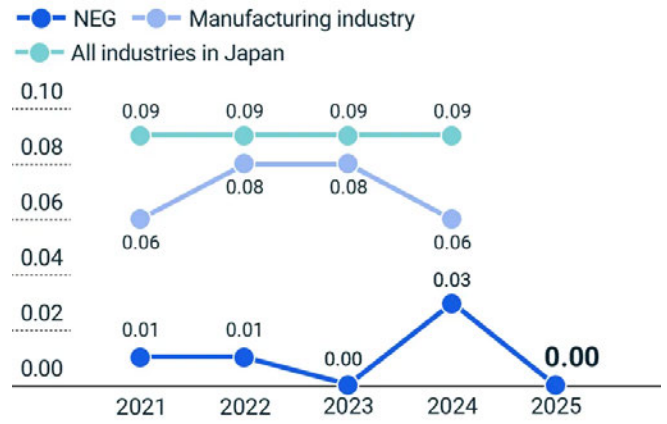
Our industrial accident frequency, severity, and occupational injury rates per 1,000 employees remain lower than both the manufacturing industry and the overall industry average in Japan.

In terms of third-party certification, the Shiga-Takatsuki Plant and our overseas subsidiaries in the displays business have been certified for ISO 45001, the international standard for occupational health and safety.

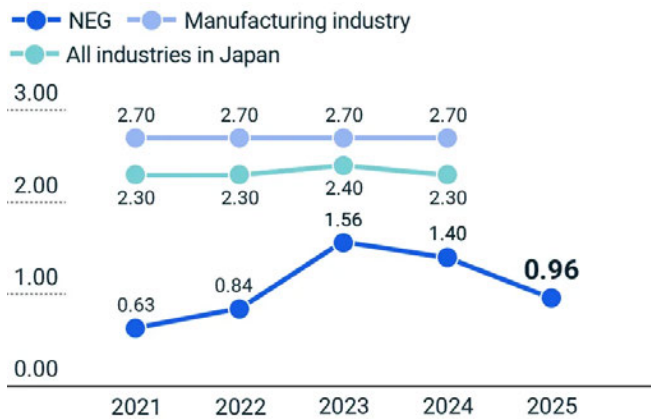
### Industrial Accident Frequency Rate (non-consolidated)



### Industrial Accident Severity Rate (non-consolidated)



### Occupational Injury Rate per 1,000 Employees (consolidated)

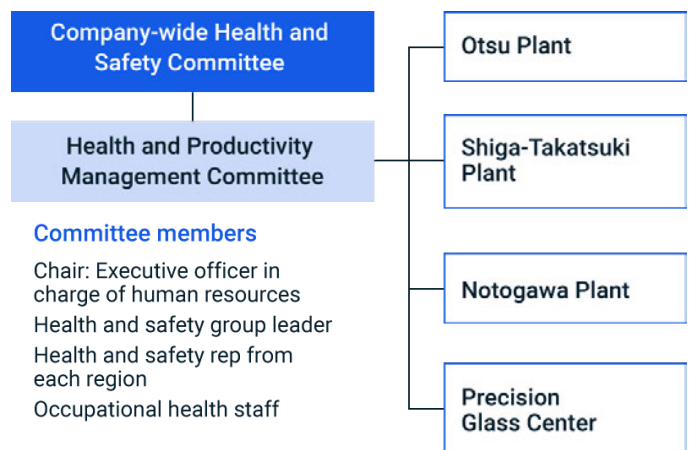


## Health and Productivity Management

We believe that improving employee health drives corporate growth. To support this, we have been implementing health and safety initiatives based on health and productivity management. Our approach includes the development of a strategy map and a range of initiatives aimed at fostering an environment where every employee can work with enthusiasm. To measure our progress, we have established key performance indicators (KPIs) focused on improving both mental and physical health. We conduct various health activities and educational programs at our sites to meet these targets.

### Organization Chart of the Health and Productivity

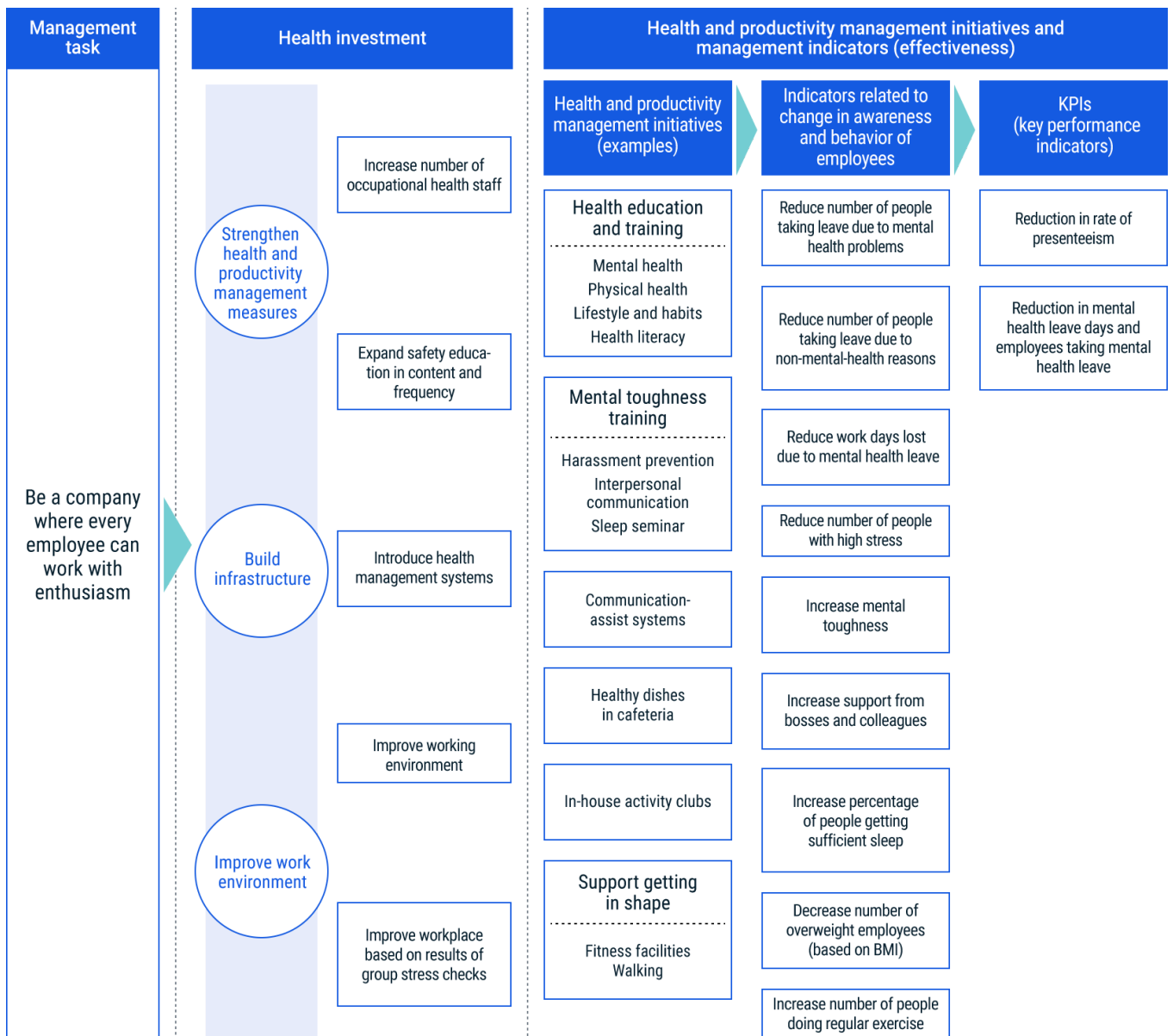
#### Management Committee



#### Committee members

Chair: Executive officer in charge of human resources  
 Health and safety group leader  
 Health and safety rep from each region  
 Occupational health staff

## Health and Productivity Management Strategy Map



## Health and Productivity Management Indicators and Targets (non-consolidated)

KPIs	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026 (Target)
Rate of presenteeism*1	26.8%	26.7%	24.9%	Less than 23.0%
Rate of mental health leave*2	1.3%	1.3%	1.5%	Less than 1.0%

\*1 When employees go to work but are not fully productive due to a health issue. A higher percentage is worse.

Calculated based on self-evaluation of work performance over the previous four weeks, with performance in the absence of illness or injury defined as 100%.

Response rates: 99.4% in fiscal 2023, 99.3% in fiscal 2024, and 98.7% in fiscal 2025

\*2 Percentage of employees taking leave of 14 days or more due to mental illness.

## Health and Productivity Management Initiatives

### Mental Health Initiatives

We encourage broad participation in stress checks to support primary prevention. Feedback on the results is provided to department heads to help drive workplace and organizational improvements, including initiatives to reduce the number of employees identified as high stress in each department.

As part of our return-to-work support, we developed and promoted a structured return-to-work process during 2024 and 2025 to help employees resume work and reduce the risk of relapse.

Through our health insurance association, we provide access to an external mental health counseling service as part of the Employee Assistance Program (EAP), available to both insured employees and their dependents.

We also offer educational training on topics such as self-care, manager-led well-being support, and interpersonal communication.

### Stress Check Participation Rate

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Participation rate	99.4%	99.3%	98.7%

### Percentage of Employees with High Stress

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Percentage of employees identified as experiencing high stress	12.1%	13.1%	12.0%

### Smoking Cessation Initiatives

We initiated a comprehensive smoking ban at all domestic plants and sales offices in fiscal 2021. Additional help is provided by the health insurance association, which offers smoking cessation clinics and online smoking cessation programs.

### Employee Smoking Rate

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Percentage of employees who smoke	24.3%	24.0%	22.8%

## Women's Health Initiatives

In 2023 and 2024, we held health seminars to improve the health literacy of female employees across the Group and its affiliated companies.

### Number of Participants

Fiscal 2023	Fiscal 2024
72 (of 194 eligible female employees)	50 (of 193 eligible female employees)

The health insurance association also provides financial assistance for breast and cervical cancer screenings, as well as HPV self-testing kits. In 2025, we introduced additional support services for insured members and their families, including no-cost access to consultations with female obstetricians and gynecologists, a pregnancy and childbirth chatbot, and women's mental health counseling via social media. In fiscal 2026, we expanded female employee support initiatives by adding measures to raise health awareness related to lifestyle diseases and facilitating access to health checkups through new partnerships with women-only screening providers.

### Seminars

- Sleep Seminar

We provided training on sleep practices tailored to a four-team, three-shift work system for both regular and rotating shift workers.

### Other Activities

- Held multiple health seminars on topics including fall prevention and lower back pain prevention
- Implemented a food and health initiative to expand healthy menu options and introduce salad bars at the cafeterias in the Shiga-Takatsuki and Notogawa plants
- Implemented infection prevention measures, including partial coverage of influenza vaccination costs and the provision of on-site vaccinations at select locations upon request

#### Certified as an Outstanding Organization of KENKO Investment for Health for Eight Consecutive Years

The Company and its health insurance association were again recognized as 2026 Outstanding Organizations of KENKO Investment for Health by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The program honors companies that implement strategic health and productivity management practices for their employees. The Company has received this certification for eight consecutive years.



# Society and Community

Ensuring the sustainability of our business requires that we build and maintain relationships of trust with local communities and support basic glass research and human resource development.

We will provide educational support and participate in local events to help create a prosperous future together with the local community.

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## Coexistence with Local Communities

Good relationships with local communities are essential for the continuation of business activities. We build relationships of trust with local communities and contribute to their development by supporting educational, welfare, and environmental initiatives.

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## Promoting the Potential of Glass

Our educational support activities, centered in Shiga Prefecture where NEG is based, aim to foster interest in science among young people through on-site classes and participation in science events.

### Sponsorship of Otsu City Science Museum's "Innovation for the Future"

Our employees visit the Otsu City Science Museum to give hands-on lessons to teach local elementary and junior high school students about the characteristics of glass and how it is used.

The Innovation for the Future classes, which highlight inventing, discovering, and making things, were joined by 32 participants in fiscal 2025.



An "Innovation for the Future" Class

### Participation in the University of Shiga Prefecture Science Career Support Program

In 2020, we became a collaborating enterprise in the University of Shiga Prefecture Science Career Support Program.

We hosted 13 participants in fiscal 2025.



A workplace exchange interaction

## Welcoming Visitors to Our Plants and Showroom; Opening Our Facilities to the Local Community

### Fiscal 2025 Activities

Category	Participants
Visitors to our plants and showroom	Approx. 840
Visitors to our facilities that are open to the public (green space, etc.)	Approx. 200

## Employees Joining Community Activities

Each Group company site contributes to local communities through activities aligned with our businesses and tailored to local needs. We commit to continuing these initiatives over several years.

### Supporting Shiga Prefecture's Lake Biwa Floating School Program

In 2019, we acquired the naming rights to the Lake Biwa Floating School Program, and a youth environmental studies program in Shiga Prefecture aimed at supporting education and self-development. In 2023, we renewed the rights for another four years.

In fiscal 2025 (April 2025 to March 2026), the program hosted 12,819 fifth-grade school children on a total of 102 floating workshops.



Observational study of an island in Lake Biwa

### Volunteer Activities and Community Exchange Events

To strengthen our ties with local communities, we carry out volunteer activities such as cleaning and planting greenery, host various events to which we invite local residents, and conduct donation and support activities.

### Fiscal 2025 Donations and Support Activities (Japan and Overseas)

Activities	Participants
Employees joining community activities	Approx. 1,050
People visiting our summer festival and other events	Approx. 12,670
People joining dialogue between the Group and neighborhood councils	Approx. 220
Donations of flower seedlings to local schools and neighborhood councils	Approx. 21,730 seedlings
Donations of Omi rice to children's community kitchens, welfare institutions, and children of foreign parents in Shiga Prefecture	6 tons



Shiga-Takatsuki Plant Children at the neighborhood Industrial Park



Paju Electric Glass (Korea) Sponsored movie screening event for people with disabilities

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## Advance Glass Science

We believe supporting basic research in glass, which is our core technology, and nurturing talent are essential for our sustainable growth. We advance the science of glass by working with higher education institutions and supporting education on glass topics.

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## Fostering Scientific Talent

NEG technical staff deliver lectures at series hosted by Kyoto University, Doshisha University, and other institutions, covering topics such as the fundamentals of glass science for science and engineering students. These lectures highlight the appeal of glass as a research field and aim to spark interest by providing a deeper understanding of glass materials.

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## Support Glass Research at Universities and Other Institutions (endowed courses)

We concluded a comprehensive industry–academia collaboration agreement with the University of Shiga Prefecture in 2007. Based on that agreement, we have been collaborating with the university on a variety of ongoing projects, which include the establishment of an endowed course, joint research and technological exchange on glass engineering, and supporting the development of future leaders. In 2025, we agreed to extend the comprehensive industry–academia collaboration agreement through 2031 and to continue offering endowed courses in glass engineering.

We launched an endowed course on fundamental glass research at Kyoto University in 2023. Designed to deepen understanding of glass science and develop future leaders in glass research and engineering, the program covers special glass manufacturing and cutting-edge fundamental research, including the production of special glass on the International Space Station. We also actively share our research outcomes, including a wide range of advancements, through conference presentations and academic publications.

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## Participation in Industry Associations

The Group works closely with industry associations and other stakeholders to advance glass science and address environmental and other shared challenges facing the industry.

### Major Organizations

- Glass Industry Conference of Japa
- New Glass Forum
- Electric Glass Industry Association of Japan
- Glass Manufacturers Association of Japan
- Glass Fiber Association of Japan

The Glass Research Promotion Program, established by the Glass Industry Conference of Japan (GIC) and the New Glass Forum, began providing research grants in 2022. The program promotes fundamental research in glass with the aim of sustaining and expanding the academic and human resource base to support the continued development of the glass industry. NEG is a supporting sponsor of this program.

# Corporate Governance

We aim to reach the targets outlined in our EGP2028 Medium-term Business Plan by boosting our competitiveness through strengthening overall management oversight and revitalizing the Board of Directors.

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## Our Corporate Governance Policy

We believe that to increase corporate value and achieve sustained growth, it is essential to continue to ensure managerial transparency and strengthen supervisory functions regarding the execution of business. This is our basic policy on corporate governance, and we will strive to improve our organization and business systems in accordance with this policy.

Corporate Governance Report (520KB) 

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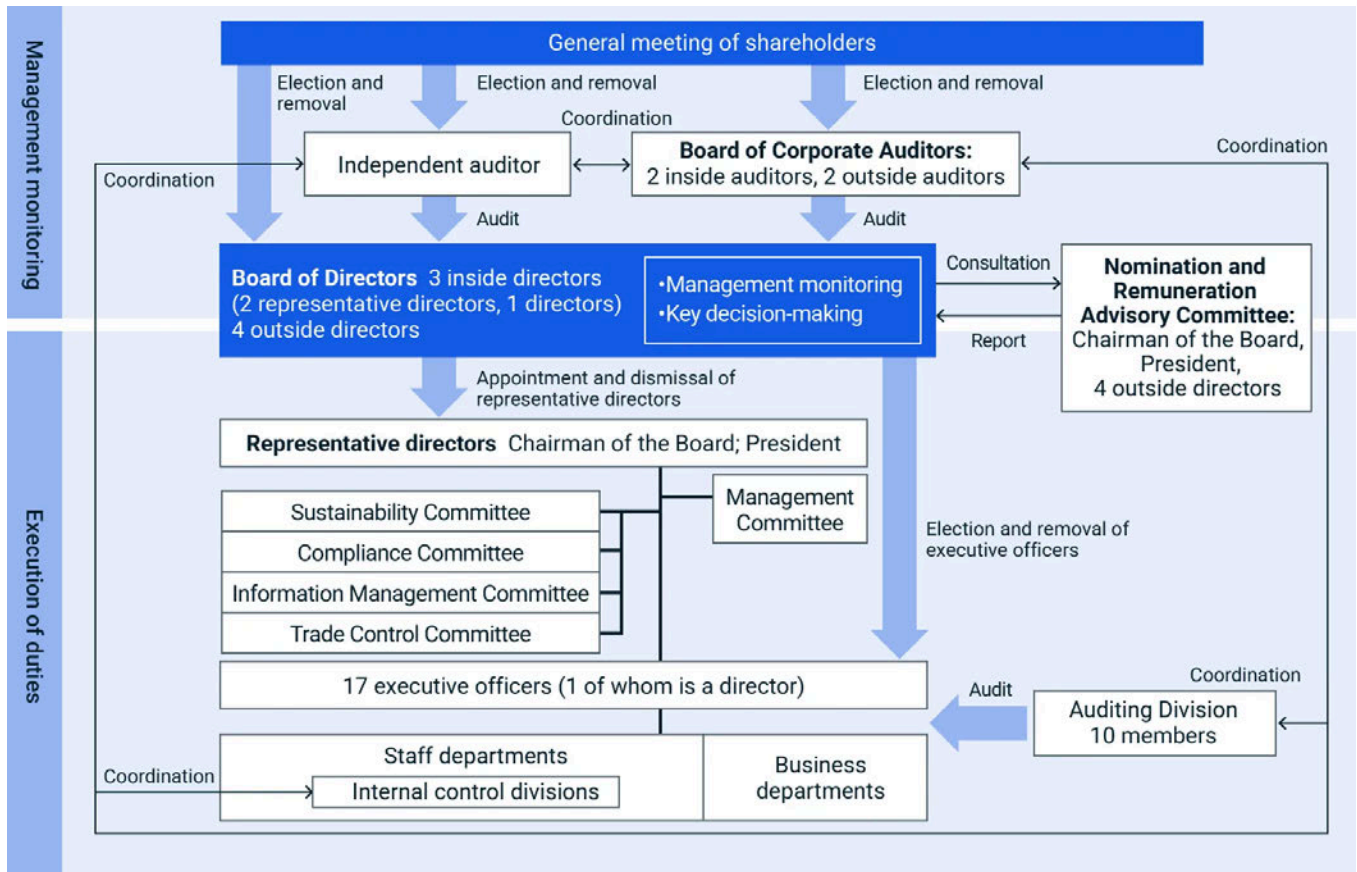
## Overview of the Corporate Governance Structure

The Company employs a corporate structure with a Board of Corporate Auditors. The Board of Directors, which includes outside directors, carries out decision-making regarding the execution of duties and supervision of the execution of duties by directors and others. The supervision of the directors is carried out independently of the Board of Directors and the executive structure by the Board of Corporate Auditors, which includes outside corporate auditors. This system is intended to ensure the transparency and fairness of the Board of Directors.

Also, a Nomination and Remuneration Advisory Committee, which exists as a voluntary committee, has been established as an advisory body to the Board of Directors. The committee deliberates on the appropriateness of matters related to the appointment and dismissal of representative directors, remuneration policies and systems for directors, and the amount of remuneration determined for directors. It then reports its conclusions to the Board of Directors.

In addition, the Sustainability Committee, the Compliance Committee, the Information Management Committee, and the Trade Control Committee facilitate organization-wide initiatives to strengthen corporate governance.

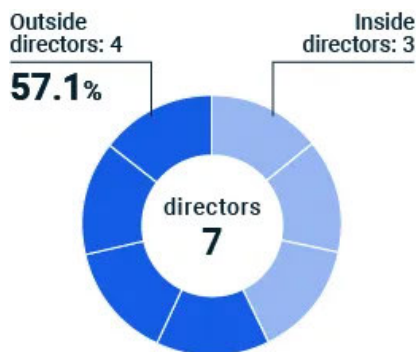
Diagram of Corporate Governance System (as of March 27, 2026)



Journey towards Stronger Corporate Governance

	2000s	2010s	2020s
<b>Settlement and shares</b>	2006 Takeover defense measures introduced	2012 Takeover defense measures abolished	
<b>Business execution Supervision system</b>	2001 Executive officer system introduced Start of reduction in the number of directors	2015 First independent outside director appointed	2020 Nomination and Remuneration Advisory Committee established
	2003 Term of office for directors shortened to one year First independent outside corporate auditor appointed	2016 Independent outside directors increased to two Start of evaluation of Board of Directors effectiveness	2023 Non-Japanese executive officer appointed Corporate advisor system abolished
		2019 Independent outside directors increased to three (outside directors now comprise one-third) System for granting restricted shares introduced First female outside director appointed	2025 Independent outside directors made a majority of the Board of Directors
<b>Internal control and risk management</b>	2000 Principles of Activities established	2015 Corporate Philosophy Structure established Business continuity plan formulated	2023 CSR Committee established
	2003 Auditing Division established	2019 Whistleblowing system introduced for all Group companies	2026 CSR Committee renamed Sustainability Committee
	2006 NEG Hotline whistleblowing system introduced Compliance Committee established		

### Outside Director Ratio



As of March 27, 2026

### Female Director Ratio



As of March 27, 2026

### Nomination and Remuneration Advisory Committee Outside Director Ratio



As of March 27, 2026

### Attendance at Board Meetings in Fiscal 2025

Position	Name	Board of Directors	Board of Corporate Auditors
Representative directors	Motoharu Matsumoto	18/18 meetings (100%)	–
	Akira Kishimoto	18/18 meetings (100%)	–
Director	Mamoru Morii	18/18 meetings (100%)	–
Outside directors	Reiko Urade	18/18 meetings (100%)	–
	Hiroyuki Ito	18/18 meetings (100%)	–
	Yoshio Ito	18/18 meetings (100%)	–
	Nahomi Aoto	18/18 meetings (100%)	–
Full-time corporate auditors	Yoshihisa Hayashi	18/18 meetings (100%)	13/13 meetings (100%)
	Toshiharu Narita	14/14 meetings (100%) (since being appointed in March 2025)	10/10 meetings (100%) (since being appointed in March 2025)
Outside corporate auditors	Yukihiro Yagura	18/18 meetings (100%)	13/13 meetings (100%)
	Hiroji Indoh	17/18 meetings (94%)	13/13 meetings (100%)

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## Corporate Governance Structure

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### Board of Directors

The Board of Directors makes decisions on important management affairs of the Group and supervises the execution of business affairs. As of March 27, 2026, the Board of Directors consists of seven members (including two representative directors, one inside director, and four outside directors). The Board of Directors is presided over by the Chair of the Board. To achieve clarity of management responsibility and develop a flexible management system capable of responding to changes in the business environment, the term of directors is set at one year. Regular Board of Directors meetings are held monthly, and extraordinary Board of Directors meetings are held when necessary.

In addition, at the annual budget meeting, the Board of Directors monitors management by hearing explanations directly from the respective executive officers about the business outcomes of the current fiscal year and the budget of the next fiscal year.

The reasons for appointing each director are included in the Notice of the 107th Ordinary General Meeting of Shareholders (held on March 27, 2026) and can be found on our website.

[Management](#)



[General Meeting of Shareholders](#)



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### Board of Corporate Auditors

We employ a corporate auditor system. As of March 27, 2026, the Board of Corporate Auditors consists of four corporate auditors, two of whom are outside corporate auditors. Corporate auditors conduct audits of the directors' execution of their duties through assessing business affairs and corporate assets and setting important audit issues according to auditing policies, plans, and assignment of duties established by the Board of Corporate Auditors. They also participate in Board of Directors meetings. Meetings of the Board of Corporate Auditors are held monthly, in principle, and corporate auditors share information and exchange opinions at these meetings.

Corporate auditors endeavor to improve the effectiveness of their audits by deepening their understanding about the Company's business operations. For this purpose, the corporate auditors take various measures, such as attending the annual budget meeting and periodically questioning directors and executive officers about their duties and handling of business affairs.

[Management](#)



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## Nomination and Remuneration Advisory Committee

As part of our efforts to strengthen our corporate governance, the Company established the Nomination and Remuneration Advisory Committee to ensure transparency and objectivity in the appointment and dismissal of representative directors and in the process of determining director remuneration. The Committee deliberates on the appropriateness of matters related to the appointment and dismissal of representative directors, remuneration policies and systems for directors, and the amount of remuneration determined for directors. It then reports its conclusions to the Board of Directors.

The committee met four meetings in fiscal 2025. Evaluation and allocation of the monthly remuneration (fixed) and bonus for each director (excluding outside directors) does not need to be reported to the Board of Directors, and decisions of the Committee are deemed to have the approval of the Board of Directors.

As of March 27, 2026, the Committee comprises two representative directors and four outside directors. Its membership is shown below.

### Members of the Nomination and Remuneration Advisory Committee

<b>Chair</b>	<b>Yoshio Ito (outside director)</b>
<b>Members</b>	Motoharu Matsumoto (chair of the Board)
	Akira Kishimoto (president)
	Reiko Urade (outside director)
	Nahomi Aoto (outside director)
	Katsura Nakano (outside director)

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## Management Committee

The Management Committee deliberates on the Company's important managerial affairs and draws up detailed action plans regarding the decisions made at the Board of Directors meetings. Management Committee meetings are held twice a month and when deemed necessary.

As of March 27, 2026, the Management Committee comprises three inside directors (two of whom are representative directors), one executive vice president, and eight senior vice presidents.

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## Executive Officers

We adopt an executive officer system to promote faster decision making, ensure managerial transparency, and enhance the execution of business affairs. As of March 27, 2026, in addition to the president, there are 17 executive officers (one of whom is a director, one of whom is French). Each executive officer serves for a term of one year.

Management



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## Analysis and Evaluation of the Effectiveness of the Board of Directors

All directors and corporate auditors participate in an annual questionnaire concerning the effectiveness of the Board of Directors. The questionnaire focuses on (1) the Board of Directors in general, (2) the running of Board of Directors meetings, and (3) outside directors.

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### Fiscal 2024 Questionnaire Questions, Opinions, and Action Taken

- (1) To the question “What is your opinion on the composition of the Board of Directors with respect to the medium- to long-term outlook for management policies and issues, and to the strengthening of supervisory functions?”, responses appreciated that the majority of the Board is outside directors but also said a system is needed to support adequate discussion of key issues. In fiscal 2025, the Board of Directors introduced time for executive officers to report on the areas they oversee and are responsible for.
- (2) On the topic of “company efforts to provide outside directors with opportunities to visit plants in Japan and overseas and exchange opinions with local executives,” a comment expressed the hope that outside directors would be given more opportunities to visit plants and engage in discussions with management so they can better understand conditions on the ground. In fiscal 2025, outside directors met with the Board of Directors at the Shiga-Takatsuki Plant and had opportunities to tour the plant and speak with senior employees.

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### Fiscal 2025 Questionnaire Opinions

The composition of the Board of Directors was viewed as well balanced between inside and outside directors, and there was also an opinion that the ratio of female directors should be increased to 30% or more over the medium to long term.

Another opinion noted that the number and volume of agenda items vary from month to month, and that sufficient time should be allocated to discuss the Company’s policies and key issues.

Based on the results of the questionnaire, we have determined that the Board of Directors is viable and that its effective functioning has been ensured. We will continue our efforts to enhance discussions at Board of Directors meetings by using the questionnaire results as a basis for making improvements and evaluating its effectiveness.

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## Outside Directors and Outside Corporate Auditors

As of March 27, 2026, there are four outside directors and two outside corporate auditors within the Company. Outside directors make up a majority of the Board of Directors, which includes two female outside directors. To strengthen the oversight capabilities of the Board of Directors and other corporate administrative bodies and ensure access to informed and objective advice, the Company appoints outside directors with diverse expertise. These include a corporate management expert with many years of firsthand knowledge and experience in the world of corporate management; an economist with extensive experience in environmental policy, applied microeconomics, and human resource development, as well as specialized knowledge in industrial organization; a science expert who is specialized and highly experienced in the field of agricultural sciences; and a technical expert with extensive experience and expertise in technology development and a proven track record in the technology development department of a global company and involvement in human resource development.

Outside corporate auditors consist of one certified public accountant and tax accountant and one attorney at law, who are both independent from the Company and are highly knowledgeable and experienced in their respective fields. They proactively perform their auditing duties and reinforce supervisory functions.

We base our determination of the independence of outside directors on the criteria established by the Tokyo Stock Exchange as well as on our own “Independence Standards for Outside Directors and Outside Corporate Auditors” described below.

No personal, capital, or business relationship, nor any other interest to which any of the above-mentioned criteria apply, exists between the outside directors and the Company, and in light of the fact that they fulfill all of the requisite criteria, we have registered all our outside officers as independent directors and auditors with the Tokyo Stock Exchange.

[Independence Standards for Outside Directors and Outside Corporate Auditors \(120KB\)](#) 

# Skills Matrix of Director and Corporate Auditor

## Director and Corporate Auditor Expertise and Backgrounds

For the Company to respond flexibly to changing climate and business conditions, and to improve corporate value over the medium and long term, we consider it necessary for directors and corporate auditors to have specialized expertise as well as broad experience and diverse perspectives.

### Skills Matrix of Director and Corporate Auditor

Name	Position in the company	Outside independent	Gender	Nomination and Remuneration Advisory Committee (◎ indicates chairperson)	Major knowledge, experience, and capabilities						
					Corporate management and business strategy	Finance and accounting	Legal and compliance	R&D, process development and quality	Sales and marketing	Global	Sustainability
Motoharu Matsumoto	Chairman of the Board (representative director)		Male	●	●	●	●		●	●	●
Akira Kishimoto	President (representative director)		Male	●	●		●	●	●	●	●
Mamoru Morii	Director		Male		●	●	●		●	●	●
Reiko Urade	Director	●	Female	●				●			●
Yoshio Ito	Director	●	Male	◎	●			●	●	●	
Nahomi Aoto	Director	●	Female	●				●		●	
Katsura Nakano	Director	●	Male	●	●		●			●	
Yoshihisa Hayashi	Full-time corporate auditor		Male				●				●
Toshiharu Narita	Full-time corporate auditor		Male				●	●			●
Hiroji Indoh	Corporate auditor	●	Male				●				
Yuichiro Katsura	Corporate auditor	●	Male			●					

Note: The above table does not reflect all areas of expertise held by each director and corporate auditor.

## Selection Criteria

Skills	Reasons for selecting the skills
Corporate management and business strategy	Knowledge, experience, and capability in corporate management and business strategy are needed to determine management plans and strategic policies, including portfolio management, in order to achieve sustainable growth and increase corporate value.
Finance and accounting	Knowledge, experience, and capability in finance and accounting are needed to formulate and execute financial strategies to increase corporate value. These skills are needed not only for accurate financial reporting but also to ensure efficient business operations and use of capital.
Legal and compliance	Knowledge, experience, and capability related to legal affairs and compliance are required to ensure proper governance in business activities, compliance practices, and improve the effectiveness of management supervision at the Board of Directors.
R&D, manufacturing process development, and quality	Knowledge, experience, and capability in R&D, process development, and quality are needed to promote the integrated development of materials, processes, and products, accelerate product development and commercialization, strengthen existing businesses, and expand strategic businesses.
Sales and marketing	Knowledge, experience, and capability in sales and marketing are needed to fulfill our values and customer-first approach and to respond quickly to needs and seeds for strengthening existing businesses and developing strategic businesses.
Global	A deep understanding of and respect for local cultures and diversity are needed to accelerate the overseas business development in order to fulfill the medium-term management plan and realize our vision to be a world-leading specialty glass manufacturer.
Sustainability	Knowledge, experience, and capability in sustainability management are needed to meet growing expectations for companies to address climate change, human capital, human rights, and other key issues for sustainable growth, as well as to ensure full information disclosure and leverage business activities to address social challenges.

## Training for Directors and Corporate Auditors

During Compliance Awareness Month, held every October, we invite outside instructors to deliver lectures on compliance to our inside directors, full-time corporate auditors, and other executives. We also hold director training seminars every year, which provide our directors with a deeper understanding of current business conditions, including those surrounding corporate governance. Our corporate auditors participate in seminars and information exchanges with outside organizations, through which they deepen their auditing-related expertise.

For our outside directors and outside corporate auditors, prior to assuming office, we provide them with explanations about our current corporate situation and systems. After they have assumed office, we provide them with opportunities to conduct interviews with directors and executive officers.

## Director and Corporate Auditor Remuneration Policy

Our executive compensation for directors (excluding outside directors) comprises a monthly retainer, performance-linked bonuses, and grants of restricted shares. For outside directors and corporate auditors, remuneration is limited to a monthly retainer. The total monthly remuneration and bonuses for directors are within the scope determined by the General Meeting of Shareholders, and the total amount of the bonus payment is determined at the General Meeting of Shareholders after deliberation by the Nomination and Remuneration Advisory Committee subject to the approval of the Board of Directors. The amounts of the monthly retainer and bonus for each individual director are commensurate with those of other companies and are aligned with our business performance (in the case of inside directors only), the economic environment, and objective market research data on remuneration provided by outside specialized agencies. Bonuses are determined using consolidated operating income as an indicator and in consideration of economic conditions, business conditions, status of executed measures, and individual evaluations.

Monthly remuneration and bonus content are deliberated on and decided by the Nomination and Remuneration Advisory Committee. Unless Committee members are equally divided in opinion, the Committee's decisions are deemed as adopted by the Board of Directors.

After Nomination and Remuneration Advisory Committee consideration, taking into account individual duties, responsibilities, and share price, the Board of Directors grants restricted shares within the scope of the total amount determined by the General Meeting of Shareholders. The ratio of the monthly retainer, which is a fixed amount of remuneration, to the bonus and grants of restricted shares, which are variable amounts of remuneration, is generally 6:4 (fixed: variable) on a periodic payment basis.

Remuneration for corporate auditors is determined after consultation with the auditors within the scope of the total amount determined by the General Meeting of Shareholders after reference to what is offered by other companies as determined by surveys conducted by external specialized agencies.

### Total Amount of Directors' and Corporate Auditors' Remuneration in Fiscal 2025

Category	Total amount of remuneration (million yen)	Total amount for each type of remuneration (million yen)			Number of eligible officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (Number of outside directors)	303 (39)	209 (39)	63 (-)	29 (-)	9 (4)
Corporate auditors (Number of outside corporate auditors)	55 (14)	55 (14)	- (-)	- (-)	5 (2)
Total (Number of outside directors and corporate auditors)	358 (54)	265 (54)	63 (-)	29 (-)	14 (6)

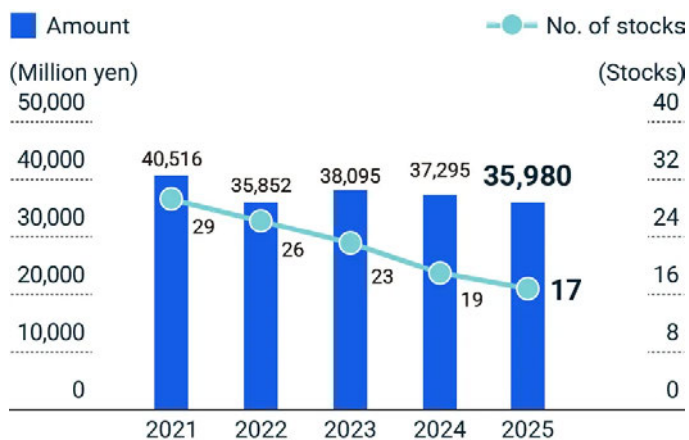
## Cross-shareholdings Policy

The Company does not hold cross-shareholdings except in cases where it recognizes the rationale for cross-shareholdings, such as business alliances and maintaining/enhancing business partnerships.

In addition, the Company considers changes in the business environment and verifies the appropriateness of holdings from a quantitative perspective based on capital costs and a qualitative perspective based on management strategy and other considerations.

The Company exercises voting rights relating to cross-shareholdings after comprehensively considering issues including whether or not a proposal effectively complies with the company's shareholding policy and whether or not it would be expected to increase the corporate value of the issuing company.

Balance Sheet Amount and Number of Stocks



# Internal Control

We have implemented a system to ensure that our operations comply with various laws and regulations.

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## Internal Control Policy

Our internal control system is based on Japan's Companies Act and utilizes basic policies decided upon by the Board of Directors in order to build a system that ensures proper business operations. We also have a system for ensuring appropriate financial reporting in compliance with the internal control reporting system, which is based on the Financial Instruments and Exchange Act. The status of financial reporting internal controls is evaluated by the internal control department of the Auditing Division, which reports directly to the president.

In the Internal Control Report released in March 2026, our financial reporting-related internal controls for fiscal 2025 were assessed as "effective." A report by an outside auditing company also assessed the controls as being appropriate in all key aspects.

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## The Basic Policy Regarding Internal Control

The Company approved the Basic Policy Regarding Internal Control at its Board of Directors meeting as follows. Issues that may have major impacts on investor decisions are listed under "[Risk Management: Business Risks](#)."

### (1) Systems to ensure that the execution of duties by directors and employees of the Company and its subsidiaries 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 Group, and the committee shall implement the following: [1] planning of revision of Corporate Philosophy, Code of Conduct, and Principles of Activities, and planning, preparing, and implementing measures to disseminate such materials throughout the Group; [2] collecting and analyzing information about compliance including movement of social conditions, relevant laws and regulations in Japan and other countries, and providing training; and [3] operating a whistleblowing system. The details of these implemented actions are regularly reported to the Board of Directors and the corporate auditors.

If an illegal act or other misconduct involving a director or an executive officer of a Group company is reported, the Compliance Committee shall report the details to the corporate auditors in a timely manner.

The internal control department of the Auditing Division shall implement internal auditing of each division and all Group companies from an independent position based on internal auditing regulations and the auditing plan, and shall report on the status of implementation to the president and the corporate auditors as necessary.

## **(2) Systems for storage and management of information related to execution of duties by directors**

Documents concerning execution of duties by directors, such as approval documents, decision-making documents, and meeting minutes, shall be kept and managed appropriately in compliance with laws and regulations as well as the document management rules and other rules set forth by the Company.

## **(3) Regulations and other systems concerning risk management for loss**

The Company conducts periodic risk assessments, identifies any management risks, and takes necessary measures to mitigate or eliminate them.

In cases involving any business risks that are deemed significant, such as pertaining to the procurement of materials, a natural disaster, accident, information security, or the environment, responsible divisions or specialized committees formulate regulations and guidelines, conduct training, prepare manuals, and undertake additional activities as deemed necessary.

The president promptly designates responsible personnel and initiates countermeasures for any newly identified risks that arise.

Issues of particular importance to management shall be discussed at and reported to the Board of Directors meetings and the Management Committee.

## **(4) Systems to ensure efficient execution of duties by directors**

The Company uses an executive officer system and a business group structure to ensure the management goals are clear and operations are efficient. The Board of Directors sets annual budgets and business plans for each business division and for the Group as a whole. 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 meetings, Management Committee meetings, and business group meetings.

In order to make sure that necessary information is conveyed to interested parties and appropriate decisions are made on a timely basis, information technology such as electronic approval systems is utilized.

## **(5) Systems to ensure the appropriateness of operations of the Group comprising the Company and its subsidiaries**

The Company has established and is ensuring compliance with the Code of Conduct and Principles of Activities, which comprise the standards for judgment and behavior of directors and employees of the Group, and it also operates the whistleblowing system. If an illegal act or other misconduct involving a director or an executive officer of a Group company is reported, the Compliance Committee shall report the details to the corporate auditors in a timely manner.

In addition, to ensure the appropriateness of the Group's financial reporting, the Group has established and is operating the necessary organizational systems, and the internal control department of the Auditing Division) evaluates the validity of such systems.

Besides the above actions, the Company shall identify and resolve management issues of subsidiaries as deemed appropriate, by means such as dispatching directors and corporate auditors to subsidiaries, determining executive officers in charge of each subsidiary, establishing a system for accepting consultations regarding execution of businesses, and having the administration departments of the Head Office or relevant business groups exchange information regularly with subsidiaries. In addition, risk assessments of the Company and its subsidiaries shall be regularly conducted, and the Company shall identify the risks for the Group to take measures as deemed appropriate. The Company maintains a list of items that overseas subsidiaries must report in the event of a large-scale natural disaster or other incident. The Company also plays an active role in identifying issues and preparing countermeasures. The top management of the Company and subsidiaries shall hold meetings to improve management efficiency as the need arises.

The Group utilizes centralized financing and a common accounting system to ensure operational efficiency.

#### **(6) Matters concerning employees requested by corporate auditors to assist them in their duties, and matters concerning the independence of such employees from the directors**

Employees who belong to the Administrative Division shall assist corporate auditors in their duties as the need arises. We also consider the opinions of corporate auditors regarding matters such as employee reassignment.

#### **(7) Systems concerning reporting to corporate auditors**

Directors and employees shall report to the corporate auditors without delay, either in advance or after the fact, any matters that could have a significant impact on the Group. In addition, responsible personnel shall report as appropriate on the status of operation of the whistleblowing system and the status of implementation of internal auditing. If an illegal act or other misconduct involving a director or an executive officer of the Company or the Group companies is reported, the Compliance Committee shall report the details to the corporate auditors in a timely manner.

Directors and employees shall promptly report to the corporate auditors when requested.

Corporate auditors shall cooperate appropriately with the corporate auditors of subsidiaries to understand issues related to subsidiary audits.

#### **(8) Systems to ensure that a person who has made reports to a corporate auditor does not receive disadvantageous treatment because of such reporting**

The operation status of the whistleblowing system is reported to corporate auditors when appropriate. Dismissals or other disadvantageous treatments against reporters under the whistleblowing system for the reason of such reporting shall be prohibited, as specified in rules set forth by the Company.

#### **(9) Matters concerning policies regarding procedures for advance payments or reimbursements of costs arising from execution of duties of corporate auditors, and processing of other costs or liabilities arising from execution of such duties**

Regarding expenses arising from execution of duties of a corporate auditor, payment processing shall be made based on a request from the corporate auditors.

#### **(10) Other systems to ensure that auditing by corporate auditors will be performed effectively**

The corporate auditors shall exchange opinions with the representative director, accounting auditor, and the Auditing Division as deemed appropriate.

# Risk Management

We perform regular risk assessments in accordance with our policy on internal control to address and identify management-related risks.

## Risk Management Policy

Our Group periodically conducts business risk assessments based on our policy on internal control, and takes the necessary steps to manage such risks. In cases involving any business risks that are deemed significant, responsible divisions or specialized committees formulate regulations and guidelines, conduct training, prepare manuals, and undertake additional activities as deemed necessary.

## Business Risks

Risk assessments are conducted at all Group sites.

Risk	Content	Possibility	Impact	Response
1. Risks related to procurement of materials and other items	Limited supply or delays for raw materials and fuels, or rising prices of such materials or logistical costs	Medium	Large	Maintain strong relationships with suppliers, develop and diversify the supplier base, and shift to general-purpose products
2. Risks related to natural disasters, accidents, and outbreaks of communicable disease	Suspension of operations or delays in production and shipments, and costs to repair facilities, due to natural disasters such as earthquakes, typhoons, and heavy rains, or accidents such as fires and power outages, or outbreaks of infectious disease (including such occurrences affecting the supply chain)	Medium	Large	Implement a business continuity plan (BCP), provide seismic reinforcement of structures, implement disaster preparedness measures, arrange dispersed manufacturing sites, and prevent the introduction and spread of communicable diseases.
3. Risks related to information security	Claims for damages arising from the leakage of confidential information obtained in the course of business, reputational damage resulting from such incidents, and the suspension of business activities or information systems due to computer viruses or cyberattacks	Medium	Medium	Establish an Information Management Committee, establish a Computer Security Incident Response Team (CSIRT), carry out incident response drills, deploy security systems, and provide in-house training
4. Drastic changes in demand and market structure	Contracted demand for existing products due to technological innovation, or fluctuation of price or supply of products due to intensified competition	Medium	Medium	Promote R&D and proactive sales to address emerging needs
5. Capital expenditure risks	Significant change in demand forecast, shortage of plant capacity, sudden change in price of major equipment or materials	Medium	Medium	When and however necessary, build new production facilities and continuously upgrade them
6. Environmental risks	A shift to stricter environmental regulations, or more corporate responsibilities related to the environment demanded by society	Medium	Medium	Develop environmentally friendly products, ensure that facilities and management systems exert minimal impact on the environment, raise production efficiency, practice the 3Rs (Reduce, Reuse, and Recycle), strengthen efforts to reduce carbon emissions, and promote disclosure based on TCFD recommendations
7. Risks related to the sales of certain products	Change in investment or sales plan or material procurement policy of our major customers	Medium	Medium	Diversify our customer base.
8. Risks related to overseas business operations	Unanticipated changes in laws or regulations, international tax risks, specific trade practices, shifts in political or social conditions, and social turmoil caused by terrorism, war, outbreaks of infectious disease, or other factors	Medium	Medium	Facilitate close communication between overseas subsidiaries and local authorities, and get advice from experts.

Risk	Content	Possibility	Impact	Response
9. Risks related to labor and securing human resources	Difficulty in securing appropriate human resources for future business development and labor-related compliance violations	Medium	Medium	Secure an optimal and effective workforce through active recruitment and training of diverse personnel, achieve labor saving through automation and other means, and institute labor management according to laws and regulations.
10. Risks related to intellectual property rights	A litigation related to intellectual property rights	Medium	Medium	Obtain intellectual property rights useful for business, survey and monitor other companies' intellectual property rights, develop alternative technologies, and take over or license intellectual property from other companies.
11. Risks related to legal restrictions	Violation of the laws or regulations of the country or region where we operate	Medium	Small	Comply with laws and regulations, survey changes in legal revisions, and hold periodic in-house education and audits.
12. Risks related to fluctuations in currency exchange rates and interest rates	Fluctuations in currency exchange rates and interest rates	Medium	Small	Utilize forward exchange contracts, properly manage interest-bearing debt, and secure partial financing of fixed-interest-rate loans.

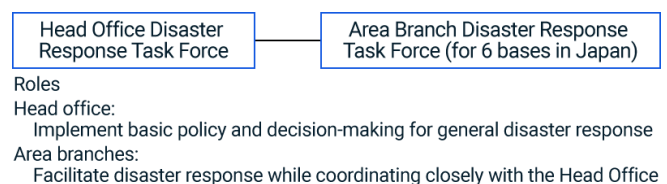
## Business Continuity Plan

### Implementing Business Continuity Plan

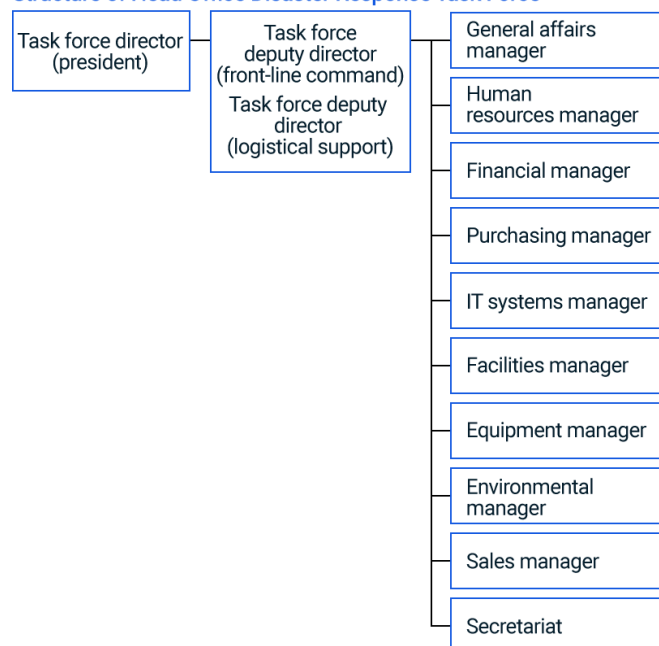
To be prepared for disasters such as earthquakes, typhoons, floods, fires, and mass infections, we created a disaster management manual based on the Company's disaster preparedness regulations, and we carry out emergency drills periodically. In the wake of the 2011 Great East Japan Earthquake, we reviewed our disaster management measures and implemented seismic reinforcement to our buildings, production facilities, and equipment.

In 2015, we introduced a business continuity plan (BCP) to replace the previous disaster preparedness regulations. To support its implementation, we developed a manual outlining detailed preparation procedures and the actions to be taken in the event of an emergency or disaster. In accordance with the implementation of BCP, we have also introduced a system that will efficiently confirm the whereabouts of all domestic employees and their families in case of an emergency. Moreover, in order to resume production and continue to supply our customers in the aftermath of a disaster, we are working to strengthen our procurement-related risk management system.

#### BCP Activation Structure



#### Structure of Head Office Disaster Response Task Force



### **BCP Basic Policy**

1. Protect each employee and their families and secure their safety
2. Protect production equipment, prevent the spread of damage as well as secondary disasters from occurring within the Company and the adjacent communities, and help with rescue efforts
3. Resume providing customers with products and services as rapidly as possible

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## **BCP Response Training**

The BCP drill conducted in November 2025, based on a major earthquake scenario with limited communications, included training on initial response procedures and helped identify areas requiring additional preparation.



BCP response training

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## **Information Security**

Every year, ransomware and other types of cyberattacks are becoming more advanced and sophisticated. The number of companies being affected is also growing, presenting an increasing risk to business. We are working to strengthen the risk responsiveness of our systems, organization, and personnel. In addition to our existing training and education for employees, we maintain a Computer Security Incident Response Team (CSIRT) and have created a manual for responding to computer security incidents. CSIRT conducts regular training activities to prepare for a possible incident.

# Compliance

To maintain public trust and to achieve sustainable growth, every employee and executive of our Group is expected to comply with laws and international rules, and consistently act in accordance with our organization's high ethical standards.

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## Compliance System

We established our Compliance Committee as a specialized body that ensures our Group members continue to comply with laws and regulations. The Committee also provides information on corporate ethics and is primarily focused on the items listed below.

### **Key Focus Areas of the Compliance Committee**

- Drafting revisions to the Group Code of Conduct and Principles of Activities
- Collecting and analyzing information on compliance and providing compliance training
- Operating the whistleblowing system (NEG Hotline)

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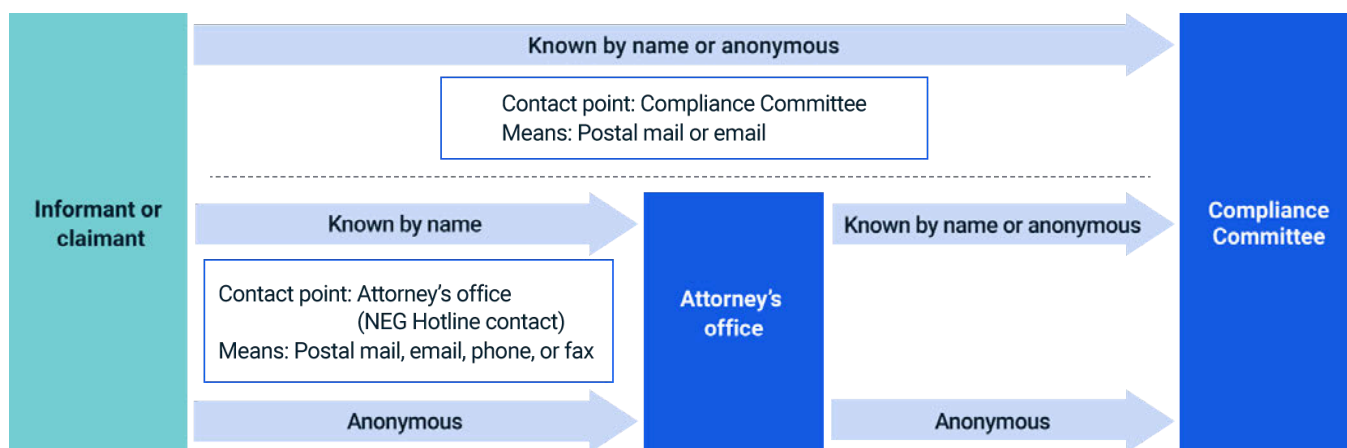
## Whistleblowing System

The Company and its subsidiaries in Japan and overseas maintain whistleblowing systems to help prevent legal violations, wrongdoing, and unethical acts within the Group, and to enable early detection and prompt resolution if such acts occur.

The NEG Hotline in Japan provides two channels for reporting and consultation: an internal line to the Compliance Committee and an external line to an attorney's office. Hotlines overseas are also available for reporting and consultation through external attorney's offices and consultation services.

The Company and its subsidiaries in Japan and overseas regularly promote awareness of the whistleblowing systems and operate them under strict safeguards to prevent any disadvantage to informants and to ensure the strict confidentiality of all reported information.

## NEG Hotline Whistleblowing System



Note: Whistleblowing system of the Company and domestic Group companies

## Number of Whistleblowing or Consultations within the NEG Group (Domestic and Overseas)

Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
12	25	16	18	33

## Ensuring Compliance

### Training and Education

To raise compliance awareness of ethical standards, human rights, and other issues throughout our Group, each year we carry out compliance training as a part of an education program for newly hired employees and antitrust law seminars for employees engaged in sales activities. We also ensure awareness among management by holding workshops for directors and executive officers. At these sessions, participants take the opportunity to discuss themes such as governance and compliance.

In addition, we have designated October as Compliance Awareness Month, during which we conduct compliance-related lectures and workshops throughout our Group companies both in Japan and overseas, and also put up compliance awareness posters throughout our facilities. Moreover, we ask all executives and employees in Japan and overseas to provide the company with signed declarations each year promising that they will abide by the Principles of Activities. This gives them the opportunity to reflect on how they carry out their work in terms of compliance.

Community Contribution	Name	Target	Times	Participants	Theme
Companies in Japan	Education for new employees (new graduates)	All new employees (new graduates)	3	58	<ul style="list-style-type: none"> <li>Corporate Philosophy, Code of Conduct, Principles of Activities</li> <li>What is compliance?</li> <li>Whistleblowing system</li> <li>Case studies, etc.</li> </ul>
	e-learning	Executives and employees at NEG and subsidiaries in Japan	–	2,718	<ul style="list-style-type: none"> <li>Compliance explained</li> <li>Case studies</li> <li>Whistleblowing system</li> </ul>
	Lectures	Executives and general managers at NEG, representatives of subsidiaries in Japan, area branch managers	1	69	<ul style="list-style-type: none"> <li>International security export controls</li> </ul>
	Antitrust law seminar for sales departments	NEG sales representatives	1	106	<ul style="list-style-type: none"> <li>Cartels</li> <li>Enforcement status of antitrust violation cases</li> <li>Leniency policy</li> <li>Points to note in sales activities</li> </ul>
Overseas companies	Workshops	Managers of subsidiaries in Europe, North America, and Malaysia	–	147	<ul style="list-style-type: none"> <li>Corporate Philosophy, Code of Conduct, Principles of Activities</li> <li>Non-compliance examples</li> <li>Case studies</li> <li>Whistleblowing system</li> </ul>

As a result of these efforts, no cases occurred in fiscal 2025 of bribery, anticompetitive acts, or any other infraction requiring legal action. The result for the three years ended fiscal 2025 is as shown in the table below.

#### Number of Legal Actions Taken Against Our Group (Domestic and Overseas)

Fiscal 2023	Fiscal 2024	Fiscal 2025
0	0	0

## Group Code of Conduct and Principles of Activities

To ensure that all employees are informed on compliance matters, we have established the Group Code of Conduct and Principles of Activities. Wallet-sized cards printed with the Corporate Philosophy Structure, Code of Conduct, Principles of Activities, and an introduction to the NEG Hotline are distributed to employees of Group companies in Japan.

## Measures to Prevent Corruption

With increasing globalization, the importance of preventing corrupt actions such as bribery in international transactions is being recognized worldwide.

Our Group Code of Conduct prohibits the bribery of public officials or others in positions of public service in Japan or any other country. The issue of preventing corruption is addressed in compliance training at our Group companies both in Japan and abroad, held during Compliance Awareness Month.

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## Prohibition of Conflicts of Interest

The executives and employees of our Group are prohibited from engaging in conflicts of interest that sacrifice the interests of the Company and result in personal gain for themselves or the provision of benefits to third parties such as relatives and friends.

Under this policy, the Company has established rules such as the approval request process and application forms and takes appropriate measures to prevent conflicts of interest using these internal control measures.

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## Efforts to Prevent Involvement with Antisocial Forces

As part of our commitment to maintaining the highest ethical standards, the Group Code of Conduct enforces a strict policy of “taking a firm stance against antisocial forces.” This principle is further detailed in the Group Principles of Activities, which provide clear guidelines on expected behavior. To ensure widespread understanding, these principles are distributed to all executives and employees as wallet-sized reference cards.

In line with this policy, our General Affairs Division leads efforts in gathering relevant information and, when necessary, coordinates with legal experts, law enforcement, and other organizations to handle such matters systematically.

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## Prohibition of Money Laundering

The Group prohibits its executives and employees from engaging in money laundering, which is the concealment or disguise of funds obtained through illegal activities.

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## Measures to Maintain Fair Business Dealings

We recognize the importance of adhering to antitrust laws in promoting fair international dealings.

Our Group Principles of Activities prohibits actions such as price-fixing or cartel agreements, and based on the internal rules at our Group companies inside and outside Japan, any contact with a director and an employee of a competitor must be requested ahead of time and reported on afterwards.

Antitrust law is addressed in compliance training conducted during Compliance Awareness Month at Group companies in Japan and overseas. We also conduct an antitrust law seminar for sales department personnel.

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## Prohibition of Insider Trading

The Group prohibits its executives and employees from engaging in insider trading, which involves the trading of securities based on undisclosed material information about the Group, or undisclosed material information about business partners or other parties obtained in the course of business or transactions.

Under this policy, the Company has established rules on insider trading, which are regularly reviewed to ensure they remain aligned with current conditions. Regular training is also provided to ensure appropriate preventive measures are in place.

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## Import and Export Control Initiatives

We have established a Trade Control Committee as part of efforts to ensure thorough implementation of export controls and compliance with various export-related legal requirements, such as the Foreign Exchange and Foreign Trade Act. The Trade Control Committee scrutinizes the implementation of export control procedures, facilitates Foreign Exchange and Foreign Trade Act-related training, and develops internal rules and regulations.


The Specified Export Declaration Office and a Special Import Declaration Office ensure compliance with import and export customs procedures and tax reporting, and support trade operations in accordance with the Customs Act and other tariff-related laws. Group-wide audits and employee training are conducted to ensure thorough compliance and strengthen awareness in our operations.

These and other initiatives have earned us certification as an Authorized Economic Operator (AEO) by Kobe Customs for both exports and imports. This is a status conferred on those economic operators that have well-developed cargo security controls and legal compliance structures in place. Thanks to this, not only the Company but also its overseas subsidiaries are conferred AEO mutual recognition, thereby expediting smoother import and export customs procedures. We are the only Japanese glass manufacturer to be certified as an AEO for both imports and exports (As of April 10, 2026).

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## Our Tax Accounting Policy

The Group complies with the tax-related laws and regulations of each country and region to ensure appropriate payment of taxes. We recognize this as a means of contributing to the socio-economic stability and development of these countries and regions, as well as of contributing to the stability of our Group business. The Group does not make use of any tax havens for the purpose of tax avoidance.

Tax strategy information for the UK can be found on the NEG website via the following link. (English-language only, 105KB) 

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## Tax Accounting Governance

Responsibility for Group tax accounting governance is assumed on an item-by-item basis by executive officers of the departments responsible for each tax item. In addition, each department is in charge of supervising the appropriateness of tax accounting.

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## Transfer Pricing Tax System

The Group utilizes a transfer pricing calculation method based on the OECD Transfer Pricing Guidelines, as well as the transfer pricing taxation systems of each country, to determine transaction prices between Group companies according to an analysis of respective Group company functions, assets, and risks. Also, in order to maintain the predictability of transfer pricing taxation, we utilize advance pricing agreements (APA) when called for to ensure appropriate payment of taxes.

# External Evaluation and Third-Party Verification

Our sustainability initiatives have been evaluated by various external organizations. Additionally, some of our disclosed data has been verified by third-party organizations.

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## Incorporation into Sustainability Indices

Our sustainability efforts have earned us inclusion in the following sustainability indices.

- **FTSE Blossom Japan Sector Relative Index**

This index, created by FTSE Russel, is composed of Japanese companies with strong ESG (environmental, social, and governance) ratings.



**FTSE Blossom  
Japan Sector  
Relative Index**

- **S&P/JPX Carbon Efficient Index**

This index, also published by S&P Dow Jones Indices LLC and the Japan Exchange Group, measures the environmental disclosures and carbon efficiency (carbon emissions per unit of revenue) of companies within the Tokyo Stock Price Index (TOPIX), with a focus on those with lower carbon emissions.



- **Morningstar Japan ex-REIT Gender Diversity Tilt Index**

The Morningstar Japan ex-REIT Gender Diversity Tilt Index, created by Morningstar, recognizes companies with ingrained gender diversity policies and those that provide equal opportunities for all employees, regardless of gender.

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## B Score in CDP Climate Change

CDP is an international nonprofit organization based in the UK that evaluates companies' environmental information disclosures on an eight-level scale from A to D-.

We disclosed information on climate change in response to the organization's request and received a B score for fiscal 2025, marking the second consecutive year at this level. We will continue to strengthen our efforts to achieve carbon neutrality and disclose related details to our stakeholders.



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## Bronze Medal in the EcoVadis Sustainability Assessment

The Group earned a Bronze Medal from the international sustainability rating agency EcoVadis, placing it among the top 35% of evaluated companies. The assessment covered four key areas of environment, labor and human rights, ethics, and sustainable procurement. We remain committed to contributing to the realization of a sustainable society.



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## Three-Star Certification in Shiga Prefecture Biodiversity Initiative Certification System

We earned the highest three-star rating in Shiga Prefecture's Biodiversity Initiative Certification System.

Every three years, this program evaluates companies and other organizations with headquarters or business locations in Shiga Prefecture for their contributions to biodiversity conservation and the sustainable use of natural resources.

These ongoing efforts earned us the highest three-star rating in 2019, 2022, and 2025 under the Shiga Prefecture Biodiversity Initiative Certification System. We will continue to conduct our business activities with careful consideration for the preservation of local biodiversity.



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## Certified as a 2026 Outstanding Organization of KENKO Investment for Health

The Company and its health insurance association were again recognized as 2026 Outstanding Organizations of KENKO Investment for Health by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The program honors companies that implement strategic health and productivity management practices for their employees. The Company has received this certification for eight consecutive years.



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## Received Platinum Kurumin Certification

In February 2019, we received Platinum Kurumin certification under the Act on Advancement of Measures to Support Raising Next-Generation Children. This certification recognizes our efforts to support diverse working styles and create an environment where employees can balance their work and childcare responsibilities while pursuing their personal goals.



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## Third-Party Verification

To ensure accuracy and credibility, we undergo third-party verification of our greenhouse gas emissions data (Scope 1 plus 2). This data, published on our website, in the integrated report, and in the ESG data book, has been evaluated for validity and other aspects.

Our fiscal 2025 report confirmed no significant errors or omissions in the disclosures.

Third-party Assurance Statements (Scope 1 and 2) (596KB) 

# ESG Data

View the performance data on our ESG initiatives.

## Environment

### External Certification of Environmental Management System

#### ISO 14001: 2015 Certification Status (As of February 2026)

Company name		Date of certification
Head office	Head Office and Otsu Plant	August 27, 1999 (multi-certification at four plants)
	Shiga-Takatsuki Plant	
	Notogawa Plant	
	Precision Glass Center	
Group companies in Japan	SGS Engineering Co., Ltd.	January 19, 2001
	Nichiden Glass Processing Co., Ltd.	November 1, 2002
	LTCC Materials Co., Ltd.	December 25, 2020
Overseas Group companies	Techneglas LLC	January 31, 2000
	Nippon Electric Glass (Malaysia) Sdn. Bhd.	January 12, 2002
	Nippon Electric Glass Taiwan Co., Ltd.	September 18, 2006
	Paju Electric Glass Co., Ltd.	August 28, 2007
	Electric Glass (Shanghai) Co., Ltd.	December 21, 2009
	Electric Glass (Guangzhou) Co., Ltd.	November 11, 2015
	Electric Glass (Xiamen) Co., Ltd.	April 17, 2017
	Electric Glass (Nanjing) Co., Ltd.	April 13, 2018

## Waste Reduction

#### Internal Classification of Waste

- Internal Recycling A  
Spent polishing agents, glass shards, and other materials useful in-house as recycled raw materials
- Social Recycling B  
Scrap metal, scrap bricks, waste paper, scrap plastic (recycled), and other materials, which have value externally as reusable materials
- Corporate Recycling C  
Scrap plastic (converted to fuel), waste oil, wood scrap, and other materials, which we pay to have recycled outside the company
- Landfill Waste D  
Incombustible materials, incinerated ash, waste refractories, and other materials that we pay to have disposed of in landfills outside the company and not recycled

**Percentage of Sales Weight of Normal Waste, Excluding Landfill Waste D**

(%)

	FY2023	FY2024	FY2025
Consolidated	7.2	5.6	6.5
NEG	0.01	0.01	0.01

**Breakdown of Plastic Emissions in Japan**

(ton)

Category	FY2023	FY2024	FY2025
Plastic emissions in Japan	933	969	1,201
Social Recycling B	311	299	738
Corporate Recycling C	617	670	463
Landfill Waste D	5	0	0

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**Reduction of Water Consumption****Water Withdrawal/Waste Water per Total Weight of Products Sold**(m<sup>3</sup>/ton)

	FY2023	FY2024	FY2025
Water Withdrawal	8.4	7.6	7.7
Waste Water	5.7	5.0	4.7

## Analysis of Environmental Impact (Consolidated)

### Input

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Energy sources used	Total energy	(GWh)	5,990	5,935	4,430	3,976	3,816
	Electricity	(GWh)	2,337	2,433	2,050	1,997	1,955
	Fuel	(GWh)	3,653	3,502	2,380	1,978	1,861
Water	Water withdrawal	(1,000 m <sup>3</sup> )	8,268	8,267	6,457	5,887	5,635
	Municipal water	(1,000 m <sup>3</sup> )	4,063	3,990	3,357	3,128	2,964
	Groundwater	(1,000 m <sup>3</sup> )	1,734	1,810	1,549	1,390	1,472
	Rainwater	(1,000 m <sup>3</sup> )	135	171	165	157	148
	Industrial water	(1,000 m <sup>3</sup> )	2,258	2,140	1,343	1,211	1,051
	Others	(1,000 m <sup>3</sup> )	77	156	42	0	0
	Recycled water	(1,000 m <sup>3</sup> )	217,489	326,680	282,553	255,852	243,903

### Output

		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Atmosphere	CO2	(1,000 tons)	1,881	1,797	1,395	1,328	1,352
	Scope1	(1,000 tons)	871	790	543	466	444
	Scope2	(1,000 tons)	1,010	1,008	852	862	907
	SOx	(ton)	96	133	109	71	79
	NOx	(ton)	2,524	2,506	1,508	1,541	1,454
	Particulate matter	(ton)	216	242	205	183	167
Water	Waste water	(1,000 m <sup>3</sup> )	5,034	4,651	4,366	3,853	3,489
Waste	Total amount generated	(1,000 tons)	150	141	112	97	101
	Internal Recycling A	(1,000 tons)	31	33	25	21	26
	Total emissions	(1,000 tons)	118	109	87	76	75
	Social Recycling B	(1,000 tons)	13	13	12	14	12
	Corporate Recycling C	(1,000 tons)	28	22	16	16	13
	Landfill Waste D	(1,000 tons)	77	73	59	46	50

# Environmental Accounting (NEG)

## Environmental Conservation Costs

(Million yen)

Category		Main activities		FY2024		FY2025	
				Investment	Expenses	Investment	Expenses
(1) Costs within operational area	Costs to reduce environmental footprint of production activities within operational area			3,382	2,200	6,023	2,679
		Breakdown	1. Anti-pollution maintenance and management cost	12	548	29	735
			2. Global environmental conservation costs	3,127	181	5,979	29
			3. Resource recycling costs	243	1,471	14	1,914
(2) Upstream and downstream costs	Costs to reduce environmental footprint of upstream and downstream production activities	Costs for green procurement, product recycling, container and packaging recycling, environmental conservation measures		-	376	-	360
(3) Costs of management activities	Environmental conservation costs within management activities	Costs for environmental education, ISO 14001 system construction and maintenance, and measuring of environmental footprint; labor costs of environmental managers		14	742	11	820
(4) Research and development Costs	Environmental conservation costs of R&D activities	Expenses related to the development of environmentally friendly products, expenses related to production technology designed to reduce environmental impact		178	889	0	560
(5) Costs for social initiatives	Environmental conservation costs of social initiatives	Beautification and tree-planting activities for harmonious coexistence with local communities, support for local communities, environment-related advertising costs, afforestation		-	94	-	69
(6) Environmental remediation costs	Costs to deal with damage to the environment	Environmental restoration expenses		-	5	-	28
(7) Other costs	Other costs relating to environmental conservation	Expenses for dismantling and removal of environment-related equipment and facilities		29	27	43	87
<b>Total</b>				<b>3,603</b>	<b>4,333</b>	<b>6,079</b>	<b>4,519</b>

Note: Of investment and expenses, only those amounts clearly related to environmental concerns have been aggregated. In regard to production facilities and R&D, only sections related to the environment have been included.

## Investment Amount

(Million yen)

Category	Main activities	FY2024	FY2025
Total investment	Scheduled repair of glass melting furnaces and production rationalization investment, investment to improve manufacturing productivity of major products	25,209	49,137
Total research and development costs	Development and improvement of process technology, and development of products, including glass for displays and glass for electronic devices	7,556	8,605
Sales Amount of Valuable Materials Related to "Environmental Conservation Costs" (1) 3.	Sales of scrap metal, scrap bricks, etc.	70	69
Sales Amount of Valuable Materials Related to "Environmental Conservation Costs" (2)		0	0

# Third-party Assurance Statement (Scope 1 and 2)



## LRQA Independent Assurance Statement Relating to Nippon Electric Glass Co., Ltd.'s GHG emissions Data within its Integrated Report 2025 and ESG Data Book 2025 for the calendar year 2025

This Assurance Statement has been prepared for Nippon Electric Glass Co., Ltd. in accordance with our contract.

### Terms of Engagement

LRQA was commissioned by Nippon Electric Glass Co., Ltd. ("the Company") to provide independent assurance on its greenhouse gas data within its Integrated Report 2025 ("the Report") for the calendar year 2025, that is, from 1 January to 31 December 2025, against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISO 14064 - Part 3 for greenhouse gas data.

Our assurance engagement covered the operations and activities of the Company and its subsidiaries in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies for the selected datasets;
- Evaluating the accuracy and reliability of data for only the selected indicators listed below:

#### Environmental<sup>1</sup>

- Scope 1 GHG emissions (tonnes CO<sub>2</sub>e)
- Scope 2 GHG emissions (Market-based) (tonnes CO<sub>2</sub>e)

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the Report.

LRQA's responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of the Company.

### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Company has not, in all material respects:

- Met the requirements of the criteria listed above
  - Disclosed accurate and reliable performance data
- The opinion expressed is formed on the basis of a limited level of assurance<sup>2</sup> and at the materiality of the professional judgement of the verifier.

### LRQA's Approach

LRQA's assurance engagements are carried out in accordance with ISO 14064-3:2019. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

<sup>1</sup> GHG quantification is subject to inherent uncertainty.

<sup>2</sup> The extent of evidence gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the Report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the historical data and records for the calendar year 2025; and
- Visiting Head Office, Precision Glass Center and Nippon Electric Glass (Malaysia) Sdn. Bhd. to confirm the data collection processes, record management practices, and to physically check emission sources.

### Observations

- Further observations and findings, made during the assurance engagement, are:
- Continuous review of the scope and method of disaggregation is expected, taking into account the entire supply chain and the perspective of materiality.

### LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021-1 Conformity assessment - Requirements for bodies providing audit and certification of management systems - Part 1: Requirements that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality.

Signed

Nobutake Uchibori  
LRQA Lead Verifier  
On behalf of LRQA Limited  
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN  
LRQA reference: YKAD0001250

Saeko Shimizu  
LRQA Technical Reviewer

Dated: 8 April 2026

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## Social

### Hiring a Diverse Workforce

#### Employment of People with Disabilities

#### Percentage of Employees with Disabilities (NEG and consolidated subsidiaries in Japan)

	FY2021	FY2022	FY2023	FY2024	FY2025	(%)
NEG	4.3	4.3	4.1	3.9	4.0	
Statutory employment rate in Japan	2.3	2.3	2.3	2.5	2.5	
National average	2.2	2.3	2.3	2.4	2.4	

#### Hiring Mid-Career Professionals

##### Career Recruitment

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Percentage of mid-career hires	(%)	39	52	32	46	56
Number of mid-career hires	(Persons)	24	44	29	53	73
New graduate hires	(Persons)	37	41	80	63	58

# Human Resource Development

## Education and Training Held

		FY2023	FY2024	FY2025
Training hours (under head office education section)		61 hours/person	49 hours/person	44 hours/person
Training cost	NEG	392 million yen	329 million yen	316 million yen
	Consolidated	–	–	364 million yen
	Per person (NEG)	229 thousand yen	189 thousand yen	177 thousand yen

## Global Communications Program (GCP) Number of Participants

FY2021	FY2022	FY2023	FY2024	FY2025
119	125	162	151	146

## Global Communications Program (GCP)

### Goals and Completion Levels

Level upon completion			
Can conduct business in English around the world			
<ul style="list-style-type: none"> <li>• Can communicate in any situation</li> <li>• Can express well-understood opinions</li> </ul>			

Class	TOEIC L&R	% of participants	Target/year
A	600 or higher	51%	Scores required to complete course: TOEIC Listening & Reading: 730 TOEIC Speaking: 140 TOEIC Writing: 150
B	400 to 599	41%	TOEIC L&R +100
C	Less than 400	8%	

## Efforts to Retain and Empower Employees

### Progress in Diverse Work Styles and Work Efficiency

#### Number/Percentage of Paid Leave Days Taken

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Percentage of days taken	(%)	66	75	78	78	74
Days taken	(Days)	15.9	18.0	18.8	18.6	17.8

Note: Paid leave days/year: 24

#### Average Overtime Work

(Hours)

	FY2021	FY2022	FY2023	FY2024	FY2025
Average overtime work per month	18.4	17.4	14.4	16.7	17.2

### Support for Raising the Next Generation

#### Childcare Leave Utilization Rate and Percentage of Women Returning to Work (NEG)

(%)

	FY2021	FY2022	FY2023	FY2024	FY2025
Utilization rate for women*1 and % returning to work*2	100	100	100	100	100
Average utilization rate for women*4	85	80	84	87	–
Utilization rate for men*3	31	58	86	84	108
Average utilization rate for men*4	14	17	30	41	–

\*1 Utilization rate for women: Number of people taking childcare leave ÷ number of employees giving birth × 100

\*2 Percentage of women returning to work: After giving birth, percentage of people working continuously when child has turned 1 year old

\*3 Utilization rate for men: Number of men taking childcare leave ÷ number whose spouses gave birth × 100. The utilization rate may exceed 100%, as male employees whose spouses gave birth in the previous fiscal year may take childcare leave in the current fiscal year.

\*4 Source: Statistics on national average childcare leave utilization rate for men and women, taken from Basic Survey of Gender Equality in Employment Management; Ministry of Health, Labour and Welfare

### Women's Empowerment

#### Trends in Indicators for the Promotion of Women's Activities

(%)

	FY2021	FY2022	FY2023	FY2024	FY2025
Percentage of female employees (including workers on loan)	8.8	9.0	9.9	9.8	10.2
Percentage of female managers (including workers on loan)	1.4	1.0	1.2	1.3	2.3
Percentage of new female employees (new graduates in career-track positions)	20.8	33.3	25.5	28.6	25.8

Note: In 2023, although the percentage of new female employees dropped from the previous year, the number of new female employees rose by 60%.

## Number of Employees, Years of Continuous Service, Turnover Rate

Indicators	Gender	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees	Men	(Persons)	1,530	1,530	1,541	1,569	1,589
	Women		152	157	172	177	189
	Total		1,682	1,687	1,713	1,746	1,778
Average years of service	Men	(Year)	24.3	23.8	22.9	21.9	20.7
	Women		18.8	17.8	16.2	14.6	14.3
	Total		23.8	23.2	22.2	21.2	20.0
Turnover rate	-	(%)	1.2	1.3	1.9	2.0	2.5

Note: Number of employees and average years of service do not include employees on loan.

- Years of continuous service is on a downward trend because of the increase in male and female new hires.
- We strive for an environment conducive to a comfortable long-term workplace, and the result has been a low employee turnover rate.

## Salary

### Male-Female Wage Gap (Female Wage as Percentage of Male Wage)

Employee category	Male-female wage gap (%)
All employees	67.8
Regular employees	68.9
Part-time and fixed-term employees	39.9

### Supplement: Male-Female Wage Gap for Regular Employees for Standard Wages Excluding Allowances, Etc.

Employee category	Male-female wage gap (%)
Managers	85.8
Career-track	91.7
Regular employees other than the above	89.3

Period: Fiscal 2025 (January 1 to December 31, 2025)

Wages: Includes compensation for overtime and bonuses, but excludes commuting allowance, etc.

Regular employees: Excludes employees on loan from NEG to other companies, or from other companies to NEG

Part-time and fixed-term employees: Employees who have an employment contract for a fixed period

Note:

1. Although we calculate wages for men and women based on the same standard, male-female wage gaps occur due to differences in things such as number of employees, employment categories, and years of continuous service. Other factors contributing to wage gaps include various allowances for shift work employees (of whom 97% are men) and the fact that there are relatively fewer women in senior management positions.
2. In the employee category of part-time and fixed-term employees, the difference in employment categories is a major reason for wage gaps

# Employee Awareness Surveys

## Fiscal 2025 Survey Results

	Unit	FY2022	FY2023	FY2024	FY2025
Total number of respondents	(Persons)	1,915	1,955	1,938	1,973
Response rate	(%)	97.8	99.7	99.6	99.2

## Occupational Safety and Health; Health and Productivity Management

### Industrial Accident Frequency Rate (NEG)

	FY2021	FY2022	FY2023	FY2024	FY2025
All industries in Japan	2.1	2.1	2.1	2.1	–
Manufacturing industry	1.3	1.3	1.3	1.3	–
NEG	0.4	0.9	0.4	0.4	0.8

### Industrial Accident Severity Rate (NEG)

	FY2021	FY2022	FY2023	FY2024	FY2025
All industries in Japan	0.09	0.09	0.09	0.09	–
Manufacturing industry	0.06	0.08	0.08	0.06	–
NEG	0.01	0.01	0.00	0.03	0.00

### Occupational Injury Rate per 1,000 Employees (Consolidated)

	FY2021	FY2022	FY2023	FY2024	FY2025
All industries	2.30	2.30	2.40	2.30	–
Manufacturing industry	2.70	2.70	2.70	2.70	–
NEG	0.63	0.84	1.56	1.40	0.96

### Indicators and Targets for Health and Productivity Management (NEG)

KPI	FY2023	FY2024	FY2025	FY2026 target
Rate of presenteeism*1	26.8%	26.7%	24.9%	Less than 23%
Rate of mental health leave*2	1.3%	1.3%	1.5%	Less than 1%

\*1 Presenteeism: When employees go to work but are not fully productive due to some kind of health problem. A higher percentage is worse.

Response rates: 99.4% in fiscal 2023, 99.3% in fiscal 2024, and 98.7% in fiscal 2025

\*2 Rate of mental health leave: Percentage of employees taking leave due to mental illness.

### Stress Check Participation Rate

	FY2023	FY2024	FY2025
Participation rate	99.4%	99.3%	98.7%

### Percentage of Employees with High Stress

	FY2023	FY2024	FY2025
Percentage of employees identified as experiencing high stress	12.1%	13.1%	12.0%

### Employee Smoking Rate

	FY2023	FY2024	FY2025
Percentage of employees who smoke	24.3%	24.0%	22.8%

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## Respecting Human Rights

### Participation in Training Programs

(Persons)

Training content	FY2022	FY2023	FY2024	FY2025
Cumulative number of employees participating in and dispatched to outside activities (government and external organizations)	270	126	148	287
Number of employees participating in in-house human rights activities	818	1,360	1,328	107

Note: The lower number of participating employees in fiscal 2025 was due to the Employee Human Rights Training Session not taking place within the fiscal year.

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## Communicating with Stakeholders

### Number of Participants in Supplier Information Sessions

(Companies)

Indicator	FY2025
Number of companies attending the business partner briefing	68

### Survey of Suppliers

(Companies)

Indicator	FY2025
Number of companies taking the supplier survey	104

### Dialogue with Institutional Investors

(Companies)

Total number of dialogues	FY2025
Companies in Japan	147
Overseas companies	188
Total	335
Of which ESG was the main topic	11

# Governance

## Corporate Governance

### Total Amount of Directors' and Corporate Auditors' Remuneration in Fiscal 2025

Category	Total amount of remuneration (million yen)	Total amount for each type of remuneration (million yen)			Number of eligible officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (Number of outside directors)	303 (39)	209 (39)	63 (-)	29 (-)	9 (4)
Corporate auditors (Number of outside corporate auditors)	55 (14)	55 (14)	- (-)	- (-)	5 (2)
<b>Total</b> (Number of outside directors)	<b>358</b> (54)	<b>265</b> (54)	<b>63</b> (-)	<b>29</b> (-)	<b>14</b> (6)

### Number of Stocks and Amount of Strategic Shareholdings Reported on the Balance Sheet

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
No. of stocks	(Stocks)	29	26	23	19	17
Amount	(Million yen)	40,516	35,852	38,095	37,295	35,980

## Compliance

### Number of Whistleblowing Reports and Consultations Received through the NEG Hotline (Consolidated)

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of Whistleblowing or Consultations	12	25	16	18	33

### Compliance Education, Workshops, and Lectures Held in Fiscal 2025

Region	Name	Intended persons	Times	Participants	Theme
Japan	Education for new employees (new graduates)	All new employees (new graduates)	3	58	<ul style="list-style-type: none"> <li>Corporate Philosophy, Code of Conduct, Principles of Activities</li> <li>What is compliance?</li> <li>Whistleblowing system</li> <li>Case studies, etc.</li> </ul>
	E-learning	Executives and employees at NEG and subsidiaries in Japan	-	2,718	<ul style="list-style-type: none"> <li>Compliance explained</li> <li>Case studies</li> <li>Whistleblowing system</li> </ul>
	Lectures	Executives and general managers at NEG, representatives of subsidiaries in Japan, area branch managers	1	69	<ul style="list-style-type: none"> <li>International security and export controls</li> </ul>
	Antitrust seminar for sales departments	NEG employees engaged in sales activities	1	106	<ul style="list-style-type: none"> <li>Cartels</li> <li>Enforcement status of antitrust violation cases</li> <li>Leniency policy</li> <li>Points to note in sales activities</li> </ul>
Overseas	Workshops	Managers of subsidiaries in Europe, North America, and Malaysia	-	147	<ul style="list-style-type: none"> <li>Corporate Philosophy, Code of Conduct, Principles of Activities</li> <li>Non-compliance examples</li> <li>Case studies</li> <li>Whistleblowing system</li> </ul>

### Number of Infraction Requiring Legal Action (Consolidated)

	FY2023	FY2024	FY2025
Numbers	0	0	0